

## REPORT ON THE REMUNERATION POLICY AND THE REMUNERATION PAID

drafted pursuant to art.123-ter of Legislative Decree 58/1998 and art.84-quater of Consob Regulation 11971/1999

### Foreword

This report on the remuneration policy and on the remuneration paid (the "**Remuneration Report**" or the "**Report**") has been prepared pursuant to art.123-ter of Legislative Decree February 24 1998, n. 58 (the "**TUF**") – and art.84-quater of the *Issuers'* Regulation and was drafted in accordance with Annex 3A, Scheme7-bis and Scheme7-ter of the Consob regulation adopted with resolution no. 11971 of 14 May 1999 (the "**Issuers' Regulation**"), as last amended.

The Remuneration Report is divided into the following sections:

- Section I – in accordance with art. 123-ter of the Consolidated Law on Finance – illustrates the policy of Pharmanutra S.p.A. ("**PHN**", the "**Company**" or also the "**Issuer**") regarding the remuneration of the members of the board of directors and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors **of the Company (the "Remuneration Policy" or the "Policy")**, as well as the procedures used for the adoption, review and implementation of this Policy, including the measures aimed at avoiding or managing any conflicts of interest;
- Section II, by name, for the remuneration assigned to the Directors and Statutory Auditors of PHN<sup>1</sup>:
  - provides an adequate, clear and comprehensible representation of each of the items that make up the remuneration, including indemnities provided in the event of termination of office or termination of employment pointing out their compliance with the reference Remuneration Policy and the way in which remuneration contributes to the long-term results of the Company;
  - analytically illustrates the remuneration paid in the reporting year for any reason and in any form by the Company and its subsidiaries or associates, indicating any components of said remuneration that refer to activities carried out in previous years and also specifying the remuneration to be paid in one or more subsequent years for activities carried out in the reporting year, possibly indicating an estimated value for components that cannot be objectively quantified in the reporting year.

Furthermore, Section II indicates – according to the criteria set out in Annex 3A, Schedule 7-ter, of the *Issuers'* Regulation – the investments held in the Issuer and its subsidiaries by members of the management and control bodies, as well as by their spouses (unless legally separated) and minor children, directly or through subsidiaries, trust companies or third parties, pursuant to the provisions of article 84-quater of the *Issuers'* Regulation.

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<sup>1</sup>It should be noted that, in accordance with Annex 3A, Scheme7-bis of the *Issuers'* Regulation, PHN, being qualified as a "smaller" company pursuant to art. 3, paragraph 1, letter f) of the *Related Parties'* Regulation (as defined *below* ) provides any information on the agreements that provide compensation in the event of early termination of the relationship only with reference to the Executive Directors and the Chairman of the Board of Directors.

It should be noted that Section I of the Remuneration Report was last approved by the Shareholders' Meeting of the Company held on 26 April 2023 for a two-year term. On 15 March 2024, the Company's Board of Directors, at the proposal of the Remuneration and Appointments Committee, resolved to submit for approval to the Shareholders' Meeting called to approve the financial statements as at 31 December 2023 - convened for 16 April 2024 - a new two-year Remuneration Policy, as better described in paragraph e) below. In light of the foregoing, pursuant to art. 123-ter, paragraph 3-bis, of the TUF, the Shareholders' Meeting of the Company will be called upon to resolve on Section I of the Remuneration Report in favour or against, with a binding resolution pursuant to Article 123-ter, paragraph 3-ter, of the TUF.

Pursuant to art. 123-ter, paragraph 6, of the TUF, the Shareholders' Meeting will therefore be called to decide on Section II of the Remuneration Report, in a favourable or contrary sense, with a non-binding resolution.

The result of the vote will be made available to the public within the terms of the law pursuant to art. 123-ter, paragraph 6, and 125-quater, paragraph 2, TUF.

## SECTION I

The Remuneration Policy adopted by the Company, and illustrated in this Section of the Report, defines the principles and guidelines to which PHN adheres in determining the remuneration practices for Directors and, without prejudice to the provisions of article 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors, as well as in monitoring the enforcement of the same.

The Remuneration Policy was approved by the Company's Board of Directors on 15 March 2024, on the proposal of the Remuneration and Appointments Committee (hereinafter also the "**Committee**").

The Remuneration Policy was drafted also in light of the recommendations indicated in the *Corporate Governance Code* promoted by the *Corporate Governance Committee* (the "**CG Code**" or the "**Corporate Governance Code**") and also takes into account the provisions of article 2.2.3 of the Regulation applicable to markets organised and managed by Borsa Italiana S.p.A. (the "**Stock Exchange Regulations**") and the related Instructions for STAR issuers.

As required by Consob Regulation no. 17221 of 12 March 2010 on related party transactions in force at the date of this Report (the "**RPT Regulations**"), as implemented in the internal procedure adopted by the Company (the "**RPT Procedure**"), available on the *website* [www.pharmanutra.it](http://www.pharmanutra.it), in the "*Governance/Company Documents*" section, the approval of the Remuneration Policy by the Shareholders' Meeting exempts the Company from applying the above procedure in the resolutions of the Board of Directors on the remuneration of Directors and other executives with strategic responsibilities when:

- (i) the Company has adopted a Remuneration Policy approved by the Shareholders' Meeting;
- (ii) a committee made up exclusively of non-executive directors or directors, the majority of whom were independent, was involved in the definition of the Remuneration Policy;
- (iii) the remuneration is identified in accordance with this policy and quantified on the basis of criteria that do not involve any discretionary assessments.

Furthermore, pursuant to art. 13, paragraph 1, of the RPT Regulations, the RPT Procedure does not apply to Shareholders' Meeting resolutions as per art. 2389, paragraph 1, of the Italian Civil Code, relating to the remuneration due to members of the Board of Directors and of the executive committee, nor to resolutions relating to the remuneration of Directors holding particular offices falling within the total amount previously determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, second sentence, of the Italian Civil Code.

It should be noted that at the date of this Report, no other (other than Directors and Statutory Auditors) managers with strategic responsibilities have been identified as relevant for the purposes of this Policy within the Issuer's corporate organisational chart, and the Issuer has not appointed any general managers.

**a) bodies or persons involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or persons responsible for the correct implementation of said policy;**

The main persons and bodies involved in the preparation, approval and revision of the Remuneration Policy are the Board of Directors, the Committee, the Shareholders' Meeting and the Board of Statutory Auditors.

Board of Directors

The Board of Directors:

- sets up an internal committee with responsibility for remuneration matters;
- determines, in line with the Remuneration Policy, the remuneration of Directors holding particular offices, subject to the opinion of the Board of Statutory Auditors and on the proposal of the Committee, possibly within the overall remuneration determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code and article 20 of the Articles of Association;
- defines, with the assistance of the Committee, the Remuneration Policy, as well as its possible revision;
- prepares the Remuneration Report, pursuant to articles 123-ter of the TUF and 84-quater of the Issuers' Regulation, submits it to the approval of the Shareholders' Meeting pursuant to article 123-ter, paragraph 3-bis, of the TUF and oversees its implementation;
- prepares any remuneration plans based on shares or other financial instruments for Directors, employees and collaborators, including other executives with strategic responsibilities, submits them to the approval of the Shareholders' Meeting pursuant to art. 114-bis of the TUF and oversees their implementation.

Remuneration and Nomination Committee

The Committee of the Company, constituted from within the Board of Directors in accordance with the provisions of the CG Code and Stock Exchange Regulations, consists of non-executive Directors, most of which independent, with Chair chosen from among the independent Directors.

With regard to remuneration, the Committee:

- (i) proposes the adoption of the Policy for the Remuneration of Directors and other managers with strategic responsibilities, including incentive plans;
- (ii) periodically assesses the adequacy, overall consistency and actual application of the Policy for the Remuneration of Directors and other executives with strategic responsibilities, in this latter regard making use of the information provided by the Directors and/or bodies with delegated powers; makes proposals on the matter to the Board of Directors;
- (iii) submits proposals or expresses opinions to the Board of Directors on the remuneration of executive Directors<sup>2</sup> and other Directors who hold special offices and, according to the

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<sup>2</sup> It should be noted that for the purposes of the CG Code "executive directors" means: "- the president of the company or of a strategically important subsidiary, when s/he is delegated powers in the management or in the

suggestions of the Managing Directors, of other executives with strategic responsibilities, as well as on the setting of *performance* targets related to the variable component of such remuneration; monitors the application of the decisions adopted by the Board of Directors, verifying, in particular, the actual achievement of *performance* targets;

- (iv) supports the Board of Directors in order to ensure that the choices made regarding remuneration are adequately informed, comply with the rules of transparency and strictly regulate potential conflicts of interest;
- (v) makes proposals to the Board of Directors with reference to the Remuneration Policy, including incentive plans, with reference to Managing Directors and other Directors holding particular offices, as well as, according to the suggestions of the Managing Directors, proposals for the definition of the remuneration criteria of the other managers with strategic responsibilities of the Company.

In carrying out its functions, the Committee has the faculty of accessing the information and corporate functions necessary for the performance of its duties as well as of availing itself of financial resources and external consultants, under the terms established by the Board of Directors.

The Chair of the Committee reports to the Board of Directors on the Committee's activities.

### Shareholders' Meeting

On the subject of remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors and the Board of Statutory Auditors pursuant to art. 2364, paragraph 1, no. 3), possibly also pursuant to art. 2389, paragraph 3, of the Italian Civil Code and art. 20.2 of the Articles of Association;
- expresses: (i) a binding vote on Section I of the Remuneration Report prepared by the Board of Directors with the frequency required by the duration of the Remuneration Policy, that is, on a biennial basis, and in any case on the occasion of changes to the aforementioned Policy<sup>3</sup>; and (ii) a non-binding vote on Section II of the Report on an annual basis;
- resolves on any remuneration plans based on shares or other financial instruments for Directors, employees and collaborators, including other executives with strategic responsibilities, pursuant to art. 114-*bis* of the TUF.

A temporary deviation from the Remuneration Policy approved by the Shareholders' Meeting is permitted only in exceptional circumstances, i.e., when the deviation from the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market. On this point, please refer to paragraph q) below.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, in accordance with current practice. At the next

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*definition of company strategies; – the directors who are granted delegated management powers and/or hold managerial positions in the company or in a strategically important subsidiary, or in the parent company when the position also concerns the company; – the directors who are members of the executive committee of the company (...)."*

<sup>3</sup> It is understood that the vote of the Shareholders is required on the occasion of amendments to the Remuneration Policy that are not merely formal changes or editorial clarifications.

Shareholders' Meeting called to approve the financial statements, the Company must submit a new Remuneration Policy to a vote of the Shareholders' Meeting.

### Board of Statutory Auditors

The Board of Statutory Auditors expresses its opinion on the proposals for the remuneration of Directors holding particular offices, pursuant to article 2389, paragraph 3, of the Italian Civil Code, verifying the consistency of the proposals with the Remuneration Policy.

### **b) the possible involvement of a remuneration committee or other committee competent in the matter, describing its composition (with a distinction between non-executive and independent directors), its powers and operating procedures, and any additional measures to avoid or manage conflicts of interest;**

In light of the requirements of article 2.2.3, paragraph 3, letters n) and o), of the Stock Exchange Regulations, applicable to issuers qualified as STAR issuers, and in accordance with the Corporate Governance Code, the Company has set up a remuneration committee within its Board of Directors. On 26 April 2023, the Issuer's Board of Directors appointed as members of the Committee:

- Giovanna Zanotti – Independent Director – as Chair;
- Marida Zaffaroni – Independent Director;
- Alessandro Calzolari – Independent Director.

In accordance with Recommendation 26 of the CG Code, the Committee members collectively have appropriate knowledge and experience of financial or remuneration policy matters<sup>4</sup>.

The Committee has advisory and proposal functions with reference to the Remuneration Policy, as specified in paragraph a) above.

The rules of operation of the Committee, including the procedures for taking minutes at meetings and the procedures for the management of reporting to the directors, are contained in the Committee's regulation approved by the Board of Directors.

Under such regulation, the Committee's meetings are held as a collective body and duly minuted. The presence of the majority of the members in office is required for Committee meetings to be valid.

The Committee's decisions are made by an absolute majority of those present, it being understood that no Director takes part in the Committee's meetings in which proposals to the Board of Directors regarding his own remuneration are formulated.

The Chairman of the Board of Statutory Auditors attends the meetings of the Committee. The Chairman of the Committee may invite other members of the Board of Directors or representatives of the relevant corporate functions to individual meetings, in compliance with the provisions of the Corporate Governance Code, or persons external to the Company, whose presence may be of assistance to the better performance of the Committee's functions.

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<sup>4</sup> It should be noted that Recommendation 26 of the CG Code states that "at least one member of the committee has appropriate knowledge and experience of financial matters or remuneration policies, to be assessed by the management body at the time of appointment."

The Committee has the right to access the information and corporate functions necessary for the performance of its duties, and may avail itself of external consultants, at the Company's expense, within the limits of the budget approved by the Board of Directors.

For further details on the composition and functioning of the Committee, reference should be made to the "*Report on Corporate Governance and Ownership Structure*" prepared by the Company pursuant to art. 123-bis of the TUF and published on the *website* [www.pharmanutra.it](http://www.pharmanutra.it), "Governance" section.

**c) how the Company took into account the compensation and working conditions of its employees in determining its remuneration policy;**

The Remuneration Policy is determined taking into account the compensation and working conditions of its employees. In particular, the Policy consists of tools and logic, applied to a large part of the company population, aimed at attracting, motivating and retaining people with the professional qualities necessary to contribute to the definition of the Company's growth strategy and to the strengthening of PHN's long-term interests and sustainability.

In particular, the Policy is defined on the basis of specific criteria, including comparison with the reference market, the characteristics of the role and responsibilities assigned, as well as the distinguishing skills of the people, always with a view to maximum objectivity, in order to avoid any form of discrimination. Indeed, the Policy is based on the principles of fairness, equal opportunities, meritocracy and competitiveness with respect to the reference market, as well as on an adequate balance between fixed and variable components of remuneration.

**d) the names of any independent experts involved in the preparation of the remuneration policy;**

The Company did not rely on the support of independent experts in the preparation of the Remuneration Policy.

**e) the objectives pursued by the remuneration policy, the principles underlying it, its duration and, in the event of a revision, a description of the changes from the remuneration policy last submitted to the shareholders' meeting and how such revision takes into account the votes and considerations expressed by the shareholders at that meeting or subsequently;**

The Company's Remuneration Policy – and, in particular, the policy on variable components of remuneration – contributes to the Company's strategy and to the pursuit of not only short-term but also medium/long-term interests and the sustainability of the Company.

The Policy is functional to the pursuit of the sustainable success of the Company and takes into account the need to have, retain and motivate people having the skills and professionalism required by their role in the Company. In view of this goal, the Policy is defined in such a way as to ensure an overall remuneration structure capable of recognising the managerial value of the persons involved and the contribution made to the growth of the Company in relation to their respective roles and functions.

A significant part of the remuneration of Executive Directors is linked, to the operating results achieved by the Issuer and/or the achievement of specific objectives set, not exclusively in the short term, also in the form of benefit plans based on financial instruments or investments.

The incentive system for Executive Directors also recognises an appropriate balance between the

fixed and variable components, consistent with the Company's strategic objectives and risk management policy, taking into account the characteristics of the Company's business and the sector in which it operates, it being understood that the variable portion represents a significant part of total remuneration.

The *performance* objectives, to which the payment of the variable components for Executive Directors is linked, are predetermined, measurable and mostly linked to a long-term horizon. They are consistent with the Company's strategic objectives and are designed to promote its sustainable success, including non-financial parameters, where relevant.

It should be noted that the Remuneration Policy approved by the Board of Directors on 15 March 2024, based on the Committee's proposal, shows, compared to the text of the policy approved by the Shareholders' Meeting of PHN on 26 April 2023, an increase - as from the date of registration with the competent Companies Registry of the deed of Merger (as defined below) and until the date of the Board of Directors' term of office fixed at the date of the Shareholders' Meeting called to approve the financial statements as of 31 December 2025 - the amount of the total fixed annual remuneration to be paid to the members of the Board of Directors from a maximum of Euro 4,400,000 to a maximum of Euro 5.400.000, including the remuneration to be paid to directors holding special offices pursuant to art. 2389, paragraph 3, of the Italian Civil Code (see paragraph f) below).

The revision of remuneration is part of the organisational rearrangement project of the Pharmanutra Group and, in particular, follows the approval on 26 February 2024 by the competent corporate bodies of the project for the merger by incorporation into PHN of the wholly-owned companies Junia Pharma S.r.l. and Alesco S.r.l. announced to the market on the same date (the "**Merger**"), and to the consequent adjustment of the fixed compensation currently recognised by PHN to the Board members to the amount already recognised to date to the Executive Directors at the consolidated level, without prejudice to the prior approval by the Shareholders' Meeting convened for 16 April 2024 of the amendment to the remuneration of the members of the Board of Directors resolved upon by the Shareholders' Meeting of PHN on 26 April 2023 (see illustrative report of the Board of Directors on the third item on the agenda).

It should be noted that the Shareholders' Meeting held on 26 April 2023 resolved in a favourable and binding manner on the Remuneration Policy with a percentage of votes in favour equal to 85.9% of the votes represented at the Shareholders' Meeting; no evaluations or comments were made on its contents.

**f) the description of the policies on fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the total remuneration and distinguishing between short and medium-long term variable components;**

**REMUNERATION OF THE MEMBERS OF THE ADMINISTRATIVE BODY**

The total amount for the remuneration of all Directors, including those holding special offices, is decided by the Shareholders' Meeting pursuant to art. 2389 of the Civil Code and art. 20.2 of the Articles of Association.

Pursuant to art. 20.1 of the Articles of Association, Directors are entitled to reimbursement of expenses incurred in the performance of their duties and the remuneration defined by the Shareholders' Meeting. The Ordinary Shareholders' Meeting may also grant Directors a severance indemnity, including in the form of an insurance policy. The remuneration of Directors who hold



special offices is determined by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors and upon a proposal by the Committee.

Taking into account the approval by the competent corporate bodies of the companies involved of the Merger project, the Company's Board of Directors, upon the Committee's proposal, intended to submit for approval to the Shareholders' Meeting called for 16 April 2024 a proposal to increase the total annual fixed compensation of the members of the Board of Directors resolved upon by PHN's Shareholders' Meeting of 26 April 2023, aimed at adjusting the compensation of the executive members of PHN's Board of Directors to what they already receive as total remuneration at the PHN Group level; also taking into account the fact that, following the effectiveness of the Merger, the commitment of PHN's Directors with proxies will be extended to the management of the activities previously carried out by the subsidiaries (for further details, please refer to the Board of Directors' illustrative report on the third item on the agenda).

In this regard, the Remuneration Policy approved by the Board of Directors on 15 March 2024, at the proposal of the Remuneration and Appointments Committee, provides that, unless otherwise resolved by the Shareholders' Meeting, the annual fixed remuneration to be paid to the members of the Board of Directors - as from the date of the registration of the deed of Merger with the competent Register of Companies and until the expiration date of the Board of Directors' term of office, set on the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2025 - is equal to a maximum amount of Euro 5.400.000, to be deemed inclusive of the fees to be paid to the directors holding special offices pursuant to art. 2389, paragraph 3, of the Italian Civil Code, in addition to the reimbursement of expenses incurred by its members for the performance of their duties and, only for directors holding special offices pursuant to art. 2389, paragraph 3, of the Italian Civil Code, to the annual provision of a maximum of 10% of the remuneration received as severance indemnity, to be allocated by the Board of Directors under the law and in compliance with art. 20.2 of PHN's Articles of Association.

Without prejudice of the foregoing, the Company deems it appropriate to distinguish the remuneration structure in relation to the role covered within the Board and the executive powers and responsibilities acknowledged to the persons concerned and consequently to independently define the criteria for determining the remuneration of: (i) Non-Executive Directors and Independent Directors; and (ii) Executive Directors.

In light of the guiding principles set forth in paragraph e) above, the Remuneration Policy provides for a remuneration structure for the key figures of the Company structured as illustrated in the following paragraphs.

### **1) Non-executive Directors and Independent Directors**

"Non-executive Directors" refers to Directors who do not hold individual management powers and do not hold executive positions.

The term "Independent Directors" refers to Directors who meet the independence requirements set forth in article 148, paragraph 3, TUF and article 2 of the Corporate Governance Code.

Non-Executive Directors and Independent Directors receive a fixed fee - detailed above in this paragraph f) - allocated by the Board of Directors as part of the overall remuneration determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, of the Italian Civil Code, after hearing the opinion of the Board of Statutory Auditors and upon proposal of the Committee.

The remuneration of Non-executive and Independent Directors shall be appropriate to the skills, professionalism and commitment required by the duties assigned to them within the Board of

Directors and Board committees.

Non-executive Directors and Independent Directors do not receive variable remuneration and are not recipients of benefit plans based on financial instruments.

Non-executive Directors and Independent Directors may receive an additional fixed annual compensation as members of committees established within the Board of Directors, with a possible extra fee if the Director serves as Chair of the Committee.

For information about the remuneration of Directors who serve on Board committees, see paragraph o) below.

## 2) Executive Directors

The remuneration of Executive Directors is appropriately balanced in relation to the strategic objectives and in order to ensure consistency between short-term development objectives and the sustainability of value creation for shareholders in the medium to long term as established by the Board of Directors, on the proposal of the Committee.

In particular, the remuneration structure of Executive Directors consists of a fixed component (*see* letter a. below) and a variable component (*see* letters b. and c. below).

As part of the project for the organisational rearrangement of the Pharmanutra group and following the approval by the competent corporate bodies of the companies concerned of the Merger project, the Company's Board of Directors, upon the Committee's proposal, intended to submit for approval to the Shareholders' Meeting called for 16 April 2024 a proposal to increase the total annual fixed remuneration of the members of the Board of Directors resolved upon by the Shareholders' Meeting of PHN on 26 April 2023 (see the Board of Directors' illustrative report on the third item on the agenda). The Remuneration Policy approved by the Board of Directors on 15 March 2024, upon the proposal of the Remuneration and Appointments Committee, envisages - in line with the policy approved by the Shareholders' Meeting of PHN on 26 April 2023, unless otherwise resolved by the Shareholders' Meeting and without prejudice to the overall fixed remuneration mentioned above - that the overall annual variable compensation to be paid to the Directors holding special offices pursuant to art. 2389, paragraph 3, of the Italian Civil Code, also for the financial year 2024 and until the date of the Board of Directors' term of office, set at the date of the Shareholders' Meeting called to approve the financial statements as at 31 December 2025, is equal to a maximum of Euro 2,400,000.00, to be assigned by resolution of the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, in accordance with the law and in compliance with the provisions of art. 20.2 of PHN's Articles of Association, with application of the following criteria:

(i) short-term variable compensation in the annual amount of Euro 1,200,000 (the "**Basic Short-Term Compensation**"), with the possibility of increasing it up to a maximum of Euro 1,560,000 (the "**Maximum Short-Term Compensation**"), representing a portion equal to 2/3 of the total variable component; and

(ii) medium/long-term variable compensation in the amount of Euro 600,000 (the "**Basic Long-Term Compensation**"), with the possibility of increasing it up to a maximum of Euro 780,000 (the "**Maximum Long-Term Compensation**"), representing a portion equal to 1/3 of the total annual variable component.

Taking the foregoing into account, the basic annual variable (short- and medium/long-term) compensation amounts to Euro 1,800,000 and can reach a maximum of Euro 2,340,000.

The aforesaid remuneration components (fixed and variable) will also be determined, if necessary, on the basis of the fees paid in the market by companies comparable to the Company in terms of size, profitability and growth rates and take into account the value generated in terms of improvement of equity and profitability results and/or increase in the capitalisation of the Company.

In the event that the Company carries out transactions of particular exceptional strategic importance and/or for the effects on the results of the Company and/or the Group, the Board of Directors, having heard the opinion of the Committee, has the right to assign, on a discretionary basis, specific *bonuses* to the Executive Directors and to the Directors invested with special assignments strictly related to their specific contribution to the aforementioned transactions, after carrying out the safeguards regarding transactions with related parties referred to in the OPC Procedure (where applicable).

*a. Fixed component of remuneration*

Non-Executive Directors receive a fixed fee - detailed above in this paragraph f) - allocated by the Board of Directors as part of the overall remuneration determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, of the Italian Civil Code, after hearing the opinion of the Board of Statutory Auditors and upon proposal of the Committee.

The fixed component of the Executive Directors' remuneration is commensurate with the responsibilities, delegated powers and professional skills associated with the office/function held by the person concerned.

This component, which is not linked to the achievement of *performance* objectives, is determined in an amount sufficient to remunerate the performance of Executive Directors and Directors holding particular offices in the event that the variable components are not paid due to the failure to achieve the *performance* objectives specified by the Board.

*b. Short-term variable component*

Executive Directors may be paid a short-term variable compensation for each year of their term of office as determined by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors and upon the Committee's proposal, within the overall remuneration determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, of the Italian Civil Code as specified in this paragraph f).

The short-term variable component of the Executive Directors' remuneration may consist of cash incentive plans.

The short-term variable component is determined on the basis of the achievement of reset annual objectives related to *performance* indicators, at consolidated group level.

More specifically, short-term variable remuneration is defined based on a 10% increase in the annual *performance* target represented by the consolidated *Adjusted* EBITDA parameter (consolidated EBITDA for the year net of non-recurring items), gross of total variable compensation for the year ("EAL") compared to the previous year's EAL. Taking the EAL 2022 as a basis, the EAL Target Annual increase is therefore 10% of the EAL 2022 and amounts to Euro 2,631,000.

The payment of short-term variable remuneration is also contingent upon an increase in consolidated revenues compared to the previous year.

The Remuneration Policy provides for the application of a calculation system in order to determine a link between the change in Company results and the change in remuneration which takes into

account the deviation, positive or negative, from the target annual increase in EAL (the “**Target Annual Increase in EAL**”). In particular, this calculation system envisages that the amount of short-term variable remuneration is determined gradually on the basis of the percentage of achievement of the Target Annual Increase in EAL for amounts between 80% and 130% thereof, as follows:

- (i) in the event of an annual increase in EAL of less than 80% of the Target Annual Increase in EAL (*underperformance* threshold), the short-term variable remuneration shall not accrue and shall not be paid;
- (ii) in the event of an annual increase in EAL of more than 80% of the Target Annual Increase in EAL and up to 100% thereof, the short-term variable remuneration is calculated by linear interpolation applied to the range between 50% and 100% of the Basic Short-Term Remuneration<sup>5</sup>;
- (iii) in the event of an annual increase in EAL of more than 100% of the Target Annual Increase in EAL and up to 130% of the Target Annual Increase in EAL – which constitutes the *cap*, *i.e.*, the maximum limit, of the variable remuneration – the short-term variable remuneration is calculated by linear interpolation applied to the range between 100% and 130% of the Maximum Short-Term Remuneration.

Short-term variable remuneration is paid after the Board of Directors approves the relevant consolidated financial statements, subject to verification of the achievement of the targets.

The short-term variable component may not exceed 2/3 (or 66.67%) of the total variable component of the Executive Directors.

*c. Medium/long-term variable component*

Executive Directors may also be paid a medium/long-term variable compensation for each year of their term of office as determined by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors and upon the Committee's proposal, within the overall remuneration determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, of the Italian Civil Code as specified in this paragraph f).

The medium/long-term variable component of the Executive Directors consists of cash incentive plans which, in line with the comparable market best practices, provide for adequate *vesting periods*.

The medium/long-term component is determined on the basis of the achievement of annual quantitative objectives related to *performance* indicators, at consolidated group level, established by the Board of Directors, on the proposal of the Committee.

More specifically, the medium-long term variable compensation is defined on the basis of the increase in cumulative EAL (the “**Cumulative EAL**”) referred to the three-year period 2023-2025 compared to the EAL referred to the financial year 2022 generated through a 10% annual growth of the Target and is equal to Euro 15,785,000, which can be adjusted up to Euro 5,785,000 due to the operating investments made to support the new *business* lines (the “**Target Cumulative EAL Increase**”).

In view of the investments planned following the implementation of the growth strategies recently

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<sup>5</sup> For the sake of clarity, the following examples are provided: in the event of an annual increase in EAL equal to 80% of the Target Annual Increase in EAL, 50% of the Basic Short-Term Remuneration accrues, while in the event of an annual increase in EAL equal to the Target Annual Increase in EAL, the Basic Short-Term Remuneration accrues in full.

communicated to the market (creation of the Sports Division with the launch of the new Cetilar® Nutrition line, start of distribution of the Group's products on the US market through the newly established Pharmanutra Usa, start of distribution of Cetilar® and Cetilar® Nutrition products on the Spanish market through the newly established Pharmanutra España, the start of the distribution of the Group's products on the Chinese market, through the use of the *cross-border e-commerce* channel and ongoing Research and Development projects), the annual EAL Target for the period 2023-2025 will be decreased according to the investments in operating expenses required to start up the above projects up to a maximum of Euro 5,000,000 for 2023, Euro 3,000,000 for 2024 and Euro 2,000,000 for 2025. The Remuneration Policy provides for the application of a calculation system in order to determine a link between the change in business results and the change in remuneration that takes into account the deviation, either positive or negative, with respect to the increase in Cumulative EAL. In particular, this calculation system envisages that the amount of medium/long-term variable remuneration is determined gradually on the basis of the percentage of achievement of the Cumulative EAL Increase in the three-year period compared to the Target Cumulative EAL Increase for amounts between 80% and 120% of the Target Cumulative EAL Increase, as follows:

(i) in the event of a Cumulative EAL Increase of less than 80% of the Target Cumulative EAL Increase (Euro 12,628,000, adjustable up to Euro 2,628,000), the medium/long-term variable remuneration shall not accrue and shall not be paid;

(ii) in the event of a Cumulative EAL Increase of more than 80% of the Target Cumulative EAL Increase and up to 100% thereof, the medium/long-term variable remuneration is calculated by linear interpolation applied to the range between 50% and 100% of the Basic Long-Term Remuneration<sup>6</sup>;

(iii) in the event of a Cumulative EAL Increase of more than 100% of the Target Cumulative EAL Increase and up to 120% of the same (Euro 18,942,000, adjustable up to Euro 8,942,000) – which constitutes the *cap, i.e.*, the maximum limit, of the variable remuneration – the medium/long-term variable remuneration is calculated by linear interpolation applied to the range between 100% and 120% of the Maximum Long-Term Remuneration.

Medium/long-term variable remuneration is paid after the Board of Directors approves the relevant consolidated financial statements, subject to verification of the achievement of the targets.

The payment of medium-long term variable compensation is only envisaged for executive directors in office at the date of approval of PHN's financial statements for the year ending 2025.

The variable component of the medium-long term may not exceed 1/3 (or 33.33%) of the total variable component of the Executive Directors of the multi-year reference period.

The *executive summary* of the remuneration package of the Executive directors is attached as Annex 1 to this Report.

## REMUNERATION OF THE MEMBERS OF THE CONTROL BODY

The members of the control body receive remuneration commensurate with the skills, professionalism and commitment required by the role covered, considering the characteristics and

<sup>6</sup> For the sake of clarity, the following examples are provided: in the event of a Cumulative EAL Increase equal to 80% of the Target Cumulative EAL Increase, 50% of the Basic Long-Term Remuneration accrues, while in the event of a Cumulative EAL Increase equal to the Target Cumulative EAL Increase, the Basic Long-Term Remuneration accrues in full.

sector of the Company.

Pursuant to article 2402 of the Italian Civil Code, the remuneration of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting at the time of their appointment.

Given the increasing complexity of the checks to be carried out as a result of changes in the organizational structure of the PHN Group arising from its ever-rapid growth, as well as the approval by the relevant corporate bodies of the companies involved in the Merger project, the Board of Directors of the Company, at its meeting on March 15, 2024, having taken note of the considerations expressed by PHN's supervisory body, in the interest of the Company and its stakeholders to avoid that an economic sacrifice by the Directors diminishes the operational guarantees thereof, deemed it appropriate to submit to the Shareholders' Meeting a proposal to adjust the compensation of the supervisory body determined at the time of appointment by the Shareholders' Meeting on April 27, 2022, aimed at aligning the remuneration of the Directors with the actual commitment required by the performance of their duties (for further details, reference is made to the explanatory report of the Board of Directors on the fourth item on the agenda).

**g) the policy followed with regard to non-monetary benefits:**

The Remuneration Policy provides for the granting of non-monetary benefits currently recognised in remuneration practice and in any case consistent with the position/function held by the person concerned.

In particular, the members of the corporate bodies and employees may take advantage from certain *benefits*, having different degrees in relation to the company role and/or service reasons, such as, for example, the company car and insurance policies against the civil liability of the members of the corporate bodies and employees.

**h) with regard to the variable components, a description of the financial and non-financial performance objectives, where appropriate taking into account criteria relating to corporate social responsibility, on the basis of which they are granted, distinguishing between short and medium to long-term variable components, and information on the link between the change in performance and the change in remuneration:**

For a description of the variable components of the incentive scheme for Executive Directors, please refer to paragraph f), point 2) above.

**i) the criteria used to assess the achievement of the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives:**

*Short-term variable component*

With reference to the short-term and medium/long-term variable component of Executive Directors, the Remuneration Policy provides for:

- (i) the definition and sharing of the objectives for the reference period, annual or multi-year, as applicable. For a description of the reference objectives, reference should be made to paragraph f) above;
- (ii) the final evaluation of *performance* by the Board of Directors with the possible support of the function responsible for the objective in question, and the communication of the degree of

achievement of the objectives assigned. Upon achievement of the objectives, the variable component is paid following the approval of the consolidated financial statements by the Board of Directors.

In the event that PHN carries out extraordinary transactions having a strategic importance and/or affecting the results of the Company and/or the Group or the business scope and/or carries out operations on the share capital, or in the event of extraordinary changes in the market conditions in which the Company operates, the Board of Directors, on the proposal of the Committee, may revise the objectives in order to make them consistent with the new corporate and/or *business* structure and/or with the consequent operating/financial results, without prejudice to the controls on transactions with related parties set out in the RPT Procedure (where applicable).

**j) information highlighting the contribution of the remuneration policy, and in particular the policy on variable components of remuneration, to the Company's strategy, long-term interests and sustainability;**

As highlighted in paragraph e) above, the Company's Remuneration Policy – and, in particular, the policy on variable components of remuneration – contributes to the company strategy and the pursuit of interests not only in the short term, but also in the medium to long term and to the sustainability of the Company and pursues *the* purposes of attraction and *retention* of people with the professional qualities necessary to manage and operate successfully within the Company.

This contribution shall be made, inter alia, through:

- a greater and more conscious involvement of shareholders who are called upon to express their binding vote on the Remuneration Policy, which describes each of the items that make up the remuneration of Directors and which therefore has a different and broader content than the resolutions on remuneration pursuant to Articles 2364, 2389 and 2402 of the Italian Civil Code;
- the definition of an overall remuneration framework capable of recognising the managerial value of the persons involved and the contribution made to the growth of the Company in relation to their respective skills and functions in such a way as to attract, retain and motivate persons having the professional qualities required to successfully manage the Company.

To this end, the composition of the remuneration package of the Executive Directors is defined in line with the criteria aimed at ensuring:

- (a) a direct link between remuneration and *performance* through mechanisms that establish the non-payment of bonuses in the event of failure to achieve the Company's objectives and overall profitability;
- (b) overall remuneration levels that recognise the professional value of people and their contribution to the creation of sustainable value, not only in the short term but also in the medium to long term.

**k) the vesting periods, any deferred payment systems, with an indication of the deferral periods and the criteria used to determine these periods and, if envisaged, the mechanisms for ex-post correction of the variable component (*malus* or *claw-back* of variable compensation);**

The Remuneration Policy provides for the possibility that the medium/long-term monetary incentive plans, drawn up in line with the best market practices, may envisage multi-year *vesting*

*periods*, through the definition of multi-year objectives to which the incentive is subject and linked.

The Remuneration Policy also provides for the deferred payment of a significant portion of the variable component in an appropriate timeframe with respect to the vesting period.

The Remuneration Policy provides, with reference to the variable components, that the agreements between the Company and the Executive Directors may allow the Company to request the return, in whole or in part, of the variable components of remuneration paid (or to withhold any amounts subject to deferral), determined on the basis of data that subsequently turned out to be clearly erroneous (so-called *claw back / malus* clauses).

**l) information on whether there is any provision for retaining the financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine those periods;**

The Remuneration Policy does not provide for the granting of shares, options or other financial instruments.

**m) the policy relating to the indemnities envisaged in the event of termination of office or termination of employment, specifying: i) the duration of any employment contracts and other agreements, the notice period, where applicable, and the circumstances that determine the right; ii) the criteria for determining the remuneration payable to directors, general managers and, at an aggregate level, to managers with strategic responsibilities, distinguishing, where applicable, the components attributed by virtue of the office of director from those relating to employment relationships, as well as the components for any non-competition agreements. If such remuneration is expressed on the basis of annual compensation, specify in detail the components of such annual compensation (fixed, variable, etc.); iii) any link between such remuneration and the company performance; iv) any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash; v) any provision for the assignment or maintenance of non-monetary benefits in favour of the persons or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship;**

To date, the Company does not have a policy regarding the treatments envisaged in the event of termination of office or termination of the employment relationship.

It should be noted that at the date of this Report, no other (other than Directors and Statutory Auditors) managers with strategic responsibilities have been identified as relevant for the purposes of this Policy within the Issuer's corporate organisational chart.

**n) information on the presence of any insurance, or social security or pension coverage, other than compulsory coverage;**

As of the date of this Report, there are insurance coverages for the civil liability of the members of the corporate bodies and employees.

**o) the remuneration policy followed, if any, with reference to: (i) independent directors, (ii) participation in committees and (iii) performance of special duties (Chair, Vice Chair, etc.);**



Non-executive Directors and Independent Directors may receive an additional fixed annual compensation as members of Committees established within the Board of Directors, with a possible extra fee if the Director serves as Chair of the Committee. For further information on the remuneration of Independent Directors, please refer to paragraph f), point 1) above.

The Director who holds the position of Chair of the Board of Directors may be paid an additional fixed annual fee in the amount established by the Board of Directors, subject to the opinion of the Board of Statutory Auditors and on the proposal of the Committee, in compliance with the overall amount established by the Shareholders' Meeting.

In particular, the fixed remuneration due to the Chair of the Board of Directors is not linked to the achievement of objectives, but is commensurate with the responsibilities and skills associated with the office of Chair.

A Director who serves as Chair and also qualifies as an Executive Director may be granted a variable short-term remuneration and a variable medium/long-term remuneration for each year of office, as determined by the Board of Directors, with the opinion of the Committee and the Board of Statutory Auditors, within the total remuneration determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3 of the Italian Civil Code.

**p) whether the remuneration policy has been established using the remuneration policies of other companies as a reference, and if this is the case, the criteria used for the selection and designation of those companies;**

In defining the Remuneration Policy, the Company has not used any remuneration policies of other companies as a reference.

**q) the elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to waive and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions under which the waiver may be applied.**

In exceptional circumstances the Company may waive the elements of the Remuneration Policy as described below.

It should be noted that "*exceptional circumstances*" are those situations in which a deviation from the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market, such as, but not limited to:

- (i) the occurrence, at a national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or markets in which it operates, which significantly affect the Company's results, including the occurrence of significant negative effects not only of an economic or financial nature;
- (ii) the intervention of substantial changes in the organisation of the business activity, both of an objective nature (such as extraordinary transactions, mergers, disposals, etc.), and of a subjective nature, such as changes in the *top management* and the possible identification of persons (other than directors and statutory auditors) qualifying as executives with strategic responsibilities relevant for the purposes of this Policy;
- (iii) significant changes in the scope of the Company's business during the period of validity of the Policy, such as the sale of an undertaking/business unit on whose activity the *performance*

objectives of the Policy were based on the acquisition of a significant *business* not contemplated for the purposes of preparing the Policy.

In any case, it is understood that any exceptions to the Policy will be subject to the prior examination of the Committee and to the application of the RPT Procedure.

Notwithstanding the above, the exception may concern: (i) the redefinition of the *performance* objectives to which the variable remuneration is linked and of the frequency with which they are calculated, (ii) the revision of the criteria used to assess these objectives, (iii) the change in the ratio between fixed and variable components of remuneration, (iv) the granting of one-off cash *bonuses*, (v) the granting of special indemnities, in order to take account of the aforementioned exceptional circumstances and only to the extent that this is instrumental to the pursuit of the interests mentioned above.

## SECTION II

### FOREWORD

This Section II of the Remuneration Report lists by name the remuneration granted to Directors and Statutory Auditors:

- in the first part, it (i) provides an adequate, clear and comprehensible representation of each of the items that make up the remuneration, including indemnities provided in the event of termination of office or termination of employment pointing out their compliance with the reference Remuneration Policy and the way in which remuneration contributes to the long-term results of the Company; (ii) provides information on any exceptions to the Policy applied in exceptional circumstances; (iii) illustrates how the Company took into account the vote expressed by the Shareholders' Meeting on Section II of the Report the previous year;
- in the second part, it analytically illustrates – using the tables provided for in Annex 3A, Schedule 7-bis, of the Issuers' Regulation – the fees paid in 2023 (hereinafter the "**Financial Year**") for any reason and in any form by the Company and by subsidiaries or associates, reporting any components of the aforementioned fees that are referable to activities carried out in years prior to the reference year and also highlighting the fees to be paid in one or more subsequent years against the activity carried out in the reference year, possibly indicating an estimate value for the components not objectively quantifiable in the reference year;
- in the third part, it indicates – according to the criteria set out in Annex 3A, Schedule 7-ter, of the Issuers' Regulation – the investments held in the Issuer and its subsidiaries by members of the management and control bodies, as well as by their spouses (unless legally separated) and minor children, directly or through subsidiaries, trust companies or third parties, as resulting from the shareholders' register, from communications received and from other information acquired from the members of the management and control bodies.

Being qualified as a "smaller" company pursuant to article 3, paragraph 1, letter f) of the Related Parties Regulations, PHN may provide any information on agreements that provide for indemnities in the event of early termination of the relationship only with reference to the Executive Directors and the Chair of the Board of Directors.

It should be noted that at the date of this Report:

- (i) no other (other than Directors and Statutory Auditors) managers with strategic responsibilities have been identified as relevant for the purposes of the Policy described in Section I within the Issuer's corporate organisational chart; and
- (ii) the Issuer has not appointed any general managers.

It should be noted that the auditing company BDO Italia S.p.A. has verified – in accordance with the provisions of art.123-ter, paragraph 8-bis, of the TUF – the preparation by the Board of Directors of PHN of this Section of the Remuneration Report.

## SECTION II – PART ONE – ITEMS MAKING UP REMUNERATION

### 1. Remuneration of the Board of Directors

On 26 April 2023, the Shareholders' Meeting of PHN determined:

- (i) that the total fixed annual remuneration to be paid to the members of the Board of Directors for the duration of their appointment shall be up to a maximum of Euro 4,400,000.00, including the remuneration to be paid to the directors holding particular offices pursuant to article 2389, paragraph 3, of the Italian Civil Code, in addition to the reimbursement of expenses incurred by its members for the exercise of their functions and, for directors holding particular offices pursuant to article 2389, paragraph 3, of the Italian Civil Code, to the annual provision of maximum 10% of the compensation received as severance pay, to be distributed by the Board of Directors in accordance with the law and in compliance with the provisions of article 20.2 of PHN's Articles of Association; and
- (ii) that the total annual variable compensation to be paid to the directors invested with special offices shall be an additional maximum of Euro 2,400,000.00, pursuant to article 2389, paragraph 3, of the Italian Civil Code (the "**Variable Compensation**"), to be assigned by resolution of the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, under the law and in compliance with the provisions of article 20.2 of PHN's Articles of Association, with the following criteria being applied:
  - Annual Target Variable Compensation ("**CVBT**"), for an annual amount equal to Euro 1,200,000 (one million two hundred thousand/00) – the "**CVBTBASE**" – with the possibility of increasing up to a maximum of Euro 1,560,000 (one million five hundred sixty thousand/00), the "**CVBTMAX**", and representing two-thirds (2/3) of the Total Variable Compensation, and
  - Three-Year Target Variable Compensation ("**CVMT**"), equal to one-third (1/3) of the total annual variable compensation, for an amount equal to Euro 600,000 (six hundred thousand/00) – the "**CVMTBASE**" – with the possibility of increasing up to a maximum of Euro 780,000 (seven hundred and eighty thousand/00), the "**CVMTMAX**".
  - Based on the above, the basic annual CVCs amount to Euro 1,800,000 (one million eight hundred thousand/00) and can reach a maximum of Euro 2,340,000 (two million three hundred and forty thousand).
  - The target for the determination of annual CVBTs is 10% annual growth in consolidated Adjusted EBITDA (consolidated EBITDA for the year, net of non-recurring items) - gross of Total Variable Compensation for the year ("**Gross Adjusted EBITDA**" or "**EAL**") compared to the previous year's EAL, taking EAL 2022 as the basis. The EAL Target Annual increase ("**IAEALTARGET**") is therefore 10% of the EAL 2022 and amounts to Euro 2,631,000.
  - The payment of CVBTs is conditional on an increase in turnover compared to the previous year. In the event of a reduction in turnover compared to the previous year, no CVBT will be paid out.
  - The target for the determination of CVMTs is the increase of the cumulative EAL ("**IEALC**") for the three-year period 2023-2025 compared to the EAL 2022 generated through a 10% annual growth of the EALTARGET and is equal to Euro 15,785,000, which can be adjusted up to Euro 5,785,000 due to the operating investments made

to support the new *business* lines.

- In view of the investments planned following the implementation of the growth strategies recently communicated to the market (creation of the Sports Division with the launch of the new Cetilar® Nutrition line, start of distribution of the Group's products on the US market through the newly established Pharmanutra Usa, start of distribution of Cetilar® and Cetilar® Nutrition products on the Spanish market through the newly established Pharmanutra España, the start of the distribution of the Group's products on the Chinese market, through the use of the cross-border e-commerce channel and ongoing Research and Development projects), the annual EAL Target for the period 2023-2025 will be decreased according to the investments in operating expenses required to start up the above projects up to a maximum of Euro 5,000,000 (five million/00) for 2023, Euro 3,000,000 (three million/00) for 2024 and Euro 2,000,000 (two million/00) for 2025.
- The payment of CVMT is only envisaged for Executive directors in office at the date of approval of financial statements for the year ending 2025.

At its meeting held on 26 April 2023, the Board of Directors resolved – with the Directors concerned from time to time abstaining and upon proposal of the Committee and with the favourable opinion of the Board of Statutory Auditors – to allocate the total annual remuneration for the members of the Board of Directors resolved by the said Ordinary Shareholders' Meeting as follows:

1. to the Chair of the Board of Directors, Andrea Lacorte, a fixed gross remuneration equal to Euro 130,000.00 to be paid monthly, for each calendar month and so for the twelve months of the calendar year;
2. to the Vice Chair of the Board of Directors, Roberto Lacorte, a fixed gross remuneration equal to Euro 110,000.00 to be paid monthly, for each calendar month and so for the twelve months of the calendar year;
3. to the Director Carlo Volpi, a fixed gross remuneration equal to Euro 96,000.00 to be paid monthly, for each calendar month and so for the twelve months of the calendar year;
4. to the Director Germano Tarantino, a fixed gross remuneration equal to Euro 15,000.00 to be paid monthly, non-interest-bearing, for each calendar month and so for the twelve months of the calendar year;
5. to the Director Alessandro Calzolari, a fixed gross remuneration equal to Euro 2,750 per month to be paid quarterly, for each calendar quarter and so for the four quarters of the calendar year;
6. to the Director Marida Zaffaroni, a fixed gross remuneration equal to Euro 2,750 per month to be paid quarterly, for each calendar quarter and so for the four quarters of the calendar year<sup>7</sup>;
7. to the Director Giovanna Zanotti, a fixed gross remuneration equal to Euro 2,750 per month to be paid quarterly, for each calendar quarter and so for the four quarters of the calendar year<sup>8</sup>.

<sup>7</sup> Director appointed on 13 October 2020 by the Shareholders' Meeting of PHN following co-opting by the Board of Directors on 25 September 2020, pursuant to article 2386, paragraph 1, of the Italian Civil Code.

<sup>8</sup> Director appointed on 13 October 2020 by the Shareholders' Meeting of PHN following co-opting by the

On 26 April 2023, the Board of Directors of PHN, upon proposal of the Committee, resolved, among other things, - with reference to the 2023, 2024 and 2025 financial years, to award the Executive Directors Andrea Lacorte, Roberto Lacorte and Germano Tarantino variable remuneration in accordance with the criteria established in the GC Code. For a description of the short-term and medium/long-term variable component of the remuneration for Executive Directors, see paragraph f), point 2), of Section I of the Remuneration Report.

At the same meeting, the Board of Directors resolved to grant:

- (i) a gross annual fee of Euro 5,000 to the Chair of the Remuneration and Nomination Committee<sup>9</sup> and a gross annual fee of Euro 3,000 to the other members for carrying out the activities related to their position;
- (ii) a gross annual fee of Euro 5,000 to the Chair of the Control and Risk Committee<sup>10</sup> and a gross annual fee of Euro 3,000 to the other members for carrying out the activities related to their position;
- (iii) a gross annual fee of Euro 5,000 to the Chair of the RPT Committee<sup>11</sup> and a gross annual fee of Euro 3,000 to the other members for carrying out the activities related to their position.

## **2. Remuneration of Executive Directors**

The Executive Directors of the Company, Dr. Andrea Lacorte, Roberto Lacorte, Carlo Volpi and Germano Tarantino, in accordance with the provisions of the Remuneration Policy, received during the year, as members of the Board of Directors of PHN, the gross fixed annual remuneration and the variable remuneration indicated below.

During the year, the Company and its subsidiaries paid the following remuneration to the Executive Directors:

- to Mr. Andrea Lacorte: (i) an annual fixed remuneration of Euro 1,858,400.00, equal to 75% of the total remuneration; and (ii) a short-term variable remuneration of Euro 678,700.00, equal to 25% of the total remuneration;
- to Mr. Roberto Lacorte: (i) an annual fixed remuneration of Euro 1,596,000.00, equal to 72% of the total remuneration; and (ii) a short-term variable remuneration of Euro 678,700.00, equal to 28% of the total remuneration;
- to Mr. Carlo Volpi: (i) an annual fixed remuneration of Euro 1,426,000.00, equal to 70% of the total remuneration; and (ii) a short-term variable remuneration of Euro 678,700.00, equal to 30% of the total remuneration;
- to Mr. Germano Tarantino: (i) an annual fixed remuneration of Euro 232,000.00, equal to 46% of the total remuneration; and (ii) a short-term variable remuneration of Euro 304,200.00, equal to 54% of the total remuneration. In addition to Euro 120,259.60 for the qualification of manager responsible for scientific management.

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Board of Directors on 25 September 2020, pursuant to article 2386, paragraph 1, of the Italian Civil Code.

<sup>9</sup> At the date of this Report, the Remuneration and Nomination Committee is composed of Giovanna Zanotti, Alessandro Calzolari and Marida Zaffaroni.

<sup>10</sup> At the date of this Report, the Control and Risk Committee is composed of Marida Zaffaroni, Alessandro Calzolari and Giovanna Zanotti.

<sup>11</sup> At the date of this Report, the RPT Committee is composed of Alessandro Calzolari, Giovanna Zanotti and Marida Zaffaroni.

### **3. Remuneration of the Board of Statutory Auditors**

The remuneration of the Board of Statutory Auditors was determined by the Shareholders' Meeting of 27 April 2022, which, in addition to the reimbursement of out-of-pocket expenses incurred for the performance of the office, set an annual remuneration of Euro 27,000.00 for the Chairman of the Board of Statutory Auditors and an annual remuneration of Euro 19,000.00 for the regular members.

\* \* \*

For the sake of completeness, the following should be noted.

During the year, indemnities were awarded to the Executive Directors as resolved by the Shareholders' Meeting of 26 April 2023, where an annual provision was established to the maximum extent of 10% (ten percent) of the compensation received as severance indemnity. This indemnity was paid to the Executive Directors during the year despite the renewal of the office.

There are no agreements providing for compensation for non-competition commitments.

During the Year, no *ex-post* correction mechanisms were applied to the variable component (*malus* or *claw back*) of the remuneration of Executive Directors.

During the year, no exceptions to the Remuneration Policy were applied.

## SECTION II – PART TWO – ANALYTICAL REPRESENTATION OF FEES PAID DURING THE YEAR

Table 1

The table below shows the remuneration paid to the members of the administrative and control bodies.

## 1. Remuneration paid to the members of the Board of Directors

Nome e Cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi (EURO)			Compensi per la partecipazione a comitati (EURO)	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair value dei compensi equity	Indennità di fine carica o cessazione rapporto di lavoro *
				Emolumenti per la carica	Gettoni di presenza	Retribuzioni da lavoro dipendente		Bonus e altri incentivi	Partecipazione agli utili					
Andrea Lacorte	Presidente e amministratore esecutivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025											
Compensi nella società che redige il bilancio				1.514.000,00	-	-	-	678.700,00	-	-	-	2.192.700,00	-	219.270,00
Compensi da controllate e collegate				344.400,00	-	-	-	-	-	-	-	344.400,00	-	-
Totale				1.858.400,00	-	-	-	678.700,00	-	-	-	2.537.100,00	-	219.270,00
Roberto Lacorte	Vice Presidente e amministratore esecutivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025											
Compensi nella società che redige il bilancio				1.272.800,00	-	-	-	678.700,00	-	-	-	1.951.500,00	-	195.150,00
Compensi da controllate e collegate				323.200,00	-	-	-	-	-	-	-	323.200,00	-	-
Totale				1.596.000,00	-	-	-	678.700,00	-	-	-	2.274.700,00	-	195.150,00
Carlo Volpi	Amministratore esecutivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025											
Compensi nella società che redige il bilancio				1.117.200,00	-	-	-	678.700,00	-	-	-	1.795.900,00	-	179.590,00
Compensi da controllate e collegate				308.800,00	-	-	-	-	-	-	-	308.800,00	-	-
Totale				1.426.000,00	-	-	-	678.700,00	-	-	-	2.104.700,00	-	179.590,00
Germano Tarantino	Amministratore esecutivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025											
Compensi nella società che redige il bilancio				175.600,00	-	120.259,60	-	304.200,00	-	-	-	600.059,60	-	47.980,00
Compensi da controllate e collegate				56.400,00	-	-	-	-	-	-	-	56.400,00	-	-
Totale				232.000,00	-	120.259,60	-	304.200,00	-	-	-	656.459,60	-	47.980,00



Nome e Cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi (EURO)			Compensi per la partecipazione a comitati (EURO)	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair value dei compensi equity	Indennità di fine carica o cessazione rapporto di lavoro *
				Emolumenti per la carica	Gettoni di presenza	Retribuzioni da lavoro dipendente		Bonus e altri incentivi	Partecipazione agli utili					
Alessandro Calzolari	Amministratore indipendente	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025									-		
Compensi nella società che redige il bilancio				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Compensi da controllate e collegate				-	-	-	-	-	-	-	-	-	-	-
Totale				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Marida Zaffaroni	Amministratore indipendente	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025									-		
Compensi nella società che redige il bilancio				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Compensi da controllate e collegate				-	-	-	-	-	-	-	-	-	-	-
Totale				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Giovanna Zanotti	Amministratore indipendente	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2025									-		
Compensi nella società che redige il bilancio				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Compensi da controllate e collegate				-	-	-	-	-	-	-	-	-	-	-
Totale				32.000,00	-	-	11.000,00	-	-	-	-	43.000,00	-	-
Compensi nella società che redige il bilancio				4.175.600,00	-	120.259,60	33.000,00	2.340.300,00	-	-	-	6.669.159,60	-	641.990,00
Compensi da controllate e collegate				1.032.800,00	-	-	-	-	-	-	-	1.032.800,00	-	-
Totale				5.208.400,00	-	120.259,60	33.000,00	2.340.300,00	-	-	-	7.701.959,60	-	641.990,00

## 1. Remuneration paid to the members of the Board of Statutory Auditors

Nome e Cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi (EURO)	Compensi per la partecipazione a comitati (EURO)	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair value dei compensi equity	Indennità di fine carica o cessazione rapporto di lavoro *
						Bonus e altri incentivi	Partecipazione agli utili					
				<i>Emolumenti per la carica</i>								
Giuseppe Rotunno	Presidente del collegio sindacale	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2024	27.000,00						27.000,00		
Debora Mazzaccherini	Sindaco effettivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2024	19.000,00						19.000,00		
Michele Luigi Giordano	Sindaco effettivo	1/1/2023-31/12/2023	approvazione bilancio al 31/12/2024	19.000,00						19.000,00		
Compensi nella società che redige il bilancio				65.000,00	-	-	-	-	-	65.000,00	-	-
Compensi da controllate e collegate												
Totale				65.000,00	-	-	-	-	-	65.000,00	-	-

Table 3B

Monetary incentive plans for members of the management body.

A Surname and Name	B Position	(1) Bonus for the year (Euro)			(2) Bonuses from previous years			(3) Other Bonuses
		(A) <i>Distributable/ Distributed</i>	(B) <i>Deferred</i>	(C) <i>Deferral Period</i>	(A) <i>No longer distributable</i>	(B) <i>Distributable/ Distributed</i>	(C) <i>Still Deferred</i>	
(I) Remuneration in the company preparing the financial statements								
(II) Remuneration from subsidiaries and associates								
(III) Total								

## SECTION II – PART THREE

## Summary table of the investments of Directors and Statutory Auditors

Nome e Cognome	Società partecipata	Numero azioni al 31/12/2020	Numero azioni acquistate nell'esercizio 2021	Numero azioni vendute nell'esercizio 2021	Numero azioni al 31/12/2021	Titolo di possesso	Modalità possesso
Andrea Lacorte	Pharmanutra SpA	3.038.334	-		3.038.334	Proprietà	Indiretta (1)
Roberto Lacorte	Pharmanutra SpA	2.238.833	-		2.238.833	Proprietà	Diretta / Indiretta (2)
Carlo Volpi	Pharmanutra SpA	1.014.993	-		1.014.993	Proprietà	Indiretta (3)
Germano Tarantino	Pharmanutra SpA	181.250	-		181.250	Proprietà	Diretta

(1) La società ALH S.r.l., di cui il Sig. Andrea Lacorte è socio unico e amministratore unico, detiene azioni di Pharmanutra S.p.A.

(2) La società RLH S.r.l., di cui il Sig. Roberto Lacorte è socio unico e amministratore unico, detiene n. 2.224.833 azioni di Pharmanutra S.p.A., residue 14.000 sono detenute direttamente

(3) La società Beda S.r.l., di cui il Sig. Carlo Volpi è socio unico e amministratore unico, detiene azioni di Pharmanutra S.p.A.

## Annex 1

*Executive Summary* | CEO and Executive Directors' Remuneration Package

First and Last name	Position	Fixed rem.	STI	% STI/fixed	LTI	% LTI/fixed
<b>Andrea Lacorte</b>	Chair and Executive Director	<b>1.858.400,00</b>	<b>452.400,00</b>	24%	<b>226.200,00</b>	12%
<b>Roberto Lacorte</b>	Vice Chair and Executive Director	<b>1.596.000,00</b>	<b>452.400,00</b>	28%	<b>226.200,00</b>	14%
<b>Carlo Volpi</b>	Executive Director	<b>1.426.000,00</b>	<b>452.400,00</b>	32%	<b>226.200,00</b>	16%
<b>Germano Tarantino</b>	Executive Director	<b>232.000,00</b>	<b>202.800,00</b>	87%	<b>101.400,00</b>	44%

Pisa, 15 March 2024

The Chair of the Board of Directors

Andrea Lacorte