

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

(Prepared pursuant to Article 123-ter of Legislative Decree No. 58/98, as subsequently amended, and Article 84-quater of Consob Regulation 11971/99)

THE ITALIAN SEA GROUP S.P.A

www.theitalianseagroup.com

Approved by the Board of Directors on 21 March 2024

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This document is an English translation from Italian. The Italian original shall prevail in case of differences in interpretation and/or factual errors.

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GLOSSARY

Chief Executive Officer	means the director of the Issuer to whom management powers have been delegated, from time to time.
Shareholders' Meeting	means TISG's Shareholders' Meeting.
Shareholders	means TISG's Shareholders.
Borsa Italiana	means Borsa Italiana S.p.A., with its registered office at Piazza Affari no. 6, Milan.
Corporate Governance Code or CG Code	means the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria available on the website www.borsaitaliana.it , in the section "Borsa Italiana - Rules - Corporate Governance", to which the Company adheres.
Italian Civil Code	means the Italian Civil Code as approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended.
Board of Statutory Auditors	means the Board of Statutory Auditors of TISG.
Appointments and Remuneration Committee	means TISG's appointments and remuneration committee set up to implement the recommendations of the Corporate Governance Code.
Board of Directors or Board	means the Board of Directors of TISG.
Consob	means Commissione Nazionale per le Società e la Borsa (Italian National Authority for Companies and the Stock Exchange), with offices in Rome, Via GB Martini No. 3.
Report Date	means 21 March 2024, the date on which this Report – as defined below – was approved by the Board of Directors.
Trading Commencement Date	means the first day on which TISG shares were traded on Euronext Milan, i.e., 8 June 2021.

Executives with Strategic Responsibilities	means the executives referred to in Article 65, paragraph 1- <i>quater</i> , of the Issuers' Regulation, as may be identified by the Board of Directors.
Financial Year	means the financial year ending 31 December 2023 to which the Report refers.
Group	means TISG and its subsidiaries within the meaning of Article 93 of the Italian Consolidated Law on Finance that fall within its scope of consolidation.
Instructions to Stock Exchange Rules	means the Instructions to the Rules of the Markets organised and managed by Borsa Italiana.
Remuneration Policy or Policy	means section I of this Report, which illustrates (i) the Company's and the Group's policy on the remuneration of the members of the Board of Directors, Executives with Strategic Responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors; and (ii) the functions involved and the procedures used for its preparation, approval and review, as well as its duration.
Chair	means the Chair of the Issuer's Board of Directors identified, from time to time, by the Shareholders' Meeting or the Board of Directors pursuant to Article 15.1 of the Articles of Association.
Issuers' Regulation or IR	means the Regulations issued by Consob under resolution No. 11971/1999 (as subsequently amended) regarding issuers.
Report	means this Remuneration Report that companies are required to prepare pursuant to Article 123- <i>ter</i> of the Italian Consolidated Law on Finance and Article 84- <i>quater</i> of the IR.
Auditing Firm	means BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, enrolled in the Companies Register of Milan, Monza Brianza and Lodi, registration number, tax code and VAT No. 07722780967, enrolled in the Register of Auditors No. 167991.
Articles of Association	means the Articles of Association of TISG in force as of the Report Date and available on the Company's website https://investor.theitalianseagroup.com/ , section "Corporate Governance"/"Documents, Policies and Procedures".
TISG or the Company or the Issuer	means The Italian Sea Group S.p.A., with registered office in Marina di Carrara, Carrara (MS), Viale Cristoforo Colombo, No. 4-bis, share capital of

EUR 26,500,000, tax code and VAT No. 00096320452, Economic and Administrative Index (REA) No. 65218.

**Italian Consolidated
Law on Finance or
Consolidated Law**

means Italian Legislative Decree No. 58 of 24 February 1998 (the Italian Consolidated Law on Finance), as subsequently amended.

INTRODUCTION

This Report has been prepared pursuant to Article (i) 123-ter of the Italian Consolidated Law on Finance; (ii) 84-quater of the Issuers' Regulation and its Schedule 3A, tables No. 7-bis and 7-ter, and (iii) 5 of the CG Code.

The Report, approved by the Board of Directors on 21 March 2024, consists of two sections.

Section I of the Report (submitted to the binding vote of the Shareholders' Meeting of 29 April 2024) illustrates, pursuant to Article 123-ter, paragraph 3, of the Italian Consolidated Law on Finance:

- (i) the Policy of TISG and the Group on the remuneration of the members of the administrative bodies and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, of the control bodies, the general managers and the Executives with Strategic Responsibilities, with reference to the next three financial years; and
- (ii) the procedures used for the adoption and implementation of this Policy.

Section II of the Report (submitted to the non-binding vote of the Shareholders' Meeting), pursuant to Article 123-ter, paragraph 4, of the Italian Consolidated Law on Finance, nominally, for the members of the management and control bodies, the general managers and the Executives with Strategic Responsibilities:

- (i) in the first part, provides an adequate representation of each of the items that make up the remuneration, including the treatments provided for in the event of termination of office or termination of employment, highlighting their consistency with the Company's remuneration policy for the Financial Year;
- (ii) in the second part, it analytically explains the compensation paid in the financial year of reference for any reason and in any form by the Company and its subsidiaries or affiliated companies, indicating any components of the aforesaid fees that can be referred to activities carried out in financial years prior to the financial year of reference and also highlighting the fees to be paid in one or more subsequent financial years in respect of the activity carried out in the Financial Year, possibly indicating an estimated value for the components that cannot be objectively quantified in the Financial Year.

Finally, pursuant to Article 84-quater, paragraph 4 of the Issuers' Regulation, any shareholdings held, in the Issuer and in the companies controlled thereby, by members of the governing and control bodies, by general managers and by other Executives with Strategic Responsibilities as well as by spouses who are not legally separated and by under-age children, directly or through controlled companies, trustee companies or through an intermediary, as resulting from the shareholders' book, from communications received and from other information acquired by the same members of the governing and control bodies, from general managers and Executives with Strategic Responsibilities.

The Remuneration Policy was drafted in substantial continuity with the previous remuneration policy approved by the Shareholders' Meeting on 27 April 2023.

The text of this Report is made available to the public, in accordance with the law, at the Company's registered office, on the Company's website at www.theitalianseagroup.com, section "Corporate Governance"/"Shareholders' Meeting", and on the authorised storage mechanism "eMarket Storage" at www.emarketstorage.com.

SECTION I: REMUNERATION POLICY

This section sets out the Remuneration Policy of TISG and the Group on the remuneration of members of management and control bodies, general managers and Executives with Strategic Responsibilities.

The Policy contributes to the long-term interests and sustainability of the Company and the Group.

- a) Bodies or entities involved in the preparation, approval and possible revision of the Policy, specifying their respective roles, as well as the bodies or entities responsible for the proper implementation of the Policy*

The entities involved in the preparation, approval and possible revision of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee, the Board of Statutory Auditors and the Auditing Firm. They ensure that the Policy is properly executed.

The Shareholders' Meeting of the Company:

- (i) determines the compensation of the Board of Directors pursuant to Articles 2364(1)(3) and 2389 of the Italian Civil Code;
- (ii) determines the compensation of the statutory auditors pursuant to Articles 2364(1)(3) and 2402 of the Italian Civil Code;
- (iii) pursuant to Article 123-ter of the Italian Consolidated Law on Finance, expresses its opinion by means of a binding resolution on Section I of the Report, which illustrates the Remuneration Policy, and by means of a non-binding resolution on Section II of the Report;
- (iv) resolves on any share-based compensation plans in favour of members of the Board of Directors, employees or contingent workers not linked to the company by employment relationships, or members of the Board of Directors, employees or contingent workers of other parent companies or subsidiaries pursuant to Article 114-bis of the Italian Consolidated Law on Finance.

The Board of Directors:

- (i) sets up an internal Appointments and Remuneration Committee;
- (ii) after hearing the opinion of the Board of Statutory Auditors, it determines the remuneration of directors holding special offices pursuant to Article 2389(3) of the Italian Civil Code, and allocates the fixed annual emolument for office allowance, determined in total by the Shareholders' Meeting;
- (iii) draws up, with the help of the Appointments and Remuneration Committee, the remuneration policy;
- (iv) approves the report on the remuneration policy and compensation paid to be submitted to the Shareholders' Meeting;
- (v) prepares any compensation plans based on financial instruments intended for directors, employees or contingent workers of the Company and the Group, pursuant to Article 114-bis of the Italian Consolidated Law on Finance, submits them to the Shareholders' Meeting for approval and oversees their implementation;
- (vi) ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the Policy, in light of the results achieved and other circumstances relevant to its implementation.

The Appointments and Remuneration Committee assists the Board in evaluating and deciding on remuneration policy. More specifically:

- (i) it assists the Board of Directors in drawing up the remuneration policy;
- (ii) it presents proposals or expresses opinions on the remuneration of executive directors and other directors who hold special offices, and on the setting of performance targets for the variable component of this remuneration;
- (iii) it monitors the concrete application of the remuneration policy and verifies, in particular, the actual achievement of performance targets;
- (iv) it periodically assesses the adequacy and overall consistency of the Remuneration Policy for directors and top management.

For information on the Appointments and Remuneration Committee, please refer to letter b) below.

The Board of Statutory Auditors supervises compliance with the law and the Articles of Association, as well as has control over management; in particular, it expresses its opinion on proposals for the remuneration of directors holding special offices.

The Auditing Firm verifies that section II of the Report has been prepared by the directors.

b) Intervention of the Appointments and Remuneration Committee, describing its composition (with the distinction between non-executive and independent directors), responsibilities and operating procedures, and any additional measures to avoid or manage conflicts of interest

The Appointments and Remuneration Committee, as established by the Board of Directors on 3 May 2023 and in office as of the Report Date, is composed of three non-executive and independent directors: Fulvia Tesio (who serves as Chair of the Committee), Laura Angela Tadini and Antonella Alfonsi.

In particular, the rules of the Appointments and Remuneration Committee (“**Rules**”) provide that the committee is appointed by the Board of Directors, which also appoints its Chair.

If, during the term of office, one (or more) of the directors serving on the committee should cease to serve, the Board of Directors shall replace him/her; the replacement, thus appointed, shall serve until the expiry of the term of office of the entire Board of Directors. The early termination of the Board of Directors for any reason whatsoever results in the immediate disqualification of the committee.

The composition of the Appointments and Remuneration Committee complies with the Corporate Governance Code in that (i) it is composed of non-executive directors who meet the independence requirements of the GG Code, (ii) it is chaired by an independent director, and (iii) its members have adequate knowledge and experience in financial and remuneration policy matters.

The Appointments and Remuneration Committee has the right of access to the information and corporate functions necessary to perform its tasks, had access to financial resources and made use of external consultants, within the terms set by the managing body.

The meetings of the Remuneration Committee take place in collegial form and are duly recorded in minutes.

In line with the recommendations of the Corporate Governance Code, in order to avoid situations of conflict of interest, no director takes part in Appointments and Remuneration Committee meetings in which proposals are made to the Board of Directors regarding their remuneration.

Persons who are not members of the Committee may attend the meetings, if invited by the Committee in advance, with reference to individual items on the agenda. During the Financial Year, Mr Alberto Ferri, the Company's Human Resources ("HR") director, attended the Appointments and Remuneration Committee meetings.

The Committee may have access to the information and corporate functions necessary to perform its tasks, as well as make use of external consultants, appropriately bound to confidentiality, under the terms established by the Board of Directors.

For more information on the activities conducted by the Appointments and Remuneration Committee during the Financial Year and its functions, please refer to the report on corporate governance and ownership structures as of 31 December 2023, made available to the public at the Company's registered office, on the Company's website at www.theitalianseagroup.com, section "Corporate Governance"/"Shareholders' Meeting", and on the authorised storage mechanism "eMarket Storage" at www.emarketstorage.com.

During the financial year 2024, the Appointments and Remuneration Committee will be called upon to perform the following tasks: (i) to assist the board of directors in preparing this Report; and (ii) to assess the adequacy, consistency and practical application of the Policy.

c) *How the Company has taken into account the compensation and working conditions of its employees in determining the Policy*

The Policy was prepared taking into account the role, compensation and working conditions of employees. In particular, the Policy consists of tools and logic, applied to the entire corporate population, aimed at attracting, motivating and retaining resources possessing the necessary professional qualities to contribute to the definition of the Company's growth strategy and the strengthening of the Company's long-term interests and sustainability.

The Policy is defined on the basis of specific criteria, including comparison with the reference market, the characteristics of the role and responsibilities attributed, individual and Group performance, and the distinctive skills of individuals, always with a view to maximum objectivity, in order to avoid any form of discrimination. The Policy is based on the principles of meritocracy, fairness, equal opportunities and competitiveness in relation to the reference market.

The Company develops professional and managerial training and development programmes on an annual basis through the TISG Academy, project launched in March 2021, aimed at cultivating the company's human capital and combating the phenomenon, rampant in the sector, of "talent shortage". The project is dedicated to the creation of paths of excellence for company employees and graduating students from Italian universities. The training programmes, which are carried out by external and internal lecturers, cover both technical topics related to the yachting sector and aimed at the acquisition of so-called "hard skills" (these include, but are not limited to, fire prevention on board, analysis of noise phenomena or the transmission of vibrations, safety on board ship, etc.) and topics aimed at fostering the development of "soft skills" that are essential to ensure the development of managerial career paths. The lowest common denominator of the annual training programmes is the constant focus on technical and aesthetic quality, the founding values of the corporate philosophy.

d) Names of any independent experts involved in the preparation of the remuneration policy

In preparing this Policy, the Company did not seek the support of independent experts.

e) Aims pursued with the Policy, its underlying principles, its duration and, in the event of a revision, a description of the changes with respect to the Policy last submitted to the Shareholders' Meeting and how such revision takes into account the votes and evaluations expressed by the shareholders at that Shareholders' Meeting or subsequently

The Policy is defined in accordance with the needs and strategy of the Company and the Group, the governance model and the guidelines of the Corporate Governance Code. The Remuneration Policy is functional to the pursuit of the sustainable success of the Company and takes into account the need to obtain, retain and motivate people with the skills and professionalism required by their role in the Company.

The Policy defines the principles and guidelines for determining the remuneration of the members of the board of directors and control body, general managers and Executives with Strategic Responsibilities.

The Policy is aimed at remunerating the performance of corporate populations that have different responsibilities and strategic objectives; therefore, it provides for differentiated remuneration and incentive instruments that vary according to the different levels of employment classification and the technical-professional content of the position held. The primary objective of the company's Policy is to attract and motivate resources endowed with the necessary professional qualities to perform the assigned tasks and fulfil the related responsibilities, consistently with the interests of the management bodies and with the priority objective of creating value for shareholders over a medium-long term horizon.

The Policy is aligned with high-end practices of the reference market and is based on the principles of absolute transparency and meritocracy; it aims to adequately motivate and reward resources that stand out for their professional qualities, dedication and skills.

In accordance with the requirements of the CG Code, the Policy defines:

- (i) an appropriate balance between the fixed and variable components of remuneration, consistent with the Company's strategic objectives and risk management policy, taking into account the characteristics of the business and the sector in which it operates, providing in any case that the variable portion represents a significant part of overall remuneration;
- (ii) performance targets, to which the payment of variable components is linked, predetermined, measurable and linked in significant part to a long-term horizon. These limits are consistent with the Company's strategic objectives and are designed to promote its sustainable success, including, where relevant, non-financial parameters;
- (iii) an adequate deferral period - with respect to the time of maturity - for the payment of the variable component, consistent with the characteristics of the business activity and the related risk profiles.

This Remuneration Policy is substantially consistent and in continuity with the policy approved by the Shareholders' Meeting on 27 April 2023 and is valid for one year.

In defining the Policy, the Board of Directors and the Appointments and Remuneration Committee took into account the guidance expressed by the Shareholders at the Shareholders' Meeting held on 27 April 2023 regarding the first and second sections of the report (both in favour by 92.635% of the votes cast by the participants), which confirmed a significant approval of the Shareholders on the structure, principles and remuneration levels set forth therein and which, therefore, remain unchanged.

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

Directors' remuneration is set at an appropriate level to attract, retain and motivate people with the professional qualities required to successfully manage the Company, taking into account its size and the sector in which it operates.

The Remuneration Policy for managers and the rest of the corporate population is divided between a fixed and variable remuneration in the short and long term.

The **fixed remuneration** is determined in such a way as to adequately compensate for services rendered and is commensurate with the tasks and responsibilities assigned. It must, however, be sufficient to remunerate job performance even in cases where there is no variable component or in cases where recipients of a variable remuneration plan do not (or only partially) accrue the related remuneration.

The fixed component of the remuneration aims to remunerate, in particular, the responsibilities attributed to the recipients, taking into account, among other things, compliance with internal fairness criteria, past experience and the relevance of the contribution made by the recipient to the achievement of business results. The fixed component is calculated and defined on the basis of sector benchmark analyses in such a way as to ensure an adequate level of attractiveness (facilitating the recruitment of the best profiles on the market) and retention (in order to motivate and retain within the organisation key resources and those with specialised skills that are difficult to find).

At the beginning of each new year, the company management identifies a budget to implement the “**Annual salary review**” process, a fixed remuneration management tool, which aims to apply meritocratic interventions in order to:

- 1) ensure a uniform and consistent remuneration treatment that guarantees the principles of fairness, competitiveness, transparency and meritocracy in line with the company's values, governance principles and remuneration policy;
- 2) support the culture of performance and ensure the enhancement and retention of resources, orienting them towards the achievement of results according to principles of integrity and fairness;
- 3) balance, where necessary, the fixed component of remuneration with that of a variable nature, in line with the value of the performance and the actual responsibilities associated with the role held.

For the purposes of defining the annual salary review plan, the performance of resources during the year preceding the reference year is taken into account and a fairness-based logic is applied with respect to indicators such as duties, responsibilities and professional skills developed.

Meritocratic interventions that may be part of the annual salary review strategy are the following: (i) increase in fixed salary; (ii) assignment to the next higher contractual level and subsequent salary adjustment; and (iii) payment of one-off bonuses. With regard to the disbursement of one-off bonuses, the provisions of Law No. 213 of 30 December 2023 (so-called Budget Law 2024), which extended the exemption threshold for *fringe benefits*, will be used during 2024.

The **short-term variable remuneration** envisaged for the managerial population (executives, middle managers, high-potential employees) is divided into an **individual “MBO” (Management by Objectives) bonus system**. The MBO (Management by Objectives) system has the function of promoting the achievement of annual business objectives and provides for the assignment of a certain number of predetermined and

measurable targets reported from time to time in the individual sheets shared with the interested parties at the beginning of each new period. The MBO system is extended to Executives with Strategic Responsibilities and other managers with technical and management coordination roles.

In the year 2023, with the aim of pursuing the guidelines set out in TISG's remuneration policy, the MBO system was extended to a significant part of the managerial population, which was divided into the following categories: (i) executives/directors with strategic and business management functions; and (ii) managers with technical and management coordination functions.

The recipients of the MBO plan belong to the following areas:

- (i) **direction and management of the business** (*Chairperson/Vice Chairperson/COO - Chief Operations Officer/Departmental General Managers*);
- (ii) **technical management** (*Technical Director/Yacht Design Director/Technical Coordinators/Project Manager/Technical Function Specialists*);
- (iii) **sales management** (*Sales Director/Sales Manager*);
- (iv) **production management and control** (*Production Coordinators/Operational Function Coordinators/Quality Director*);
- (v) **Finance/HR/Marketing/Purchasing/Audit departments.**

Access to the short-term incentive is, however, linked to the achievement of a prerequisite based on economic-financial and production performance indicators. If this prerequisite is met, the accrual of variable remuneration is linked to the achievement of individual targets, which is verified by assessing work performance during the **reference period** running from July of each year to June of the following year (**12 months**).

Individual targets are annually identified jointly by the CEO, the HR director and the departmental directors, each within his or her sphere of responsibility, and are set out in the individual target assignment sheets.

Individual targets are divided into “*performance (quantitative)*” and “*development and management (qualitative)*” targets. For some managers, depending on their role and responsibilities, there are also “ESG” (environmental, social and governance) targets.

The average incidence of the maximum attainable value of variable remuneration on the basic fixed remuneration is established as follows:

- (i) for executives/directors with strategic and business management functions: **76%**;
- (ii) for managers with technical and management coordination functions: **30%**.

At the end of the 12-month period envisaged by each individual plan, where the fulfilment of the prerequisite condition has been verified, the achievement of each individual target (of “performance”, “development and management” and “ESG”) is determined, the right to payment of the portion of variable remuneration associated with it is determined on the basis of a weighted average that takes into account the percentage weight of each target. In any case, any variable remuneration is paid only during the employment and tenure relationship, and thus only if the beneficiary is in force at the time of accrual (so-called “*malus*” clause).

The **long-term variable remuneration** is represented by the share incentive plan approved by the Shareholders' Meeting on 27 April 2023, pursuant to Article 114-*bis* of the Italian Consolidated Law on Finance, and called the “**Long Term Incentive Plan 2026-2028**” (the “**Plan**”), addressed to executive directors, general managers, Executives with Strategic Responsibilities and/or employees with permanent employment contracts, of the Company and any of its subsidiaries pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code, to be implemented by means of the free allocation of option rights valid for the subscription of ordinary shares of the Company.

- **Reasons underpinning the adoption of the Plan**

The purpose of the Plan is to set up an incentive mechanism aimed at executive directors, general managers, Executives with Strategic Responsibilities and/or employees with permanent employment contracts of the Company and of its subsidiaries pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code, through the involvement of the same in the corporate structure of TISG, for both incentive and retention purposes, aligning the interests of the management to the pursuit of the priority target of creating value for the Shareholders in the medium-long term and at the same time building the loyalty of the beneficiaries, involving them in the process of creating value for the Company.

The proposal for the adoption of the Plan was formulated by the Board of Directors following the proposal of the Appointments and Remuneration Committee of the Company.

It should be noted that the guidelines of the stock option plan aimed at executive directors, general managers, Executives with Strategic Responsibilities and/or employees with permanent employment contracts of the Company and any of its subsidiaries pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code, had been previously approved by the Issuer's Shareholders' Meeting on 18 February 2021. Information on this resolution can be found in the prospectus (Part One, Chapter XII), which can be consulted on the TISG website www.investor.theitalianseagroup.com, IPO section.

- **Scope and implementation of the Plan**

The Plan provides for the free allocation, to each of the beneficiaries identified by the Board of Directors, upon proposal of the Appointments and Remuneration Committee of the Company within the categories of recipients indicated in the following section (the “**Beneficiaries**”), of options (hereinafter the “**Options**”) that attribute to the Beneficiary, upon the occurrence of the exercise conditions (the “**Exercise Conditions**”) set forth in the Plan itself (as described below), the right to subscribe TISG ordinary shares to be issued in execution of the share capital increase to service the Plan, at a ratio of 1 share for each 1 Option exercised under the terms and conditions provided for.

The Plan is divided into three cycles, each lasting three years: the first cycle 2023-2025, the second cycle 2024-2026 and the third cycle 2025-2027.

Each cycle includes:

- (i) the definition, at the allocation stage, of the Exercise Conditions and the exercise price;
- (ii) the allocation to the Beneficiaries of a certain number of Options;
- (iii) the determination of the number of exercisable Options, subject to the verification of the Exercise Conditions;
- (iv) the subscription, by the Beneficiary, of a single share for each exercisable Option, upon payment of the exercise price;

(v) delivery of the shares to the Beneficiary.

The exercise price (the “**Exercise Price**”) that the Beneficiary shall pay to TISG for the subscription of each share in the event of the exercise of the Options is equal to the arithmetic mean of the official prices recorded by the TISG share on Euronext Milan in the 90 calendar days preceding the date of approval of the notice of call of the Shareholders’ Meeting for the approval of the financial statements. With reference to the first cycle, the Exercise Price is EUR 6.48, determined on the basis of the official prices recorded by the TISG share from 14 December 2022 to 14 March 2023. The Exercise Price for the second cycle and for the third cycle will be calculated in a similar manner.

The maximum total number of TISG ordinary shares to be allocated to the Beneficiaries for the execution of the Plan is 1,934,500 ordinary shares.

The Options allocated under the Plan will therefore attribute to the Beneficiaries, if they accrue the right to exercise them as specified below, the right to subscribe a maximum of 1,934,500 ordinary shares, at the Exercise Price, in the ratio of 1 share for every 1 Option allocated and exercised, all under the terms and conditions of the Plan.

The Company shall make available to the Beneficiary the shares to which he/she is entitled following the valid exercise of the Options no later than 10 (ten) business days following the end of the calendar month in which the exercise took place.

The shares due to the Beneficiary following the exercise of the Options will have regular dividend entitlement.

The Plan does not receive any support from the Special Fund for incentivising worker shareholding in companies under Article 4, paragraph 112, of Law No. 350 of 24 December 2003.

- **Beneficiaries of the Plan**

The Plan is addressed to persons who, on the date the Options are allocated by the Board of Directors (the “**Allocation Date**”), are executive directors, general managers, Executives with Strategic Responsibilities and/or employees with permanent employment contracts of the Company and its subsidiaries pursuant to Article 2359, paragraph 1, No. 1, of the Italian Civil Code.

The Board of Directors shall identify the individual Beneficiaries within the above categories and the number of Options to be attributed to each Beneficiary, taking into account the category, organisational level, responsibilities and professional skills of each Beneficiary.

Such information will be disclosed at a later date pursuant to Article 84-bis, paragraph 5 of the Issuers’ Regulation. The Plan provides that the Options may be granted to the Beneficiaries by the Board of Directors within 3 (three) years from the date of approval of the Plan Rules (the “**Rules**”), which will be approved by the Board of Directors upon the proposal of the Appointments and Remuneration Committee.

A condition for participation in the Plan is the maintenance of a directorship or employment relationship with TISG or a subsidiary (hereinafter, the “**Relationship**”).

The Rules will establish the different effects caused by the possible termination of the employment or contingent worker relationship or of a director even without delegated powers, taking into account the cause and the time at which the termination should occur (“good and bad leaver”).

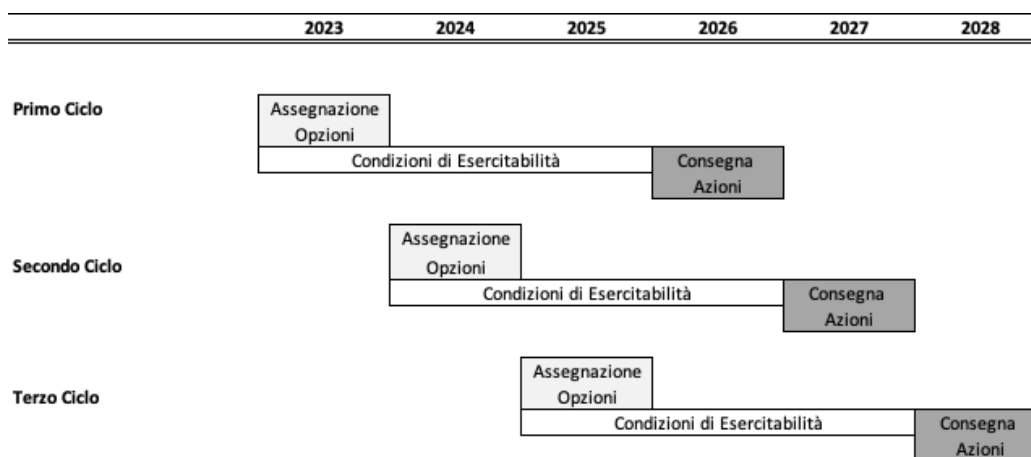
To the extent relevant herein, bad leaver shall mean termination of the Relationship due to: (i) revocation of the office held by the Beneficiary, or dismissal of the Beneficiary, upon the occurrence of a cause; and (ii) voluntary resignation of the Beneficiary not justified by the occurrence of a good leaver event, including but not limited to proven health reasons and retirement. In the event of the termination of the relationship due to a bad leaver event, the Beneficiary will definitively lose the right to exercise the Options.

- **Duration of the Plan and terms and conditions for exercising the Options**

The Plan will end in 2028 with the last possible delivery of shares of the third cycle as provided for in the Rules of the Plan.

The Plan is divided into three cycles (2023, 2024 and 2025), each lasting three years.

For illustrative purposes only, the following chart shows the three cycles (2023-2025, 2024-2026 and 2025-2027), each lasting three years:



[Primo Ciclo: First Cycle; Secondo Ciclo: Second Cycle; Terzo Ciclo: Third Cycle; Assegnazione Opzioni: Assignment Options; Condizioni di Esercibilità: Conditions of Exercise; Consegna Azioni: delivery of the shares]

Options will be exercisable during the exercise periods set out in the individual option agreement in accordance with the Rules.

The exercise of the Options shall in any event take place by the final exercise date, i.e., 31 December 2026 for the first cycle, 31 December 2027 for the second cycle, and 31 December 2028 for the third cycle.

The exercise of the Options (and the subsequent delivery of the shares to the Beneficiaries) is subject to the Board of Directors verifying the fulfilment of the following Exercise Conditions, individually and severally considered:

- **performance targets:** these are identified by the Board of Directors for each cycle of the Plan, on the proposal of the Appointments and Remuneration Committee. For each of the performance targets, there is an incentive curve linking the number of exercisable Options to the performance target achieved based on different performance levels.

The performance targets for the 1st cycle of the Plan in the 2023-2026 period relate to:

- (i) revenue growth (“**Revenue Target**”);

- (ii) the EBITDA margin (“**EBITDA Margin Target**”);
 - (iii) the net working capital (“**NWC Margin Target**”);
 - (iv) sustainability targets (“**ESG Target**”);
 - (v) targets established according to the role and function of the Beneficiary;
- **minimum holding requirements:** for the purposes of the attribution, it is required that the Beneficiaries identified by the Board of Directors hold an equity interest in the Company in accordance with a series of parameters (the “minimum holding requirements”) that will be identified in the Rules. It should be noted that the Board of Directors will have the power to make derogations for specific situations relating to newly hired employees;
 - **constancy of relationship:** the attribution shall be subject, *inter alia*, to the condition that the Beneficiary is an employee or contingent worker or is a director, even without delegated powers, of the Group in constancy of relationship with the Group. The Rules will establish the various effects caused by the possible termination of the employment or contingent worker relationship or of management, taking into account the cause and the time at which the termination takes place.

Options that cannot be exercised due to the non-occurrence of the relevant Exercise Conditions will automatically lapse, with the consequent release of TISG from any obligation or liability.

- **Limits on the transfer of Options**

Options will be attributed on a personal basis and may only be exercised by Beneficiaries.

Unless otherwise resolved by the Board of Directors, without prejudice to transfers *mortis causa*, the Options may not be transferred for any reason or in any way traded, pledged or subjected to other rights in rem by the Beneficiary and/or granted as a guarantee, even if in application of the law.

There are no restrictions on the transfer of the TISG shares subscribed following the exercise of the Options.

➤ **Board of Directors**

The remuneration of the members of the Board of Directors consists of a fixed annual compensation established pursuant to Article 2389 of the Italian Civil Code.

The remuneration of non-executive and independent directors consists solely of a fixed annual compensation commensurate with the commitment required of each of them (including for participating in the activities of each end-consultative committee, as members thereof). This compensation is currently determined at the same level for all non-executive and independent directors.

➤ **Board of Statutory Auditors**

With regard to the compensation of the members of the control body, it should be noted that, pursuant to Article 2402 of the Italian Civil Code, the same is decided by the Shareholders’ Meeting at the time of appointment for the entire term of their office.

The remuneration of the statutory auditors and the chair of the Board of Statutory Auditors is commensurate with the skills, professionalism and commitment required, the importance of the role covered as well as the company’s size and sectoral characteristics.

➤ **Other Executives**

In order to identify the persons falling within the category of Executives with Strategic Responsibilities, the Company refers to the definition set forth in the Appendix to Consob Regulation No. 17221/2010, as amended, according to which “*executives with strategic responsibilities are those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling activities of the company, including directors (whether executive or otherwise) of the company*”.

The persons falling under the definition of Executives with Strategic Responsibilities are identified by the Board of Directors or the Chief Executive Officer. The remuneration of Executives with Strategic Responsibilities generally consists of:

- (i) a fixed annual remuneration determined on the basis of the role and responsibilities assigned considering the remuneration positioning in the context of national and international executive market benchmarks for roles of similar level of responsibility and managerial complexity;
- (ii) a variable component of compensation linked either to the achievement of commercial/corporate results in each single reference year, and only and exclusively on condition that both the achievement of annual targets and the absence of prejudicial conduct on the part of the executive are jointly fulfilled, and the amount of which is established as a percentage of economic parameters (turnover and/or operating margin) established annually by the Company, or linked to the managerial contribution made with reference to a specific corporate project (MBO);

g) Policy followed with regard to non-monetary benefits

The remuneration package includes as non-monetary benefits the possibility (i) to use the assigned mobile phone also for personal needs, and (ii) to use the gym and spa service inside the Marina di Carrara headquarters free of charge.

h) Description of the financial and non-financial performance targets on the basis of which the variable remuneration components are awarded, distinguishing between short-term and medium- to long-term variable components, and information on the link between the change in results and the change in remuneration

The Company has defined a set of financial and non-financial performance targets to motivate employees and contribute to the overall success of the organisation. In financial terms, short-term targets generally focus on increasing turnover, reducing/absorbing costs related to penalties/litigations, and reducing operating costs. These targets are directly related to the Company’s profitability and financial strength in the short to medium term. Parallel to the financial targets, the company sets non-financial targets that aim to improve product quality, customer satisfaction, operational efficiency, innovation and personnel development. These targets are crucial for maintaining competitiveness in the market and building positive relationships with customers and employees. The link between the change in results and the change in remuneration is usually established through a variable incentive system (MBO), which directly links the achievement of objectives to employee compensation calculated on the basis of the degree of achievement of the set targets.

i) Description of the criteria used to assess the achievement of the performance targets underlying the award of shares, options, other financial instruments or other variable remuneration components, specifying the extent of the variable component to be paid according to the level of achievement of the targets themselves

Performance targets are generally divided into production performance targets and management and development targets. Each performance target is given a relative weight that reflects its strategic importance within the business processes. The weight directly influences the extent of the variable pay component linked to the achievement of the target to which it refers. At the end of the evaluation period, in fact, the level of achievement of each target, expressed in percentage terms, is determined for each recipient of the variable remuneration plan, and a weighted average is carried out that takes into account the percentages of achievement of the targets and their specific weights, thus calculating the amount of the variable component to be paid.

j) *Information aimed at highlighting the contribution of the Policy, and in particular the policy on variable remuneration components, to the corporate strategy, the pursuit of long-term interests and the sustainability of the Company*

The overall remuneration structure is able to recognise the managerial value of the individuals involved and the contribution made to the company's growth in relation to their respective skills and functions in such a way as to attract, retain and motivate people with the professional qualities required to successfully manage the Company. To this end, the composition of the remuneration package of Executives with Strategic Responsibilities is defined in line with criteria aimed at ensuring:

- (i) a direct link between pay and performance through mechanisms that stipulate the non-payment of bonuses in the event of failure to achieve the targets and the overall profitability of the company;
- (ii) overall remuneration levels that recognise the professional value of people and their contribution to value creation.

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

With reference to the vesting periods and subsequent payment of the variable remuneration component, please refer to section f) of this Report.

Except as indicated in section f) above, as of the Report Date, the Remuneration Policy does not provide for *ex post* correction mechanisms of the variable component.

l) *Information on the possible provision of clauses for the retention of financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine these periods*

At the Report Date, there were no clauses concerning the retention of financial instruments in the portfolio after their acquisition.

m) *Policy relating to salary packages in the event of the end of term of office or termination of employment*

Without prejudice to the provisions of section f) above, no benefits are envisaged in the event of termination of office or termination of employment, except as may be provided for in specific employment contracts.

- (i) ***Duration of any employment contracts and further agreements, the notice period, where applicable, and what circumstances give rise to the right***

The duration of employment contracts is generally for an indefinite period. Contracts are subject to the probationary period provided for in the applicable National Collective Bargaining Agreement (hereinafter “NCBA”).

In the event of resignation, Executives with Strategic Responsibilities are required to observe the notice period provided for in the applicable NCBA, i.e., the national collective bargaining agreement for managers of industrial companies.

The Company has entered into non-competition agreements with certain executives, middle managers and employees with strategic functions, under which the Company is obliged to pay the counterparts an annual sum, divided into 12 equal monthly payments, until the termination of the relationship.

(ii) Criteria for determining the compensation due to directors, general managers and, at an aggregate level, to Executives with Strategic Responsibilities, distinguishing, where applicable, the components attributed by virtue of the office of director from those relating to employee relations, as well as the components for any non-competition commitments. If these compensations are expressed on a per annum basis, please indicate in detail the components of that annuity (fixed, variable, etc.)

In general, the determination of the compensation due to directors, general managers and Executives with Strategic Responsibilities is aimed at guaranteeing the principles of uniformity, fairness, competitiveness, transparency and meritocracy in line with the values, governance principles and corporate remuneration policy, and ensuring adequate levels of commitment and retention. To this end, benchmarking is also undertaken in advance, enabling the company to maintain the right balance between attractiveness to talented managers and responsible management of financial resources, ensuring that compensation is aligned with market practices and company performance.

The compensation arising from the office of director is determined according to the responsibilities and peculiarities of the office assigned in accordance with corporate governance guidelines and current legislation.

The compensation deriving from employment relationships provides for a fixed remuneration system based on the added value that the manager is expected to guarantee to the company based on his expertise and aimed at guaranteeing the principles of fairness, competitiveness and meritocracy, and a variable remuneration system based on the evaluation of individual and company performance. For some executives, the remuneration system may provide for additional compensation that is assigned on a monthly basis during the employment relationship in exchange for non-competition commitments that allow the Company to protect its interests, protect confidential information, safeguard corporate know-how, preserve competitive advantage and defend investments made.

(iii) Possible link between such compensation and the Company’s performance

As at the Report Date, no compensation is exclusively and directly linked to corporate performance.

(iv) Possible effects of the termination of the relationship on the rights assigned as part of incentive plans based on financial instruments or to be disbursed on a cash basis

With reference to the effects of the termination of the relationship on the rights assigned as part of incentive plans based on financial instruments, please refer to section f) of this Report.

There are no cash incentive plans in place as of the Report Date.

- (v) ***Any provision for the allocation or retention of non-monetary benefits in favour of persons or for the conclusion of consultancy contracts for a period after the termination of the relationship***

As of the Report Date, no non-monetary benefits are to be granted or maintained in favour of individuals following termination of employment.

- n) ***Information on any insurance, social security or pension coverage, other than those that are mandatory***

In line with best practices, the Company has taken out an insurance policy covering civil liability for directors, executives, managers (D&O policy) and members of the Board of Statutory Auditors.

The Company has taken out a life and serious accident insurance policy, both during the performance of their duties and in daily life, for each of its employees of order and grade.

- o) ***Remuneration policy possibly followed with reference to: (i) independent directors, (ii) participation in committees and (iii) performance of special duties (chair, vice-chair, etc.)***

Consistently with the Corporate Governance Code, the remuneration of non-executive directors is not linked to the Issuer's financial performance objectives and provides for a compensation commensurate with the skill, professionalism and commitment required by the tasks assigned to them within the board of directors and board committees.

No compensation was paid to the directors for participating in the committees.

Pursuant to the Issuer's Articles of Association, the remuneration of directors holding special offices is set by the Board of Directors, after hearing the opinion of the Board of Statutory Auditors. The Shareholders' Meeting may determine an overall amount for the remuneration of all the directors, including those holding special offices.

- p) ***Whether the remuneration policy was defined using the remuneration policies of other companies as a reference, and if so, the criteria used for the selection and designation of those companies***

In the definition of the Remuneration Policy, the Company did not use remuneration policies of other companies as a reference.

- q) ***Elements of the Remuneration Policy from which, in exceptional circumstances, it is possible to derogate and, without prejudice to the provisions of Regulation No. 17221 of 12 March 2010, any further procedural conditions under which the derogation may be applied***

In the presence of exceptional circumstances, the Company may derogate from the elements of the Remuneration Policy as set out below. It should be noted that "exceptional circumstances" are defined as those situations in which derogation from the Remuneration Policy is necessary in order to pursue 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 (such as, for example, those resulting from the emergency due to pandemic events);

- (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 qualifying as Executives with Strategic Responsibilities relevant to this Policy;
- (iii) significant changes in the perimeter of the company's activity during the validity of the Policy, such as the disposal of a company/part of the business operations on the activity of which the performance targets of the Policy were based, or the acquisition of a significant business not contemplated for the purposes of the preparation of the Policy.

It is in any case understood that any derogations to the Policy will be subject to the prior examination of the Appointments and Remuneration Committee and to the application of the rules provided for in the procedure for related party transactions.

Notwithstanding the foregoing, the derogation may concern:

- (i) the remodulation of the performance targets to which variable remuneration is linked and the frequency of their determination;
- (ii) the revision of the criteria used to assess the targets;
- (iii) the change in the ratio between fixed and variable remuneration components;
- (iv) the assigning of one-off monetary bonuses;
- (v) the attribution of special allowances, in order to take account of the above-mentioned exceptional circumstances and only to the extent that this is instrumental to the pursuit of the above-mentioned interests.

SECTION II: COMPENSATION PAID

This section is divided into two parts and, in a clear and comprehensible manner, by name, for the members of the management and control bodies, the general managers and the Executives with Strategic Responsibilities:

- (i) in the first part, it provides an adequate representation of each of the items that make up the remuneration, including the indemnities provided in the event of termination of office or termination of employment, highlighting their consistency with the Company's remuneration policy for the Financial Year;
- (ii) in the second part, it analytically explains the compensation paid in the financial year of reference for any reason and in any form by the Company and its subsidiaries or affiliated companies, indicating any components of the aforesaid fees that can be referred to activities carried out in financial years prior to the financial year of reference and also highlighting the fees to be paid in one or more subsequent financial years in respect of the activity carried out in the Financial Year, possibly indicating an estimated value for the components that cannot be objectively quantified in the Financial Year.

The allocation of compensation pursues the long-term interests and sustainability of the Company and the Group, as outlined in the Remuneration Policy, aiming to answer to the need to attract, retain, and motivate highly professional resources.

1. Part I: Items making up remuneration

Below is a representation of the items that make up the remuneration of the members of the governing and control bodies, general managers and other Executives with Strategic Responsibilities.

As regards the medium-long term variable component of remuneration, it should be noted that during the Financial Year no options were attributed under the incentive and loyalty plan called "Long Term Incentive Plan 2026-2028" approved by the Shareholders' Meeting on 27 April 2023.

1.1 Compensation of members of the management and control bodies

On 27 April 2023, the Issuer's Shareholders' Meeting, in the context of the renewal of the board of directors, resolved to grant the entire Board of Directors a gross annual emolument of EUR 105,000. Subsequently, on 10 May 2023, by virtue of the Shareholders' Meeting resolution of 27 April 2023, the Board of Directors resolved to grant each member of the same an all-inclusive gross annual compensation of EUR 15,000 for each director.

With reference to the Board of Directors in office until 27 April 2023, it should be noted that the board of directors had resolved to allocate the total fee of EUR 105,000, as resolved by the Shareholders' Meeting on 18 February 2021.

On 27 April 2023, the Issuer's Shareholders' Meeting also resolved to award an annual gross compensation of (i) EUR 13,500 to the Chair of the Board of Statutory Auditors, and (ii) EUR 9,000 to the Standing Auditors.

With reference to the Board of Statutory Auditors in office until 27 April 2023, it should be noted that the Shareholders' Meeting, on 8 May 2020, had resolved to allocate an annual compensation of (i) EUR 13,500 to the Chair of the Board of Statutory Auditors and (ii) EUR 9,000 to the Standing Auditors.

1.2 Directors holding special offices

On 10 May 2023, the Issuer's Board of Directors, with the favourable opinion of the Board of Statutory Auditors, resolved:

- (i) to pay for the office of Chief Executive Officer to Giovanni Costantino the gross annual compensation of EUR 635,000 to be paid in 12 monthly instalments in arrears;
- (ii) to pay for the office of Chair of the Board of Directors and Employer to Filippo Menchelli the gross annual compensation of EUR 30,000 to be paid in 12 monthly instalments in arrears.

1.3 Compensation of Executives with Strategic Responsibilities

It should be noted that during the Financial Year, the Company identified six Executives with Strategic Responsibilities.

In accordance with the Remuneration Policy, the remuneration of Executives with Strategic Responsibilities consists of:

- (i) a fixed annual remuneration determined on the basis of the role and responsibilities assigned considering the remuneration positioning in the context of national and international executive market benchmarks for roles of similar level of responsibility and managerial complexity;
- (ii) a variable component of compensation linked to (a) the achievement of commercial/corporate results in any given year, or (b) the managerial contribution provided with reference to a given corporate project.

With reference to the remuneration paid to Executives with Strategic Responsibilities during the Financial Year, please refer to Table 1 below.

1.4 Compensation of general managers

The Company did not formally appoint General Managers during the Financial Year.

1.5 End-of-office allowance

During the Financial Year, no allowances and/or other benefits for termination of employment were attributed during the year to directors, Executives with Strategic Responsibilities or general managers.

1.6 Application of derogations under the remuneration policy

During the course of the Financial Year there were no derogations to the remuneration policy relating to the Financial Year.

1.7 Information on the application of *ex post* correction mechanisms of the variable remuneration component

During the Financial Year, the Company did not apply any *ex post* correction mechanisms to the variable remuneration component.

1.8 Comparison information

A comparison of the annual change for the last three financial years is given below:

- (i) of the total remuneration of each of the persons for whom the information in this Report is provided by name;
- (ii) of the results of the Company and the Group;
- (iii) of the average gross annual remuneration, parameterised on full-time employees, of employees other than the persons whose remuneration is shown by name in this Report.

	Financial Year 2021	Financial Year 2022	Financial Year 2023
Board of Directors			
Filippo Menchelli (Chair)	45,000	45,000	45,000
Giovanni Costantino (Chief Executive Officer)	650,000	650,000	650,000
Marco Carniani (Deputy Chair)	-	-	12,419.35
Gianmaria Costantino (Director)	-	2,701.61	15,000
Antonella Alfonsi (Independent director)	15,000	15,000	15,000
Laura Angela Tadini (Independent director)	-	-	10,000
Fulvia Tesio (Independent director)	15,000	15,000	15,000
Board of Statutory Auditors			
Alfredo Pascolin (Chair)	-	-	9,000
Felice Simbolo (Standing auditor)	13,500	13,500.00	10,500
Barbara Bortolotti (Standing auditor)	9,000	9,000.00	9,000
Roberto Scialdone (Alternate auditor)	-	-	-
Sofia Rampolla (Alternate auditor)	-	-	-
Executives with Strategic Responsibilities			
Salvatore Greco	149,999.97	194,102.90	144,501.60
Marco Carniani	144,067.93	160,000.00	87,742.35
Marco Figara	118,402.00	135,592.32	161,076.58

Primiano Protano	133,801.97	134,361.05	152,283.27
Andrea Bigagli	103,861.41	185,005.00	155,000.00
Giulio Pennacchio	291,644.00	310,500.02	430,450.00
General managers			
-	-	-	-
Company Results (in thousands of Euro)			
Revenues	185,556	294,684	363,461
EBITDA	27,954	47,100	61,203
EBITDA Margin	15%	15.9%	16.8%
Result for the financial year	16,322	24,247	36,682
Group Results (in thousands of Euro)			
Revenues	185,556	294,684	364,458
EBITDA	27,954	47,084	61,979
EBITDA Margin	15%	15.9%	17%
Result for the financial year	16,322	24,046	36,911
Average remuneration on an equivalent basis for full-time employees			
	3,058.04	2,977.24	3,127.48

1.9 Information on how the Company took into account the vote cast by the Shareholders' Meeting of 27 April 2023 on the second section of the report on remuneration policy and compensation paid

The Board of Directors and the Appointments and Remuneration Committee took into account the favourable vote (with a majority of 92.653% of the voting participants) cast by the Shareholders' Meeting on 27 April 2023 on the second section of the report on remuneration policy and compensation paid. Therefore, the Company maintained remuneration levels and components of remuneration in line with the previous financial year.

** ** *

The remuneration referred to in this Report was determined in compliance with the Remuneration Policy.

For more details on remuneration, please refer to the tables below.

2. Part II: Tables

2.1 TABLE 1: Compensation paid to members of management and control bodies, general managers and other Executives with Strategic Responsibilities

Compensation of members of the management and control bodies

(A)	(B)	(C)	(D)	1	2	3	4	5	6	7	8	
Surname and First Name	Position	Period for which the position has been held	End of term	Fixed compensation	Compensation for participation in committees	Variable compensation non equity	Non-monetary benefits	Other compensation	Total	Fair Value of the equity compensation	Payments upon cessation of holding office or severance payments	
Filippo Menchelli*	Director	01/01/23-27/4/23	Approval of financial statements	186,045.33	-	Bonuses and other incentives	Participation in profits	-	-	299,379.33	-	-
		27/4/23-31/12/23	31/12/25			113,334.00	-					
	Chair of the Board of Directors	01/01/23-27/4/23	Approval of financial statements									
		27/4/23-31/12/23	31/12/25									
Giuseppe Taranto*	Director	01/01/23-26/2/23	Approval of financial statements	35,235.31	-	144,732.00	-	-	-	179,967.31	-	EUR 61,333.94
	Deputy Chair of the Board of Directors	01/01/23-26/2/23	Approval of financial statements									
Marco Carniani*	Director	03/03/23-27/4/23	Approval of financial statements	100,111.35	-	-	-	-	50.00	100,161.35	-	-
		27/4/23-31/12/23	31/12/25									

	Deputy Chair of the Board of Directors	03/03/23-31/12/23	Approval of financial statements 31/12/25										
Giovanni Costantino	Director	01/01/23-27/4/23	Approval of financial statements 31/12/25	15,000.00	-	-	-	-	-	-	650,000.00	-	-
		27/4/23-31/12/23											
	Chief Executive Officer	01/01/23-27/4/23	Approval of financial statements 31/12/25	635,000.00	-	-	-	-	-	-	-	-	-
		03/05/23-31/12/23											
Gianmaria Costantino	Director	01/01/23-27/4/23	Approval of financial statements 31/12/25	15,000.00	-	-	-	-	-	-	15,000.00	-	-
		27/4/23-31/12/23											
Massimo Bianchi	Director	01/01/23-27/4/23	Approval of financial statements 31/12/22	5,000.00	-	-	-	-	-	-	5,000.00	-	-
	Chair, Audit and Risk Committee												
	Chair, Related Transactions Committee												
	Member, Appointments and Remuneration Committee												
Antonella Alfonsi	Director	01/01/23-27/4/23	Approval of financial statements 31/12/25	15,000.00	-	-	-	-	-	-	15,000.00	-	-
	Member, Appointments and Remuneration Committee	27/4/23-31/12/23											
	Chair, Audit, Risk and Sustainability Committee												

	Chair, Related Transactions Committee												
Fulvia Tesio	Director	27/4/23- 31/12/23	Approval of financial statements 31/12/25	15,000.00	-	-	-	-	-	-	15,000.00	-	-
	Chair, Appointment s and Remuneratio n Committee	27/4/23- 31/12/23											
	Member, Audit, Risk and Sustainability Committee												
	Member, Related Transactions Committee												
Laura Angela Tadini	Director	01/01/23- 27/4/23	Approval of financial statements 31/12/25	10,000.00	-	-	-	-	-	-	10,000.00	-	-
	Member, Audit, Risk and Sustainability Committee												
	Member, Appointment s and Remuneratio n Committee												
Felice Simbolo	Chair, Board of Statutory Auditors	01/01/23- 27/4/23	Approval of financial statements 31/12/22	4,500.00	-	-	-	-	-	-	10,500.00	-	-
	Standing auditor	27/4/23- 31/12/23											

Alfredo Pascolin	Chair, Board of Statutory Auditors	27/04/23-31/12/23	Approval of financial statements 31/12/25	9,000.00	-					9,000.00	-	-
Mauro Borghesi	Standing auditor	01/01/23-27/04/23	Approval of financial statements 31/12/22	3,000.00	-	-	-	-	-	3,000.00	-	-
Barbara Bortolotti	Standing auditor	01/01/23-27/4/23 27/4/23-31/12/23	Approval of financial statements 31/12/25	9,000.00	-	-	-	-	-	9,000.00	-	-
(I) Compensation in the company preparing the financial statements												
(II) Compensation from subsidiaries and associates												
(III) Total				EUR 1,062,891.99	EUR 0.00	EUR 258,066.00	EUR 0.00	EUR 0.00	EUR 50.00	EUR 1,321,007.99	EUR 0.00	EUR 61,333.94

*COMPOSITION FIXED COMPENSATION FILIPPO MENCHELLI: EUR 15,000.00 AS DIRECTOR, EUR 30,000.00 AS CHAIR OF THE BOARD OF DIRECTORS AND EUR 141,045.33 AS TISG EMPLOYEE

*COMPOSITION FIXED COMPENSATION GIUSEPPE TARANTO: EUR 2,500.00 AS DEPUTY CHAIR BOARD OF DIRECTORS AND EUR 32,735.31 AS TISG EMPLOYEE

*COMPOSITION FIXED COMPENSATION MARCO CARNIANI: EUR 12,419.35 AS DEPUTY CHAIR BOARD OF DIRECTORS AND EUR 87,692.00 AS TISG EMPLOYEE

COMPENSATION OF EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

(A)		(B)	(C)	(D)	1	2	3	4	5	6	7
Surname and First Name	Position	Period for which the position has been held	End of term	Fixed compensation	Compensation for participation in committees	Variable compensation non equity	Non-monetary benefits	Other compensation	Total	Fair Value of the equity compensation	Payments upon cessation of holding office or severance payments
Filippo Menchelli*	Executive	01/01/2023	31/12/2023	EUR 186,045.33	-	EUR 113,334.00		-	EUR 299,379.33	-	
Salvatore Greco	Executive	01/01/2023	31/12/2023	EUR 137,500.00	-			EUR 7,001.60	EUR 144,501.60		
Marco Carniani*	Executive	01/01/2023	31/12/2023	EUR 100,111.35	-	-	-	EUR 50.00	EUR 100,161.35		-
Marco Figara	Executive	01/01/2023	31/12/2023	EUR 157,063.86	-	-	-	EUR 4,012.72	EUR 161,076.58		-
Primiano Protano	Executive	01/01/2023	31/07/2023	EUR 81,572.85	-	-	-	-	EUR 81,572.85		EUR 70,711.42
Andrea Bigagli*	Executive	01/01/2023	31/12/2023	EUR 140,000.00	-	EUR 15,000.00	-	-	EUR 155,000.00		-
Giulio Pennacchio*	Executive	01/01/2023	31/12/2023	EUR 200,000.00	-	EUR 230,450.00	-	-	EUR 430,450.00		-
(I) Compensation in the company preparing the											

financial statements											
(II) Compensation from subsidiaries and associates											
(III) Total			EUR 1,002,293.39	EUR 0.00	EUR 378,784.00	EUR 0.00	EUR 11,064.32	EUR 1,372,141.71	EUR 0.00	EUR 70,711.42	

***FILIPPO MENCHELLI:**

- **COMPOSITION FIXED COMPENSATION (FILIPPO MENCHELLI): EUR 15,000.00 AS DIRECTOR, EUR 30,000.00 AS CHAIR OF THE BOARD OF DIRECTORS AND EUR 141,045.33 AS REMUNERATION (NON-VARIABLE) AS TISG EMPLOYEE**

- **VARIABLE-NON-EQUITY COMPENSATION COMPOSITION (FILIPPO MENCHELLI): EUR 113,334.00 (CORRESPONDING TO 44.55% OF THE TOTAL REMUNERATION RECEIVED AS A TISG EMPLOYEE).** During the Financial Year, a variable remuneration component was paid to executives based on the achievement of pre-established targets of a strategic and business development nature. This variable remuneration component was calculated in accordance with the policies and guidelines established by the Company and the Appointments and Remuneration Committee. The disbursement of this component took place in consideration of the satisfactory achievement of the pre-established targets, which were determined in accordance with the long-term interests of the Company and in compliance with its values and mission. However, in order to protect sensitive and strategic information for the company, it is considered appropriate to keep detailed information confidential. The allocation of this component of variable remuneration was in any case assessed and assigned in accordance with the principles of fairness and transparency in order to motivate and reward the executive for the significant contribution made to the achievement of company objectives.

***GIUSEPPE TARANTO:**

- **COMPOSITION FIXED COMPENSATION (GIUSEPPE TARANTO): EUR 2,500.00 AS DEPUTY CHAIR BOARD OF DIRECTORS AND EUR 32,735.31 AS REMUNERATION (NON-VARIABLE) AS TISG EMPLOYEE**

- **COMPOSITION OF VARIABLE-NON-EQUITY COMPENSATION (GIUSEPPE TARANTO): EUR 144,732.00 (CORRESPONDING TO 80.42% OF THE TOTAL REMUNERATION RECEIVED AS AN EMPLOYEE OF TISG).** During the Financial Year, a variable remuneration component was paid to executives based on the achievement of pre-established targets of a strategic and commercial nature. This variable remuneration component was calculated in accordance with the policies and guidelines established by the Company and the Appointments and Remuneration Committee. The disbursement of this component took place in consideration of the satisfactory achievement of the pre-established targets, which were determined in accordance with the long-term interests of the Company and in accordance with its values and mission. However, in order to protect sensitive and strategic information for the company, it is considered appropriate to keep detailed information confidential. The allocation of this component of variable remuneration was in any case assessed and assigned in accordance with the principles of fairness and transparency in order to motivate and reward the executive for the significant contribution made to the achievement of company objectives.

***MARCO CARNIANI:**

- **COMPOSITION FIXED COMPENSATION (MARCO CARNIANI): EUR 12,419.35 AS DEPUTY CHAIR BOARD OF DIRECTORS AND EUR 87,692.00 AS REMUNERATION (NON-VARIABLE) AS TISG EMPLOYEE**

***GIULIO PENNACCHIO:**

- **COMPOSITION FIXED COMPENSATION (GIULIO PENNACCHIO): EUR 200,000.00 AS REMUNERATION (NOT VARIABLE) AS TISG EMPLOYEE**

- **COMPOSITION OF VARIABLE-NON-EQUITY COMPENSATION (GIUSEPPE PENNACCHIO): EUR 230,450.00 (CORRESPONDING TO 53.53% OF THE TOTAL REMUNERATION RECEIVED AS A TISG EMPLOYEE).** During the Financial Year, a variable remuneration component was paid to executives based on the achievement of pre-established targets of a strategic and commercial nature. This variable remuneration component was calculated in accordance with the policies and guidelines established by the company and the Remuneration Committee. The disbursement of this component took place in consideration of the satisfactory achievement of the pre-established targets, which were determined in accordance with the long-term interests of the Company and in accordance with its values and mission. However, in order to protect sensitive and strategic information for the company, it is considered appropriate to keep detailed information confidential. The allocation of this component of variable remuneration was in any case assessed and assigned in accordance with the principles of fairness and transparency in order to motivate and reward the executive for the significant contribution made to the achievement of company objectives.

***ANDREA BIGAGLI:**

- **COMPOSITION FIXED COMPENSATION (ANDREA BIGAGLI): EUR 140,000.00 AS REMUNERATION (NOT VARIABLE) AS TISG EMPLOYEE**

- **COMPOSITION OF VARIABLE-NON-EQUITY COMPENSATION (ANDREA BIGAGLI): EUR 15,000.00 (CORRESPONDING TO 9.67% OF THE TOTAL REMUNERATION RECEIVED AS A TISG EMPLOYEE).** During the Financial Year, a variable remuneration component was paid to executives based on the achievement of pre-established business targets. This variable remuneration component was calculated in accordance with the policies and guidelines established by the Company and the Appointments and Remuneration Committee. The disbursement of this component took place in consideration of the satisfactory achievement of the pre-established targets, which were determined in accordance with the long-term interests of the Company and in accordance with its values and mission. However, in order to protect sensitive and strategic information for the company, it is considered appropriate to keep detailed information confidential. The allocation of this component of variable remuneration was in any case assessed and assigned in accordance with the principles of fairness and transparency in order to motivate and reward the executive for the significant contribution made to the achievement of company objectives.

2.2 TABLE 2: Stock options assigned to members of the board of directors, general managers and other Executives with Strategic Responsibilities

The table in this section is not shown because no stock options have been assigned to members of the board of directors, general managers and other Executives with Strategic Responsibilities.

2.3 TABLE 3: Incentive plans for members of the board of directors, general managers and other Executives with Strategic Responsibilities

The table in this section refers to individual monetary (variable) incentive plans provided for some of the members of the board of directors and the Executives with Strategic Responsibilities.

TABLE 3B: Monetary incentive plans for members of the board of directors, general managers and other Executives with Strategic Responsibilities⁴

A	B	(1)	(2)			(3)			(4)
Surname and First Name	Position	Plan	Bonus for the year			Bonus from previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Period of deferral	No longer payable	Payable/Paid	Still deferred	
Andrea Bigagli	Executive		EUR 15,000.00						
Giulio Pennacchio	Executive		EUR 230,450.00						
Filippo Menchelli	Executive		EUR 113,334.00						
(I) Compensation in the company preparing the financial statements		Plan A (date of relevant resolution)							

	Plan B (date of relevant resolution)							
	Plan C (date of relevant resolution)							
(II) Compensation from subsidiaries and associates	Plan A (date of relevant resolution)							
	Plan B (date of relevant resolution)							
(III) Total		EUR 358,784.00						

⁴ It should be noted that the Table covers all types of cash incentive plans, both short-term and medium- to long-term.

The total (III) is shown with reference to all columns with the exception of column (2C).

“**Column 2A**” shows the bonus accrued for the Financial Year for the targets achieved in the Financial Year and paid or payable because it is not subject to further conditions (so-called upfront compensation).

“**Column 2B**” shows the bonus linked to targets to be achieved in the financial year but not payable because it is subject to further conditions (so-called deferred bonus).

“**Column 3A**” shows the sum of bonuses deferred in previous years still to be disbursed at the beginning of the financial year and no longer payable due to non-fulfilment of the conditions to which they are subject.

“**Column 3B**” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and paid during the financial year or payable.

“**Column 3C**” shows the sum of bonuses deferred in previous years still to be paid at the beginning of the financial year and further deferred.

The sum of the amounts indicated in columns 3A, 3B and 3C corresponds to the sum of the amounts indicated in columns 2B and 3C of the previous financial year.

The column “**Other Bonuses**” shows bonuses pertaining to the financial year that are not explicitly included in plans defined *ex ante*.

If aggregate presentation is adopted, the following information should be provided in the Table: (i) total bonuses for the year, broken down into paid and deferred, with an indication of the average deferral period for the latter; (ii) total bonuses from previous years, broken down into no longer payable, paid and still deferred; and (iii) total other bonuses.

3. Shareholdings held, in the Company and in subsidiaries, by members of the governing and control bodies, by general managers and other Executives with Strategic Responsibilities, as well as by non-legally separated spouses and minor children, directly or indirectly

The following table shows the shareholdings held in Company and in the companies controlled thereby, by members of the governing and control bodies, by general managers and by other Executives with Strategic Responsibilities as well as by spouses who are not legally separated and by minor children, directly or through controlled companies, trustee companies or through an intermediary, as resulting from the shareholders' book, from communications received and from other information acquired by the same members of the governing and control bodies, from General Managers and Executives with Strategic Responsibilities.

3.1 Table 1: Shareholdings held by members of the governing and control bodies and general managers

Surname and First Name	Position	Company in which stake is held	No. of shares held as at 31 December 2022	No. of shares purchased	No. of shares sold	No. of shares held as at 31 December 2023
Giovanni Costantino (through GC Holding S.p.A.)	Chief Executive Officer	The Italian Sea Group S.p.A.	33,222,000	-	-	33,222,000
Laura Angela Tadini	Independent Director	The Italian Sea Group S.p.A.	-	1,500	-	1,500
Elie Roil Garcia	Person closely associated with G. Costantino (Chief Executive Officer)	The Italian Sea Group S.p.A.	30,550	-	-	30,550
Samuele Bodon	Person closely associated with F. Tesio (Independent Director)	The Italian Sea Group S.p.A.	-	100	-	100

3.2 Table 2: Shareholdings held by other Executives with Strategic Responsibilities

No. of Executives with Strategic Responsibilities	Company in which stake is held	No. of shares held as at 31 December 2022	No. of shares purchased	No. of shares sold	No. of shares held as at 31 December 2023
1 Executive with Strategic Responsibilities	The Italian Sea Group S.p.A.	2,000	-	-	2,000