



# REPORT ON REMUNERATION POLICY AND COMPENSATION PAID 2024

*Prepared in accordance with Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 and 84-quater of the Issuers' Regulation*

*Approved by the Board of Directors on 26 March 2024*

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## INTRODUCTION

The Board of Directors of GVS SpA (the "**Board**" or the "**BoD**"), during its meeting on 26 March 2024, on the proposal of the Appointments and Compensation Committee<sup>1</sup> (the "**Committee**"), which met on 18 March 2024, examined and approved this Report on the Remuneration Policy and Compensation paid by the Company for the year to 31 December 2023 in compliance with the combined provisions of Articles 123-ter of the Consolidated Law on Finance ("CFA")<sup>2</sup> and 84-*quater* of the Issuers' Regulation and Scheme 7-*bis* of Annex 3A to the Issuers' Regulation in force on the date of the Report.

This report will be submitted to a vote at the Ordinary Shareholders' Meeting (the "**Shareholders' Meeting**" or, simply, the "**Meeting**") of GVS SpA (the "**Company**" or "**GVS**") convened on 7 May 2024.

In order to allow GVS Shareholders to acquire adequate information on the contents of the Report and to express their vote in a sufficiently informed manner, the Report is filed at the registered office of GVS and published on the Company's website ([www.gvs.com](http://www.gvs.com)), in compliance with the terms of Article 123-ter, paragraph 1, CFA, as well as at the centralized storage mechanism "eMarket STORAGE", by the twenty-first day prior to the date of the Shareholders' Meeting.

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<sup>1</sup> Appointments and Compensation Committee set up within the Board of Directors of GVS in accordance with Principle XI of the Corporate Governance Code and integrating the functions outlined by Recommendations no. 19 and no. 25 of said Code.

<sup>2</sup> Consolidated Finance Act (Testo Unico della Finanza, or TUF) Legislative Decree no. 58 of 24 February 1998.

## Letter from the Chair of the Appointments and Compensation Committee to Shareholders

Dear Shareholders,

It is with great pleasure that we submit for your attention the document on the Remuneration Policy and Compensation Paid of GVS SpA (the "**Report**"), which will be submitted for approval to the Shareholders' Meeting of 7 May 2024.

The document was prepared with the aim of clearly illustrating to all stakeholders the elements that make up the remuneration policy for year 2024 and the remuneration paid to Key Managers (KMs)<sup>3</sup> for year 2023.

Simona Scarpaleggia



FY 2023 was characterised by high uncertainties, due to the worsening of the international geopolitical and macroeconomic situation, which saw, on the one hand, in addition to the ongoing Russian-Ukrainian conflict, the opening of a new war front in the Middle East and, on the other, a sudden increase in interest rates by the main central banks to counter the inflationary spiral, which generated a sharp slowdown in the growth expectations of the main European economies.

In the face of the unfavourable international context, the GVS Group continued its growth process, through the full integration of the companies acquired during 2022, the implementation of strategic actions aimed at recovering operating margins and the constant reduction of financial debt.

These results were achieved in spite of the impact in its reference sectors, particularly Healthcare & Life Sciences and Energy & Mobility, of its customers' de-stocking policies, a phenomenon that affected several manufacturing sectors and negatively impacted the Group's expected sales volumes for the financial year.

Within this challenging competitive context, GVS has focused on the one hand, on the continuous improvement of its remuneration policies, aimed at attracting, retaining and motivating the best professionals with the necessary skills to achieve the Group's strategic objectives, and, on the other hand, at ensuring a greater sharing of these with its Shareholder base, through a targeted and constant dialogue with its investors.

As far as dialogue with the Shareholder base is concerned, in addition to the extensive engagement activities with institutional investors, which saw the direct involvement of top management in more than 150 physical and virtual meetings during the course of the year, much attention was paid to the results of voting on resolutions on remuneration issues, through the activation of a proactive dialogue with dissenting Shareholders, in order to discuss the reasons for their dissenting vote and to incorporate, where possible, corrective elements to the policy in place.

In addition, with the support of an independent advisor, an assessment of the Remuneration Policy was carried out with a view to better aligning it with market best practices, also with the aim of improving the way it is communicated to the market in terms of both content and representation, and to ensure its compliance with current regulations, the recommendations of the Proxy Advisors and Investors, and alignment with market best practices.

Generally speaking, the 2024 Remuneration Policy, described in Section I of the Report, is defined in substantial continuity with the previous year and therefore maintains incentive objectives closely linked to economic results, financial solidity, value creation for Shareholders and sustainability, both in the short and long term. The policy remains founded on the principles of alignment of interests between management and stakeholders, meritocracy, attraction and retention of the best professional profiles, and nurtured by constant monitoring of market best practices with a continuous improvement approach through the refinement of

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<sup>3</sup> Individuals who have the power and responsibility - directly or indirectly - for planning, directing and controlling the Company's activities, including the Directors (Executive or otherwise) of the Company, as defined in Annex 1 of the Consob Regulation on related party transactions.

methodologies and tools that are always up-to-date to strengthen support for the achievement of strategic business objectives as well as to support a fair and objective appreciation of merit.

The main new aspects concern:

- as part of the Short-Term Incentive Plan (STI), the provision of a new ESG target, focused on Health and Safety issues, in line with the Company's sustainability strategy;
- a reshaping of the weighting of the STI Plan objectives for Key Managers (KMs) with a commercial role, to favour and direct work towards a greater focus on turnover growth;
- a general overhaul in terms of content structure and related disclosure, consistent with market best practice in disclosure, also with a view to facilitating the retrieval of key information by professional users. In particular, the disclosure has been significantly expanded and new paragraphs have been introduced to the report with regard to:
  - link between corporate strategy and Remuneration Policy, including with regard to corporate sustainability issues, with a view to creating sustainable value for Shareholders;
  - 2023 business results, also in order to better disclose the pay-for-performance link;
  - investor dialogue policies conducted during the year and how this was taken into account in the 2024 Remuneration Policy;
  - pay mix values under the assumption of performance objectives achieved at minimum, threshold, target and maximum levels,
  - greater clarity with regard to contractual provisions in the event of the Chief Executive Officer's departure, which do not provide for exceptions or specific additional agreements with respect to what was resolved by the Shareholders' Meeting as End-of-Mandate Payment.

I believe that the information provided in this Report will make it possible to better assess the appropriateness of the targets assigned to management and to verify the consistency between the achievement of results and the awards granted. The Appointments and Compensation Committee, also availing itself of the support of qualified external advisors with expertise in executive compensation, has in recent years developed incentive systems with a clear link to company performance.

I am confident that the Remuneration Report will clearly and comprehensively provide you with all the elements you need for best understanding, and I thank you also on behalf of the other members of the Committee for the favourable appreciation you will give to the 2024 Remuneration Policy.

Regards,

*Simona Scarpaleggia*

Chair of the Appointments and Compensation  
Committee

## Overview of the 2024 Remuneration Policy

The Policy for FY 2024 was established in essential continuity with the previous policy.

The following table summarises the main elements that make up the remuneration of top management under this Remuneration Policy.

<b>Chair of the Board of Directors</b> (non-executive)	<b>Fixed compensation:</b> Euro 120,000 There is no variable remuneration for the Chair.
<b>Chief Executive Officer</b>	<b>Fixed compensation:</b> Euro 20,000 as Director and Euro 620,000 as CEO. <b>EMP (end of mandate payment):</b> Euro 124,000 (equal to 20% of the fixed compensation as CEO). <b>Short-term variable incentive - 2024 STI Plan:</b> includes the following indicators: <ul style="list-style-type: none"> <li>- <u>Group economic and financial performance targets</u> (EBITDA Adj<sup>4</sup> with relative weight of 45% and Free Cash Flow with relative weight of 45%)</li> <li>- <u>Group strategic objective</u> (weight: 10% based on ESG KPIs as defined in paragraph J).</li> </ul> The achievement of targets determines by linear interpolation the percentage of target attainment. The payout of the award in the case of target performance can reach 150% of the fixed compensation as CEO and in the case of over performance has a maximum cap of 165% of the fixed compensation as CEO. <b>Medium - to long-term variable incentive - 2023-2025 LTI Plan:</b> Closed three-year plan of Performance Shares. Objectives: <ul style="list-style-type: none"> <li>- EBITDA margin (relative weight 30%)</li> <li>- NFP (relative weight 30%)</li> <li>- ESG indicator (relative weight 20%)</li> <li>- Relative TRS (relative weight 20%).</li> </ul> The payout curve varies from 0% to 150% in the case of over performance. Number of target shares equal to 24% <sup>5</sup> of Total Remuneration <sup>6</sup> annually. <b>Severance:</b> the CEO does not have an employment contract as a subordinate employee and there are no specific agreements in the event of early termination of the mandate or additional amounts over and above the legally agreed EMP approved by the Shareholders' Meeting.
<b>Executive Directors</b>	At the date of this report, there were no Executive Directors.
<b>Directors</b>	<b>Fixed compensation:</b> Euro 20,000, as Directors.

<sup>4</sup> EBITDA for the period calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment of financial assets, net of extraordinary and/or non-recurring income and expenses, consistent with the values reported in the Company's consolidated financial statements.

<sup>5</sup> Using the value of the shares on the grant date.

<sup>6</sup> Total Remuneration sum of fixed compensation, EMP, director's compensation and variable target components.

<b>Key Managers (KMs<sup>7</sup>)</b>	<p><b>Fixed remuneration:</b> determined for each Key Manager according to role and responsibilities in line with market benchmarks and positioning between median and third quartile.</p> <p><b>Short-term variable incentive - 2024 STI Plan:</b> includes the following indicators:</p> <ul style="list-style-type: none"> <li>- <u>Group economic and financial performance targets</u> (overall weight of 60% for the Key Managers responsible for staff functions and 30% for the Key Managers responsible for commercial functions) based on two KPIs: EBITDA Adj and Free Cash Flow;</li> <li>- <u>Group strategic objectives</u> (weight: 10% based on ESG KPIs as better defined in paragraph J);</li> <li>- <u>Individual performance objective</u> (overall weight of 30% for Key Managers in charge of staff functions and 60% for Key Managers in charge of commercial functions) based on individual measurable KPIs as further specified in paragraph J.</li> </ul> <p>The achievement of targets determines by linear interpolation the percentage of target attainment.</p> <p>Depending on the individual KM concerned (and the related role), the payout of the premium in the case of target performance can reach 50% to 100% of the Gross Annual Remuneration (GAR), while in the case of over performance the premium can reach 75% to 150% of the GAR (cap).</p> <p><b>Medium- to long-term variable incentive - 2023-2025 LTI Plan:</b> Closed three-year plan of Performance Shares. Objectives:</p> <ul style="list-style-type: none"> <li>- EBITDA margin (relative weight 30%)</li> <li>- NFP (relative weight 30%);</li> <li>- ESG indicator (relative weight 20%);</li> <li>- Relative TSR (relative weight 20%).</li> </ul> <p>The payout curve varies from 0% to 150% in the case of over performance. Number of target shares defined for homogeneous clusters of beneficiaries as an average percentage of 25%<sup>8</sup> of Total Remuneration<sup>9</sup>.</p> <p><b>Severance:</b> the provisions of the National Collective Bargaining Agreement for Industry Managers apply in relation to contractually recognised seniority.</p>
<b>Benefits</b>	<p>For CEOs, and KMs, the following are envisaged: the use of company cars also for mixed use, telephony, computers, support for accommodation expenses and health and insurance coverage.</p>
<b>Other 'one-off' forms of remuneration</b>	<p>Non-recurring Welcome Bonus or Retention Payments, contractualised at the time of establishment of the employment relationship, with the aim of attracting and retaining the best talent as better defined in paragraph L.</p>
<b>Non-competition agreements</b>	<p>There are currently no non-competition agreements in place with Directors or KMs.</p>

<sup>7</sup> The Key Managers of GVS, at the date of approval of this Report, are as follows: *Chief Financial Officer; Chief Operating Officer; Chief Marketing Officer; Vice President Science & Development; Human Resources & Organization Director, Legal Counsellor, Vice President HC&LS Division, Vice President H&S Division; VP Energy & Mobility Division.*

<sup>8</sup> Using the value of the shares on the grant date.

<sup>9</sup> Total Remuneration sum of fixed remuneration and variable components at target.

## Summary of 2023 results

The following graphs summarise the main indicators of the Company's performance during 2023 as better commented in Section 2 of this report.

In short, the Company closes 2023 with significant sales and profitability growth and strong cash generation.

Consolidated revenues of 424.7 million euro, +9.6% compared to 2022.

Normalised EBITDA of 95.1 million euro, up 20.3% year-on-year, supported by actions to recover profitability.

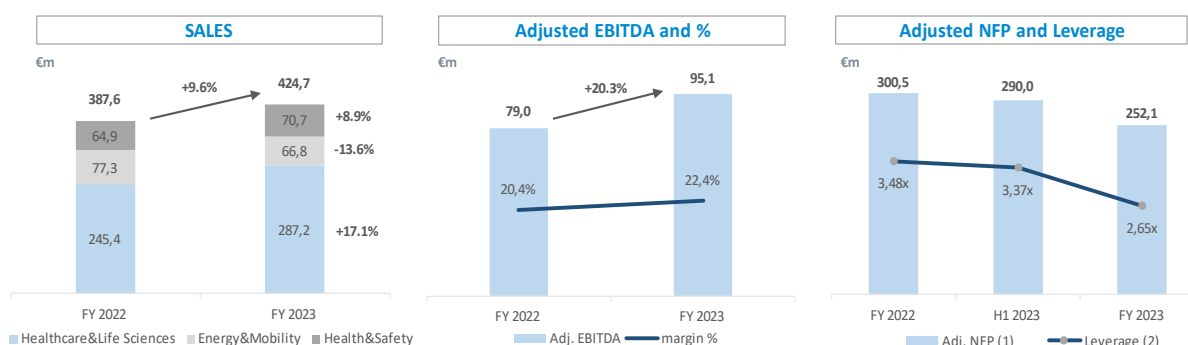
Significant increase in profitability, with the normalised EBITDA margin standing at 22.4% during the financial year compared to 20.4% in 2022.

Adjusted net financial debt of 252.1 million euro, an improvement of approximately 48 million euro compared to December 2022, thanks to the contribution of operations and the significant reduction in working capital.

Adjusted leverage ratio of 2.65x, a clear improvement over the 3.5x in December 2022.

## GVS – FY 2023 Results At-a-Glance

Continuous sales growth, profitability recovery and NFP reduction



## Pay Mix

The following graphs represent the theoretical pay mix with reference to the level of achievement of the performance objectives at minimum, threshold, target and maximum.

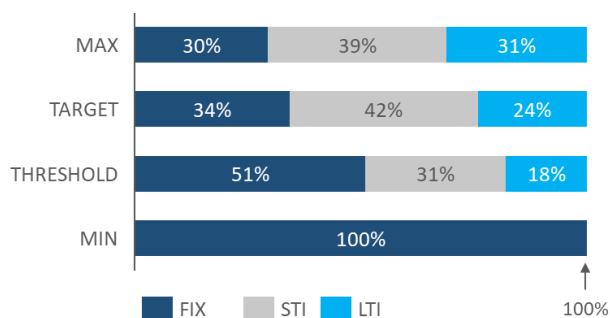
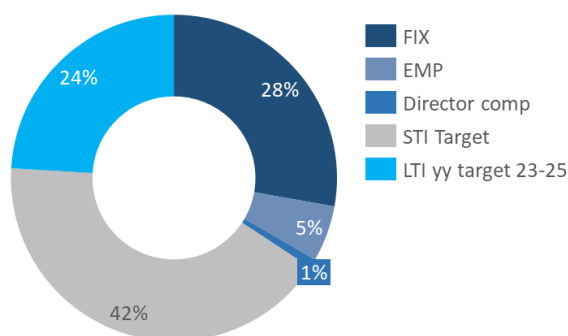
In particular, the average weight of the following components is highlighted: fixed remuneration<sup>10</sup>, 2024 STI Plan and 2023-2025 LTI Plan<sup>11</sup>.

<sup>10</sup> The fixed remuneration includes the Gross Annual Remuneration of the KMs, the components of the EMP currently amounting to Euro 124,000 per year for the CEO and the Director remuneration of Euro 20,000 per year.

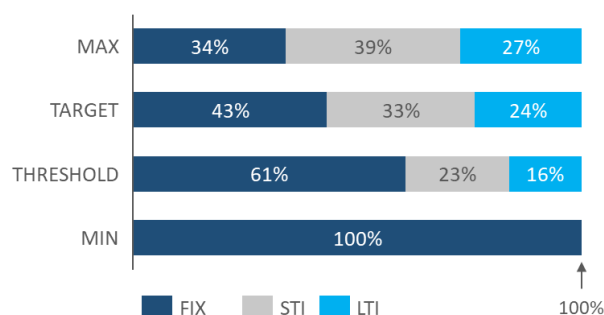
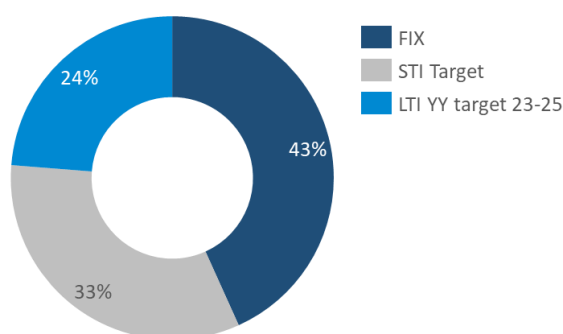
<sup>11</sup> With reference to the target and maximum values for the 2023-2025 LTI plan, the value of the shares on the grant date was used.



## Pay mix CEO



## Pay mix Key Managers



## Engagement activities and results of the Shareholders' meeting vote

GVS considers essential to nurture and maintain an open and continuous dialogue with its Shareholder base.

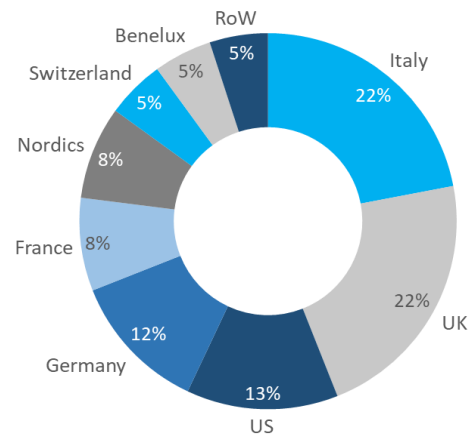
During 2023, GVS undertook several initiatives aimed at improving engagement with its investors. Specifically, significant emphasis was placed on strengthening the dialogue with institutional investors, who represent the vast majority of the group's Shareholder base, through targeted marketing activities developed along the following lines:

- Improving the quality of financial information and analysis shared with the market when publishing the Group's periodic results, through the introduction of a new presentation layout and sharing of greater detail on financial performance. In addition, starting with the presentation of the 2023 interim results, top management conference calls to illustrate periodic results take place in a live video-conference format to maximise interaction with participants.
- Strengthening dialogue with institutional investors, through participation in investment conferences and the organisation of dedicated road-shows in key international financial centres.

With regard to this activity, in 2023, a team consisting of the CEO, CFO and the Group Investor Relations and M&A Director met 120 institutional investors in 173 meetings, of which 113 in one-on-one meeting and 60 in group meetings. Within these meetings, in order to maximise communication effectiveness and promote greater interaction, preference was given to in-person meetings (155), as opposed to 18 video conferences.

These meetings took place both during dedicated road-shows in the various international financial centres and within investor conferences organised by leading investment banks, as well as in site visits to the GVS Group's production plants.

In terms of geographical distribution, the origin of the investors met fully reflects GVS Group's objective of maximising coverage of the main international financial markets and intercepting capital from different geographical areas, as shown in the graph opposite.



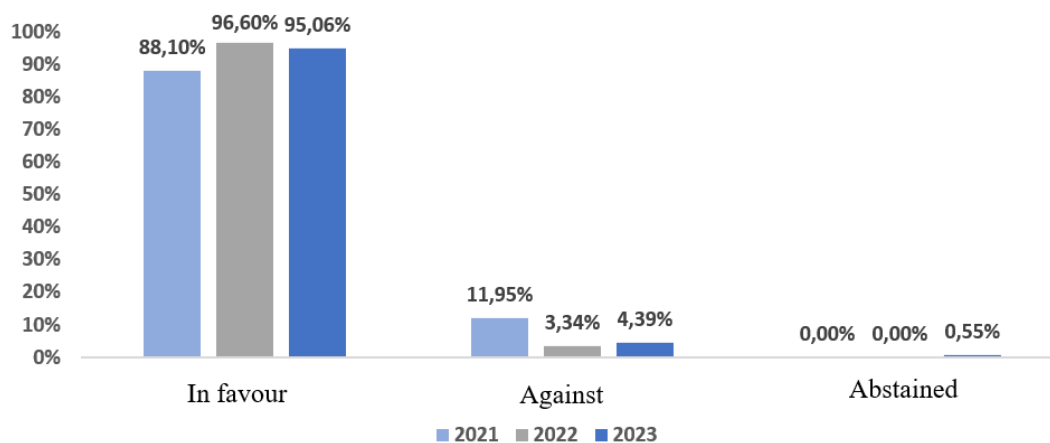
In addition to the dialogue in response to any questions that arose in the context of the various meetings, a great deal of attention was paid to the results of the voting at the GVS Shareholders' Meeting held on 3 May 2023 on remuneration topics.

In particular, in November 2023, the Company promoted and proactively activated a specific activity of direct dialogue with the top 10 dissenting institutional investors, based on the percentage of capital represented, with the aim of:

- understanding the underlying reasons for voting against in the Shareholders' meeting and elaborate on the comments on the 2023 Policy
- gathering insights on how to improve the report in alignment with market best practices and thus be able to assess, where possible, the corrective actions required by such Shareholders

This feedback and these activities carried out during the year, as well as the results of votes cast by Shareholders, are elements that are strongly taken into account in the definition of 2024 Remuneration Policy.

The results of the voting over the last two years on the Remuneration Report (Section I) are shown below. It should be noted that, even analysing the voting result net of the impact of the vote cast by the majority Shareholder on the overall results, there is no particularly significant impact, maintaining a favourable voting % of over 84% and thus in line with the most appreciated Reports used in market benchmarks as a virtuous reference.



## SECTION I - Remuneration Policy for Directors and Key Managers

This **Section I** of the Remuneration Report illustrates the Remuneration Policy of the Company in force until the date of approval of the financial statements for the financial year ending 31 December 2024.

The Policy for year 2024 is defined in essential continuity with the previous year's Policy.

In light of the recommendations contained in the letter of the Chair of the Italian Corporate Governance Committee, the indications of investors and proxy advisors, as well as market best practices, a number of changes have been made to this Report, with a view to greater disclosure and clarity for all stakeholders.

### (A) 2024 new features

The following is a summary of the new elements of this Policy, both in terms of content and disclosure:

- the revision of the compensation of the Chair of the Board of Directors, amounting to Euro 120,000, in line with the market median, compared to the previous term of office for which a fixed compensation of Euro 250,000 was determined, which was higher than the third quartile;
- the revision of the End of Mandate Payment (EMP) in favour of the CEO, amounting to Euro 124,000 (compared to Euro 119,000 in the previous Policy), i.e. 20% of the fixed compensation as CEO as approved by the Shareholders' Meeting of 3 May 2023;
- the change, as part of the 2024 Short Term Incentive Plan (STI), of the ESG indicator, which is this year focused on Health and Safety and linked to reducing the rate of accidents in the workplace, in alignment with the Company's strategy in this area;
- the revision of the 2024 Short-Term Incentive Plan (STI) for the commercial VP population with the aim of ensuring a stronger focus on revenue growth. In particular, the weighting between Group performance objectives (from 40% to 30%) was rebalanced in favour of individual performance objectives (from 50% to 60%). In detail, the following has been envisaged:
  - a reduction in the relative weight of the Free Cash Flow indicator (from 20% to 10%);
  - an increase in the weight of the Division's Turnover indicator (from 20% to 30%), which in 2023, although lagging behind in turnover, did not have a significant impact on the final pay out;
  - a change of the COI target from a percentage value to an absolute value, so as to also indirectly increase the boost on turnover growth.
- greater clarity, in line with best market practice and in response to requests from proxy advisors and investors, of the contractual provisions on severance in the event of termination of the mandate by the CEO as well as the KMs;
- a general overhaul in terms of content structure and related disclosure, consistent with market best practice in disclosure, also with a view to facilitating the retrieval of key information by professional users.
- an integration of the remuneration policy overview with severance components, non-competition agreements, other one-off remuneration items and benefits;
- the introduction of new paragraphs dedicated to the following specific topics, in order to improve disclosure and retrieval of information by professional users:
  - 2023 business results, also in order to better disclose the pay-for-performance link;
  - investor dialogue policies conducted during the year and how this was taken into account in the 2024 Remuneration Policy;

- link between corporate strategy and remuneration policy, particularly in the relationship between business plan pillars and KPIs identified in the short- and long-term incentive plans;
  - corporate sustainability, aimed at representing how the remuneration policy was also developed with a view to creating sustainable value for Shareholders;
- a greater level of detail concerning the activities carried out by the Appointments and Compensation Committee during the reporting year, by means of a quarterly representation and by providing more in-depth information on the number of meetings and topics discussed;
- a greater level of detail in the representation of pay mix values under the assumption of performance objectives achieved at minimum, threshold, target and maximum levels.

## (B) Link between strategy and remuneration

GVS considers it of primary importance to have a remuneration policy that is linked, on the one hand, to economic-financial performance and, on the other hand, to sustainable success. This is why the company has short- and long-term incentive plans linked to financial and non-financial indicators, aimed at steering management towards the creation of value over time for Shareholders and all stakeholders.

GVS considers it a priority to ensure that the Remuneration Policy also promotes sustainable development, and for this reason a non-financial, i.e. ESG-related, objective is identified annually. Also for the year 2024, the identified ESG target reflects one of the Group's areas of commitment.

### 2023-25 Link between Strategic Pillars and KPIs contained in Variable Incentive Plans

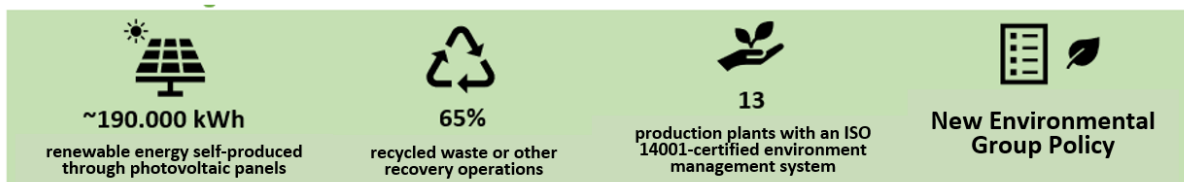
Strategic Pillars	Strategic KPIs in incentive plans	STI Plan	2023 - 2025 LTI Plan
Continuous growth	<ul style="list-style-type: none"> <li>• Growth in Turnover</li> <li>• Focus on margins (COI)</li> </ul>	✓	✗
Profitability	<ul style="list-style-type: none"> <li>• ADJUSTED EBITDA</li> <li>• % EBITDA</li> </ul>	✓	✓
Cash generation	<ul style="list-style-type: none"> <li>• Net Financial Position</li> <li>• Free Cash Flow</li> </ul>	✓	✓
Creating value for shareholders	<ul style="list-style-type: none"> <li>• Total Shareholder Return</li> </ul>	✗	✓
Financial balance	<ul style="list-style-type: none"> <li>• Trade Working Capital</li> <li>• Financial expense</li> </ul>	✓	✗
Operational efficiency	<ul style="list-style-type: none"> <li>• Incidences of fixed and variable costs</li> </ul>	✓	✗
Sustainability	<ul style="list-style-type: none"> <li>• Quality of products placed on the market</li> <li>• Health and safety</li> </ul>	✓	✓
Innovation	<ul style="list-style-type: none"> <li>• # patents filed</li> <li>• % of turnover from new products</li> </ul>	✓	✗

## (C) Sustainability

GVS firmly believes in creating long-term added value for society, which is why the Group continued its sustainable development path in 2023, in accordance with its sustainability pillars: Ecological Transition, Valuing People, Responsible Innovation and Ethical Conduct.



### 1. Ecological transition



GVS recognises the importance of environmental protection and is committed to carrying out its activities in an environmentally responsible manner. This is why the Group is committed to the preservation of natural resources and the reduction of environmental impact as essential for the protection of the planet and future generations.

The Group's commitment is formalised within the Environmental Policy, a document that defines the commitments for an environmentally conscious management of the following issues:

- Waste
- Energy and emissions
- Water
- Pollution
- Products
- Community
- Supplier management

### 2. Responsible innovation



Our work is based on constant innovation to improve products and processes through pioneering strategic choices and continuous investment in Research & Development. We are committed to developing technologies that improve the quality of our products to ensure maximum end-user safety while improving the environmental performance of our processes and solutions.

The Group has 9 research centres around the world, with highly qualified employees supervised by a global coordinator.

GVS's research, development and innovation process is focused both on seizing opportunities from customers for customised solutions and on developing an independent product portfolio consistently with the Group's multi-year development plan. In the area of proprietary products, GVS filed three invention patent applications in 2023, one for each business division, each with sustainability features.

Furthermore, an integral part of the company's mission is to provide the highest levels of quality by offering its customers products that are safe and protect the health and safety of those who use them. To this end, the Group has formalised its commitment in its Quality Policy and set up a structured quality management system geared to meet the specific requirements of the different product families manufactured.

### 3. Valuing People



The Company considers Human Resources as an indispensable development tool for the entire Group and is committed to ensuring an inclusive work environment that protects personal rights, dignity and well-being. With a view to promoting organisational development and the empowerment of the various company departments, as well as increasing the level of awareness of the importance of one's role in achieving Group objectives, an incentive system has been devised to maximise the performance of each employee.

The common goal is to operate and develop a workplace based on strong ethical principles that are recognised by all, i.e. an environment where the worker is guaranteed:

- respect for health and safety in the workplace;
- the promotion and enhancement of the worker's ideas and potential;
- fair remuneration for work;
- the possibility to express themselves at their best, even beyond specific skills or abilities;
- equal opportunities for training and development and introduction to work for the youngest and most disadvantaged;
- an international and inclusive environment that ensures respect for diversity.

### 4. Ethical conduct



The basis of all activities carried out by GVS is compliance with the laws and regulations of the countries in which it operates. In addition, GVS undertakes to respect its ethical principles in the performance of its activities at all levels of the company, as set out in its Code of Ethics:

- Integrity: we place honesty and responsibility at the basis of all business interactions and stakeholder relations and strongly condemn all forms of harassment, threats or violence, including moral violence;
- Fairness: we demand a polite and respectful attitude towards others at all times, diligently observing

- internal procedures and rules, and avoiding situations of conflict of interest, even if only potential;
- Honesty: we refuse to pursue personal or business interests in violation of civil or ethical standards;
  - Transparency: we undertake to guarantee the utmost transparency in communications and information given out, as well as in the choice of suppliers on the basis of objective and predetermined criteria;
  - Impartiality: we always act impartially, rejecting any discrimination towards anyone interacting with GVS;
  - Efficiency: we always apply the utmost professionalism, diligence and dedication to our work;
  - Confidentiality: we always act with the utmost confidentiality in the handling of sensitive information, refraining from disclosing our own or third party information and always adopting a discreet and unobtrusive behaviour in the performance of duties.

## Main ESG commitments and achievements in 2023

The Group's sustainability strategy was materialised with relevant commitments and achievements on the various ESG areas, including the achievement of the ESG 2023 Target, envisaged in the previous remuneration policy, related to waste generation and measured as Tonnes of Waste Generated/Group Turnover.

### Ecovadis gold medal

Thanks to its commitment to sustainability issues, Ecovadis awarded GVS a gold medal in 2023, a result that places the Group among the top 5% of companies assessed by Ecovadis during the year on sustainability management.



### United Nations Global Compact

Since 2021, the Group has also been renewing its commitment to sustainability annually by joining the UN Global Compact, a strategic corporate citizenship initiative that aims to promote a sustainable global economy that respects human and labour rights, protects the environment and fights corruption.



### Creation of the Inter-Departmental Sustainability Committee

In 2023, the Inter-Departmental Sustainability Committee was created, a managerial body made up of the Chief Executive Officer and the Key Managers (KMs) most involved in managing sustainability topics. The Committee's main role is to implement the strategic direction on sustainability issues by proposing, supervising and monitoring the achievement of strategic objectives. One of the first challenges for 2024 will be the definition of the Group-wide Sustainability Plan, in which the GVS vision will be consolidated through the definition of specific ESG objectives and targets.

## (D) Governance of the remuneration process

The bodies and individuals involved in the governance of the remuneration process, consistent with regulatory provisions and the GVS Group's governance model, are set out below.

### Shareholders' Meeting

The tasks assigned to the Shareholders' Meeting, limited to the topic of remuneration, are:

- (i) to determine, upon appointment, the remuneration of the members of the Board of Directors and the Board of Statutory Auditors;
- (ii) to express a binding vote on the approval of the First Section of the Report on Remuneration Policy and Compensation paid, pursuant to Article 123-ter CFA;
- (iii) to express a consulting vote on the approval of the Second Section of the Report on Remuneration Policy and Compensation paid, pursuant to Article 123-ter CFA;

### Board of Directors

The GVS Board of Directors in office at the date of this Report was appointed by the Shareholders' Meeting on 3 May 2023, following the expiry of the three-year term of office 2020-2022 of the previous Board members.

The Board of Directors of GVS, which will remain in office until the approval of the annual financial statements as of 31 December 2025, consists of the following 9 members:



Independent Chair  
Alessandro Nasi



Chief Executive Officer  
Massimo Scagliarini



Director  
Grazia Valentini



Director  
Marco Scagliarini



Director  
Marco Pacini



Independent Director  
Pietro Cordova



Independent Director  
Simona Scarpaleggia



Independent Director  
Michela Schizzi



Independent Director  
Anna Tanganelli

The Board of Directors is entrusted with the task of defining and approving, on the basis of the proposal formulated by the Appointments and Compensation Committee, the Remuneration and Compensation Policy to be submitted to the Shareholders' Meeting.

The Board of Directors is responsible, jointly with the Appointments and Compensation Committee, for the proper implementation of the Remuneration Policy.

Furthermore, the Board of Directors determines:

- (i) the remuneration of the head of the Internal Audit Department, upon the proposal of the Director in charge of the internal control and risk management system, CEO Massimo Scagliarini;



- (ii) the remuneration of Directors assigned specific duties in line with the Remuneration Policy, after consulting the Board of Statutory Auditors, on the proposal of the Appointments and Compensation Committee and within the limits of the total remuneration that may be determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Italian Civil Code and Article 22 of the articles of association.

### Appointments and Compensation Committee

On 3 May 2023, the GVS Board of Directors established the Appointments and Compensation Committee for the 2023-2025 term of office, composed of three Non-Executive and independent Directors pursuant to the Corporate Governance Code<sup>12</sup>:

Position	Name
Chair	Simona Scarpaleggia
Director	Pietro Cordova
Director	Michela Schizzi

All appointed Directors have adequate knowledge and experience in financial matters or remuneration policies (Recommendation No. 26 of the Code).

The Appointments and Compensation Committee is entrusted with the following tasks, limited to the topic of remuneration:

- i. to assist the Board of Directors in drawing up the remuneration policy;
- ii. to periodically assess the appropriateness, general consistency and concrete application of the policy for the remuneration of the Directors and Key Managers, availing itself, in this latter context, of the information provided by the CEOs.
- iii. to submit proposals or express opinions to the Board of Directors on the remuneration of Executive Directors and the other Directors who carry out specific roles and establish the performance targets related to the variable component of said remuneration; monitor application of the decisions adopted by the Board of Directors, specifying, in particular, the actual achievement of said performance targets.
- iv. to express an opinion to the Board of Directors, which decides on any derogations. Derogations will also be subject to the rules set forth in the Procedure for Related Party Transactions, where applicable.

In addition, the Chair of the Appointments and Compensation Committee:

- i. informs the Board of Directors, at the first useful meeting, of its meetings and reports annually on its activities;
- ii. reports to the Shareholders' Meeting, on an annual basis, at the time of the approval of the annual financial statements on the manner in which it exercises its functions.

During the Financial Year, the meetings of the GVS Appointments and Compensation Committee were usually attended by the members of the Board of Statutory Auditors, the Corporate HR Director, the Chief Financial Officer and the Group General Counsel for the matters within their competence.

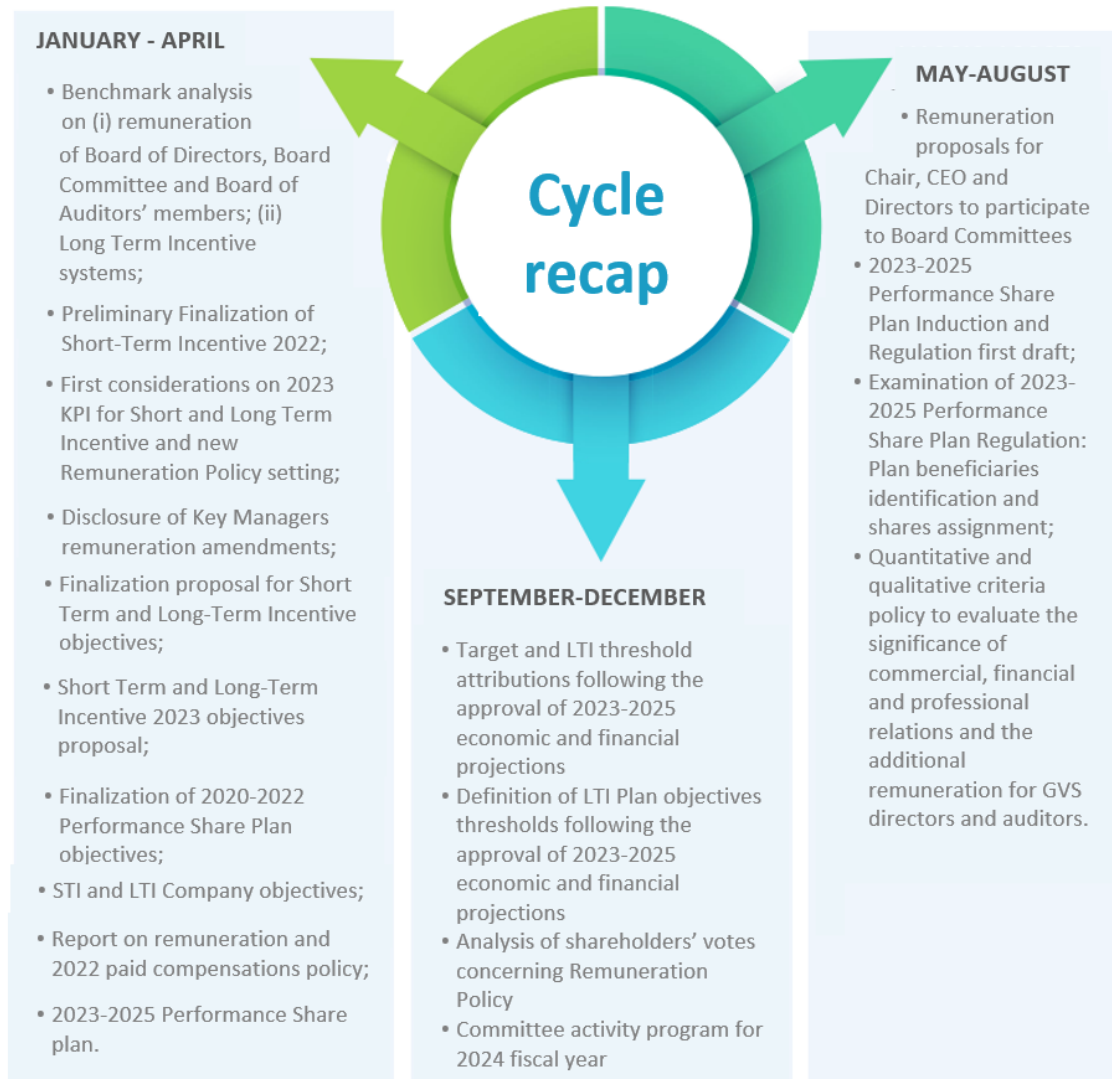
<sup>12</sup> The Corporate Governance Code of Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, applicable by issuers from the first financial year starting after 31 December 2020 and accessible to the public on Borsa Italiana's website ([www.borsaitaliana.it](http://www.borsaitaliana.it)).

## Activities carried out by the Committee

In 2023, the Appointments and Compensation Committee met a total of 10 times, with an average meeting duration of 1 hour and 15 minutes. The Committee meetings were regularly attended by at least one standing auditor; in particular, 7 of the 10 Committee meetings were held jointly with the Board of Statutory Auditors.

The Committee's cycle of activities with reference to the Remuneration topics addressed during the year were, in short, as follows:

### Summary of the Committee's annual activity cycle in regard to Remuneration



With regard to 2024, the Committee has defined its calendar and scheduled 9 meetings, 5 of which have already been held as at the date of approval of this report.

The activities already carried out related to the topics of Remuneration are only the following:

- remuneration benchmark on the remuneration package of Key Managers;
- assessment of the remuneration report and proposal for revision of the structure of the document;
- finalisation of the 2023 STI targets;
- proposed 2024 STI targets;
- drafting of the new Remuneration Policy and Report on Compensation paid.

The Committee's planned activities for 2024 are:

- analysis of Shareholders' meeting votes on the Report on Remuneration Policy and Compensation paid;

- first reflections on the updated remuneration benchmarks and preliminary indications for the revision of the 2025 Remuneration Policy.

### Board of Statutory Auditors

In accordance with Article 23 of the Articles of Association, at the date of this Report, the Board of Statutory Auditors consisted of 3 standing members and 2 alternate members. The current Board of Statutory Auditors was appointed by the Ordinary Shareholders' Meeting of the Issuer on 3 May 2023 for a term of 3 financial years, until the approval of the financial statements as at 31 December 2025.

Position	Name
Chair	Maria Federica Izzo
Standing Auditor	Francesca Sandrolini
Standing Auditor	Giuseppe Farchione

The preparation, approval and possible revision of the Remuneration Policy involves the Board of Directors, the Board of Statutory Auditors, the Ordinary Shareholders' Meeting and the Appointments and Compensation Committee.

During 2023, the Board met 18 times in addition to participating in committee and board meetings in a collegial or representative capacity.

### Management of conflicts of interest

The Company amended its procedure for regulating related party transactions ("**RPT Procedure**") on 23 June 2021. At the date of this Report the RPT Procedure itself exempts its application (i) to resolutions of the Shareholders' Meeting relating to the remuneration due to the members of the Board of Directors of GVS (ii) to resolutions relating to the remuneration of Directors holding particular offices falling within the total amount which may be determined by the Shareholders' Meeting and (iii) to resolutions of the Shareholders' Meeting relating to the remuneration due to the members of the Board of Statutory Auditors of GVS.

In addition, the RPT Procedure does not apply, without prejudice to the periodic accounting disclosure requirements, in the following cases referred to in Article 6, paragraph 6.2 of the RPT Procedure:

- compensation plans based on financial instruments approved by the GVS Shareholders' Meeting and related executive transactions; and
- resolutions, other than those indicated above, regarding the remuneration of the Directors of GVS vested with particular offices as well as Key Managers, provided that: (i) GVS has adopted a Remuneration Policy approved by the Shareholders' Meeting; (ii) a committee consisting exclusively of Non-Executive Directors, the majority of whom are independent, has been involved in the definition of the Remuneration Policy; and (iii) the remuneration awarded is identified in accordance with such policy and quantified on the basis of criteria that do not involve discretionary assessments.

## (E) 2024 Remuneration Policy - Guidelines for employees

The Remuneration Policy for the generality of employees is defined with the aim of attracting, motivating, rewarding and retaining the best talents, both technical and managerial, and is assessed on the basis of specific criteria that consider in particular: the comparison with the external market, the internal equity of the Company, the characteristics of the role and responsibilities assigned, as well as the distinctive skills of the people and their performance and motivation.

This special attention is reflected in some characteristic elements of the Remuneration Policy for the generality of GVS SpA employees:

- a) presence of collective incentive forms, such as production bonuses, to link the remuneration of all employees to company performance;
- b) presence of forms of individual incentive whereby all employees are considered eligible for an annual bonus established on the basis of objectives shared with function managers and which allow for constant dialogue and feedback on expected performance and the progress of planned activities;
- c) varied welfare policy that provides for, by way of example, the possibility of converting production bonuses into welfare credits with an additional 10% contribution from the company;
- d) presence of second-level supplementary company agreements that recognise conditions that are overall higher than the provisions of the relevant national collective labour agreement; and
- e) possibility of working remotely (smart working) and flexible entry and exit times to support employees in better organising their work-life balance.

The total remuneration of the generality of employees includes several benefits, including health insurance and membership of non-statutory bilateral bodies that guarantee contributions in various areas (contribution to kindergarten, schools, books, childbirth, etc.).

The policy implemented in GVS SpA follows the guidelines also applied at international level, with possible variations depending on local policy and the needs and working and social conditions of the country of reference.

## (F) Independent experts involved in the preparation of the Policy

When defining the Remuneration Policy, the Company engaged the services of the independent expert Willis Towers Watson to conduct a market benchmarking analysis on the remuneration paid to members of the Board of Directors, control bodies and key management personnel. The Company also used the support of this independent expert in the review of the incentive system.

## (G) General Principles of the 2024 Remuneration Policy

The Remuneration Policy has been designed with the intention of pursuing the constant need to:

- (a) ensure an overall remuneration structure capable of recognising the managerial value of the individuals involved and the contribution made to the growth of the company in relation to their respective skills;
- (b) reward the achievement of performance objectives, linked to economic and financial indicators of company growth and non-financial objectives, as well as their sustainability over time;
- (c) attract, retain and motivate resources with the professional qualities required by the growth prospects of the GVS Group's business<sup>13</sup>, with particular attention to positions considered key to the development and management of the business;
- (d) align the Company's and management's interests with those of the Shareholders; and
- (e) support the creation of value for Shareholders in the medium-long term.

The Remuneration Policy is based on the following principles:

- (a) the fixed and variable components of remuneration are adequately balanced according to GVS's strategic objectives and risk management policy, also taking into account the sector in which it operates and the characteristics of the business activity actually carried out, in line with the objective of promoting the creation of long-term value for all Shareholders and sustainable growth while rewarding

<sup>13</sup> Jointly the Issuer and the companies directly or indirectly controlled by it pursuant to art. 93 of the TUF.

the commitment to achieving results year on year;

- (b) the variable component, divided into a short-term component (Directors MBO Plan and KM STI Plan) and a medium/long-term component (2023-2025 Performance Share Plan), is designed to remunerate results that exceed targets, decreasing in value when they are not achieved. It shall be paid up to limits established. See in this respect paragraphs J and K;
- (c) other forms of remuneration such as welcome bonuses, retention payments or extraordinary bonuses linked to projects or achievements not already included in the other variable forms, in order to attract, retain or motivate key figures and as an incentive to join the company, thus possibly also linked to the loss of incentives by the previous employer. See in this respect paragraph L.

The Remuneration Policy, as described in this Report, is defined for one year and will remain in force (save amendment) until the date of approval of the financial statements for the financial year ending 31 December 2024.

## (H) Companies chosen as reference for the definition of the Remuneration Policy

The Company regularly monitors the main market practices, including through the performance of benchmarking remuneration analyses, carried out by the independent international consultancy firm Willis Towers Watson, in order to verify the competitiveness of the remuneration offer.

In particular, for the identification of peer groups, companies were selected that were comparable in size to GVS in terms of turnover, total assets, number of employees and market cap.

The sectors they belong to are predominantly industrial companies, often BTB, excluding companies in the financial and service sectors. Additional characteristics such as the degree of internationalisation (non-European revenues) and ownership structure (insider Shareholders) were also considered.

**Chair of the company:** In addition to the previous criteria, a peer group consisting only of companies with a non-executive chair was selected for the Chair. The selected peer group appears comparable to GVS in terms of size (turnover, total assets, number of employees and market cap).

For the purposes of the market analysis carried out for the role of Chair of the Company, the following panel was identified:

Panel for the Chair of the Company			
Webuild	Wit	OVS	Avio
Marr	Garofalo HC	Safilo Group	Unieuro
B.F.	Biesse		

**Company's CEO:** A peer group comparable to GVS in terms of size, degree of internationalisation and ownership structure was used for the Company's CEO.

Compared to the general peer group, companies where the majority Shareholder CEO has a remuneration package that is not in line with market standards or the Corporate Governance Code (e.g. lack of short- and long-term incentives) were excluded. This exclusion is consistent with the GVS policy of providing the CEO with a remuneration package consisting of the 3 components fixed, short-term variable and long-term variable remuneration.

Panel for the CEO of the Company			
De Longhi	Intercos	Zignago	Datalogic
De Nora	Piaggio	El. En	Saes Getter
Carel	PharmaNutra	Salcef	Piovan
Biesse			

**Non-Executive Directors and Board of Statutory Auditors:** The following peer group comparable to GVS in terms of size, degree of internationalisation and ownership structure was adopted for Non-Executive Directors and Board of Statutory Auditors:

Panel for Non-Executive Directors and Board of Statutory Auditors			
De Longhi	Intercos	Salcef	Piovan
De Nora	Piaggio	Biesse	Technogym
Carel	PharmaNutra	Sol	Tod's
Zignago	Datalogic	Cementir	Antares
El. En	Saes Getter		

**Key Managers:** The Global Grading System methodology certified internationally by the company Willis Towers Watson was used to review KMs compensation. The values contained in Willis Towers Watson's "2023 General Industry Total Rewards Survey - Italy", which includes a panel of over 370 industrial companies, were used as market references.

## (I) Remuneration Policy of the Chair and Non-Executive Directors

The remuneration of Directors and Key Managers is detailed below in accordance with the Board of Directors' resolution for the 2023-2025 term of office.

### Chair of the Board

For the Chair of the Board of Directors, only fixed compensation is envisaged. On 15 May 2023, the Board of Directors resolved on a fixed annual compensation of Euro 120,000 (including Euro 20,000 for the office of Director).

Expenses are reimbursed on the basis of the costs incurred for the office held.

The benchmark showed a positioning in line with the market median.

### Non-Executive Directors

The remuneration payable to the Non-Executive Directors of the Company in office is determined as a fixed

amount and is commensurate with the commitment required, also in relation to participation in Board Committees.

The remuneration of these Non-Executive Directors is not linked either to economic results or to specific objectives of the Company and they are not recipients of any incentive plan.

The fixed remuneration payable to the Company's Non-Executive Directors consists of the following amounts (cumulative):

Fixed compensation	
Non-Executive Directors	Euro 20,000
Control, Risks, Sustainability and Related Parties Committee Chair Appointments and Compensation Committee Chair	Euro 20,000
Members of the Control, Risks, Sustainability and Related Parties Committee Members of the Appointments and Compensation Committee	Euro 10,000

The benchmark showed an overall positioning in line with that of the market.

#### (J) [The Short-Term Variable Incentive Plan - 2024 STI Plan](#)

The Board of Directors approved a short-term incentive plan (the “**2024 STI Plan**”) for the Chief Executive Officer and Key Managers, under which the CEO and Key Managers are entitled to receive an annual incentive whose amount is commensurate with the achievement of financial and economic strategic annual (individual and group) performance targets, as well as non-financial targets, such as, for example, those linked to ESG, sustainability, innovation and operational efficiency.

Continuing on from last year, the 2024 STI Plan was defined on the basis of evidence emerging from a specific external benchmarking activity carried out by the independent company Willis Towers Watson in relation to the practices adopted in the Italian and foreign markets of the sector.

The targets in the 2024 STI Plan are substantially in line with those of 2023 and were identified in alignment with the three-year 2023-2025 strategic plan and the Company's work priorities, with a strong focus on cash generation and profitability.

The weight of these objectives is specified in the table below and is different for the CEO, Key Managers with responsibility for staff functions (CFO, COO, CMO, Group HR & Organization Director, Group General Counsel e VP Science & Development) and Key Managers with commercial responsibility (the VPs of the business divisions).

The following is a summary outline and details of the objectives set out in the 2024 STI Plan.

## Summary of targets and weights in the 2024 STI Plan

	CEO	Key Managers	
		KM Functions	KM Commercial
<b>A GROUP Performance Objective</b>	<b>90%</b>	<b>60%</b>	<b>30%</b>
- Indicator 1: <b>Adjusted EBTD</b>	45%	30%	20%
- Indicator 2: <b>Free Cash Flow</b>	45%	30%	10%
<b>B GROUP Strategic Objective</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
- Indicator 1: <b>ESG: Health &amp; Safety</b>	10%	10%	10%
<b>C INDIVIDUAL Performance Objective</b>	-	<b>30%</b>	<b>60%</b>
- Indicator 1:	-	10% specif, mesurable	30% Division Turnover
- Indicator 2:	-	10% specif, mesurable	20% Division COI
- Indicator 3:	-	10% specif, mesurable	10% TWC

**A) The Group performance target** relates to the achievement of two performance targets related to economic and financial indicators:

- **Adjusted EBITDA (Organic)**, which indicates EBITDA for the period calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment of financial assets, net of extraordinary and/or non-recurring expenses and income, in line with the values reported in the Company's consolidated financial statements, net of any M&A transactions concluded during the year and not included in the Company's approved budget;
- **Free Cash Flow**: which indicates the Company's ability to generate cash from operations net of interest (not including all foreign exchange differences), taxes and investments in tangible and intangible assets recognised in the period. The relative weight of the indicators is specified in the following summary table.

Each objective is independent and each contributes to the premium according to its relative weight.

The achievement of these indicators determines the actual percentage of target achievement calculated by linear interpolation with a cap at 110% for the CEO and 150% for the Key Managers.

The following table illustrates the incentive curve:

	% Achievement EBITDA Adj	Payout vs Target bonus KMs	Payout vs Target bonus CEO		% Achievement FCF	Payout vs Target bonus KMs	Payout vs Target bonus CEO
	< 91 % of bgt	0%	0%		< 73 % of bgt	0%	0%
<b>Threshold</b>	Budget - 9%	50%	50%	<b>Threshold</b>	Budget - 27%	50%	50%
<b>Target</b>	100% budget	100%	100%	<b>Target</b>	100% budget	100%	100%
<b>Maximum</b>	Budget + 5%	150%	110%	<b>Maximum</b>	budget + 19%	150%	110%

The target for each KPI is defined in line with the guidance provided to investors in connection with the 2024 budget.



**B) The Group's Strategic Objective** relates to the ESG area, reflecting the Company's increasing commitment in this direction. Specifically, a relative target is set to reduce the workplace injury rate (relative to employees and agency workers) from the 2023 results as presented in the NFS and calculated as:

$$\text{no. total accidents (serious and non-serious) / hours worked * 200,000}$$

Safety at work is a necessary and indispensable condition in the performance of all company activities and is a central pillar in the Group's priorities. Given the growth that has taken place in recent years and the trend in accident indices, it has been identified as a priority to continue to consolidate the culture of safety and the dissemination of prevention programmes at all Group companies.

The target weight is 10% and is the same for both the CEO and the KMs.

	% Achievement of Accident index	Payout vs Target bonus KMs	Payout vs Target bonus CEO
	> 10% of Target	0%	0%
<b>Threshold</b>	Target + 10%	50%	50%
<b>Target</b>	- 10% compared to 2023	100%	100%
<b>Maximum</b>	Target - 10%	150%	110%

The target objective was calculated with a 10% improvement on the 2023 result.

The result 2023 was included as a Threshold value being substantially equal to the average of the previous three years (2020 - 2023).

The threshold and over-performance values are equal to a variation of +/- 10% of the target value.

The ESG objective is independent and contributes to determining the bonus according to its relative weight.

The achievement of this indicator determines the actual percentage of target achievement calculated by linear interpolation with a cap at 110% for the CEO and 150% for the Key Managers.

**C) Individual performance objectives** have a weight of 30% for Key Managers with responsibility for staff functions and 60% for Key Managers with commercial responsibility, while there are no individual targets for the CEO.

For Key Managers with commercial responsibilities, the individual objectives are uniformly defined, and in particular relate to:

- Division turnover (with 30% weight);
- COI (Commercial Operating Income) of the division in absolute terms (with a weight of 20%);
- Trade Working Capital as a % (with a weight of 10%).

For Key Managers with responsibility for staff functions, the individual objectives are, on the other hand, both project-related and economic/financial in nature and, in particular, concern:

- Trade Working Capital;
- Net financial expenses;
- Incidence of costs (industrial variables, labour costs, etc.);
- Completion of strategic projects specific to their function (focus on governance, compliance, organisational and human resources development, marketing, etc.);
- Product development and innovation (number of patents filed, new product turnover, etc.)

Each KM has a maximum of three individual targets with a maximum weight for each target of 15%.

Each objective is independent and each contributes to the premium according to its relative weight.

The achievement of these indicators determines the actual percentage of achievement of the target calculated

by linear interpolation in relation to numerical targets or in relation to the objective degree of achievement for targets of a project-related nature (with a scale of 0% - 50% - 100% - 150%).

Summary of the objectives set out in the 2024 STI Plan with details of the weights and expected performance values.

Objective	% Achievement			Objective Weight		
	THRESHOLD	TARGET	OVER PERFORMANCE	CEO	KM Staff Functions	KM Commercial Division
<b>GROUP TARGET</b>				<b>100%</b>	<b>70%</b>	<b>40%</b>
-EBITDA Adjusted (Organic)	91%	100% of budget	105%	45%	30%	20%
-Free Cash Flow	73%	100% of budget	119%	45%	30%	10%
- ESG Health & Safety	91%	- 10% vs 2023	112%	10%	10%	10%
<b>INDIVIDUAL TARGET</b>				<b>0%</b>	<b>30%</b>	<b>60%</b>
% direct labor cost / Group turnover	104%	100% of budget	96%		x	
% industrial variable cost / Group turnover	103%	100% of budget	97%		x	
Labour and Personnel costs (Fixed industrial, GE, Corporation, Net financial expenses)	102%	100% of budget	98%		x	
Trade Working Capital	109%	100% of budget	91%		x	x
Division total turnover	95%	100% of budget	105%			x
Divisional Commercial Operating Income		100% of budget			x	x
Product Development - On-time project completion		100% of budget			x	
Product development - new filed patents		# of filed patents			x	
Governance		By 31.12.2024			x	
Compliance		By 31.12.2024			x	
Legal		By 31.12.2024			x	
Human Resources organization & Development		By 31.12.2024			x	
Marketing		By 31.12.2024			x	
<b>TOTAL</b>				<b>100%</b>	<b>100%</b>	<b>100%</b>

## (K) The medium-long term variable Incentive Plan - 2023-2025 LTI Plan

On 03 May 2023, the Shareholders' Meeting approved the medium-long term variable incentive plan called "GVS Performance Shares Plan 2023-2025" (the "**2023-2025 Performance Shares Plan**" or also the "**Plan**"), aimed at incentivising and retaining the Group's key resources.

On 21 March 2023, the Board of Directors approved the Information Document on the Plan, the values of which are presented in this Remuneration Policy.

For further information, please refer to the Information Document of the aforementioned plan, which is published on the Company's website in the Governance section (<https://www.gvs.com/en/governance/shareholders-meetings/>).

The beneficiaries (the "**Beneficiaries**" or, individually, the "**Beneficiary**") of the Plan are the Chief Executive Officer of the Company and any additional Executive Directors of the Company.

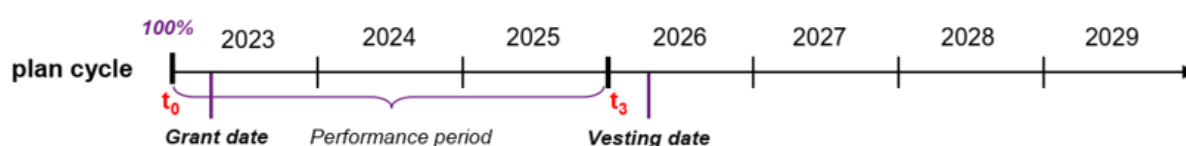
The Plan is also reserved to the Key Managers and to the Managerial Figures, including those to be appointed

in the future, as they will also be identified on several occasions, by the Board of Directors, after hearing the opinion of the Appointments and Compensation Committee, following the resolution of the Shareholders' Meeting.

The Board of Directors shall have the power to propose, after hearing the opinion of the Appointments and Compensation Committee, additional Beneficiaries in the event of changes to the Group's organisational structure or the hiring of new Key Managers or managerial figures during the Plan period, without prejudice to the maximum number of shares attributable to the Beneficiaries.

The 2023-2025 Performance Shares Plan provides for the free assignment (the "**Assignment**") to the beneficiaries of the conditional, free and non-transferable right by deed *inter vivos* to receive, at the end of a vesting period fixed on 31 December 2025, up to a maximum total of 1,400,000 ordinary shares of the Company (extendible up to a maximum of 2,300,000 shares in the event of the inclusion of additional Beneficiaries), as per the relationship with the companies of the Group and in relation to the achievement of certain performance objectives at a consolidated level.

### Closed Plan



Following the approval of the Plan by the Shareholders' Meeting on 03 May 2023, the Board of Directors established the number of target shares to be granted, broken down by categories of Beneficiaries who are homogeneous (in terms of the strategic nature of the role held, the Beneficiary's responsibilities, the degree of exposure to the market, the impact of their respective activities on the entire Group and their remuneration levels) within the percentage ranges, in terms of the ratio to fixed remuneration, indicated in this Remuneration Policy.

The KPIs defined in the Plan are as follows:

- Adjusted EBITDA margin<sup>14</sup> (with 30% weighting in determining the total number of shares to be granted), to monitor the return to historical margins following the recent effort in acquisitions and integrations
- Period-end Net Financial Position (NFP)<sup>15</sup> (with 30% weighting), to monitor the achievement of NFP levels to allow for a new step of inorganic growth
- Relative Total Shareholder Return (TSR) (with a weight of 20% in the determination of the total number of shares that can be granted): represents the total return for the Shareholder given by the increase in the share price during a reference period and by any dividends paid during the same period, compared to the performance of the FTSE Italia Mid Cap index;
- ESG indicator linked to the quality and safety of products placed on the market (with a weight of 20%) to demonstrate the company's strong focus on an aspect of sustainability that is material to key stakeholders. The indicator is measured in terms of the ratio of the number of products recognised as non-compliant to the total number of products placed on the market (Parts per million sold)

The target for each KPI is defined in line with the guidance provided to investors in connection with the 2023-2025 Plan.

The targets - to be achieved by the Company at the consolidated level at the end of the vesting period - will

<sup>14</sup> Ratio of Adjusted EBITDA to Adjusted Turnover, calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment losses on financial assets, net of extraordinary and/or non-recurring income and expenses, in line with the values reported in the Company's consolidated financial statements report; and (ii) Adjusted Turnover calculated in line with the values reported in the Company's consolidated financial statements report.

<sup>15</sup> Net Financial Position as determined in accordance with the CONSOB Communication of 28 July 2006, consistent with the values reported in the Company's consolidated financial statements.

be independently evaluated. The allotment of shares to each Beneficiary of the Plan is subject to the achievement by the Company of at least one of the performance objectives.

The targets underlying the performance objectives of the Plan are closely intertwined with those of the 2025 Business Plan approved by the Company's Board of Directors on 20 September 2023. Therefore, without prejudice to the so-called KPIs mentioned above, the specific numerical targets associated with each performance objective are defined in line with the business plan and the threshold and over-performance values were defined in line with the guidance provided to investors and approved at the BoD meeting of 13 December 2023.

#### Summary of KPIs and LTI target thresholds consistent with the 2025 business plan and market guidance

KPI	Weight	Thresholds	2025 Guidance
<ul style="list-style-type: none"> <li>▪ <b>% EBITDA</b> (average cumulative result over 3 years)</li> </ul>	30%	Min: target - 4% <b>Target:</b> in line with guidance Max: target + 2%	27,0% - 28,0% Adjusted EBITDA Margin in FY 2025
<ul style="list-style-type: none"> <li>▪ <b>NFP (Period end)</b></li> </ul>	30%	Min: target + Euro 10 million <b>Target:</b> in line with guidance Max: target - Euro 10 million	Euro 155 - 175 million (adjusted) net of 75 million shareholder loan
<ul style="list-style-type: none"> <li>▪ <b>TSR</b></li> </ul>	20%	Min: -10% <b>Target:</b> = FTSE Italy Mid Cap Max: +10%	
<ul style="list-style-type: none"> <li>▪ <b>Defects (ppm)</b> Quality of products placed on the market (period end 25)</li> </ul>	20%	Min: +10% <b>Target</b> Max: -10%	Ratio of quantities of non-compliant products placed on the market in relation to the quantities produced in 2025 (period end value <u>provided the value is better than the 2024 figure</u> )

- The 23-25 LTI Plan was approved by the Shareholders' Meeting on 3 May 2023
- The detailed regulations were approved on 3 July 2023 and the letters assigned to the beneficiaries
- 23-25 Strategic Plan, to which the objectives of the LTI Plan are linked, was approved by the Board of Directors on 20 September 2023
- The threshold, target and maximum over-performance values were approved at the Board meeting of 13 December 2023.

The Board of Directors defined the number of shares attributed to each Beneficiary, reduced or increased according to the level of achievement of the targets, it being understood that in any case, regardless of the level of over-performance that may have been achieved, the total number of shares granted to each Beneficiary may not exceed 150% of the related target number of shares.

The shares to service the 2023-2025 Performance Shares Plan are partly derived from treasury shares held from time to time in the Company's portfolio, partly from one or more free share capital increases pursuant to article 2349, paragraph one of the Italian Civil Code.

The 2023-2025 Performance Share Plan provides that the shares granted to each Beneficiary are subject to a restriction on their availability from the date of their actual delivery. In particular, consistently with the recommendations of the Corporate Governance Code, the Chief Executive Officer, the Executive Directors and the Key Managers will be obliged to continuously hold a number of shares equal to 50% of those subject to allocation until the expiration of 24 months from the Grant Date, net of the shares transferable for the payment of applicable legal fees.

With regard to the destination of the rights connected to the Plan in the event of termination of the Beneficiary's existing employment relationship, the 2023-2025 Performance Shares Plan provides, as a general rule, for the loss of all rights in the event of termination of the relationship prior to the allocation of the shares, except for certain cases of so-called "good leaver", which provides for the retention of rights on a *pro rata temporis* basis, as more fully described in the disclosure document (published on the Company's website in the "Governance" section (<https://www.gvs.com/en/governance/shareholders-meetings/>), to which reference is made.

## (L) Other forms of remuneration

Also with a view to attracting, retaining or motivating key figures, specific tools may be used, including, but not limited to:

- Welcome bonuses, which may be granted at the time of the establishment of the relationship and only once for each person, as they serve as an incentive for the establishment of the relationship and may also be linked to the loss of incentives by the previous employer. Its disbursement may, where appropriate, be made conditional on continued employment for a specified period;
- Retention payments, linked to the stability of the relationship over time, (i.e. amounts accrued conditional on continued employment until the end of a certain period or the conclusion of some project or operation) or stability pacts (i.e. commitments by the manager not to terminate the relationship, for a consideration and with potential penalties in the event of termination);
- any exceptional bonuses, in addition to that deriving from the STI and LTI, in relation to operations and/or projects of strategic importance and/or extraordinary results, of such significance as to have a substantial impact on the Company's business and/or on its profitability and as such unable to be adequately addressed by ordinary variable remuneration systems. The amount of any such latter payments is linked to the fixed remuneration of the beneficiary and is determined taking into account the amounts of variable remuneration already paid to the latter under ordinary incentive schemes.

### (M) Remuneration Policy of the CEO

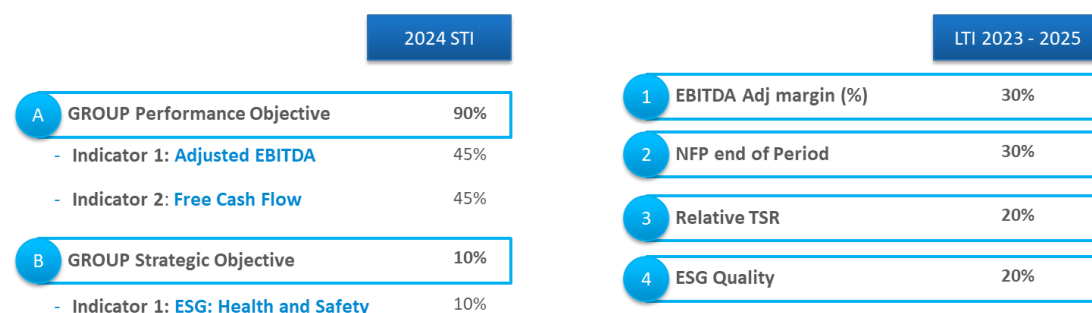
The remuneration of the CEO consists of a fixed component, a short-term variable component and long-term variable component.

The following table describes the main elements that make up the remuneration of the CEO under this Remuneration Policy.

Chief Executive Officer - Massimo Scagliarini	
Fixed component	<ul style="list-style-type: none"> <li>• Euro 20,000, as Director,</li> <li>• Euro 620,000, as CEO</li> </ul>
EMP	<ul style="list-style-type: none"> <li>• Euro 124,000 (equal to 20% of the fixed compensation as CEO)</li> </ul>
Short-term variable component STI 2024	<ul style="list-style-type: none"> <li>• Euro 930,000 or 150% of the fixed remuneration as CEO in case of reaching the target performance (target bonus),</li> <li>• Euro 1,023,000 or 165% of the fixed remuneration as CEO in the case of over performance (cap).</li> <li>• Linked exclusively to economic-financial objectives and ESG indicators. Indicators and weights as detailed in paragraph J and outlined below</li> </ul>
Long-term variable LTI 2023-2025	<ul style="list-style-type: none"> <li>• LTI weight to target of 87%<sup>16</sup> of the fixed component of remuneration as CEO</li> <li>• Indicators and weights as detailed in paragraph K and outlined below.</li> </ul>

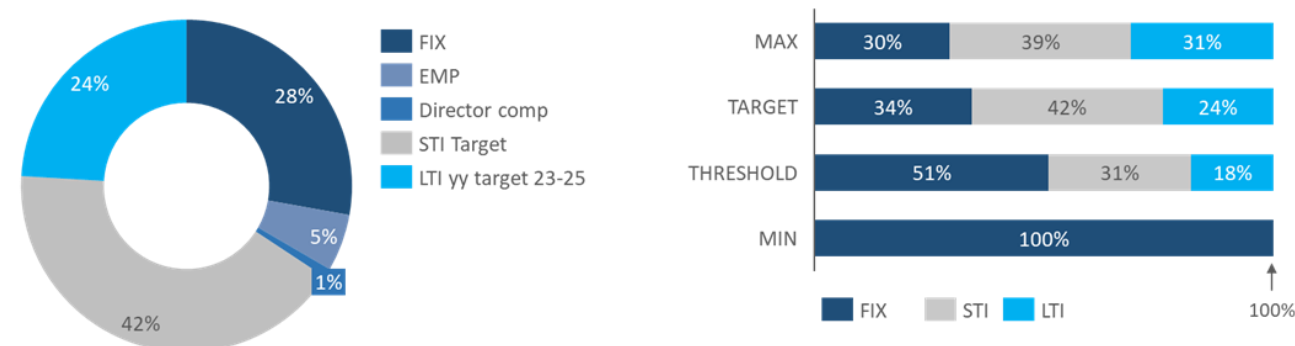
<sup>16</sup> For this purpose, the value of the shares on the grant date of the rights is used.

## Summary of objectives under the 2024 STI Plan and the 23/25 LTI Plan for the CEO



The incidence of the variable component of the CEO's remuneration deriving from the 2024 STI Plan on the total annual remuneration is at target about 42%, while the annual incidence of the portion related to the 23-25 LTI plan is at target about 24% of the total annual remuneration.

Chart incidence of items making up the CEO's total remuneration at target

**(N) KM Remuneration Policy**

The Company identifies as Key Managers (KM) those persons who have the power and responsibility - directly or indirectly - for planning, directing and controlling the Company's activities, according to the definition in Annex 1 of the Consob Regulation on Related Party Transactions.

As of the date of this Report, and therefore without prejudice to changes in the workforce or new appointments during the year, the Company has identified the following organisational roles as Key Managers, which represent the Chief Executive Officer's front line:

- Chief Financial Officer;
- Chief Operating Officer;
- Chief Marketing Officer;
- VP Science & Development;
- HR & Organization Director;
- Group General Counsel;
- VP Healthcare & Life Sciences Division;
- VP Health & Safety Division;
- VP Energy & Mobility Division;

It should be noted that in 2023, following the revision of the first-level organisational structure, the perimeter

of Key Managers was revised with the introduction of the figure of the *Chief Marketing Officer*; therefore, the perimeter of the KMs increased from 8 to 9 holders.

Key Managers - Remuneration	
Fixed component (GAR)	Determined on the basis of appropriate market benchmarks and also taking into account the experience, role and scope of responsibilities assigned to each KM.
Short-term variable component STI 2024	Depending on the individual KM (and the relevant role): <ul style="list-style-type: none"> <li>• between 50% and 100% of the Gross Annual Remuneration, if target performance is achieved (target bonus),</li> <li>• between 75% and 150% of the Gross Annual Remuneration, in case of over performance (cap).</li> <li>• Indicators and weights as described in paragraph J and outlined below.</li> </ul>
Long-term variable component LTI 2023-2025	<ul style="list-style-type: none"> <li>• As determined by the Board of Directors following the approval of the Plan and averaging out at 24%<sup>17</sup> of the GAR, with a percentage varying between 16% and 31%, depending on the individual KM concerned (and the relevant role).</li> <li>• The payout curve varies from 0% to 150% in the case of over performance.</li> <li>• Indicators and weights as described in paragraph K and outlined below.</li> </ul>
Other one-off forms of remuneration	<ul style="list-style-type: none"> <li>• Determined at the stage of establishment of the employment relationship in order to attract and retain the best talent in the form of Welcome Bonus and/or Retention payment as better detailed in paragraph L.</li> </ul>

Key Managers are Beneficiaries of the **2024 STI Plan**, under which such persons are entitled to receive an incentive on an annual basis, the amount of which is commensurate with the achievement of objectives as described in Section J of the document and summarised in the diagram below.

#### Summary of the objectives of the 2024 STI Plan for Key Managers

	2024 STI	
	Key Managers Functions	Key Managers Commercial
<b>A</b> <b>GROUP Performance Objective</b>	<b>60%</b>	<b>30%</b>
- Indicator 1: <b>Adjusted EBITDA</b>	30%	20%
- Indicator 2: <b>Free Cash Flow</b>	30%	10%
<b>B</b> <b>GROUP Strategic Objective</b>	<b>10%</b>	<b>10%</b>
- Indicator 1: <b>ESG: Health and Safety</b>	10%	10%
<b>C</b> <b>INDIVIDUAL Performance Objective</b>	<b>30%</b>	<b>60%</b>

The achievement of the target result is thus linked to the achievement of the objectives as defined above within thresholds according to the curve described in paragraph J "The 2024 STI Plan".

<sup>17</sup> For this purpose, the value of the shares on the grant date of the rights is used.

Individual objectives are related to the specificity of each person's role and in particular:

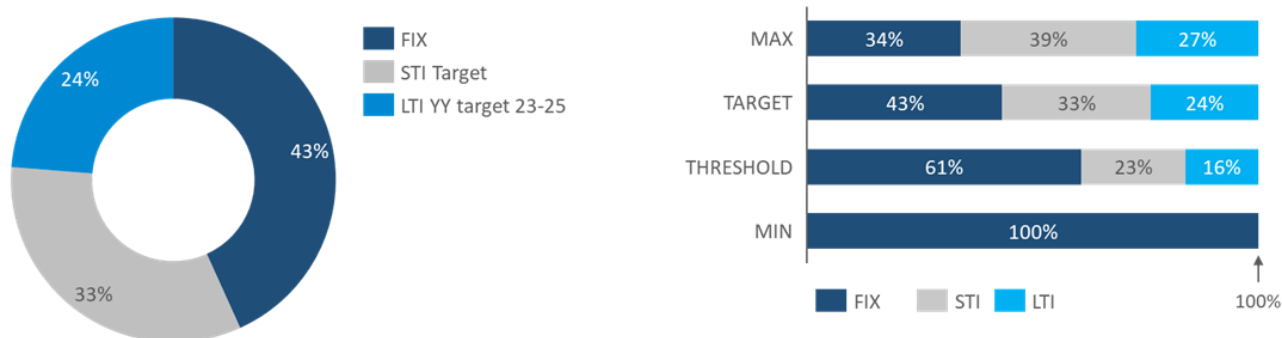
- For Key Managers with a commercial role, they include:
  - o the division's turnover
  - o the division's Commercial Operating Income (COI) (in absolute value)
  - o the Trade Working Capital (TWC).
  
- For KMs with responsibility for functions, individual objectives are both project-based and numerical and can be related to: working capital, financial expenses, direct labour costs as a percentage of turnover, labour costs, project objectives on governance, compliance, product development, organisational development and human resources.

As described in paragraph K, Key Managers are beneficiaries of a so-called Long Term Incentive plan (the "**23-25 LTI Plan**") under which such persons are entitled to receive a number of shares, on an annual basis, the amount of which is commensurate with the achievement of objectives as summarised in the diagram below.

#### Summary of the objectives of the 23/25 LTI Plan for Key Managers

LTI 2023 - 2025	
1	EBITDA Adj margin (%) 30%
2	NFP end of Period 30%
3	Relative TSR 20%
4	ESG Quality 20%

#### Chart incidence of items making up the average, on target, total remuneration of Key Managers



## (O) Policy on non-monetary benefits

Non-monetary benefits are awarded in line with current market practices and in accordance with the position and role held. The non-monetary benefits include the use of company cars, including for business and personal use, telephony, computers, support with accommodation costs and health and insurance coverage.



## (P) Vesting periods and deferred payment systems and ex post correction mechanisms of the variable component

The 2023-2025 Performance Share Plan provides for the Assignment to Beneficiaries of a conditional, free of charge, non-transferable right by *inter vivos* deed to receive, at the end of a vesting period set at 31 December 2025 up to a maximum of a total of 1,400,000 ordinary shares in the Company (extendible up to a maximum of 2,300,000 shares in the event of the inclusion of additional Beneficiaries), subject to the terms and conditions set out therein.

The Plan provides for the adoption of *malus* and claw-back clauses. In particular, if, within the period of 3 years from the grant date, the performance objectives have been ascertained by the Board of Directors on the basis of data that has proven to be manifestly erroneous, or it is ascertained that the Beneficiary is liable for:

- i) commission of fraudulent or grossly negligent conduct to the detriment of the Group;
- ii) breach of obligations of loyalty to the Group; or
- iii) conduct that resulted in a significant financial or asset loss for the Group;

the Board of Directors, reserves the right to obtain (a) the restitution of the shares (in whole or in part), less an amount corresponding to the tax, social security and welfare charges related to the Grant of the Shares, or if the Shares have already been sold, (b) the restitution of the sale value (in whole or in part), less an amount corresponding to the tax, social security and welfare charges related to the Grant of the Shares, possibly also by offsetting against the Beneficiary's salary and/or severance pay. If one of the aforementioned hypotheses occurs before the Assignment of the shares, the Company may also not proceed (in whole or in part) with the relevant Assignment ("*malus*").

## (Q) Information on clauses for holding financial instruments in the portfolio after their acquisition.

The 2023-2025 Performance Share Plan provides that the shares granted to each Beneficiary are subject to a restriction on their availability from the date of their actual delivery. In particular, consistently with the recommendations of the Corporate Governance Code, the Chief Executive Officer, the Executive Directors and the Key Managers will be obliged to continuously hold a number of Shares equal to 50% of those subject to allocation until the expiration of 24 months from the Grant Date, net of the Shares transferable for the payment of applicable legal fees.

## (R) Payments established in the case of termination of office or termination of the employment contract

At the date of the Report, there are no agreements signed between the members of the Board of Directors, the Board of Statutory Auditors and the other Key Managers and the Company or its subsidiaries that provide for the payment of severance indemnities or otherwise regulate ex ante the termination of the office.

In particular, no "golden parachute" is provided for in favour of the Chief Executive Officer, who, however, works in favour of the Company exclusively within the scope of his office as a Director, without having any executive employment relationship and therefore not benefiting from severances provided (by law and collective agreement) for managers. On the other hand, the only provision made in his favour (as per the specific resolution submitted to the Shareholders' Meeting in the context of the renewal of the Board of Directors, in continuity with the provisions of the previous mandates) is the provision of an end of mandate payment ("EMP") to be paid upon termination of the office (as may be renewed over time).

That said, any severance payments to Directors or KMs would be determined on the basis of the following.

First of all, it is specified, with regard to the duration of any employment contracts and the applicable notice

period, that

- a) Directors (who are not, at the same time, executives of the Company) act pursuant to their three-year term of office, and, as a rule, do not have any contract or agreement with the Company, nor does any notice period apply to them, consistent with the nature of the relevant relationship;
- b) Key Managers, on the other hand, operate, as a rule, within the framework of an indefinite executive employment contract; the relative notice period is calculated on the basis of the provisions of the collective agreement currently applied by the Company (national collective labour agreement for Industry Executives), which provides, in the event of termination of employment of executive personnel at the company's initiative (in the absence of just cause) a range of between 6 and 12 months' notice (depending on company or conventional seniority), to which may be added, if certain conditions are met<sup>18</sup>, an additional indemnity, in a range of between 4 and 24 months' notice (also in this case depending on company or conventional seniority).

With regard to the Directors<sup>19</sup>, in the event of termination of office in the absence of a just cause for revocation, an amount generally equal to (and in any case not exceeding) the sum of the remuneration provided for up to the date of the natural expiry of the term of office may be recognised.

With regard to Key Managers in the event of termination of employment, in addition to notice (or the related indemnity in lieu), a sum quantified on a case-by-case basis - on the basis of a weighted set of criteria, to be assessed at the time of termination of employment and linked, in particular, to seniority in the company, age, individual performance achieved, reasons underlying termination of employment, the justification for unilateral termination, the risks connected with unilateral termination rather than agreed termination, the company's interest in achieving agreed termination - may be recognised within a limit of 24 months' pay (i.e. the maximum number of months' pay due under the national collective labour agreement for Industry Executives by way of the so-called supplementary indemnity), in addition to the ordinary severance pay.

These monthly payments are calculated - in accordance with the law and the collective agreement - on the basis of the so-called de facto global remuneration (which includes fixed remuneration, average variable remuneration of the last three years and the valuation of fringe benefits).

In general, no amount is paid - to Directors or Key Managers - in the presence of, inter alia, just cause for revocation or dismissal.

There are currently no non-competition agreements in place with Directors or Key Managers. These may, however, be entered into - at the establishment of the relationship, or during or at the termination thereof - for a (limited) period of time following the termination of the relationship, the consideration for which is determined, pursuant to law, on the basis of the temporal and territorial extension of the constraint and the prejudice that might be caused to the Company in the event the interested party were to engage in activities in competition with that of the Company, also taking into account the role and responsibilities previously held by the person concerned and the provisions of the applicable regulations, setting the consideration of the agreement at the remuneration of the beneficiary at the time of termination of the relationship and limiting, as a rule, the consideration to a maximum equal to the fixed remuneration on an annual basis, set in proportion to the duration of the agreement.

Consultancy contracts for a period after termination of the relationship are not currently envisaged, and are not normally entered into. However, this is without prejudice to this possibility, where there is a proven need to avail, in the interest of the company, for a limited period of time following the termination of the relationship, of the Director's and/or manager's skills and contribution for the performance of specific and predetermined activities (against remuneration appropriately proportionate to the object and scope of the activity required).

There are also currently no contracts in place - and normally no contracts are entered into - that provide for the assignment or retention of non-monetary benefits for a period after the termination of the relationship.

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<sup>18</sup> In particular in the case of 'unjustified' dismissal.

<sup>19</sup> Unless they are Executives of the Company

Some Key Managers, identified on the basis of a seniority criterion, may retain some of the non-monetary benefits for a limited period of time after termination.

## (S) Information on the existence of additional, non-mandatory insurance, welfare or pension coverage

There are no insurance benefits beyond what is provided for in the national collective labour agreement. It is recalled that as of 1 January 2023, the Company's Executives, including the Key Managers, are subject to the national collective labour agreement for Industry Executives (in 2022 the national collective labour agreement applied was that of the Confapi SME Executives). In order to ensure fairness with respect to the treatment agreed upon at the time of hiring, the Company has maintained a minimum payment for pension purposes borne by the company of 4.5% (as provided for by the previous Confapi collective labour agreement applied) as opposed to the 4% provided for by the Industry collective labour agreement applied as of 1 January 2023.

## (T) Exceptions to the Remuneration Policy

In exceptional circumstances, the Company may depart from the Remuneration Policy according to the criteria defined below.

Exceptional circumstances are defined as the following situations:

- a) unforeseeable national or international events that significantly affect the Company's economic and financial results;
- b) major changes in the organisation of the Company, extraordinary operations, mergers or divestments;
- c) unforeseeable needs to replace Executive Directors and/or top managers due to the need to define a remuneration package different from that defined in the Remuneration Policy in order to attract highly qualified managers as quickly as possible.
- d) more generally, any exceptional circumstances (in accordance with Art. 123-ter of the Consolidated Law on Finance) to be managed for the purpose of pursuing the long-term interests and sustainability of the Company as a whole, or to ensure its ability to compete on the market (such as, among others and merely by way of example, the need to attract and retain individuals with the skills and professional qualities required to successfully manage the Company, as well as the need to motivate such individuals with respect to specific KPIs that may be of significant importance due to contingent circumstances).

The salary elements that may be subject to the derogation are:

- a) the annual bonus (in lieu of or in addition to the bonus already provided for in the Remuneration Policy) in respect of performance targets and quantitative parameters other than those referred to in the Policy; and
- b) the long-term incentive plan with regard to targets and ranges of performance indicators.

In the presence of the aforementioned circumstances, the Appointments and Compensation Committee is called upon to express its opinion before the Board of Directors, which resolves on the derogation. Derogations will also be subject to the rules set forth in the Procedure for Related Party Transactions, where applicable.

## (U) Remuneration Policy of the Board of Statutory Auditors

The remuneration of the Board of Statutory Auditors is commensurate with the competence, professionalism, commitment required, the importance of the role covered as well as the size and sector characteristics of the Company.

On 3 May 2023, the Ordinary Shareholders' Meeting resolved to appoint new members of the Board of

Statutory Auditors, also determining their gross annual compensation, which was set at:

Board of Statutory Auditors compensation	
Chair of the Board of Statutory Auditors	Euro 35,000
Members of the Board of Statutory Auditors	Euro 30,000

These values are in line with the market benchmark, specifically falling between the median and the third quartile.

## SECTION II - Compensation paid in FY 2023

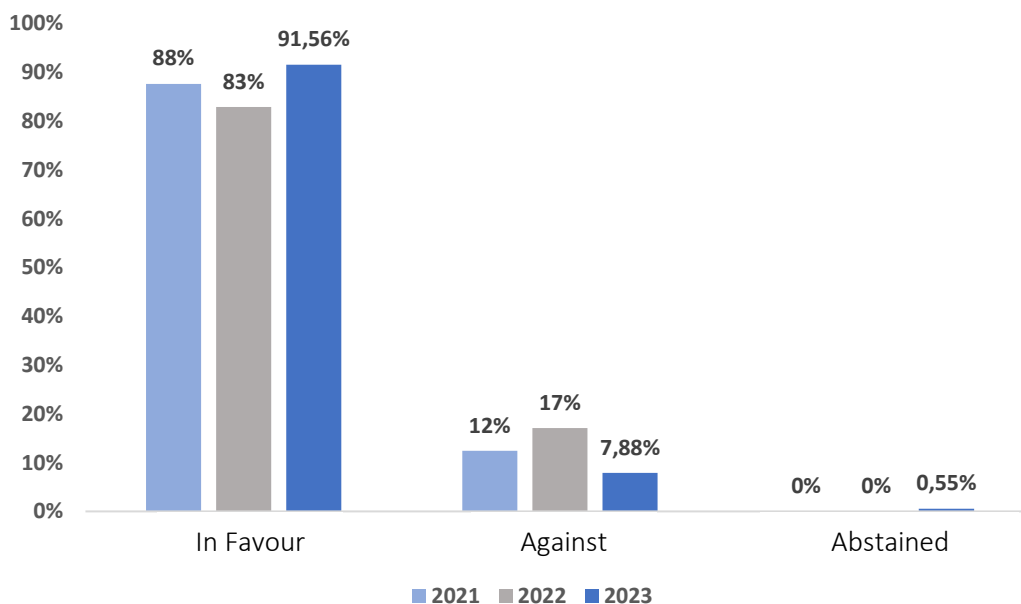
This Section of the Report provides an analytical representation of the following for each member of the Board of Directors and the Board of Statutory Auditors and, in aggregate form, for Key Managers:

- (i) the items making up individual remuneration, including benefits in the event of resignation or termination of employment;
- (ii) compensation paid for any reason and in any form by the Company and/or Group companies;
- (iii) compensation to be paid in one or more subsequent financial years in respect of work performed during the relevant financial year; and
- (iv) the manner in which the Company took into account the vote cast the previous year on the second section of the report.

The Second Part of Section II, in accordance with Art. 84-*quater*, paragraph 4, of the Consob Issuers' Regulation, also reports, in specific tables, the data relating to the shareholdings held - in the Company and its subsidiaries - by dDirectors, Auditors and Key Managers, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, as resulting from the register of Shareholders, from communications received and from other information acquired from the same Directors, Auditors and Key Managers.

### Comparison with the vote cast by the Shareholders' Meeting on Section II of the previous financial year's Report

The following is the result of the voting over the last three years in respect of the Report on the Remuneration Paid (Section II).



### Company performance in the reporting year

This section outlines the main challenges the Company faced during the reporting year, the results achieved in relation to the individual economic-financial and qualitative objectives of the Chief Executive Officer and the Key Managers.

FY 2023 was characterised by high uncertainties, due to the worsening of the international geopolitical and macroeconomic situation, which saw, on the one hand, in addition to the ongoing Russian-Ukrainian conflict, the opening of a new war front in the Middle East and, on the other, a sudden increase in interest rates by the main central banks to counter the inflationary spiral, which generated a sharp slowdown in the growth expectations of the main European economies.

In the face of the unfavourable international environment, the GVS Group continued its growth process, achieving results in line with market guidance and achieving a 9.6% growth in turnover over the previous year, leading to a total turnover of 424.7 million euro. This growth was achieved thanks to the contribution of the Healthcare & Life Sciences division (which includes the acquisitions made in the previous financial year, the STT Group and the Haemotronic Group) and the Health & Safety division.

The Company closes 2023 with a significant improvement in adjusted EBITDA of 95.1 million euro with a margin on revenues of 22.4% (+ 2 points vs. 2022), which represents a growth of approximately 20.3% compared to the previous year obtained also thanks to the actions aimed at the full integration of the companies acquired during 2022, the implementation of the strategic actions aimed at recovering operating margins and the constant reduction of financial debt in addition to the price increase action introduced during 2023.

## FY 2023 Results vs. Guidance

2023 EBITDA % and Leverage above initial guidance, despite lower sales

	2023 Guidance	2023 Guidance - Revised	2023 Actual
SALES	€440-460m	~€425m	€425m
ADJUSTED EBITDA	€95-105m	~ €95m	€95m
Adj. EBITDA Margin (%)	22.2% (mid point)	22.4%	22.4%
ADJ. NET FINANCIAL POSITION	€265-285m	€270m	€252m
Adj. Leverage Ratio (x)	2.75x (mid point)	2.84x	2.65x

These positive results were achieved in spite of the impact in its reference sectors, particularly Healthcare & Life Sciences and Energy & Mobility, of its customers' de-stocking policies, a phenomenon that affected several manufacturing sectors and negatively impacted the Group's expected sales volumes for the financial year. Instead, the contribution made by the Health & Safety division showed an increase in turnover of 8.9% year-on-year, driven by favourable sector dynamics and the realisation of business synergies with the RPB group, which was acquired in September 2021.

A great deal of work was done on the reduction of debt with an improvement of more than 48 million euro by working on a strong generation of operating cash, changes in working capital of more than 20 million, and a reduction of net financial expenses resulting in an improved leverage of 2.65x compared to the previous year's figure of 3.48x.

The Company was also able to manage with extraordinary ability and resilience, on the one hand, the constant growth and optimisation and innovation of its core business, (with the filing of 3 new patents both in Italy and abroad) and, on the other hand, the management of numerous extraordinary projects related to the integration of the companies acquired in the last two years.

In light of the Company's growth in size and the need to acquire new skills to support it in its growth path, organisational development has also seen a decision-making acceleration in terms of strengthening the skills of all structures, and the Finance structure in particular, which in 2023, saw the inclusion of new strategic figures with a strong impact on the business (amongst others, appointment of the new CFO, inclusion of the Investor Relater, Group Treasurer, ESG Director, Regional CFO for the NAFTA scope).

## Summary of the short-term variable incentive plan - the 2023 STI Plan

Below is a summary of the targets weight according to the 2023 TSI plan, the achievement of the performance targets on the achievement scale from 0% to 150%, and the final weighted achievement.

It is specified that, the financial economic data are evaluated net of the acquisitions concluded during the year and not present in the budget, as envisaged when assigning the targets.

Table summarising targets and weights in the 2023 STI Plan

	CEO	Key Managers	
		KM Functions	KM Commercial
<b>A</b> <b>GROUP Performance Objective</b>	<b>90%</b>	<b>60%</b>	<b>40%</b>
- <b>Indicator 1: EBITDA Adjusted</b>	45%	30%	20%
- <b>Indicator 2: Free Cash Flow</b>	45%	30%	20%
<b>B</b> <b>GROUP Strategic Objective</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
- <b>Indicator 1: ESG: Waste</b>	10%	10%	10%
<b>C</b> <b>INDIVIDUAL Performance Objective</b>	-	<b>30%</b>	<b>50%</b>
- <b>Indicator 1:</b>	-	10% specific, measurable	20% Division Turnover
- <b>Indicator 2:</b>	-	10% specific, measurable	20% Division COI%
- <b>Indicator 3:</b>	-	10% specific, measurable	10% Receivables and Inventories

Table summarising the achievement of Group performance objectives under the 2023 STI Plan on the scale 0% - 150%

Objective	Min	Target	Max	Actual	Payout
-Adjusted EBITDA (Organic) as per financial statement	85.000.000 €	100.000.000 €	110.000.000 €	95.100.000 €	83,67%
-Free Cash Flow: amounts as per financial statement	20.000.000 €	34.000.000 €	45.000.000 €	68.890 €	150,00%
ESG dangerous and non-dangerous waste generation on turnover	1,32%	1,26%	1,20%	1,23%	124,17%

## Fees paid in 2023

The remuneration of the management and supervisory bodies and, in aggregate, the remuneration of Key Executives paid during the financial year for results achieved are shown here by name.

In compliance with Annex 3, Scheme 7-bis of the Consob Issuers' Regulation, the remuneration of Key Managers is specified in aggregate form insofar as none received a comprehensive remuneration during the financial year that exceeded the higher comprehensive remuneration attributed to Directors.

The items comprising the remuneration are detailed in Table 1, as per Annex 3, Scheme 7-bis, of the Consob Issuers' Regulation, given in the appendix to Part II of this Section.

### Chair of the Board of Directors

Grazia Valentini held the position of Chair of the Board of Directors until the end of her 2020-2022 term of office, with a fixed compensation for the office of Euro 250,000 gross per annum, which was higher than the third quartile compared to market benchmarks.

As of the appointment of the new Board of Directors for the 2023-2025 term of office, Alessandro Nasi held the position of Chair, who was assigned fixed all-inclusive compensation of Euro 120,000 gross per annum, in line with the market median.

### Non-Executive Directors and members of Committees

The following served as Non-Executive Directors until the end of their 2020-2022 term: Nadia Buttignol, Arabella Caporello, Alessandro Nasi and Michela Schizzi.

Since the appointment of the new Board of Directors for the 2023-2025 term of office, Michela Schizzi, Simona Scarpaleggia, Pietro Cordova and Anna Tanganelli have served as non-executive Directors.

The following compensation was awarded in line with the market median:

Fixed remuneration for Non-Executive Directors and committee members	
Non-Executive Directors	Euro 20,000
Audit, Risk and Sustainability Committee Chair and Appointments and Compensation Committee Chair	Euro 20,000
Members of the Audit, Risk and Sustainability Committee and members of the Appointments and Compensation Committee	Euro 10,000

### Board of Statutory Auditors

The following served as Company Statutory Auditors until the end of their 2020-2022 term: Patrizia Lucia Maria Riva (Chair of the Board of Statutory Auditors), Francesca Sandrolini and Stefania Grazia.

As of the appointment of the new Board of Directors for the 2023-2025 term of office, they have held the position of Statutory Auditors of the Company: Maria Federica Izzo (Chair of the Board of Statutory Auditors), Francesca Sandrolini, Giuseppe Farchione.



Fixed remuneration of the Board of Statutory Auditors	
Chair of the Board of Statutory Auditors	Euro 35,000
Members of the Board of Statutory Auditors	Euro 30,000

### Chief Executive Officer

The following served as CEO: Massimo Scagliarini.

The following fees were awarded:

Chief Executive Officer - Massimo Scagliarini	
Fixed component	<ul style="list-style-type: none"> <li>• Euro 20,000, as Director,</li> <li>• Euro 620,000, as CEO</li> </ul>
EMP	• No compensation was paid in respect of 2023
2023 STI	• Euro 912,118
2023-2025 LTI	• No bonuses related to the closed performance share plan accrued in 2023.

The following targets were achieved in relation to the **2023 STI plan**:

Objectives	Weight (%)	Target	Actual	Target payout
<b>Adjusted EBITDA</b>	45%	Euro 100 million	Euro 95.1 million	83.50%
<b>Free Cash Flow</b>	45%	Euro 34 million	Euro 68.9 million	110%
<b>Group strategic objectives (ESG)</b>	10%	waste generation index 1.26%	1.23%	110%
	<b>100%</b>			<b>98%</b>

The Company also granted the following non-monetary benefits: mobile computer, mobile telephone, for a total amount of Euro 2,279.

### Executive Directors

The following served as Executive Directors until the end of their 2020-2022 term: Marco Scagliarini, Mario Saccone and Matteo Viola.

Following the appointment of the new Board of Directors for the 2023-2025 term of office, no Executive Director was appointed.

The following fees were awarded:

	Executive Director and VP Energy & Mobility Division - Marco Scagliarini	Executive Director and CFO - Mario Saccone	Executive Director and COO - Matteo Viola
Fixed component	<ul style="list-style-type: none"> <li>• Euro 20,000, as Director,</li> <li>• Euro 250,000, for proxies conferred</li> </ul>	<ul style="list-style-type: none"> <li>• Euro 20,000, as Director</li> <li>• Euro 210,000 GAR as an employee for the role of CFO</li> </ul>	<ul style="list-style-type: none"> <li>• Euro 20,000, as Director</li> <li>• Euro 260,000 GAR as an employee for the role of COO</li> </ul>
2023 STI	• -	-	• Euro 318,955 as detailed below
2023-2025 LTI	•	-	• No bonuses related to the closed performance share plan accrued in 2023.

### Matteo Viola

The following targets were achieved in relation to the **2023 STI plan**:

Objectives	Weight (%)	Target	Actual	Target payout
<b>Adjusted EBITDA</b>	30%	Euro 100 million	Euro 95.1 million	83.50%
<b>Free Cash Flow</b>	30%	Euro 34 million	Euro 68.9 million	150%
<b>Group strategic objectives (ESG)</b>	10%	waste generation index 1.26%	1.23%	150%
<b>Individual Performance Objectives</b>	10%	• Incidence of Direct labour cost	134% average achievement	• 102.07%
	10%	• Incidence of industrial variable costs		• 150%
	10%	• Trade Working Capital		• 150%
<b>Total</b>	<b>100%</b>			<b>123%</b>

The Company also granted the following non-monetary benefits: mobile computer, mobile telephone, for a total amount of Euro 10,896.

### Key Managers

The following served as KM (excluding Executive Directors): Marco Pacini (Chief Financial Officer), Luca Querzè (VP Science & Development), Paola Musuraca (HR & Organisation Director), Luca Zanini (VP HC&LS Division), Pierre Dizier (VP H&S Division), Claudio Tonielli (VP E&M division), Rozemaria Bala (Group General Counsel).

The following total compensation was awarded (shown in the table in aggregate form):

KM (excluding Executive Directors)	
Gross Annual Remuneration (GAR)	• Euro 1,474,659
2023 STI	• Euro 1,309,145
Other one-off forms of remuneration	• Euro 150,000 by way of Welcome Bonus
2023-2025 LTI	• No bonuses related to the closed performance share plan accrued in 2023.

The following targets were achieved in relation to the **2023 STI plan**:

Objectives	Weight (%)	Target	Actual	Payout
<b>Adjusted EBITDA</b>	30% for staff key managers	Euro 100 million	Euro 95.1 million	83.50%
	20% for commercial key managers			
<b>Free Cash Flow</b>	30% for staff key managers	Euro 34 million	Euro 68.9 million	150%
	20% for commercial key managers			
<b>Group Strategic Objectives</b>	10%	waste generation index 1.26%	1.23%	150%
<b>Individual Performance Objectives</b>	3 individual targets equal to 30% weight for staff KMs  3 individual targets equal to 50% weight for commercial KMs	Divisional turnover	130% average achievement	110% average
		Divisional Commercial Operating Income		
		Trade Working Capital		
		Inventories and Receivables		
		Turnover from new products		
		# patents filed		
Incidence of costs on turnover (labour)				

Objectives	Weight (%)	Target	Actual	Payout
		costs, variable costs)		
		Governance and organisational development objectives		
	100%			110%

### 2023 STI target achievement detail

Objective	Payout	Min	Target	Max	Actual
<b>GROUP OBJECTIVES</b>					
- Adjusted EBITDA	83,50%	85.000.000 €	100.000.000 €	110.000.000 €	95.051.436 €
-Free Cash Flow:	150,00%	20.000.000 €	34.000.000 €	45.000.000 €	68.890 €
ESG dangerous and non-dangerous waste generation on turnover	124,17%	1,32%	1,26%	1,20%	1,23%
<b>INDIVIDUAL OBJECTIVES</b>					
% direct labor cost	102,07%				
% industrial variable cost	150,00%				
Labour and Personnel costs	117,98%				
Trade Working Capital	150,00%				
Receivables	150,00%				
Inventories	150,00%				
Net financial expenses	150,00%				
Total Division turnover HC&LS	77,91%				
Division COI% HC&LS	108,13%				
Total Division turnover E&M	0,00%				
Division COI% E&M	121,08%				
Total Division turnover H&S	90,10%				
Division COI% H&S	116,11%				
HR Organization and Procedures	50,00%				
Governance	100,00%				
Legal	150,00%				
Product Development	0,00%				
New filed patents	150,00%				

The Company also granted the following non-monetary benefits to Key Managers: company car, mobile computer, mobile telephone, healthcare insurance and support with accommodation costs for a total amount of Euro 60,071.

### Proportion between fixed and variable compensation

The proportion of fixed and variable remuneration of the CEO and Executive Directors during the year is set out below.

		Proportion of fixed and variable compensation <sup>(*)</sup>		
		Fixed compensation (**)	Short-term variable compensation	Long-term variable compensation
Chief Executive Officer Massimo Scagliarini	Compensation from GVS	38%	46%	16%
	Compensation from subsidiaries		0	0
	<b>Total</b>	<b>38%</b>	<b>46%</b>	<b>16%</b>
Executive Director Marco Scagliarini	Compensation from GVS	100%	0%	0%
	Compensation from subsidiaries			
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Executive Director Mario Saccone	Compensation from GVS	100%	0%	0%
	Compensation from subsidiaries		0	0
	<b>Total</b>	<b>100%</b>	<b>0%</b>	<b>0%</b>
Executive Director Matteo Viola	Compensation from GVS	40%	46%	14%
	Compensation from subsidiaries		0	0
	<b>Total</b>	<b>40%</b>	<b>46%</b>	<b>14%</b>

<sup>(\*)</sup> The proportion is calculated starting from the detail of the remuneration items reported in Section II - Part Two

<sup>(\*\*)</sup> Includes Term-end Severance for the CEO

The proportion between fixed and variable compensation for the other Key Managers for the year is set out below.

		Proportion of fixed and variable compensation <sup>(*)</sup>		
		Fixed compensation	Short-term variable compensation	Long-term variable compensation
<b>Key Managers who are not executive Directors</b>	Compensation from GVS	44%	42%	14%
	Compensation from subsidiaries			
	<b>Total</b>	<b>44%</b>	<b>42%</b>	<b>14%</b>

<sup>(\*)</sup> The proportion is calculated starting from the detail of the remuneration items reported in Section II - Part Two

### Indemnities paid in the event of early termination of employment

No indemnities were paid during the financial year 2023.

### Exceptions to the Remuneration Policy applied to exceptional circumstances

During the year, GVS did not make any exceptions to the Remuneration Policy.

### Mechanisms for ex-post correction of the variable component of remuneration paid

During the year, no *ex-post* correction mechanisms were applied to the variable component (*malus* or claw-back of variable compensation).

### Comparative Information and Pay Ratio CEO / Employees

The following information compares, for FYs 2020 (the first year of listing), 2021, 2022 and 2023, the annual change in total remuneration for members of the Board of Directors and members of the Board of Statutory Auditors and, in aggregate form, Key Managers and the average gross annual remuneration of employees, benchmarked to full-time employees and Company results.

The Pay Ratio calculated as the CEO's total remuneration divided by the average total remuneration of Italian employees is about 36.

Name	Position	Δ 2023-2022	2023	2022	2021	2020 (1)
<b>Grazia Valentini</b>	BoD Chair 20-22 Director 23-25	-61%	101,213	260,744	260,000	161,200
<b>Alessandro Nasi</b>	Independent Director 20-22 BoD Chair 23-25	167%	80,000	30,000	30,000	30,000
<b>Massimo Scagliarini</b>	Chief Executive Officer	30%	1,678,396	1,290,900	1,260,000	999,160
<b>Marco Scagliarini</b>	Managing Director 20-22 Director 23-25	-84%	104,089	633,131	520,000	443,680
<b>Mario Saccone</b>	Managing Director 20-22	-97%	6,667	236,203	421,050	405,783
<b>Matteo Viola</b>	Managing Director 20-22	20%	593,441	497,170	441,043	423,469
<b>Nadia Buttignol</b>	Independent Director 20-22	-67%	10,000	30,000	30,000	30,000
<b>Arabella Caporello</b>	Independent Director 20-22	-67%	13,333	40,000	40,000	40,000
<b>Simona Scarpaleggia</b>	Independent Director 23-25		29,167			
<b>Pietro Cordova</b>	Independent Director 23-25		23,333			
<b>Anna Tanganelli</b>	Independent Director 23-25		23,333			
<b>Michela Schizzi</b>	Independent Director 23-25	-32%	34,167	50,000	50,000	50,000
<b>Patrizia Lucia Maria Riva</b>	Chair of the Board of Statutory Auditors 20-22	-67%	11,667	35,000	35,000	10,000
<b>Stefania Grazia</b>	Standing Auditor 20-22	-67%	10,000	30,000	30,000	7,000
<b>Maria Francesca Izzo</b>	Chair of the Board of Statutory Auditors 23-25		23,333			
<b>Giuseppe Farchione</b>	Standing Auditor		20,000			
<b>Francesca Sandrolini</b>	Standing Auditor	0%	30,000	30,000	30,000	7,000
<b>Non-Director KMs (2)</b>		130%	3,007,952	1,306,865	1,279,462	
		4%	46,717	45,129	41,955	39,816

Average gross annual remuneration of total employees (3)						
EBITDA Adj	-	20%	95.1 mln	79 mln	108 mln	144 mln

1) Does not provide for IPO bonuses

2) scope changed with a total of 7 Non-Executive Director KMs in 2023 vs 4 in 2022

3) Overall average annual gross remuneration, fixed and short to target variable components, calculated on a full-time equivalent basis, paid in 2023. It should be remembered that GVS is a multinational which operates on three continents through 15 production plants and 7 commercial distribution centres located in 17 different countries in addition to Italy (Brazil, Argentina, United States, United Kingdom, Romania, China, Japan, Korea, Turkey, Russia, Mexico, Puerto Rico, New Zealand, India, Malaysia, Vietnam and Thailand). Given that these are countries in which the different cost of living would not have given a picture in line with the average remuneration and working conditions of GVS employees, it was decided to represent the average gross annual remuneration of GVS SpA alone, based on full-time employees.

### Analytical representation of compensation paid during FY 2023

The information in the following tables is provided separately with reference to positions held within the Company and for those possibly held in subsidiaries and associates.

This includes all persons who, during the course of the financial year, were members of the Board of Directors and Board of Statutory Auditors or Key Managers, even for a fraction of the period.

Table 1: Compensation paid to members of administrative and auditing bodies, general managers and other Key Managers

Name and surname	Position held	Period for which the office was covered	Expiration date of office	Fixed compensation for office held	Compensation for participating in committees	Variable compensation (non-equity)		Non-monetary benefits (2)	Other fees (3)	Total	Fair value of equity compensation (4)	Indemnity for end of term or termination of employment	
						Bonuses and other incentives (1)	Profit sharing						
Grazia Valentini	Chair	2020	Approval of the financial statements as at 31/12/2022										
	Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025										
	Fees within the company preparing the financial statements				96,667	3,333			1,213	485,340	586,553	-	
	Remuneration from subsidiaries and associates												
	<b>Total</b>				<b>96,667</b>	<b>3,333</b>	-	-	<b>1,213</b>	<b>485,340</b>	<b>586,553</b>	-	
Alessandro Nasi	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022										
	Chair	From 03/05/2023	Approval of the financial statements as at 31/12/2025										
	Fees within the company preparing the financial statements				76,667	3,333					80,000		
	Remuneration from subsidiaries and associates										-		
	<b>Total</b>				<b>76,667</b>	<b>3,333</b>	-	-	-	-	<b>80,000</b>	-	-
Massimo Scagliarini	Chief Executive Officer	2020	Approval of the financial statements as at 31/12/2022										
	Chief Executive Officer	From 03/05/2023	Approval of the financial statements as at 31/12/2025										
	Fees within the company preparing the financial statements				640,000		912,118		2,279	625,915	2,180,311	321,900	
	Remuneration from subsidiaries and associates										-		
	<b>Total</b>				<b>640,000</b>	-	<b>912,118</b>	-	<b>2,279</b>	<b>625,915</b>	<b>2,180,311</b>	<b>321,900</b>	-



<b>Marco Scagliarini</b>	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025									
	Fees within the company preparing the financial statements			103,333		-		756	603,336	707,425	-	
	Remuneration from subsidiaries and associates									-		
<b>Total</b>			<b>103,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756</b>	<b>603,336</b>	<b>707,425</b>	<b>-</b>	<b>-</b>	
<b>Mario Saccone</b>	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			6,667		-		-	-	6,667	-	
	Remuneration from subsidiaries and associates									-		
	<b>Total</b>			<b>6,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,667</b>	<b>-</b>	<b>-</b>
<b>Matteo Viola</b>	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			6,667		318,955		10,896	256,923	593,441	97,912	
	Remuneration from subsidiaries and associates									-		
	<b>Total</b>			<b>6,667</b>	<b>-</b>	<b>318,955</b>	<b>-</b>	<b>10,896</b>	<b>256,923</b>	<b>593,441</b>	<b>97,912</b>	<b>-</b>
<b>Nadia Buttignol</b>	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			6,667	3,333					10,000		
	Remuneration from subsidiaries and associates									-		
	<b>Total</b>			<b>6,667</b>	<b>3,333</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>-</b>
<b>Arabella Caporello</b>	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			6,667	6,667					13,333		
	Remuneration from subsidiaries and associates									-		
	<b>Total</b>			<b>6,667</b>	<b>6,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,333</b>	<b>-</b>	<b>-</b>

Michela Schizzi	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022								
	Independent Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			18,333	15,833					34,167	
	Remuneration from subsidiaries and associates									-	
	<b>Total</b>			<b>18,333</b>	<b>15,833</b>	-	-	-	-	<b>34,167</b>	-
Anna Tanganelli	Independent Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			11,667	11,667					23,333	
	Remuneration from subsidiaries and associates									-	
	<b>Total</b>			<b>11,667</b>	<b>11,667</b>	-	-	-	-	<b>23,333</b>	-
Simona Scarpaleggia	Independent Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			11,667	17,500					29,167	
	Remuneration from subsidiaries and associates									-	
	<b>Total</b>			<b>11,667</b>	<b>17,500</b>	-	-	-	-	<b>29,167</b>	-
Pietro Cordova	Independent Director	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			11,667	11,667					23,333	
	Remuneration from subsidiaries and associates									-	
	<b>Total</b>			<b>11,667</b>	<b>11,667</b>	-	-	-	-	<b>23,333</b>	-
Patrizia Lucia Maria Riva	Chair of the Board of Statutory Auditors	From 19/06/2020	Approval of the financial statements as at 31/12/2022								
	Fees within the company preparing the financial statements			11,667						11,667	
	Remuneration from subsidiaries and associates										
	<b>Total</b>			<b>11,667</b>						<b>11,667</b>	

Maria Federica Izzo	Chair of the Board of Statutory Auditors	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			23,333					23,333		
	Remuneration from subsidiaries and associates										
<b>Total</b>			<b>23,333</b>					<b>23,333</b>			
Stefania Grazia	Standing Auditor	From 19/06/2020	Approval of the financial statements as at 31/12/2022								
	Fees within the company preparing the financial statements			10,000					10,000		
	Remuneration from subsidiaries and associates										
<b>Total</b>			<b>10,000</b>					<b>10,000</b>			
Francesca Sandrolini	Standing Auditor	From 19/06/2020	Approval of the financial statements as at 31/12/2022								
	Standing Auditor	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			30,000					30,000		
	Remuneration from subsidiaries and associates										
<b>Total</b>			<b>30,000</b>					<b>30,000</b>			
Giuseppe Farchione	Standing Auditor	From 03/05/2023	Approval of the financial statements as at 31/12/2025								
	Fees within the company preparing the financial statements			20,000					20,000		
	Remuneration from subsidiaries and associates										
<b>Total</b>			<b>20,000</b>					<b>20,000</b>			
Key Managers	Employment Contract Industry Executives		Permanent								
	Fees within the company preparing the financial statements			13,333		1,459,145		60,071	1,474,659	3,007,209	489,560
	Remuneration from subsidiaries and associates									-	
<b>Total</b>			<b>13,333</b>	-	<b>1,459,145</b>	-	<b>60,071</b>	<b>1,474,659</b>	<b>3,007,209</b>	<b>489,560</b>	-

- 1) The bonus accruing in 2023 and any other bonuses, incentives or one-off awards accruing in 2023 are indicated
- 2) Non-monetary benefits may include: car, company telephone and computer, insurance policy
- 3) The EMP disbursed in 2023 at the end of the term of office with approval of the 2022 budget for the CEO, Chair and Executive Director Marco Scagliarini is included.  
For KMs, the gross annual remuneration paid in 2023 is included
- 4) The portion of compensation of the 2023-2025 Performance Share Plan, calculated by dividing the fair value of the instruments themselves at the grant date, calculated using actuarial techniques, over the vesting period

**Table 2: Stock options assigned to members of the administrative body, general managers and other Key Managers**

As at the date of this Report, no stock options have been granted to members of the Board of Directors, General Managers or other Key Managers. See Table 3A for further information on incentive plans involving the assignment of shares.

**Table 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of the administrative body and other Key Managers.**

Name and surname	Position	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments assigned during the year				Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments for the year	
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of assignment	Vesting period	Assignment Date	Market price upon allocation	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value <sup>(4)</sup>
Massimo Scagliarini	Chief Executive Officer	2020-2022 Performance Share Plan											
		2023-2025 Performance Share Plan											
<b>Fees within the company preparing the financial statements</b>					290,000	1,609,500	3 years	03 July 2023	5.55		94,545	451,774	321,900
<b>Compensation from subsidiaries or associates</b>													
<b>Total</b>			-	-	290,000	1,609,500				-	94,545	451,774	321,900
Marco Scagliarini	Executive Director	2020-2022 Performance Share Plan											
		2023-2025 Performance Share Plan											
<b>Fees within the company preparing the financial statements</b>											22,061	105,414	
<b>Compensation from subsidiaries or associates</b>													
<b>Total</b>			-	-	-	-			-	-	22,061	105,414	-
Matteo Viola	Executive Director	2020-2022 Performance Share Plan											
		2023-2025 Performance Share Plan											

<b>Fees within the company preparing the financial statements</b>			90,000	499,500	3 years	03 July 2023	5.55		22,061	105,414	97,912
<b>Compensation from subsidiaries or associates</b>											
<b>Total</b>		-	-	90,000				-	22,061	105,414	97,912
<b>Key Managers</b>	2020-2022 Performance Share Plan										
	2023-2025 Performance Share Plan										
<b>Fees within the company preparing the financial statements</b>			450,000	2,497,500	3 years	03 July 2023	5.55		84,437	403,472	489,560
<b>Compensation from subsidiaries or associates</b>											
<b>Total</b>		-	-	450,000				-	84,437	403,472	489,560

**Table 3 B: Monetary incentive plans in favour of members of the administrative body and other Key Managers**

Name and surname	Position	Plan	Bonus of the year		Reference period	Bonus of previous years		Other bonuses
			Payable/Paid	Deferred		No longer payable	Payable/Paid	
Massimo Scagliarini	Chief Executive Officer	Annual incentive (2023 STI)						
<b>Fees within the company preparing the financial statements</b>			912,118		Year 2023			
<b>Remuneration from subsidiaries and associates</b>								
<b>Total</b>			912,118					
Matteo Viola	Executive Director 20-22	Annual incentive (2023 STI)						
<b>Fees within the company preparing the financial statements</b>			318,955		Year 2023			
<b>Remuneration from subsidiaries and associates</b>								
<b>Total</b>			318,955					
<b>Key Managers</b>		Annual incentive (2023 STI)						
<b>Fees within the company preparing the financial statements</b>			1,309,145		Year 2023			150,000
<b>Remuneration from subsidiaries and associates</b>								
<b>Total</b>			1,309,145					150,000

### SCHEDULE NO.7-TER Schedule on the information on the shareholdings of members of the administrative and control bodies and other Key Managers

Name and surname	Position held	Form of possession	Investee company	No. of shares held as at 31/12/2022	Number of shares purchased/assigned in 2023	Number of shares sold in 2023	No. of shares held as at 31/12/2023
Grazia Valentini	Chair of the Board of Directors mandate 20-22  Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares <sup>20</sup>					
Massimo Scagliarini	Chief Executive Officer	Direct Ordinary Shares <sup>21</sup>	GVS S.p.A.		94,545(*)		94,545(*)
		Indirect Ordinary Shares		53,046,000		53,046,000	
Marco Scagliarini	Executive Director mandate 20-22  Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.		22,061(*)		22,061
		Indirect Ordinary Shares <sup>22</sup>		51,954,000		51,954,000	
Mario Saccone	Executive Director mandate 20-22	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Matteo Viola	Executive Director mandate 20-22	Direct Ordinary Shares	GVS S.p.A.	4,900	22,061(*)		26,961
		Indirect Ordinary Shares					
Nadia Buttignol	Independent Director mandate 20-22	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					

<sup>20</sup> The indirect equity investment is held through the company GVS Group S.p.A.

<sup>21</sup> The indirect equity investment is held through the company GVS Group S.p.A.

<sup>22</sup> The indirect equity investment is held through the company GVS Group S.p.A.

(\*) Shares allocated for the 2020-2022 Performance Share Plan

Arabella Caporello	Independent Director mandate 20-22	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Michela Schizzi	Independent Director mandate 20-22 and 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Alessandro Nasi	Independent Director mandate 20-22	Direct Ordinary Shares	GVS S.p.A.	
	BoD Chair mandate 23-25	Indirect Ordinary Shares		
Patrizia Lucia Maria Riva	Chair of the Board of Statutory Auditors mandate 20-22	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Stefania Grazia	Standing Auditor mandate 20-22	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Marco Pacini	Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Anna Tanganelli	Independent Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Simona Scarpaleggia	Independent Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Pietro Cordova	Independent Director mandate 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Maria Federica Izzo	Chair of the Board of Statutory Auditors mandate 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Francesca Sandrolini	Standing Auditor mandate 20-22 and 23-25	Direct Ordinary Shares	GVS S.p.A.	
		Indirect Ordinary Shares		
Giuseppe Farchione		Direct Ordinary Shares	GVS S.p.A.	



Standing Auditor  
mandate 23-25 Indirect Ordinary Shares

### Information on the equity investments of Key Managers non-Directors

Number of Key Managers (*)	Investee company	Form of possession	No. of shares held as at 31/12/2022	Number of shares purchased/assigned in 2023	Number of shares sold in 2023	No. of shares held as at 31/12/2023
6	GVS S.p.A.	Direct Ordinary Shares	8,526	84,438 (**)	-	92,964
		Indirect Ordinary Shares	-	-	-	-

(\*) Other than the directors already named

(\*\*) Shares allocated for the 2020-2022 Performance Share Plan

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