



**GIGLIO GROUP S.p.A.**

**2022 ANNUAL REPORT ON THE REMUNERATION POLICY  
AND ON THE REMUNERATIONS PAID**

pursuant to Art. 123-*ter* of the Consolidated Financial Act and 84-*quater* of the Issuers'  
Regulation

Issuer: Giglio Group S.p.A.

Website: <https://www.giglio.org>

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## GLOSSARY

**Shareholders' Meeting:** The Shareholders' Meeting of the Issuer

**Shares:** The Company's ordinary shares, listed on the MTA-STAR segment.

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

**Corporate Governance Code:** the self-regulatory code for listed companies approved on January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria, available to the public on the Website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm><sup>1</sup>.

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

**Board of Statutory Auditors:** the Issuer's Board of Statutory Auditors.

**Appointments and Remuneration Committee or Committee:** the committee for remuneration and appointments constituted within the Company's Board of Directors.

**Board of Directors:** the Issuer's Board of Directors.

**Grant Date:** 15 May 2021, date in which the Board of Directors identified the beneficiaries of the Stock Option Plan 2021-2028 and determined the number of Options to be granted to each one of them.

**EBITDA:** the algebraic sum of the following items, for every financial year, on the basis of the results of the Company's annual consolidated financial statement drafter pursuant to IAS/IFRS standards and certified without qualifications:

1. (+) Revenues from sales and services;
2. (+) Other revenues;
3. (+/-) Change in inventories;
4. (-) Production costs;
5. (+) Amortization, depreciation & write-downs;
6. (+) Provisions for liabilities;
7. (+) Other provisions;
8. (+) Non-recurring costs.

**Issuer or Giglio Group or Company:** Giglio Group S.p.A.

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**Fiscal Year 2022:** the fiscal year closed at 31 December 2022.

**Fiscal Year 2023:** the fiscal year closed at 31 December 2023.

**Group:** the group headed by Giglio Group.

**Borsa Instructions:** instructions for the regulation of the markets organised and managed by Borsa Italiana S.p.A.

**Options:** the right granted to beneficiaries of the Stock Option Plan 2021-2021 to subscribe or purchase any Share in accordance with all terms and conditions set forth in the Plan. Any Option gives the right to subscribe or purchase one Share.

**Stock Option Plan 2021-2028 or Plan:** the compensation plan based on the assignment of Options (stock options) for the subscription or purchase of Shares, aimed at the executive directors and at some of the senior executives of the Group, approved by the Shareholders' Meeting on 29 April 2021, pursuant to Art. 114-bis of the Consolidated Act and Art. 84-bis of the Issuers Regulation.

**Industrial Plan:** the industrial plan for years 2023-2027, approved by the Board of Directors on 30 March 2023.

**LTI Plan 2021-2024:** the medium/long-term incentive plan aimed at the executive directors and the senior executives for 2021-2024, as adopted by the Board of Directors on 28 May 2021.

**MBO Plan:** the short-term incentive plan aimed at the executive directors and the senior executives for 2021, as adopted by the Board of Directors on 28 May 2021.

**Borsa Regulation:** the regulation of the markets organised and managed by Borsa Italiana S.p.A.

**Issuer Regulation:** the regulation issued by Consob with resolution no. 11971 of 1999 (as amended) regarding the regulation of issuers.

**Report:** this remuneration report, pursuant to Art. 123-ter of the Consolidated Financial Act and 84-*quater* of the Issuers' Regulation.

**Consolidated Financial Act (CFA):** the Legislative Decree no. 58 of 24 February 1998 (Consolidated Financial Act), as amended and integrated.

## INTRODUCTION

This Report, approved on 13 April 2023 by the Board of Directors, with the favourable opinion of the Appointments and Remuneration Committee, was drafted pursuant to Art. 123-ter of the CFA and Art. 84-quater of the Issuers Regulation, as well as to Annex 3A, model 7-bis of the same Regulation.

The Report is composed of two sections:

- 1) **Section I** shows (i) the remuneration policy for the members of the Board of Directors, the general managers and the senior executives and, notwithstanding the provisions set forth in Art. 2402 of the Italian Civil Code, also of the members of the Board of Statutory Auditors, adopted by the Company with regard to Fiscal Year 2022 (the "**Remuneration Policy**" or "**Policy**") and applicable until the adoption of a new remuneration policy, and (ii) the procedures used for the adoption, review and implementation of said remuneration policy, hereby including those measures aimed at avoiding or managing any potential conflict of interest;
  
- 2) **Section II**, with regard to the remuneration of Board members and Auditors and, in aggregated form, to the remuneration of senior executives (as described below)<sup>2</sup>:
  - Shall provide an adequate, clear and comprehensible representation of each item of the remuneration, hereby including the treatments provided for office termination or termination of employment relationship, highlighting their conformity with the Policy adopted for the reference year;
  - Shall describe in detail the remuneration disbursed in 2022, for any reason and in any form, by the Company and its subsidiaries and partners;
  - Shall describe how the Company took into consideration the vote expressed on the previous year on Section II of the Report.

Pursuant to Art. 84-quater, par. 2 and 4 of the Issuers Regulation, Section II also shows, in specific tables, (i) the data regarding the financial instruments allocated for the implementation of the plans approved pursuant to Art. 114-bis of the CFA, as well as, (ii) the data regarding the investments held - in the Company and its subsidiaries - by members of the board of directors, statutory auditors and senior executives, as well as spouses not legally separated and minor children, directly or through subsidiary or trust or nominee companies, as resulting from the shareholder register, from the communications received and from other

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<sup>2</sup> Pursuant to Annex 3A, model 7-bis of the Issuers Regulation, being Giglio Group a "minor size company" pursuant to Art. 3, par. 1, letter f) of the Related-Parties Regulation (as defined below), it shall provide: (i) information on the remuneration allocated to senior executives (different than general managers, if present), in aggregated form; and (ii) information on any agreement that provides for indemnities in the event of early termination of employment, but only with regard to executive directors and the Chairman of the Board of Directors.

information acquired from the same members of the boards of directors, statutory auditors and senior executives.

For the purposes of this Report, the following are noted.

- a. On 21 June 2021, the Shareholders' Meeting of the Company, upon setting at 5 the maximum number of the Board's members, appointed -on the basis of the slate presented by Meridiana Holding S.r.l.- the following directors for 2021-2023, to remain in charge until the approval of the Financial Statement as of 31 December 2023: Alessandro Giglio (Chairman); Anna Maria Lezzi (Executive Vice-chairwoman); Marco Riccardo Belloni (Executive Member); Francesco Gesualdi (Independent Member); Sara Armella (Independent Member).
- b. On 14 January 2022, as announced to the market, the Company received the resignation of Marco Riccardo Belloni from his office of executive director of the Company, effective immediately, due to personal reasons. On 26 January 2022, the Board of Directors of Giglio Group S.p.A., upon hearing the assessment of the Appointments and Remuneration Committee and upon receiving the acceptance of the Board of Statutory Auditors pursuant to Art. 2386 of the Italian Civil Code, co-opted Carlo Micchi as new non-executive and non-independent director, who shall remain in office until the next Shareholders' Meeting.
- c. As of the closing date of the year and as of the reporting date, the Board of Directors is thus composed as follows: Alessandro Giglio (Chairman); Anna Maria Lezzi (Executive Vice-chairwoman); Carlo Micchi (Executive Member and CFO); Francesco Gesualdi (Independent Member); Sara Armella (Independent Member).
- d. On the occasion of the Shareholders' Meeting of 21 June 2021, a single slate was presented by shareholder Meridiana Holding S.r.l. (majority shareholder at 56.6% for no. 11,740,912 shares) for the appointment of the Board of Statutory Auditors.
- e. As of the closing date of the year and as of the reporting date, the Board of Statutory Auditors is thus composed as follows: Giorgio Mosci (Chairman), Marco Andrea Centore (Standing auditor), Lucia Tacchino (Standing Auditor).
- f. With regard to 2022, the following directors were defined as senior executives, in accordance to the definition included in the Regulation on Related-Party Transactions adopted by Consob with resolution no. 17221 on 12 March 2010 ("**RPT Procedure**"):
  - i. Marco Riccardo Belloni (until 14 January 2022);
  - ii. Carlo Micchi, Financial Reporting Officer and Chief Financial Officer (from 04 April 2022);
  - iii. Francesco Barreca, Financial Reporting Officer and Chief Financial Officer (until 03 April 2022);

With regard to 2023, at the reporting date, the following senior executives were identified:

- iv. Carlo Micchi, Financial Reporting Officer and Chief Financial Officer;

## SECTION I

## 1. **BODIES INVOLVED IN THE PREPARATION, APPROVAL, EXECUTION AND EVENTUAL REVISION OF THE REMUNERATION POLICY**

In accordance with the recommendations contained in the Corporate Governance Code adopted by the Company, the Remuneration Policy of Giglio Group shall be approved and defined by the Board of Directors, with the support of the Appointments and Remuneration Committee.

The definition of the remuneration policy is a clear and transparent process, in which the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee and the Board of Statutory Directors play a central role.

More specifically, the policy is defined by the relevant corporate functions and by the Board of Directors, together with the Appointments and Remuneration Committee, as specified below (Par. 2.2).

On 15 March 2021, the Board of Directors adopted the Procedure for the adoption of the Remuneration Policy. The process leading to the adoption of the Policy by the Board of Directors is thus structured:

- a. The relevant company functions shall prepare, with the eventual support of external consultants, a draft of the Remuneration Policy, making sure that it is pursuant to the Principles of corporate governance mentioned in the Recitals before submitting it to the Committee's assessment;
- b. The Committee shall assess the draft Remuneration Policy and request, if necessary, elaborations -also on best practices, practices of companies with similar sizes or of comparable foreign enterprises-, amendments or integrations, before issuing an opinion on the part of the Policy concerning the remuneration of executive directors and of other senior executives, as well as on identification of the performance objectives related to the variable component of the remuneration:  
The Board of Directors, taking into account the opinion expressed by the Committee, shall assess and approve the Remuneration Policy, publishing it and submitting it to the vote of the Shareholders' Meeting, pursuant to Art. 123 of the CFA.

The implementation of the Remuneration Policy, in compliance with the principles and guidelines defined in it, is delegated to:

- The Board of Directors, supported by the Appointments and Remuneration Committee and with the prior consent of the Board of Statutory Auditors, with regard to the remuneration of executive directors or directors vested with particular powers within the Company; and
- The Chief Executive Officer, who shall make use of the Human Resources Department, with regard to senior executives.

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

As far as remunerations are concerned, the Shareholders' Meeting shall:



- Determine, upon appointment, the remuneration of the members of the Board of directors (also through the determination of an overall fixed amount, pursuant to Art. 2389, par. 3 of the Italian Civil Code) and of the Board of Statutory Directors, pursuant to Art. 2364, par. 1, no. 3) of the Italian Civil Code;
- pursuant to Art. 123-ter, par. 3 and 3-bis of the Consolidated Act, bindingly resolve on the first section of this Report, which describes the remuneration policy of the members of the administrative bodies, of the general managers and of other senior executives, as defined by the Board of Directors (with the support of the Appointments and Remuneration Committee),
- pursuant to Art. 123-ter, par. 6 of the Consolidated Act, non-bindingly resolves in favour or against about the second section of the Report, which provides an adequate representation of each item composing the remuneration, showing analytically the remunerations paid in 2022; and
- Resolve on any eventual compensation plans based on shares or on the grant of financial instruments for members of the Board of Directors, employees or collaborators, including therein the senior executives, pursuant to Art. 114-bis of the Consolidated Act.

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

As far as the Remuneration Policy is concerned, the Board of Directors shall:

- Constitute within the same Board an Appointments and Remuneration Committee;
- Define the remuneration of directors and senior executives and set the performance objectives related to the variable component of the remuneration;
- Receive the opinion of the Appointments and Remuneration Committee with regard to the remuneration of executive directors or directors vested with specific powers and to the performance objectives mentioned before;
- Taking into account also the opinion of the Committee and of the Board of Statutory Auditors with regard to the remuneration of executive directors or of directors vested with specific powers, it shall assess and approve the Remuneration Policy before publishing it and submitting it to the vote of the Shareholders' Meeting pursuant to Art. 123-ter of the CFA and to Art. 84-quater of the Issuers Regulation;
- Draft remuneration plans based on shares or other financial instruments and submit them to the approval of the Shareholders' Meeting pursuant to Art. 114-bis of the Consolidated Act.

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

As far as the remuneration policy is concerned, the Board of Statutory Auditors shall carry out an advisory role in the context of which it shall formulate the opinions set forth in the applicable law, expressing, specifically, its opinion with regard to the

remuneration proposals of the executive directors and, more generally, of those directors vested with particular authorities, as set forth in Art. 2389, par. 3 of the Italian Civil Code;

(d) ***Appointments and Remuneration Committee***

The remuneration policies for executive directors, directors vested with specific powers and senior executives, both in their fixed and variable part, shall be elaborated by the Board of Directors of the Company upon the proposal of the relevant company functions and after hearing the opinion of the Board of Statutory Auditors and - limited to the remuneration of executive directors or directors vested with specific powers - also of the Appointments and Remuneration Committee. For more information on the competence and functions of the Appointments and Remuneration Committee, see the following paragraph 2. It is noted that, over the course of 2021, the Board of Directors resolved to adhere to the "new" Corporate Governance Code for Listed Companies of January 2020. For the purpose of the adjustments to the provisions of the Corporate Governance Code, the Appointments and Remuneration Committee provided for the update of its own regulation during 2021, in line with the new Corporate Governance Code.

**2. APPOINTMENTS AND REMUNERATION COMMITTEE**

**2.1 Composition and Operating Procedures of the Appointments and Remuneration Committee (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Act)**

The Board of Directors of 21 June 2021, following the renewal of the body, appointed independent directors Sara Armella (Chairwoman) and Francesco Gesualdi (Member) as members of the Appointments and Remuneration Committee, in charge as of the closing date of the fiscal year and as of the reporting date. The members of the Appointments and Remuneration Committee shall remain in office for the whole duration of their office as directors, without prejudice to the power of the Board of Directors to revoke or replace them. The Appointments and Remuneration Committee uses its own internal regulation, which governs its composition and appointment, its operating procedures, its tasks, its powers and its means, as updated lastly in 2021, as mentioned before.

As of now, the Committee's meetings shall be chaired by the Chairman or, in the event of its absence or unavailability, by the most senior member present. The Chairman of the Appointments and Remuneration Committee shall program and coordinate the activities of the Committee, represent it, chair and conduct its meeting, as well as inform the Board of Directors of the resolutions adopted and of the activities carried on by the Committee at the first relevant meeting.

The Committee's meetings are attended by the Chairman of the Board of Statutory Auditors or by a standing statutory auditor delegated in its place; furthermore, upon invitation from the Committee's Chairman, the Chairman of the Board of Directors, the CEO as well as other parties can participate too, as long as their presence is useful to the Committee's works.

The Committee shall meet with the necessary frequency for the performance of its functions in the dates set forth in the corporate calendar approved by the Committee itself and, in any case, should the meeting be necessary or advisable, upon the convocation of the Chairman of the Committee, also if requested by one or more members.

Any eventual document related to the items on the agenda shall be disclosed by the Chairman via e-mail to the members of the Committee, as well as, should it be deemed necessary or advisable, to the other subjects invited to the meeting, sufficiently in advance, before the date of the meeting, save in exceptional cases. Besides the legal obligations related to insider dealing, the members of the Committee shall keep the data and the information received during the performance of their functions as confidential.

The Committee shall be validly summoned in the presence of at least the majority of its components in office, and shall take its resolutions by an absolute majority of those presents. In the event of a tied vote, the vote of the Committee's Chairman/woman shall prevail. The Secretary shall keep the minutes of every meeting. The minutes shall be signed by the Chairman of the meeting and by the Secretary, and are made available at the headquarters of the Company.

As provided in the relevant regulation, no Director shall take part in the discussions and resolutions of the Appointments and Remuneration Committee regarding its own remuneration.

## **2.2 Competence of the Appointments and Remuneration Committee**

In accordance with the provisions of the Corporate Governance Code adopted by the Company and pursuant to the information contained in the internal procedure of the Company for the adoption of the Remuneration Policy, the Appointments and Remuneration Committee shall:

*With regard to the appointment of directors and the self-assessment of the Board, the Committee shall help the Board:*

- a) In the self-assessment activities of the Board and of its Committees, to be carried out usually during the last year of mandate, in view of the renewal of the Board of Directors and, should it be deemed fit, also during other years, supporting the Chairman in ensuring the adequacy and the transparency of the self-assessment process of the Board;
- b) In the definition of the best composition of the Board and of its Committees;
- c) In identifying the candidates for the office of co-opted directors;
- d) In the drafting, updating and implementation of any succession plan of the CEO and of other executive directors.

*With regard to the remuneration of directors, members of the Board of Statutory Auditors, and top managers, the Committee shall:*

- e) Help the Board of Directors in elaborating its remuneration policy, carrying out the tasks assigned to it by the Code and by the "Procedure for the predisposition of the remuneration policy";
- f) Present proposals or express an opinion on the part of the Policy concerning the remuneration of executive directors and of other directors vested with specific powers, as well as the definition of performance objectives related to the variable component of said remuneration;
- g) Monitor on an annual basis, or with different frequency, if so established by the Board of Directors, the actual application of the Policy, assessing, in particular, the actual achievement of the performance objectives related to the variable component of the directors' remuneration;
- h) Periodically assess, at least on an annual basis, the overall adequacy and coherence of the directors' and top management' remuneration policy.

The Committee can access the information and the corporate functions needed for the performance of its offices.

The Committee shall define a budget on an annual basis, to be submitted for approval to the Board of Directors during the assessment of the annual reports.

### **3. THE REMUNERATION POLICY**

The Company, while elaborating the Remuneration Policy, took into account the remuneration and the working conditions of its employees. More specifically, it is noted that the Group promotes gender-equality policies; moreover, annual incentive plans are provided for relevant employees. The bonuses disbursed as an incentive are in line with the aims and objectives of the Policy.

No independent expert took part in the preparation of the Remuneration Policy.

The results of the 2022 Meetings' vote are as follows.

The Shareholders' Meeting of 30 April 2022, in accordance with the applicable law, expressed a binding vote on the first section of 2022 Remuneration Report and an advisory vote on the second section, related to the payments made. The percentage of favourable votes relating to the first section was equal to 100% of the votes present or represented (and equal to 69.209276% of the total voting rights).

While elaborating the policy, the Company acknowledged the positive vote obtained in the previous year, thus amending the policy only in a non-substantial way.

#### **3.1 Policies and Objectives**

The Remuneration Policy applied by the Company, pursuant to the provisions of the CFA, of the Issuers Regulation and of the Corporate Governance Code:

- i. Contributes to the corporate strategy, as it determines the main objectives entailed in the industrial plans and in the budget for the period as far as market, product, economic and financial parameters are concerned;

- ii. Contributes to the achievement of the short/medium-term and long-term interests of the Company, as a significant portion of the overall remuneration of the executive directors and of the senior executives is connected with the achievement of specific financial and non-financial performance objectives such as: the revenues, the GMV, the gross margin, the EBITDA, the net profit and the number of active customers for each business line; with regard to the non-financial objectives, see below;
- iii. Contributes to the sustainability of the Company, as it is aimed at achieving the creation of value in the long term for the benefit of the shareholders, also taking into account the interests of the various stakeholders relevant to the Company;
- iv. Is determined by taking into account the remuneration and the working conditions of the employees of the Company, as the performance of each single employee is incentivised, given that a bonus is provided for those employees who reach the objectives set by the management; the Company is also in the process of adopting policies aimed at reducing the corporate costs, which will in turn incentive the streamlined work of its employees;
- v. Provides for a specific fixed remuneration to all directors, determined upon their appointment by the Shareholders' Meeting. As a matter of fact, the latter shall establish the gross amount owed to each director and to the whole Board of Directors for the entire duration of its term. Said gross annual remuneration is not connected to the achievement of economic results, but to the skills, professionalism and commitment requested of each director in the execution of his/her office;
- vi. Provides for an additional compensation to those directors vested with particular authorities, in addition to the fixed amount owed to them as members of the Board of Directors as determined upon their appointment, comprising a fixed and a variable component, which shall be adequately balanced according to the function of the strategic objectives of the risk management policy of the Company, also taking into account the activity sector in which the Companies carries out its business:
  - The remuneration's **fixed component** shall suffice to remunerate the services of the recipient in the event that the variable component is not paid due to the failed achievement of the performance objectives established by the Board of Directors for executive directors;
  - The **variable component** is designed as an incentive and represents a significant part of the overall remuneration; it is subject to the achievement of financial performance objectives aimed at promoting the sustainable success of the Company. The first objectives can be measured on the basis of quantitative, economic-financial indicators, such as revenues, gross margin, EBITDA and reduction of fixed costs if compared to the previous fiscal year. With regard to the non-financial objectives, it is noted that the Company is currently creating an action plan aimed at defining them in depth in 2023.

- vii. Provides for a remuneration structured into a fixed and a variable component for senior executives, similarly to the remuneration provided for the directors vested with particular authorities:
- The remuneration's **fixed component** shall suffice to remunerate the services of the recipient in the event that the variable component is not paid due to the failed achievement of the performance objectives established by the Board of Directors for senior executives;
  - The variable component has an incentivising effect and represents a significant part of the overall remuneration; it is subject to the achievement of financial performance objectives that can be measured on the basis of quantitative, economic-financial indicators such as revenues, gross industrial margin, EBITDA and reduction of fixed costs if compared to the previous year. With regard to non-financial objectives, see the previous paragraphs.

Notwithstanding the information mentioned in the following paragraph 3.5, directors and senior executives shall not be indemnified in the event of resignation, dismissal or termination of employment as a result of a public takeover bid.

On the basis of these criteria, the Appointments and Remuneration Committee expressed its favourable opinion about the Remuneration Policy, which was submitted for approval to the Board of Directors for the remuneration of the executive directors or of the directors vested with specific powers by the Company for 2021.

### **3.2 Policies Relating to the Remuneration's Fixed and Variable Components**

Giglio Group's Remuneration Policy is based on different principles and modalities with regard to fixed and variable components of short and medium/long term in relation with the different types of addressees.

The fixed component of the remuneration rewards the width of the responsibilities connected with the given office, the subjective distinctive characteristics, the specialisation and the professionalism owned by each individual; it must be sufficient so as to remunerate the service also in the event of failure to achieve the performance and/or individual objectives to which the variable component is linked to.

The variable component of the retribution, on the other hand, is linked to the achievement of predetermined performance objectives, measurable both with the creation of value for shareholders and with their sustainability, as defined also through ESG objectives. The variable component is both declined with short-term activities (MBO) and medium/long-term ones (LTI) and can vary significantly, according to the level of achievement of the performance objectives.

#### **A. Remuneration for the Office of Director**

Pursuant to Art. 27 of the By-laws and Art. 2389 of the Italian Civil Code, the remuneration of all the members of the Board of Directors is determined by the Shareholders' Meeting upon their appointment.

With regard to the directors in charge as of the closing date of the year, as well as as of the reporting date the Shareholders' Meeting of 21 June 2021 resolved to set the overall remuneration of all members of the Board of Directors to the gross amount of € 450,000 per year, pursuant to Art. 2389, par. 4 of the Civil Code;

### **B. Remuneration Policy for Non-Executive Directors**

A non-executive director is a director without individual management powers nor management duties within the Company or its Subsidiaries.

The remuneration of non-executive directors shall be determined exclusively on a fixed basis and shall be in line with the duties requested of them in the execution of their offices, also taking into account any participation in one or more of the internal committees of the Board of Directors.

The remuneration of non-executive directors shall not be connected with the economic results achieved by the Company nor with the achievement of specific performance objectives, nor shall non-executive directors be recipients of share-based remuneration plans.

### **C. Remuneration Policy for Executive Directors**

Executive directors or directors vested with specific powers within the Issuer (e.g. the Chairman of the Board of Directors and the CEO), other than the fixed remuneration determined by the Shareholders' Meeting upon appointment, are paid an amount determined by the Board of Directors, upon proposal of the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, pursuant to Art. 2389, par. 3 of the Italian Civil Code; This remuneration is composed of the following components:

- A **fixed component** appropriately defined by taking into account the powers and particular authorities undertaken;
- A **variable component**, with a fixed maximum amount, linked to the achievement of **short-term performance objectives** (which, for 2023, shall be enforced through the MBO Plan, as detailed in par. 3.2.E);
- A **variable component**, with a determined maximum amount, connected to the achievement of **medium/long-term** performance objectives (the LTI Plan 2021-2024, as detailed in par. 3.2.E); and
- **An incentive plan based on financial instruments** (the Stock Option Plan 2021-2028, set forth in paragraph 3.2).

### **D. Remuneration Policy for Senior Executives**

Senior executives, as defined in the RPT Procedure, have the power and the responsibility, directly or indirectly, of planning, managing and controlling the Company's activities, including the directors (executive and non-executive) of the Company (IAS 24, par. 9).

In view of this principle, senior executives shall be identified as follows:

- Executive directors, as directors with individual powers of management and directive office within the Company;
- Individuals responsible for the business areas in which the Group operates; and
- Some managers of corporate functions.

Also the remuneration of senior executives who do not act also as executive directors is divided, in line with the responsibilities connected to the exercise of the operational powers in the management of the Company, into a fixed and a variable component.

The fixed component, which may comprise the basic salary and/or other forms of non variable remuneration, does not exceed 70% of the overall remuneration, with the exception of the remuneration provided for the CFO and the Financial Reporting Officer, who is not included in the LTI and MBO Plans. The amount of the fixed component is adapted to the size of the managed business and to the ability to contribute to the Group's consolidated results.

The variable component, also in this case is composed of:

- i. A short-term remuneration (which, for 2023 will be implemented through the MBO Plan, as detailed in par. 3.1.E);
- ii. A **medium-long-term** remuneration (i.e. the LTI Plan 2021-2024 as detailed in par. 3.1.E); and
- iii. An **incentive plan based on financial instruments** (i.e. the Stock Option Plan 2021-2028, set forth in paragraph 3.2).

Senior executives who do not act as executive directors shall make use also of non-monetary benefits, as detailed in paragraph 3.3.

Furthermore, the Remuneration Policy foresees occasional rewarding disbursements through one-off payments not included in the variable component of the remuneration. Consistent with a pay for performance approach, the Company believes that the disbursement of one-off payments to those managers with a particular strategic importance who have excelled through exceptional individual contributions, is an important mechanism of differentiation and meritocratic selectivity and, as such, of retention of excellent resources. The assessment of such results and of the relative contributions and performance shall be responsibility of the CEO, who shall make use of the support of the Company's Human Resources Department. All the aforementioned notwithstanding the performance of the provisions concerning related-parties transactions as per the RPT Procedure and the internal corporate procedure, where applicable.

At the reporting date, with regard to 2023, the Company has identified 1 senior executives (Carlo Micchi).

#### **E. Short- and Medium/Long-term Variable Component Remuneration Policy for Executive Directors and Senior Executives.**



The variable component of the executive directors and senior executives vested with particular authorities is of an incentive nature, and shall be conditioned by the achievement of short- and medium/long-term performance objectives.

It is determined, both with regard to the executive directors or directors vested with specific powers and with regard to the senior executives, by the Board of Directors, with the support of the Appointments and Remuneration Committee and upon hearing the favourable opinion of the Board of Statutory Auditors.

#### Short-term Variable Remuneration

The short-term variable component can be obtained upon achieving predefined annual performance objectives related to performance indexes both at consolidated level as a Group and at individual business or central functions' level.

This component shall be paid yearly upon approval of the annual financial statement's project by the Board of Directors on verification of the achievement of the performance objectives.

The used KPIs (Key Performance Indicators), usually derived from budget data, are of quantitative and qualitative type and try to apply objective assessment elements (e.g. time or projects completion) that are not subject to assessment impartiality.

It is noted that, as a way to guarantee the method adopted, the objectives shall be certified by the Group Management and Control function both upon assignment and verification, and the process guarantees traceability and transparency for every stage. Furthermore, the short-term remuneration's composition scheme for the Company's top management is endowed with a structure which guarantees the assessment and monitoring of main management aspects.

The mechanism for the calculation of yearly short-term components' remuneration foresees a minimum access threshold to be paid of 90% of quantitative objectives assigned and a maximum payable compensation equal to 125% of the basic premium, obtainable only upon achievement or over-achievement of 120% of quantitative objectives.

The definition of the target levels at the basis of the annual short-term objectives is connected to the achievement of performance objectives related to budget forecasts and determined by the Board of Directors. The comparison between annual figures objectives assigned determines the measure of the variable component of the distributable remuneration.

With regard to 2023, the MBO Plan's application is provided, pursuant to the aforementioned principles.

#### Medium/Long-term Variable Remuneration

##### **The LTI Plan 2021-2024**

The LTI Plan 2021-2024 (the "**LTI Plan**") provides for the disbursement of cash incentives on an annual basis against the achievement of predetermined performance objectives defined by the Board of Directors with the terms and conditions set forth in

the related regulation (the "**LTI Plan Regulation**"), to which reference is made for everything that is not mentioned in this Report.

The Plan shall last for four years, from **1 January 2021** to **31 December 2024**.

The beneficiaries of the LTI Plan 2021-2023 are:

- i. Executive Directors;
- ii. The general manager and other senior executives; and
- iii. Other relevant managers for the purpose of achieving the result objectives identified by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee, who, at the moment of their insertion in the LTI Plan 2021-2024, will meet specific requirements linked to the continuation of their collaboration with the Company.

The performance objectives of LTI Plan 2021-2024, are calculated with the following parameters: EBITDA as main reference economic parameter on the basis of which the sum of the bonus shall be determined, along with ESG initiatives (Environmental, Social & Governance) as corrective parameter (+/-10%) of the accrued bonus.

The EBITDA objectives are inferred from the Industrial Plan approved by the Board of Directors on 3 March 2021. The ESG objectives shall be approved on an annual basis by the Board of Directors and announced within 30 days from the approval of the Consolidated Financial Statements of the year preceding that to which the ESG objective refer to.

### **3.3 Executive Directors and Senior Executives' Remuneration Plans Based on Financial Instruments**

As far as the remuneration plans based on financial instruments are concerned, to be approved by the Shareholders' Meeting pursuant to Art. 114-*bis* of the Consolidated Act and to be reported to the market in accordance to the applicable law, the policy adopted by the Company foresees that the details and the application modalities shall be defined by the Board of Directors together with the consulting and proposing support of the Appointments and Remuneration Committee, also consistently with the risk profile of the company and with reference to the general principles of:

- Consolidation of the process of creating sustainable value for the Company and the Group in the medium/long term, as well as and the provision of incentives and assurance of the loyalty of management through the definition of multi-annual vesting terms and conditions;
- Assignment or exercising of financial instruments subject to achieving corporate, individual and/or market performance objectives which are predefined and measurable; and
- Contractual commitments regarding the recipients' tenures with the company.

The Company has made use of the support of a specialised consultancy company Active Value S.p.A. in order to define and manage the incentive plans based on

financial instruments according to standard market conventions for listed companies of similar size and scope.

### **Giglio Group Stock Option Plan 2021-2028**

The complete information regarding the incentive plan called "**Stock Option Plan 2021-2028**" (the "**Giglio Group Stock-Option Plan 2021-2028**" or "**Plan**") approved by the Shareholders' Meeting on 29 April 2021 is shown below, pursuant to Art. 123-ter, par. 5 of the Consolidated Act, and to Art. 84-bis, par. 2 of the Issuers Regulation. The Plan represents a further component of the medium/long-term remuneration of executive directors and senior executives.

It is noted that the Stock Option Plan 2021-2028 should be considered of "significant relevance" pursuant to Art. 114-bis, par. 3 of the CFA and Art. 84-bis, par. 2 of the Issuers' Regulation, as it addresses, inter alia, executive directors and senior executives within the Company.

For more information on the Plan, see the disclosure document drafter pursuant to Art. 84-bis and Scheme 7 of Annex 3A of the Issuers Regulation (the "**Disclosure Document**"), available on the website of the Company at [www.giglio.org](http://www.giglio.org), in the "Corporate Governance/Shareholders' Meeting/ Shareholders' Meeting 21 June 2021" section, and on the authorised storage mechanism eMarket Storage, at [www.emarketstorage.com](http://www.emarketstorage.com).

#### ***A. Recitals***

The Plan provides for the free allocation of options for the subscription and/or purchase of a maximum of no. 900,000 ordinary shares of Giglio Group S.p.A., with a ratio of one (1) share per option, with the terms and conditions established in the Plan and described in the Disclosure Document, in order to incentivise and to retain within the Group the beneficiaries of the Plan, thus aligning their interests with those of the shareholders.

#### ***B. Plan Beneficiaries, Reasons for the Adoption of the Plan and Main Characteristics***

The Company believes that compensation plans based on shares are an efficient means to provide incentives for and retain the loyalty of persons having key roles in the Company and the Group, in order to maintain high and improve the performances of the Company, as well as increasing the growth and success of the Company and the Group. More specifically, the Plan is an adequate instrument to align the interests of executive directors and Managers with strategic responsibilities with those of the shareholders, allowing to pursue the main objective of value creation in a medium/long-term period.

Should the predetermined corporate and/or individual performance objectives be met under the terms and conditions established by the Plan's regulation, the Plan shall provide for the free allocation of options (the "**Options**") to the beneficiaries of the Plan, which shall allow for the consequent subscription or purchase of a maximum of 900,000 ordinary shares of the Company (the "**Shares**"), listed on the STAR-MTA segment of the stock-exchange market regulated by Borsa Italiana S.p.A., with a ratio

of one (1) share per option, against the payment of an exercise price that will be determined by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee, on the basis of the arithmetic average of official prices recorded by the Shares of the Company on the MTA segment in the month before the date of allocation of the Options, with the terms and conditions set forth in the Plan and its Regulation.

The plan is addressed to the Executive Directors and/or to the Managers with Strategic Responsibilities within the Company, identified by the Board of Directors, following the opinion of the Appointments and Remuneration Committee.

The jurisdiction for the management and implementation of the Plan belongs to the Board of Directors, which can rely on the consultative and preparatory support of the Appointments and Remuneration Committee, as well as, eventually, of the Human Resources Department. As far as the exercise of the Options is concerned, the Plan's management shall be taken care of by a relevant trust company, which shall abide by the Plan Regulation's provisions.

Among the beneficiaries of the Plan, the following components of the Board of Directors of the Company are included: (i) the Chairman of the Board of Directors, Alessandro Giglio; (ii) the Vice-Chairwoman of the Board of Directors, Anna Lezzi. .

According to the information included in the Disclosure Document (to which reference is made), the Plan shall last for multiple years and, as such, shall be divided into three (3) vesting periods ("rolling"), each lasting three years, defined as follows:

- First tranche: May 2021 - May 2024 (Vesting Period 2021-2024);
- Second tranche: May 2022 - May 2025 (Vesting Period 2022-2025);
- Third tranche: May 2023 - May 2026 (Vesting Period 2023-2026);

The vesting periods represent the periods in which the corporate and/or individual performance objectives are measured; the achievement of said objectives is a precondition for the allocation of Options to each beneficiary, as defined by the Board of Directors at the end of each vesting period.

The options accrued upon the end of a vesting period may be exercised by the beneficiaries, with the terms and conditions defined by the Plan, in the period that goes from 30 May 2024 (or a different date as decided by the Board of Directors) to 31 May 2028 (or a different term as decided by the Board of Directors), pursuant to the following time-frames, to which the Options allocated to each beneficiary shall make reference to:

- First tranche: May 2024 - May 2026 (Exercise Period 2024-2026);
- Second tranche: May 2025 - May 2027 (Exercise Period 2025-2027);
- Third tranche: May 2026 - May 2028 (Exercise Period 2026-2028);

In any event, all Options must be exercised before 31 May 2028 (the "Expiry Date"), under penalty of expiration.

The Board of Directors shall have the power to amend and/or establish new Exercise Periods.

The Board of Directors shall be able to use its proxy for the share capital increase, as granted pursuant to Art. 2443 of the Italian Civil Code, against payment and in separate issues, also in more tranches, for a maximum amount of € 180,000 without option rights, pursuant to Art. 2441, par. 8 and - were applicable - par. 5 of the Italian Civil Code, through the issue of a maximum number of 900,000 new Giglio Shares with the same characteristics of the outstanding shares on the date of the issue, with regular dividend to be reserved for subscription to the Beneficiaries.

This notwithstanding the Board of Directors' authority, upon favourable opinion of the Appointments and Remuneration Committee, to use, for the exercise of options, any own share of the Company purchased within the context of buy-back programmes resolved upon and executed pursuant to the applicable law.

The Plan shall not foresee any redemption clause on behalf of the Company, but it does foresee revocation and return clauses. More specifically, in the three years consequent to the exercise of the Options, should it emerge that the exercise took place on the basis of manifestly incorrect data (hereby including the beneficiary's responsibility for erroneous calculations in determining one or more individual and/or performance objectives or for misinformation aimed at influencing a priori the stock market prices or for wilful alteration of the figures used for said determination, or even for determining one or more performance and/or individual objectives via unlawful behaviours or behaviours against corporate laws - violation of the Organisation, Management, Control and Ethics Model pursuant to Legislative Decree no. 231/2001 -, internal corporate procedures and/or the Plan's regulation ), the beneficiary shall be forced to return to the Company the Shares exercised or an amount equal to their value upon their purchase.

Should the aforementioned situations take place, the Company may withhold an amount equal to the shares value at the purchase date from any sum owed to the beneficiary, like - by way of example - any sort of remuneration, rewards and severance indemnities for the beneficiary, who is obliged to expressly authorise said compensation.

***C. Performance and Individual Objectives***

Options allocated by the Board of Directors to each beneficiary shall become Accrued, and thus exercisable by beneficiaries during the relevant exercise periods, only upon achievement of the specific performance objectives of each tranche and in accordance to the terms shown in the following tables:

<b>First tranche</b>	
Free allocation in 2021	30% of Accrued Options in the first tranche

<b>Second tranche</b>	
EBITDA value resulting from the Company's financial statement at 31 December 2021	% of Accrued Options in the second tranche
below € 3,000,000	0%
equal to or greater than € 3,000,000	35%

<b>Third tranche</b>	
EBITDA adjusted <sup>3</sup> value resulting from the Company's financial statement at 31 December 2022	% of Accrued Options in the third tranche
below € 4,000,000	0%
equal to or greater than € 4,000,000	35%

The verification of the achievement of the performance and/or individual objectives will be carried out by the Board of Directors following the approval by the Board of the consolidated financial statements related to the last year of the three-year period to which the objectives refer to, with the terms and conditions set forth in the Plan's regulation.

The Options shall be nominal, personal, non-disposable and non-transferable for the beneficiary until the moment of their exercise. In the event of the beneficiary's death, the Options that were not accrued as of the date of his/her death will cease to hold any effect. On the other hand, the Options already accrued but not yet exercised as of the date of his/her death may be exercised by whoever is entitled to do so pursuant to the applicable law of succession, notwithstanding the expiry date of the Plan and always in respect of the obligations, terms and conditions set forth in the Plan that will be adopted by the Board of Directors.

The Plan provides for the beneficiary's free use of his/her Shares, without prejudice to the aforementioned, after their purchase or subscription.

More specifically, the beneficiaries who act as "executive directors" pursuant to the definitions set forth in the Corporate Governance Code, as identified by the Board of Directors, shall have the obligation to hold continuously, until the date of end of their

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The EBITDA adjusted is defined as the income before interests, taxes, write-down and divestment, excluding the extraordinary components (non-recurring).

term as directors, a number of Shares equal to at least 20% of those purchased following the Options' exercise. The beneficiaries who act as "senior executives", as identified by the Board of Directors, shall have the obligation to hold continuously, for a period of two years from the date of exercise of the relevant Options, a number of Shares equal to at least 20% of those purchased following the Options' exercise. All of the above, notwithstanding different written authorisation by the Board of Directors.

***D. Effects of the termination of the directorship/employment relationship of beneficiaries***

Unless otherwise resolved by the Board of Directors and notwithstanding the Board's powers to reach different agreements with each beneficiary, the Options' allocation is subject to the verification, always carried out by the Board, (i) that the performance and/or individual objectives have been met, and that (ii) as of the Options' allocation date, and also as of their exercise, the beneficiary still has an employment relationship with the Company or one of its subsidiaries, and that his/her conditions of beneficiary within the Company or the Group did not end, as far as his/her role is concerned.

It shall be responsibility of the Board of Directors to point out in the Plan's regulation the consequences that may arise upon the beneficiary's termination of office or of employment with the Company or the Group, distinguishing - pursuant to the best market practises - between the hypotheses of good leaving and of bad leaving.

The Board of Directors, at its own discretion, shall have the power to allow the total or partial exercise of the Stock Options to the beneficiaries, with the terms and conditions set forth from time to time by the Board itself, also in the event that the beneficiary has lost his/her right to exercise the Stock Options allocated to him/her.

The Stock Options' allocation in one of the years of validity of the Plan shall not give any right or expectation to the Stock Options' allocation in the following years, nor to the continuation of the employment, collaboration or consultancy relationship of the beneficiary with the Company and the Group, which will be governed solely by the applicable norms under the existing laws.

**3.4 Non-Monetary Benefits**

The Policy provides for the attribution of non-monetary benefits usually recognised in a compensatory policy and coherent with the office/function held by the interested party.

More specifically, as far as executive directors and senior executives are concerned, additional life insurance and medical care with respect to mandatory insurance coverages provided by national collective agreements (if applicable) are foreseen, as well as other fringe benefits such as the allocation of a business car.

**3.5 Clauses for Holding Financial Instruments in the Portfolio**

Notwithstanding the provisions of the Stock Option Plan 2021-2028 (see paragraph 3.2b), at the reporting date, the Company has not entered in any agreement that

provide for clauses for holding financial instruments in the portfolio after their acquisition.

It is noted that, with regard to the share capital increase carried out with Board of Directors' resolution on 21 December 2020, in exercise of the proxy granted by the Shareholders' Meeting on 12 November 2020, shareholders Antonio Lembo e Alessandro Giglio subscribed part of the share capital increase. With regard to the shares issued upon the execution of the share capital increase, it is noted that a lock-up clause of six months was established. For more information, see the "Explanatory Notes of the Board of Directors - Share Capital Increase 21 December 2020" published on the Company's website at [www.giglio.org](http://www.giglio.org) – "Corporate Governance/Meetings/Meeting 12 December 2020" section, as well as the press releases related to the Internal Dealing communications, published on 24 December 2020 and available on the Company's website at [www.giglio.org](http://www.giglio.org) "Investor Relations – Press Releases (2015-2020)" section.

### **3.6 Applicable Treatments in the Event of Termination of Office or of Employment Relationship**

The employment contracts of senior executives are signed in accordance with the applicable national collective labour agreement, which provides for the payment, in addition to the notice, of an amount of 12-months salary, to be intended as a substitute for any eventual indemnity owed pursuant to the collective agreement and the length of service, in the event that the Company withdraws from the employment relation without just cause, pursuant to Art. 2119 of the Italian Civil Code.

It is also noted that the Financial Reporting Officer and the Chief Financial Officer of the Group is party to a consultancy contract with the Company, comparable to a salaried employment contract for the commitment and the responsibilities requested of him. The same contract provides for a termination with a 90-days notice, without indemnities.

As far as the effects determined by the termination of the employment relation and/or of the management of LTI Plan 2021-2024 and the Stock Option Plan 2021-2028 beneficiaries is concerned, see the previous relevant paragraphs.

Against the non-competition commitments assumed by senior executives, in the event of termination of employment relation with the Company and for a period of 12 months from the termination of the employment relation, the Company undertakes to pay an amount equal to 70% of the gross annual remuneration owed to said executive.

At the reporting date, no further agreements between the Company and the members of its Board of Directors and its senior executives providing for pre-determined treatments in the event of termination of office or of employment relation exist, nor any non-competition agreements.

### **3.7 Social Security or Pension Coverage**

Except for the following, the Remuneration Policy adopted by the Issuer does not provide for additional social security or pensions coverage other than the mandatory ones.



For senior executives, as well as for directors Alessandro Giglio, Anna Maria Lezzi and Marco Riccardo Belloni, supplementary forms of health care, life insurance and accidents are provided, in addition to the ones set forth in the collective agreement of reference.

### **3.8 Policy Regarding Independent Directors, the Participation to Committees and the Undertaking of Specific Responsibilities**

The Board of Directors determined not to pay to the members of the Appointments and Remuneration Committee and of the Internal Control, Risk and Related-Parties Committee, a specific remuneration for their participation in said Committees.

At the reporting date, the Company has not adopted any specific remuneration policy for independent directors or for the execution of specific offices.

### **3.9 Benchmarks Used for the Definition of the Remuneration Policy**

The Remuneration Policy was defined also by using as a reference the best practices present on the market without, however, using the specific retribution policy of other companies.

In general terms, it should be noted that the overall remuneration of executive directors and senior executives is defined by paying particular attention to a market benchmark that enhances a large number of elements, including the capacity to contribute to the Company results, the complexity of the offices and the functions held, the work performance and the comparability with the levels of internal remuneration, in connection with the Group's current dimensions.

### **3.10 Board of Statutory Auditors' Remuneration**

Pursuant to 2402 of the Italian Civil Code, the annual remuneration of all the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting upon their appointment and for the whole duration of their term.

With regard to the Board of Statutory Auditors currently in charge as of the closing date of the year and as of the reporting date (appointed by the Shareholders' Meeting of 21 June 2021 and integrated by the Meeting of 21 September 2021), the Shareholders Meeting of 21 June 2021 resolved to define at € 38,000 per year the remuneration for the Chairman of the Board of Statutory Auditors and at € 32,000 per year the remuneration of the other auditors.

### **3.11 Exceptional Circumstances**

The Board of Directors believes that, in the presence of specific exceptional circumstances, it is possible to temporarily derogate from the remuneration policy mentioned in this report with the following terms.

Exceptional circumstances means all those situations in which the derogation from the remuneration policy is necessary for the purpose of achieving the long-term interests and the sustainability of the Company as a whole, or for ensuring its business continuity on the market, including, by way of example but not limited thereto, situations connected to or arising from the COVID-19 epidemic and similar.

The Company may derogate from the Policy only with regard to the following elements:

- The portion corresponding to the variable component of the remuneration of the executive directors and of the senior executives, proportionate to the objectives achieved, hereby including, by way of example, the weight attached to said component in the overall remuneration, the performance objectives to whose achievement the variable components are subject to, the vesting periods and the provision of further remuneration components based on shares, options and other financial instruments, or of other variable remuneration components, any deferred payment system and the ex-post correction mechanisms of the variable component;
- The provision of any bonus, non-monetary benefits, incentive plans (monetary or base on financial instruments) or extraordinary emoluments; as well as
- The provision and/or existence of applicable treatments in the event of termination of office or of employment relationship.

With regard to the procedural conditions on the basis of which the derogation can be applied, any temporary derogation from the Remuneration Policy must be approved by the Board of Directors, upon hearing the favourable opinion of the Appointments and Remuneration Committee, without prejudice to the provisions set forth in the RPT Procedure, where applicable.

The Board of Directors' resolution determined the duration of said derogation and the specific elements of the Policy that are being derogated, pursuant to all of the aforementioned.

## SECTION II

### REMUNERATION RECEIVED IN FISCAL YEAR 2022 BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE GENERAL MANAGER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

With reference to the fiscal year 2022, this section of the Report shall illustrate: (i) The remuneration awarded to those individuals who, throughout the fiscal year, have served - even for a fraction of the fiscal year - as Members of the Board of Directors, Statutory Auditors and/or General Managers, as well as (ii) in aggregate, the remuneration awarded to managers with strategic responsibilities, with the clarification that the aggregate values do not include the remunerations of senior executives who also act as directors, as these amounts are already described in the section related to the directors in registered form.

#### FIRST PART

In the First Part of Section II, a representation of each item that compose the remuneration of those individuals who served as members of the Boards of Directors or of the Board of Statutory Auditors, as General Managers or as senior executives in the fiscal year 2022 is provided. Each item can be found in the tables of the second part of this section.

#### 1. BOARD OF DIRECTORS' REMUNERATION

The Shareholders' Meeting of 21 June 2021 resolved to set the overall remuneration of all members of the Board of Directors to the gross amount of € 450,000 per year, pursuant to Art. 2389, par. 4 of the Civil Code;

A. Giglio	200,000
A. Lezzi	25,000
S. Armella	25,000
F. Gesualdi	25,000
M. Belloni	175,000

On 11 November 2021, the Board of Directors resolved to set the remuneration of director Marco Riccardo Belloni from € 175,000 to € 125,000, all the while amending his office. The director later resigned on 14 January 2022, while Carlo Micchi was co-opted in substitution of the outgoing director. With regard to the directors in office as of the closing of the year and as of the reporting date, see the following table:

A. Giglio	200,000
A. Lezzi	25,000
S. Armella	25,000
F. Gesualdi	25,000
C. Micchi	25,000

#### **Alessandro Giglio, CEO and Chairman of the Board of Directors**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Alessandro Giglio received as gross overall remuneration for his office as Chairman of the Company, € 200,000 per year, plus € 7,344.00 as transfer allowance.

In accordance with the remuneration policy, the CEO also benefited from non-monetary benefits (supplementary health insurance).

Keeping in mind that the Board of Directors resolved, on 23 March 2020, with the favourable opinion of the Appointments and Remuneration Committee, not to apply the LTI Plan for 2020, and keeping also in mind that the performance objectives set forth in the MBO Plan for 2021 were not achieved, the CEO did not receive any variable remuneration.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 315,000 shares to Alessandro Giglio. For more information regarding the conditions for the exercise of allocated Options, see the disclosure document prepared by the Company pursuant to Art. 84-bis of the Issuers Regulation, available on the Company's website, in the "Corporate Governance" section.

#### **Marco Riccardo Belloni, CEO and Senior Executive**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Marco Riccardo Belloni received as gross overall remuneration for his office of director of the Company € 0.

It is noted that Marco Riccardo Belloni resigned from his office of CEO on 14 January 2022.

**Carlo Micchi, non-executive and non-independent member**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Carlo Micchi received as gross overall remuneration for his office of executive director of the Company € 23,133.56.

It is noted that Carlo Micchi was appointed on 26 January 2022.

**Anna Maria Lezzi, Executive Director and Vice-Chairwoman, as well as Senior Executive**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Anna Maria Lezzi received as gross total remuneration for her office of Executive Director of the Company € 25,000.00, as well as receiving a gross monetary remuneration as employee of € 76,072.00, plus € 900.00 as travel allowance and € 1,544.00 as cash allowance.

In accordance with the Remuneration Policy, Anna Maria Lezzi has also benefited from the non-monetary benefits such as credit card, supplementary health care and luncheon voucher.

Anna Lezzi, over the course of 2022, thus received a total remuneration of € 103,516.00.

Keeping in mind that the Board of Directors resolved, on 23 March 2020, with the favourable opinion of the Appointments and Remuneration Committee, not to apply the LTI Plan for 2020, and keeping also in mind that the performance objectives set forth in the MBO Plan for 2022 were not achieved, Anna Lezzi did not receive any variable remuneration.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 32,000 shares to Anna Maria Lezzi. For more information regarding the conditions for the exercise of allocated Options, see the disclosure document prepared by the Company pursuant to Art. 84-bis of the Issuers Regulation, available on the Company's website, in the "Corporate Governance" section.

**Francesco Gesualdi, Independent Director**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Francesco Gesualdi received as gross overall remuneration for his office of independent director of the Company € 25,000.

**Sara Armella, Independent Member**

Taking into account the Board's and the Meeting's resolutions, as mentioned in this paragraph, over the course of 2022, Sara Armella received as gross overall remuneration for his office of independent director of the Company € 25,000.

**2. SENIOR EXECUTIVES' REMUNERATION**

For 2022, the accrued costs relating to executives with strategic responsibilities (Francesco Barreca and Gregory Sicignano) are as follows: € 105,147.00 as salaries, € 14,455.00 as travel allowance, € 0 as bonus, € 0 as severance indemnity, € 5,000.00 as redundancy incentive, € 0 as fees for non-competition agreements and € 3,477 as a benefit. During 2022, Carlo Micchi accrued fees of € 110,000.00 and received € 3,870.00 as travel allowance.

The aforementioned aggregated calculation includes the amounts disbursed: (i) to the Company's executives pursuant to a subordinate employment contract (hereby excluding the remuneration received by the same executives for their office of directors); and (ii) to those individuals who act as consultants for the Company but that, due to their tasks and office held, can be compared to executives.

**3. BOARD OF STATUTORY AUDITORS' REMUNERATION**

**Giorgio Mosci, Chairman of the Board of Statutory Auditors (appointed by the Shareholders' Meeting of 21 June 2021)**

The Meeting held on 21 June 2021 resolved to grant to Giorgio Mosci as Chairman of the Board of Statutory Auditors a gross annual compensation of € 38,000, in addition to the reimbursement of the expenses incurred during the performance of his office.

Throughout the fiscal year of 2022, Giorgio Mosci received a remuneration of € 38,000.00.

**Marco Centore, Standing Auditor (appointed by the Shareholders' Meeting of 21 June 2021)**

The Meeting held on 11 May 2018 resolved to grant to Marco Centore a gross annual compensation of € 20,000, in addition to the reimbursement of the expenses incurred during the performance of his office.

The Meeting held on 21 June 2021 resolved to grant to Marco Centore a gross annual compensation of € 32,000, in addition to the reimbursement of the expenses incurred during the performance of his office.

Throughout the fiscal year of 2022, Marco Centore received a remuneration of € 38,000.00.

**Lucia Tacchino, Standing Auditor (appointed by the Shareholders' Meeting of 21 September 2021)**

It is noted that, as announced to the market on 21 June 2021, Meridiana Holding S.r.l. announced the waiver of two candidates for the office of statutory and auditor and alternate auditor. On 21 June 2021, the Shareholders' Meeting thus appointed two statutory auditors, Giorgio Mosci and Marco Andrea Centore, and one alternate auditor, Gianluca Fantini, later appointed as statutory auditor following the aforementioned waivers. The Ordinary Shareholders' Meeting of 21 September 2021 - upon the candidacy proposed by shareholder Meridiana Holding S.r.l. (55.65% of Giglio Group's share capital)- thus appointed Lucia Tacchino as statutory auditor and Chiara Cosatti as alternate auditor.

Throughout the fiscal year of 2022, Lucia Tacchino received a remuneration of € 38,000.00.

**4. SENIOR EXECUTIVES' REMUNERATION**

With regard to the remuneration of the executive directors identified as senior executives, see the relevant paragraphs in Section II.

## **SECTION II**

### **SECOND PART**

The following tables show the analytical description of the remuneration awarded for the fiscal year of 2022 for any reason and under any form by the Company, its Subsidiaries and its Affiliates.



**TABLE 1 (model 7-bis): Remuneration Awarded to the Senior Executives, the Board of Statutory Auditors, to the General Manager and to Other Managers with Strategic Responsibilities<sup>4</sup>**

(A)	(B)	(C)	(D)	-1	-2	-3	-4	-5	-6	-7	-8
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation	Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
<b>Board of Directors</b>											
<b>Alessandro Giglio</b>	Chairman of the Board of Directors and CEO	01/01/2022 – 31/12/2022	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	(I) Fees for the Company that Prepares the Financial Statement			200,000 (emoluments)						207,344	
	(II) Remuneration from Subsidiaries and Affiliates										
	(III) Total			207,344							
	Total			207,344							
<b>Anna Maria Lezzi</b>	Executive Director	01/01/2022 – 31/12/2022	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			25,000 (emolument as director)					1,544	103,516	
				76,072 (remuneration from employment)							

All the values shown in the tables are expressed in Euro.

				900 (transfer allowance)									
	Remuneration from Subsidiaries and Affiliates												
	Total			101,972									
Francesco Gesualdi	Independent Director	01/01/2022 – 31/12/2022	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing						
	Fees for the Company that Prepares the Financial Statement			25,000					25,000				
	Remuneration from Subsidiaries and Affiliates												
	Total			25,000									
Sara Armella.	Independent Director	01/01/2022 – 31/12/2022	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing						
	Fees for the Company that Prepares the Financial Statement												
	Remuneration from Subsidiaries and Affiliates												
	Total												
Marco Riccardo Belloni	Chief Executive Officer	01/01/2022 – 14/01/2022	Resigned on 14/01/2022			Bonuses and Other Incentives	Profit Sharing						
	Fees for the Company that Prepares the Financial Statement												
	Remuneration from Subsidiaries and Affiliates												
	Total												
Carlo Micchi	Executive Director	26/01/2022 – 31/12/2022				Bonuses and Other Incentives	Profit Sharing						
	Fees for the Company that Prepares the Financial Statement			135,000					3,870	138,870			
	Remuneration from Subsidiaries and Affiliates												

		Total		135,000							
<b>Board of Statutory Auditors</b>											
<b>Giorgio Mosci</b>	Chairman of the Board of Statutory Auditors	01/01/2022 – 31/12/2022	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			38,000					38,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			38,000							
<b>Lucia Tacchino</b>	Statutory Auditor	01/01/2022 – 31/12/2019	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			32,000					32,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			32,000							
<b>Marco Centore</b>	Statutory Auditor	01/01/2022 – 31/12/2019	Approval of 2023 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			32,000					32,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			32,000							
<b>Senior Executives (no. 3)</b>		01/01/2022 – 31/12/2022	Indefinite			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			215,147 (emoluments) 18,325 (transfer allowance)					5,000 (redundancy incentive) 3,477 (benefit)	241,949	
	Remuneration from Subsidiaries and Affiliates										
	Total			233,472							

**TABLE 2 (model 7-bis): Stock Options Awarded to the Members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Other Senior Executives<sup>5</sup>**

A	B	(1)	Options Held at the Beginning of the Fiscal Year			Options Granted During the Fiscal Year						Options Exercised During the Fiscal Year		Options Expired in the Fiscal Year	Options Held at the End of the Fiscal Year	Options Relating to the Fiscal Year	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)				(13)
Name and Surname	Office	Plan	Number of Options	Exercise Price	Possible Exercise Period (from-to)	Number of Options	Exercise Price	Possible Exercise Period (from-to)	Fair Value on Grant Date	Grant Date	Market Price of Shares Underlying Options' Allocation on Grant Date	Number of Options	Exercise Price	Market Price of Underlying Shares on Exercise Date	Number of Options	Number of Options	Fair Value
<b>Alessandro Giglio</b>	Chair man	<b>Stock Option</b>															

All the values shown in the tables are expressed in Euro.

	and Chief Execu tive Office r	<b>Plan 2018- 2021</b>																
(I) Fees for the Company that Prepares the Financial Statement					315,000	2.95	Up to 20% after one year from the grant date, and for a period of more than three years Up to 30% after one year from the grant date, and for a period of more than three years Up to 50%	0.8731	29 October 2018	2.72						157,500		143,498.25

						after one year from the grant date, and for a period of more than three years									
(II) Remuneration from Subsidiaries and Affiliates															
(III) Total															
				315,000			0.8731							157,500	143,498.25
<b>Anna Maria Lezzi</b>	Executive Director or	<b>Stock Option Plan 2018-2021</b>													
(I) Fees for the Company that Prepares the Financial Statement															
				32,000	2.95	Up to 20% after one year from the grant date, and for a period of more than	0.8731	29 October 2018	2.72					16,000	14,750.60

						three years Up to 30% after one year from the grant date, and for a period of more than three years Up to 50% after one year from the grant date, and for a period of more than three years										
(II) Remuneration from Subsidiaries and Affiliates																
(III) Total				32,000			0.8731							16,000	14,750.60	

Carlo Giuseppe Frigato	Executive Director	Stock Option Plan 2018-2021													
(I) Fees for the Company that Prepares the Financial Statement			108,000	2.95	Up to 20% after one year from the grant date, and for a period of more than three years	0.8731	29 October 2018	2.72						0 <sup>6</sup>	0
				Up to 30% after one year from the grant date, and for a period of											

Following the resignation of director Carlo Frigato on 21 December 2018, the Options assigned to him have expired; therefore, they are no longer exercisable and have been returned in the Company's availability.



						more than three years Up to 50% after one year from the grant date, and for a period of more than three years									
(II) Remuneration from Subsidiaries and Affiliates															
(III) Total				108,000			0.8731						0	0	
<b>Senior Executives (no. 1)<sup>7</sup></b>	<b>Stock Option Plan 2018-2021</b>														
(I) Fees for the Company that Prepares the Financial Statement				110,000	2.95	Up to 20% after one	0.8731	29 October 2018	2.72					107,500	107,054.25

Among the senior executives, Massimo Mancini's options are included, as director who resigned on 21 March 2020.

					<p>year from the grant date, and for a period of more than three years</p> <p>Up to 30% after one year from the grant date, and for a period of more than three years</p> <p>Up to 50% after one year from the grant date, and for a period</p>									
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						of more than three years									
(II) Remuneration from Subsidiaries and Affiliates															
(III) Total				110, 000			0.873 1							107,500	107,054.25

**TABLE 3B (schedule 7-bis): Incentive Plans for Members of the Board of Directors, the Board of Statutory Auditors, for the General Manager and for Other Senior Executives<sup>8</sup>**

<b>A</b>	<b>B</b>	<b>(1)</b>	<b>(2)</b>			<b>(3)</b>			<b>(4)</b>
<b>Name and Surname</b>	<b>Office</b>	<b>Plan</b>	<b>Bonuses for this Year</b>			<b>Bonuses from Previous Years</b>			<b>Other Bonuses</b>
			<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	<b>(A)</b>	<b>(B)</b>	<b>(C)</b>	
			Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
		(I) Fees for the Company that Prepares the Financial Statement	0	0	2019	n/a	n/a	n/a	0
		(II) Remuneration from Subsidiaries and Affiliates							
		(III) Total	0	0		n/a	n/a	n/a	0
			Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
<b>Alessandro Giglio</b>	Chairman and Chief Executive Officer	LTI Plan 2018-2020 (approved on 3 September 2018)							
<b>Massimo Mancini</b>	Vice-Chairman and General								

It should be noted that this Table includes all incentive plans of a monetary nature, for both the short and medium-to-long term, and that all the values shown in it are expressed in Euro.

	Director								
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)	0	0	2019	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
<b>Anna Maria Lezzi</b>	Executive Director		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)	0	0	2019	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
<b>Carlo Giuseppe Frigato</b>	Executive Director		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)	0	0	2019	n/a	n/a	n/a	0

(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
<b>Senior Executives (no. 2)</b>			Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement	LTI Plan 2018-2020 (approved on 3 September 2018)		0	0	2019	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0

**Investments in associates of Members of the Board of Directors, the Board of Statutory Auditors, of the General Manager in the Company and in its Subsidiaries<sup>9</sup>**

<b>SURNAME AND NAME</b>	<b>OFFICE</b>	<b>INVESTEE COMPANIES</b>	<b>NUMBER OF SHARES HELD AT THE END</b>	<b>NUMBER OF SHARES</b>	<b>NUMBER OF SHARES SOLD</b>	<b>NUMBER OF SHARES HELD AT THE END OF</b>
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It is noted that, for the sake of completeness, the Chairman and CEO Alessandro Giglio holds an investment of 99% in Meridiana Holding S.r.l., which, in turn, holds 55.671% of Giglio Group's share capital.

			<b>OF THE PREVIOUS FISCAL YEAR</b>	<b>BOUGHT</b>		<b>THE CURRENT FISCAL YEAR</b>
Giorgio Mosci	Director	Giglio S.p.A.	Group 15,000	7,250	0	22,500

**Investments in associates of Other Senior Executives in the Company and its Subsidiaries**

<b>NUMBER OF SENIOR EXECUTIVES</b>	<b>INVESTEE COMPANY</b>	<b>NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FISCAL YEAR</b>	<b>NUMBER OF SHARES BOUGHT</b>	<b>NUMBER OF SHARES SOLD</b>	<b>NUMBER OF SHARES HELD AT THE END OF THE CURRENT FISCAL YEAR</b>
2  (the employment relation with one of the two directors who hold an investment in the Company was terminated on 14 September 2018)	Giglio Group S.p.A.	200,250	0 (1)	0 (1)	750 (1)

(1) The data refers to a sole senior executive, as the employment relation with the other senior executive who hold an investment in the Company was terminated on 14 September 2018