



## RenoDeMedici

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Milan*

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paid up,*

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00883670150*

**Report on the remuneration policy and compensation  
paid**

**Pursuant to Articles 123-ter of Legislative Decree No.  
58 of 24 February 1998 and 84-quater of Consob  
Regulation No. 11971/1999.**

## Table of contents

<b>INTRODUCTION</b>	<b>4</b>
<b>SECTION I - 2021 REMUNERATION POLICY.</b>	<b>5</b>
1 – PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY OF THE ADMINISTRATIVE BODY, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (THE “POLICY”)	5
A) BODIES INVOLVED	
B) REMUNERATION COMMITTEE. COMPOSITION AND RESPONSIBILITIES	8
2 - PURPOSE OF THE POLICY	8
3 - GENERAL POLICY PRINCIPLES	10
4 - FIXED AND VARIABLE COMPONENTS OF THE REMUNERATION	10
5 - CLAW BACK MECHANISM	20
6 - EXTRAORDINARY TRANSACTIONS	21
7 – ONE OFF/EXTRAORDINARY BONUS	21
8 - REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS	22
9 - NON-MONETARY BENEFITS	22
10 - PAY-MIX	23
11 - PAYMENTS PROVIDED FOR DEPARTURE FROM OFFICE OR TERMINATION OF EMPLOYMENT	24
12 - BENCHMARK USED TO DEFINE THE POLICY	24
13 – ASPECTS OF THE POLICY GIVING RISE TO DEROGATIONS IN EXCEPTIONAL CIRCUMSTANCES.	25
<b>SECTION II - REMUNERATION AND OTHER COMPENSATION PAID IN THE 2020 FINANCIAL YEAR</b>	<b>26</b>
<b>FIRST PART - IMPLEMENTATION OF THE POLICY.</b>	<b>26</b>
A - REMUNERATION OF DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	26
B – REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS	30
C - COMPENSATION IN THE EVENT OF EARLY TERMINATION OF THE RELATIONSHIP	30
D - INFORMATION ON THE STOCK GRANT PLAN AND PHANTOM STOCK GRANT PLAN	30
E – CLAW-BACK MECHANISM	32
F – INFORMATION ON THE COMPARISON OF REMUNERATION IN 2019/2020	32
<b>SECOND PART</b> -ANALYTICAL REPRESENTATION OF THE REMUNERATION PAID IN THE FINANCIAL YEAR	<b>34</b>
<b>Diagram 7-bis: remuneration report</b>	<b>34</b>
<b>TABLE 1: Remuneration paid to the members of the Administrative and Supervisory Bodies, General Managers and other Executives with Strategic Responsibilities.</b>	<b>34</b>

**TABLE 3A: Incentive plans based on financial instruments other than Stock Options, for members of the Administrative body, General Managers and other Executives with Strategic Responsibilities** 37

**TABLE 3B: Monetary incentive plans for members of the Board of Directors, General Managers and other Executives with Strategic Responsibilities<sup>2</sup>** 39

**Diagram 7-ter: diagram with information on the shareholdings of members of the Administrative and Supervisory bodies, General Managers and other Executives with Strategic Responsibilities.** 41

**Table 1: Shareholdings of members of the Administrative and Supervisory bodies and General Managers**

**PROPOSED RESOLUTION.** 41

## INTRODUCTION

This "Report on the remuneration policy and compensation paid" (hereinafter also the "**Report**") provides, in accordance with Article 123-ter of Legislative Decree 58/1998 (hereinafter also the "**CONSOLIDATED LAW ON FINANCE**" ("**TUF**" in the Italian acronym) and Article 84-quater of Consob Regulation No. 11971/1999 as subsequently amended (hereinafter also the "**Issuer Regulations**"), information on the remuneration policies adopted by Reno De Medici S.p.A. (hereinafter also referred to as the "**Company**" or the "**Issuer**") with reference to members of the Board of Directors and Executives with Strategic Responsibilities.

The Report is divided into two sections, drawn up in accordance with Annex 3A, Diagram 7-bis of the Issuer Regulations.

The **first section** explains:

- a) the principles and purposes of the remuneration policy to be adopted in 2021;
- b) the procedures for adoption and implementation of the policy.

The **second section** analytically describes, including in the form of tables, the final statement on the policy actually implemented in 2020 with regard to Members of the Board of Directors, Statutory Auditors and Executives with Strategic Responsibilities. With regard to 2020, no Executives with Strategic Responsibilities were identified, other than the Company's Chief Executive Officer, Luca Rizzo, in his capacity as Chief Executive Officer of the Reno De Medici Group (hereinafter, the "**Group**"), Marita Lovera, in her capacity as Group Chief HR Officer, and Andrea Bettinelli, in his capacity as Group Head of Strategy.

The Report was approved by the Board of Directors, at the proposal of the Remuneration Committee, on 19 March 2021. The first section of the Report is subject to a binding resolution of the Shareholders' Meeting called for 29 April 2021 (30 April on the second call) to approve the Financial Statements for the year ended 31 December 2020.

Pursuant to Article 123-ter of the Consolidated Law on Finance, the Report will be made available to the public, at the registered office, in the authorised storage system "EmarketStorage" ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the website [www.rdmgroup.com](http://www.rdmgroup.com) from 7 April 2021.

In accordance with the provisions of Consob Regulation No. 17221 of 12 March 2010 and subsequent amendments (the "**Consob Related Parties Regulation**") on related party transactions, as implemented in the relevant procedures approved by the Company's Board of Directors, the adoption and definition of the remuneration policy set out in this Report, implemented with the involvement of the Remuneration Committee consisting mainly of independent Directors, and its submission to a binding vote of the Shareholders' Meeting, gives exemption for resolutions on the remuneration of Directors and Managers with Strategic Responsibilities from the application of the procedures provided for by the aforementioned Consob provisions on related party transactions.

## **SECTION I - 2021 REMUNERATION POLICY**

### **1. PROCEDURES FOR ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY OF THE ADMINISTRATIVE BODY, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES (THE "POLICY")**

#### **a) BODIES INVOLVED.**

The Remuneration Policy for the Administrative body, General Managers and Executives with Strategic Responsibilities (hereinafter also the "**Policy**") is approved and defined by the Board of Directors, at the proposal of the Remuneration Committee established within the Board of Directors, the composition, competence and operating procedures of which are described in point b) below.

The actual determination, implementation and possible revision of the Policy, in accordance with the principles and guidelines defined therein, is required:

- of the Board of Directors, with regard to the remuneration of the Executive Directors and other Directors vested with special responsibilities within the Company;
- of the Chief Executive Officer, who refers to Group HR management, with regard to Executives with Strategic Responsibilities.

It should be noted that, with effect from 2020, the Chief Executive Officer did not identify or propose additional Executives with Strategic Responsibilities, other than the Chief Executive Officer himself, Luca Rizzo in his capacity as *Group Chief* Financial Officer, Marita Lovera in her capacity as Group Chief HR Officer and Andrea Bettinelli in his capacity as Group Head of Strategy.

The HR Management reports to the Remuneration Committee at least once a year on the methods of implementing the Policy. Depending on the outcome of the above report, the Remuneration Committee monitors and verifies the consistency of the methods for implementing the Policy with respect to the principles defined, reporting on such matters to the Board of Directors.

#### **b) REMUNERATION COMMITTEE COMPOSITION AND RESPONSIBILITIES**

The Board of Directors has established an internal "Remuneration Committee" to investigate, advise and make proposals.

The Remuneration Committee is currently made up of 3 non-executive Directors, since they do not hold individual management powers and do not hold executive positions in the Company or in Group companies, and who have an independent majority, as identified by the Board of Directors pursuant to Article 148 of the Consolidated Law on Finance and of the Corporate Governance Code adopted by the Corporate Governance Committee.

It should be noted that no additional measures have been adopted to avoid or manage any situations of conflict of interest.

The composition of the Remuneration Committee is as follows:

<b>Name</b>	<b>Position</b>
Giulio Antonello	Chairman Non-Executive – Independent
Gloria Francesca Marino	Non-Executive – Independent
Sara Rizzon	Non-Executive

Unless otherwise resolved, the members of the Remuneration Committee shall hold office until the Directors' term of office expires and, therefore, until the Shareholders' Meeting called to approve the financial statements as at 31 December 2022.

The powers assigned to the Remuneration Committee are classified as follows:

- advisory functions and submission of proposals to the Board of Directors concerning the definition of the Remuneration Policies for Directors and Executives with Strategic Responsibilities, as well as the periodic verification, in coordination with HR management, of the adequacy, overall consistency and effective application of the principles defined in the Policies, reporting to the Board of Directors;
- to advise and make proposals to the Board of Directors regarding the remuneration of the executive Directors and other Directors vested with special duties and the setting of performance targets related to the variable component of said remuneration; monitoring the decisions adopted by the Board of Directors and checking that performance targets are actually achieved.
  - submission of proposals to the Board of Directors on implementation of the Stock Grant Plan established by the Shareholders' Meeting of 29 April 2020 pursuant to Article 114-*bis* of the Consolidated Law on Finance, referred to in section II of this Report, with particular reference to setting the performance targets on which the plan is based;
  - submission of proposals to the Board of Directors on implementation of the Phantom Stock Grant Plan established by the Shareholders' Meeting of 29 April 2020 pursuant to Article 114-*bis* of the Consolidated Law on Finance, referred to in section II of this Report, with particular reference to setting the performance targets on which the plan is based;

In carrying out its duties, the Remuneration Committee has access to the information and corporate functions necessary to perform its tasks.

With respect to operating methods, the Directors comprising the Remuneration Committee act and meet collectively whenever the Chairman deems it necessary or

at the request of the other two members. Resolutions of the Remuneration Committee are adopted by simple majority and are duly recorded in minutes.

The members of the Remuneration Committee possess consolidated professional skills in the sector of reference, adequate knowledge and experience in financial matters and remuneration policies.

### **Activities carried out with reference to 2020**

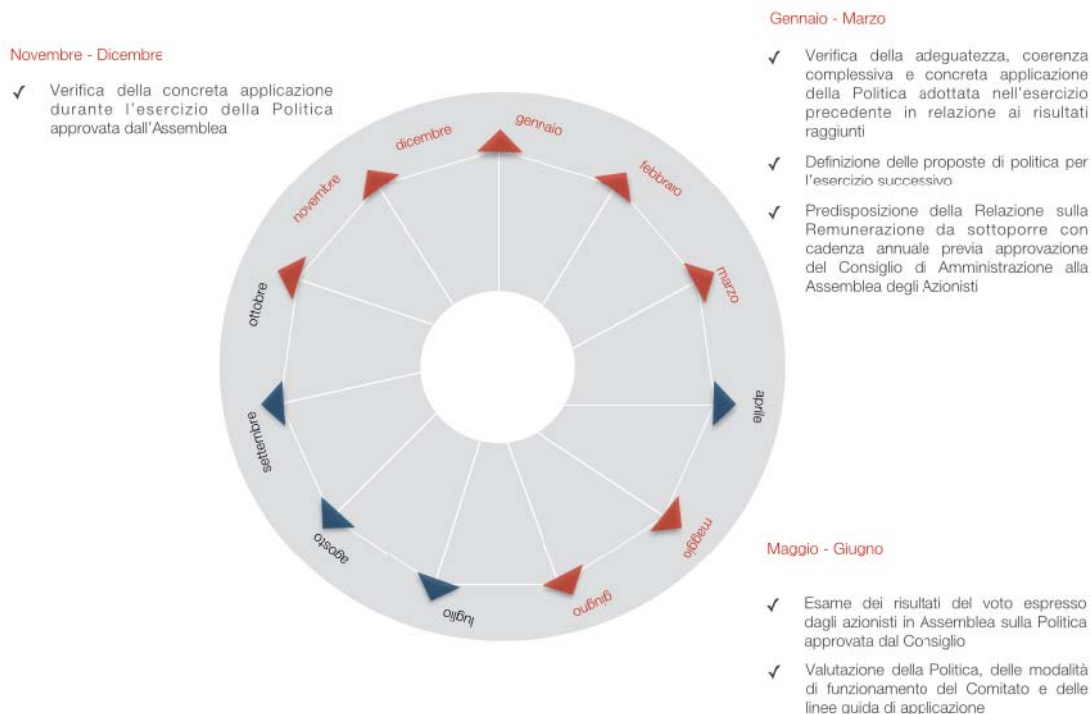
During 2020, the Remuneration Committee held 2 meetings regularly minuted and chaired by Mr. Giulio Antonello. The second meeting took place on the occasion of the new constitution of the Remuneration Committee. The percentage of attendance at the meetings of each member of the Remuneration Committee was 100%.

The meetings concerned:

- (i) definition of the proposal to the Board of Directors for the purposes of adopting the Remuneration Report pursuant to Article 123-ter of the Consolidated Law on Finance for 2020;
- (ii) the definition, for the 2021 financial year, of the performance targets forming the basis for the Stock Grant Plan reserved for the CEO, established by the Shareholders' Meeting of 29 April 2020 pursuant to Article 114-bis of the Consolidated Law on Finance, and the performance targets forming the basis for calculating the monetary variable remuneration of the Chief Executive Officer;
- (iii) the definition of the proposal to the Board of Directors concerning the determination of remuneration for the position of CEO, the subject of the resolution pursuant to Article 2389 of the Italian Civil Code;
- (iv) with regard to the meeting of the newly established Remuneration Committee, the definition of the proposal to the Board of Directors regarding allocation of remuneration to the Directors appointed for the three-year period 2020-2022, and confirmation of remuneration pursuant to Article 2389 of the Italian Civil Code, of the Chief Executive Officer, the definition of the proposal to the Board of Directors on performance targets for 2020 with regard to the Stock Grant Plan and the Phantom Stock Grant Plan 2020/2022.

### **Activities programmed for the 2021 financial year**

During the 2021 financial year, the activities of the Remuneration Committee will be conducted in implementation of an annual programme, divided into the following



phases:

It should also be noted that in July the Remuneration Committee will meet to conduct an initial monitoring of the performance targets set or to assess any extraordinary and unforeseeable events or extraneous variables that could influence certain targets and which, in view of their extraordinary nature, entail a possible redefinition of the performance targets or strategic projects assigned at the beginning of the year.

## 2. **PURPOSE OF THE POLICY**

In general terms, the Policy is mainly intended, in accordance with the recommendations of the Corporate Governance Code adopted by the Corporate Governance Committee, to attract, motivate and retain those who have the professional qualities necessary to ensure that the priority objective of creating sustainable value for the Company and the Group is achieved in the medium to long term.

Accordingly, the Policy identifies the maintenance of a significant correlation between remuneration and performance as the focus for aligning the interests of the Shareholders and those of Management. It follows that a significant portion of the overall remuneration of the executive directors and executives with strategic responsibilities is linked to the achievement of specific short and medium/long-term objectives, determined with reference to the performance defined at both the consolidated level and in specific areas of business or corporate functions.



The variable remuneration policy is based both on economic guidelines for the efficiency of various production processes and on strategic guidelines. These reflect the medium to long-term corporate development objectives as well as the strategy of reinforcing leadership in the WLC market and pursuing sustainable development. In particular, the leadership in the market for the production of cardboard based on recycling is achieved by channelling company resources, including managerial, into specific objectives for incorporating new acquisitions. With regard to sustainable development, the same objective is pursued through a medium-term strategic plan, with annual targets, based on the improvement of the main KPIs that measure use of the planet's resources and policies for the management of staff, their rights and their well-being. In this regard, the Company monitors the level of satisfaction and involvement of its staff, as well as their well-being, through a two-year People Survey that is then translated into action and improvement plans.

Lastly, it should be noted that the Group is well aware that the world is currently experiencing a crucial phase, characterized by numerous global challenges, and that the ability of companies to respond to the latter is, at the same time, a sign of resilience and foresight. Exactly for this reason the Company has defined its own Sustainable Development Plan (hereinafter the "**Sustainability Plan**") for the period 2020 – 2030. The process of defining long-term sustainability objectives was based on the Group materiality matrix, which has been defined for the first time in preparation for the last reporting cycle, as a result of a process that also led to the involvement of the major stakeholders. Consequently, the intersection between these material issues and the external context made it possible to identify the critical areas on which the Group focuses. The Sustainability Plan, prepared by the internal functions in charge, Head of Innovation and Sustainability and Sustainability and Risk Manager has been reviewed and approved by the Corporate Management Committee of March 11<sup>th</sup>, 2021 and, last approved by the Board of Directors on March 19<sup>th</sup>, 2021.

The long-term objectives, underlying the Sustainability Plan are attributable, by way of example and not limited to, to the reduction of CO2 emissions, the reduction of wastewater, to the circular economy and to the reduction of the quantity of waste products, to safety in the workplace, to the formalised annual staff involvement with an appraisal of staff satisfaction and working conditions, as well as on the definition and implementation of improvement plans (well-being actions).

It should be noted that, with reference to the financial year 2021, the Sustainability Plan does not have a consistent baseline allowing for the allocation of objectives of short-term of the Group with KPIs on all areas of intervention (energy consumption, water consumption, reduction of greenhouse gas emissions, circular economy, waste consumption and production efficiency, qualification of suppliers according to sustainability parameters, focus on diversity and inclusion, sense of belonging and identification of stakeholders etc.) therefore the 2021 Sustainability objectives will only be linked to the improvement of workplace safety indexes and of the indexes relating to waste recovery.

### **3. GENERAL POLICY PRINCIPLES**

Consistent with the general purposes indicated above, the Policy is based on the following reference principles, defined also in accordance with the recommendations referred to in the Corporate Governance Code adopted by the Corporate Governance Committee:

- adequate and consistent balancing of the fixed and variable components according to the Company's strategic targets and risk management policy, also taking into account the commercial sector and the characteristics of the business carried out;
- definition of limits for variable components;
- predetermined and measurable performance targets relating to the payment of variable components;
- disbursement of a significant portion of the variable component relating to medium/long-term plans, deferred according to an appropriate time frame with regard to the time of accrual, subject to achievement of the performance targets for all the years within the multi-year reference period, or to the continuous retention of the position in the company for the entire multi-year reference period.

With regard to the duration of the policy, the Management by Objectives (MBO) (short-term incentives) component is valid for one year, on the basis of targets verified annually, while in relation to the Stock Grant Plan and the Phantom Stock Grant (long-term incentives), rights mature on the basis of annual targets and can only be exercised at the end of a three-year period.

Finally, it should be noted that in the event of a significant review of this Policy, the changes from the latest remuneration policy submitted to the Shareholders' Meeting will be described, emphasizing that the review takes account of the votes and judgements expressed by shareholders at and after the Shareholders' Meeting.

### **4. FIXED AND VARIABLE COMPONENTS OF THE REMUNERATION**

As will be illustrated below, the reference content of the Policy is structured according to different principles and methods, depending on:

- (i) the fixed components;
- (ii) the short and medium/long-term variable components; and
- (iii) the various classes of recipients.

In particular:

#### **4.1 Non-executive Directors**

Non-executive Directors are identified as Directors who do not have individual management powers and who do not hold management positions in the Company or in other Group companies, or in the parent company if that position also concerns the Company.

Non-executive Directors are entitled to the fixed remuneration determined by the Shareholders' Meeting at the time of their appointment.

The Board of Directors may, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, determine additional fixed remuneration for activities related to the participation of non-executive Directors in the internal committees of the Board of Directors.

The principle underpinning this criterion is to award non-executive members of the Board of Directors solely a flat rate payment. Consequently, the remuneration of non-executive Directors is not linked to the economic results achieved by the Company or to the consolidated results or, in any case, to performance targets in general.

#### **4.2. Board of Statutory Auditors**

The remuneration paid to the members of the Board of Statutory Auditors is represented by a fixed component, determined on the basis of the commitment required for carrying out the assigned activities.

In this regard, it should be noted that the Ordinary Shareholders' Meeting of the Company, held on 30 April 2018, resolved to grant to the Chairman of the Board of Statutory Auditors an annual gross remuneration of Euro 70,000.00 and to each Statutory Auditor a gross annual remuneration of Euro 45,000.00.

#### **4.3. Executive Directors, as they hold particular positions within the Issuer in accordance with the Articles of Association**

The Executive Directors vested with special responsibilities within the Issuer, in addition to the fixed remuneration determined by the Shareholders' Meeting at the time of their appointment, are entitled to the remuneration (fixed and/or variable) determined by the Board of Directors, on the basis of a specific proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, including pursuant to Article 2389, paragraph 3, of the Civil Code.

The variable component of the CEO's remuneration is determined by the Board of Directors on the basis of a specific proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors. The remuneration system is described in detail in paragraphs 4.5 and 4.6 below.

#### **4.4. Executives with Strategic Responsibilities**

Executives with Strategic Responsibilities, in accordance with the instructions set out in the Consob Related Parties Regulation, taken from IAS 24, are identified as those who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company's activities, including the Company Directors. With regard to this principle and the Issuer's current organisational structure, for 2021, and likewise for the previous year, Executives with Strategic Responsibilities are

identified not only as the executive Directors, but also the following persons:

- Luca Rizzo, in his capacity as Group Chief Financial Officer;
- Marita Lovera, in her capacity as Group Chief HR Officer; and
- Andrea Bettinelli, in his capacity as Group Head of Strategy.

The remuneration package allocated to Executives with Strategic Responsibilities will consist of the following component parts:

- i) the fixed annual component;
- ii) the annual variable component (*MBO*);
- iii) the three-year variable component (Stock Grant Plan and Phantom Stock Grant Plan).

The annual fixed component consists of gross annual remuneration and other forms of remuneration related to the role assigned, of a non-variable nature. The amount of the fixed component is related to the size of the business managed and its ability to contribute to the Group's consolidated results, as well as to comparability with internal remuneration levels, including in relation to the remuneration paid on the market by companies of similar sizes.

The variable components are described in paragraphs 4.5 and 4.6 below.

#### **4.5. Variable remuneration mechanisms provided for the Chief Executive Officer and for Executives with Strategic Responsibilities**

The short-term variable compensation for 2021 is determined by the achievement of performance targets in financial and non-financial action areas.

In particular, the Chief Executive Officer and Executives with Strategic Responsibilities will be assessed in relation to improved corporate profitability (EBITDA), the efficiency of production processes and workplace health and safety (IF OSHA). The latter is to be understood in a broad sense, including in particular the well-being of staff. They will also be assessed in relation to implementation of strategic projects that contribute to consolidation of the business, digitalisation and the medium-term strategic plan for sustainability, including actions to improve staff conditions based on the company's measurement during the 2020 financial year through the People Survey.

##### **i) Annual variable monetary component (MBO) of the Chief Executive Officer**

The Chief Executive Officer is awarded variable annual remuneration that may not exceed 50% of the total remuneration as an Executive (Gross Annual Remuneration) and Chief Executive Officer (emolument).

The Key Performance Indicators (*KPI*) relating to annual targets (*MBO*) for the Chief

Executive Officer are linked to the achievement of forecasts on profitability, efficiency and strategic projects defined in the budget and as part of the Group's development plan.

These KPIs are quantitative in that qualitative targets are only allowed in exceptional circumstances and in any case, only if related to objective achievements (e.g. project time-scales or completion) and are not open to discretionary evaluation.

The mechanism for calculating the remuneration linked to the Chief Executive Officer's annual MBO element provides for linear remuneration in proportion to the result obtained, generally providing for a minimum access threshold that may be equal to the budget value obtained in the previous year or equal to 80% of the budget value and a maximum remuneration of 120% of the base bonus, obtainable only in the event that 120% of the objectives are reached or exceeded, with a maximum value that can be paid of 120% of the nominal bonus awarded.

The Management by Objective (MBO) targets are set from year to year, with the exception of EBITDA and the IF OSHA index, which are a constant target each year. The 2021 objectives, approved by the Board on 19 March 2021 for the purposes of the short-term variable incentive are summarised in the following table:

Tipo Obiettivo	Indicatori	%
Profittabilità	EBITDA	35%
Efficienza produttiva e di processo	OEE1, Piano annuale Digitalizzazione	20%
Sostenibilità Ambientale e Capitale Umano	Piano di sostenibilità Ambientale, OSHA (IF)	25%
Sostenibilità del Business	Consolidamento ed Efficientamento Nuove Acquisizioni	20%

For 2021, the production and process efficiency will be measured by the OEE1 (10%) and by the annual Digitalization Plan (10%), while environmental sustainability and the human capital will have respectively as indicators the Sustainability Plan (10%) and OSHA - frequency rate (15%).

In consideration of what is expressed in paragraph 2., the Sustainability Plan for 2021 will mainly look at the Circular Economy and in particular at the KPIs relating to the reduction and recovery of waste.

**ii) Annual variable component (MBO) of Executives with Strategic Responsibilities**

The annual variable component (MBO) for Executives with Strategic Responsibilities is payable following the achievement of pre-defined annual quantitative objectives related to performance targets both at consolidated Group level and individually, according to quantitative parameters relating to the business managed or to the position with centralised responsibility. This amount will correspond to a percentage between 20% and 50% of the Gross Annual Remuneration (any allowances related to

the position will be excluded from the calculation basis).

The key performance indicators (*KPI*) used in the *MBO* system for Executives with Strategic Responsibilities must comply with the economic and profitability indicators assigned to the Chief Executive Officer under the company's budget and strategic plan.

These KPIs are quantitative in that qualitative targets are only allowed in exceptional circumstances and in any case, only if related to objective achievements (e.g. project time-scales or completion) and are not open to discretionary evaluation. To guarantee the method adopted, targets are certified by Group Management Control, both in the allocation and final analysis phase, and this process guarantees the traceability and transparency of each phase.

The mechanism for calculating the remuneration linked to the annual MBO for Executives with Strategic Responsibilities provides for linear remuneration in proportion to the result obtained, generally providing for a minimum access threshold that may be equal to the value obtained in the previous year or equal to 80% of the budget value and a maximum remuneration of 120% of the base bonus, obtainable only in the event that 120% of the objectives are reached or exceeded, with a maximum value that can be paid of 110% of the nominal bonus awarded.

The definition of the target levels underlying the annual objectives (*MBO*) is linked to the general achievement of performance targets, referred to in the budget forecasts and indicated by the Board of Directors. A comparison of the final data with the objectives assigned determines the measurement of the variable component of the remuneration that can be paid.

For the purposes of short-term variable incentives, the 2021 targets take account of the respective functions of Executives with Strategic Responsibilities and the specific contribution to the Company's annual plan, and are summarised in the following table:

Tipo Obiettivo	Indicatori	%
Profittabilità	EBITDA	40%
Efficienza produttiva e di processo	Piano annuale Digitalizzazione	20%
Sostenibilità e Capitale Umano	OSHA (IF)	20%
Sostenibilità del Business	Consolidamento ed Efficientamento Nuove Acquisizioni	20%

For 2021, in consideration of what is expressed in Paragraph 2, the Sustainability objectives assigned to Strategic Executives will mainly focus on Human Capital and in particular on injury indicators.

#### **4.6. Medium/long-term variable component (Long Term Incentive) for Chief**

### **Executive Officer and Executives with Strategic Responsibilities**

The medium/long-term variable component (Long Term Incentive) consists of the following elements, applicable alternatively or cumulatively:

- A) multi-year long-term incentive plans;
- B) a medium/long-term monetary variable component.

#### **A) Multi-year remuneration plans based on financial instruments**

The Shareholders' Meeting of 29 April 2020 approved the adoption, pursuant to Article 114-*bis* of the Consolidated Law on Finance, of:

- (i) a Stock Grant Plan (the "**Stock Grant Plan**"); and
- (ii) a Phantom Stock Grant Plan (the "**Phantom Grant Plan**" and, together with the Stock Grant Plan, the "**Plans**").

Both Plans are reserved for the Chief Executive Officer and for Executives with Strategic Responsibilities and cover the period 2020-2021-2022.

The performance targets that will be assessed for both plans have been attributed under the respective approved Regulations referred to above, to the ROCE (Return On Capital Employed), with a minimum entry threshold for the vesting of rights equal to 60% of the target set each year, and an extra-target of 120% corresponding to the maximum of the rights that can be allocated.

#### **Stock Grant Plan 2020-2021-2022**

The structure and application methods of the Stock Grant Plan, defined by the Board of Directors on the advice and proposals of the Remuneration Committee, are in accordance with the general principles of:

- (i) consolidation of the process of creating sustainable value for the Company and the Group in the medium/long term, as well as incentives and promoting the loyalty of beneficiaries through the definition of plans of multi-year duration and vesting;
- (ii) allocation of financial instruments subject to achieving predefined and measurable business and/or market-related performance targets;
- (iii) binding condition of the beneficiary's continuing service at the company.

In particular, the Stock Grant Plan provides for:

- a. the free allocation to beneficiaries of up to 2,070,000 rights to the free allocation of up to 2,070,000 ordinary shares in the Company - including a maximum of 1,800,000 shares for the Chief Executive Officer and a maximum of 270,000 shares for Executives with Strategic

Responsibilities - (the "**Rights**") only at the end of the period of concerned and subject to:

- (i) the achievement of pre-determined performance targets; and
  - (ii) with regard to employees, that they are in office and that they are not serving the period of notice following dismissal for justified subjective reasons or voluntary redundancy in the absence of justified reasons and - with regard to the Chief Executive Officer - that (a) he/she is in office and, with reference to the employment relationship, (b) he/she is not serving the period of notice following dismissal for justified subjective reasons or voluntary redundancy in the absence of justified reasons (the "**Condition of Permanence of the Stock Grant Plan**");
- b. a three-year period of reference;
- c. the allocation and consignment of the ordinary shares of the Company covered by the Stock Grant Plan, subject to:
- (i) verification by the Board of Directors of the achievement of specific performance targets for each year included in the three-year reference period, and
  - (ii) existence of the Condition of Permanence of the Stock Grant Plan.

The shares will be allocated as follows:

- (i) for the 2020 financial year, a maximum of one third of the total shares subject to the Stock Grant Plan may be allocated;
- (ii) for the 2021 financial year, a maximum of one third of the total shares subject to the Stock Grant Plan may be allocated;
- (iii) for the 2022 financial year, a maximum of one third of the total shares subject to the Stock Grant Plan may be allocated;

It should be noted that the shares will be allocated to beneficiaries of the Stock Grant Plan in a maximum of two *tranches*, at the end of the three-year period 2020-2021-2022, according to the following time-scales: (i) a first *tranche* of shares, to be determined at the discretion of the Board of Directors, will be allocated during the period between the date of approval by the Shareholders' Meeting of the financial statements as at 31.12.2022 and 30 June 2023; (ii) the remaining number of shares which may not yet be allocated to the beneficiaries will be allocated during the period between 1 July 2023 and 31 December 2023.

The three-year performance targets will be identified, for each year of the term of the Plan, by the Board of Directors, on the proposal of the Remuneration Committee, at the time of allocation of the Rights, on the basis of the ROCE (Return On Capital Employed).

The shares servicing the Stock Grant Plan may be found through the purchase on the



market of treasury shares and/or through the use of shares already held by the Company, by virtue of treasury share purchase plans approved by the Shareholders' Meeting pursuant to Articles 2357 and subsequent of the Italian Civil Code.

It should be noted that if the beneficiaries do not fulfil the Condition of Permanence of employment, they will forfeit their right to the allocation and accordingly the Rights held by the beneficiaries shall automatically cease and be devoid of any effect, with the release of the Company from any obligation or liability to said persons under the Stock Grant Plan. It is understood that in the event of consensual termination of the employment relationship between the Company and the beneficiary before the share allocation date, the Board of Directors may, at its discretion, consider the accelerated allocation to the beneficiary of all or a portion of the shares to which he/she is entitled under the Stock Grant Plan, it being understood that the achievement of performance targets must occur in each reference period until the date of termination of the employment relationship.

In derogation of the above, an employee who does not fulfil the Condition of Permanence of employment following dismissal for objective justified reason or if the beneficiary is the Chief Executive Officer who does not fulfil the Condition of Permanence following the revoking of the position by the Company in the absence of just reason, will nevertheless be entitled to receive a number of shares calculated *pro rata temporis*, with respect to the period between: (i) the date of the proposed allocation of the Rights (as the starting deadline) and (ii) the date of termination of office or termination of employment (as the final deadline), it being understood, in such case, that the achievement of performance targets must occur in each reference period until the date of termination of employment and/or the position and that the shares must be transferred to the beneficiary in advance of the allocation deadlines described above. Any residual rights on the date of leaving office or termination of the beneficiaries' employment relationship shall be understood as definitively extinguished if the Board of Directors, having consulted the Remuneration Committee, does not decide otherwise or to reallocate them to another person.

If the beneficiary terminates his/her employment and/or the term of office as director and if, without interruption, the beneficiary is recruited by and/or granted a term of office as director in a company controlled by the Company, or the parent company of the Company, at the sole discretion of the Board of Directors, the shares may be allocated to the beneficiary in advance of the deadlines established in the Stock Grant Plan regulations.

The principles applicable to the Stock Grant Plan do not incorporate any clauses on maintaining the shares in the portfolio following the exercise of the allocated rights, as the determination of the three-year vesting period is deemed appropriate for achieving the objectives of incentives, loyalty and value creation referred to above.

For further details on the Stock Grant Plan, see the Information Document prepared in accordance with Article 84-*bis* of the Regulations for Issuers, which is available on the website [www.rdmgroup.com/Governance/Shareholders' Meeting](http://www.rdmgroup.com/Governance/Shareholders' Meeting) section and on the authorised storage system "eMarketStorage" ([www.emarketstorage.com](http://www.emarketstorage.com)).

### **Phantom Stock Grant Plan 2020-2021-2022**

The structure and application methods of the Phantom Stock Grant Plan, defined by the Board of Directors on the advice and proposals of the Remuneration Committee, are in accordance with the general principles of:

- (i) consolidation of the process of creating sustainable value for the Company and the Group in the medium/long term, as well as incentives and promoting the loyalty of beneficiaries through the definition of plans of multi-year duration and vesting;
- (ii) allocation of financial instruments subject to achieving predefined and measurable business and/or market-related performance targets;
- (iii) binding condition of the beneficiary's continuing service at the Company.

In particular, the Stock Grant Plan provides for:

- a. the free allocation to beneficiaries of up to 2,070,000 phantom stock rights (the rights "**Grants**") - of which up to 1,800,000 rights Grants to the Chief Executive Officer and up to 270,000 rights Grants to Executives with Strategic Responsibilities - which confer the right to receive a monetary bonus (the "**Bonus**"), exclusively at the end of the period of reference and subject to:
  - (i) the achievement of pre-determined performance targets; and
  - (ii) with regard to employees, that they are in office and that they are not serving the period of notice following dismissal for justified subjective reasons or voluntary redundancy in the absence of justified reasons and - with regard to the Chief Executive Officer - that (a) he/she is in office and, with reference to the employment relationship, (b) he/she is not serving the period of notice following dismissal for justified subjective reasons or voluntary redundancy in the absence of justified reasons (the "**Condition of Permanence of the Phantom Stock Grant Plan**");
- b. a three-year period of reference;
- c. the allocation to each beneficiary of the Bonus, subject to:
  - (i) verification by the Board of Directors of the achievement of specific performance targets for each year included in the three-year reference period, and
  - (ii) existence of the Condition of Permanence of the Phantom Stock Grant Plan.

The number of rights Grants, year by year, shall be provided at a later time with appropriate notice, it being understood that:

- (i) for the 2020 financial year, a maximum of one third of the total rights Grants covered by the Phantom Stock Grant Plan may be allocated;

- (ii) for the 2021 financial year, a maximum of one third of the total rights Grants covered by the Phantom Stock Grant Plan may be allocated;
- (iii) for the 2022 financial year, a maximum of one third of the total rights Grants covered by the Phantom Stock Grant Plan may be allocated;

It should be noted that the term of the Phantom Stock Grant Plan coincides with 31 December 2022, it being understood that the allocation to beneficiaries of the bonus accrued according to the achievement of the performance targets will occur at the end of the three-year period 2020-2021-2022 and after approval by the Shareholders' Meeting of the financial statements as at 31 December 2022, in one or more tranches in the period between 15 June 2023 and 31 December 2023.

The three-year performance targets will be identified, for each year of the term of the Plan, by the Board of Directors, on the proposal of the Remuneration Committee, at the time of allocation of the rights Grants, on the basis of the ROCE (return on capital employed).

It should be noted that if the beneficiaries do not fulfil the Condition of Permanence of the Phantom Stock Grant Plan, their right to the award of the Bonus shall irrevocably and definitively lapse and all Grants covered by the Phantom Stock Grant Plan, including those accrued to beneficiaries in previous periods, shall automatically lapse and be devoid of any effect, with the release of the Company from any obligation or liability in relation to the Phantom Stock Grant Plan. It is understood that in the event of consensual termination of the employment relationship between the Company and the beneficiary before the Grant allocation date, the Board of Directors may, at its discretion, consider the accelerated allocation to the beneficiary of all or a portion of the Bonus to which he/she is entitled under the Phantom Stock Grant Plan, it being understood that the achievement of performance targets must occur in each reference period until the date of termination of the employment relationship.

In derogation of the above, an employee who does not fulfil the Condition of Permanence of employment for the Phantom Stock Grant following dismissal for objective justified reason or if the beneficiary is the Chief Executive Officer who does not fulfil the Condition of Permanence of the Phantom Stock Grant following the revoking of the position by the Company in the absence of just reason, will nevertheless be entitled to receive an amount of the Bonus calculated *pro rata temporis*, with respect to the period between: (i) the date of the proposed allocation of the rights Grants (as the starting deadline) and (ii) the date of termination of office or termination of employment (as the final deadline), it being understood, in such case, that the achievement of performance targets must occur in each reference period until the date of termination of employment and/or the position and that the Bonus must be paid to the beneficiary in advance of the allocation deadlines described above. Any residual rights Grants existing on the date of cessation of office or termination of the beneficiaries' employment relationship shall be understood as definitively extinguished if the Board of Directors, following consultation with the Remuneration Committee, does not decide to reassign them to another person, without prejudice to the right of the Board of Directors to assign the Bonus relating to such residual rights Grants to the beneficiary who has terminated the employment

relationship and/or left the position.

If the beneficiary terminates his/her employment and/or the term of office as director and if, without interruption, the beneficiary is recruited by and/or granted a term of office as director in a company controlled by the Company, or the parent company of the Company, at the sole discretion of the Board of Directors, the Bonus may be allocated to the beneficiary in advance of the deadlines established in the Phantom Stock Grant Plan regulations.

The principles applicable to the Phantom Stock Grant Plan do not incorporate any clauses on maintaining the shares in the portfolio following the exercise of the allocated rights, as the determination of the three-year vesting period is deemed appropriate for achieving the objectives of incentives, loyalty and value creation referred to above.

For further details of the Phantom Stock Grant Plan, please refer to the Information Document prepared in accordance with Article 84-*bis* of the Regulations for Issuers, which is available on the website [www.rdmgroup.com/Governance/Shareholders'](http://www.rdmgroup.com/Governance/Shareholders') Meeting section and the "eMarketStorage" authorised storage system ([www.emarketstorage.com](http://www.emarketstorage.com)).

## **B) Medium/long-term monetary variable component**

The medium-to-long-term (LTI) variable component is no longer applicable to Executives with Strategic Responsibilities as of the 2020 financial year, as it has been recognised as being included in plans for beneficiaries based on financial instruments (see paragraph 4.6 A) above).

However, in the future, depending on the medium-term Sustainable Development Plan and the decisions of the Company's bodies, the application of a medium/long-term variable component (LTI) may be assessed by awarding a Special Monetary bonus, which may only be paid at the end of a multi-year reference period and subject to the achievement of certain economic/financial performance targets or targets calculated in relation to corporate sustainability criteria, whether consolidated or relating to individual areas of business and functions, whether medium or long-term.

In all cases, it should be noted that all the variable, annual and medium-long term components, must represent a variable percentage generally not less than 35% of the total annual remuneration of Executives with Strategic Responsibilities and of the Chief Executive Officer.

## **5 CLAW-BACK MECHANISM**

Provision is made for the adoption of a claw-back mechanism for (i) requesting the return of variable components of remuneration already paid or the retention of variable remuneration subject to deferral to be requested the award of which was made on the basis of data that subsequently proved to be manifestly erroneous, or

(ii) the return of all incentives for the financial year (or years) with respect to which the fraudulent alteration of the data used for the final calculation of results in order to obtain the right to the incentive was ascertained. Likewise, a request for return is made in the event of serious and intentional violations of laws and/or regulations, the Code of Ethics adopted by the Company or corporate procedures.

## **6 EXTRAORDINARY TRANSACTIONS**

In the event of extraordinary transactions concerning the Group - such as, but not limited to, company acquisitions or divestment, cessation of trading by a business, mergers or demergers, transfers and contributions of business units, transactions involving the share capital, financial or share transactions capable of affecting the market value of the share - as well as in the event of legislative or regulatory changes or pandemic events with an impact on the global economy or other exceptional and unforeseeable events that could significantly affect performance targets, the Board of Directors, after consulting the Remuneration Committee, may make the amendments and supplements necessary to maintain the substantial and economic content of the incentive plans and the *KPIs* underlying the short- and medium-long term incentive schemes for the Chief Executive Officer, as well as the provision for special bonuses linked to specific objectives.

In this regard, it should be noted that the Remuneration Committee will hold interim meetings to monitor performance targets and to assess these unforeseeable extraordinary events which may affect the performance of the Company and the persons in charge of its management. Any changes which, in the same cases and for the same purposes, may become necessary in relation to other Executives with Strategic Responsibilities may be assessed by the Chief Executive Officer.

## **7 ONE OFF EXTRAORDINARY BONUS**

There is no provision for the granting of discretionary performance bonuses linked to pre-planned targets. Performance bonuses linked to pre-planned targets are managed through short and long term incentive plans, in accordance with this policy.

Any disbursement of extraordinary bonuses to Executive Directors or Executives with Strategic Responsibilities is conditional (i) on the achievement of results of exceptional significance deriving from extraordinary transactions that involve a review of the Group's scope or (ii) on exceptional and unforeseeable events that involve extraordinary performance levels, resulting in a significant impact on business management. The Board of Directors, in consultation with the Remuneration Committee, is responsible for verifying the prerequisites for disbursement of funds for Executive Directors, and the Chief Executive Officer is responsible for verifying the prerequisites for other Executives with Strategic Responsibilities. Any extraordinary bonuses paid will not, however, exceed, on an annual basis, a gross amount equal to 20% of the annual fixed and variable components paid with reference to the year prior to that in which the bonus is paid.

As regards 2021, as at the date of approval of this Report, some extraordinary transactions are still being defined and, if they are successful, will be linked to payment of an extraordinary bonus.

In particular, reference is made to the disposal of the subsidiary RDM La Rochette SAS to the Mutares Group which – as already notified to the market – was the subject of a sell option contract and which could be achieved by signing the relevant sales agreement in the first half of 2021. Similarly, reference is made to the extraordinary transaction relating to the acquisition of the company Papelera del Principado S.A. (“PaprinSA”), for which the preliminary contract of sale was signed on 30 September 2020 with closing scheduled for the end of the first half of 2021.

With regard to the aforementioned transactions, the Remuneration Committee has already proposed to the Board of Directors, at its meeting on March 19<sup>th</sup>, 2021, the attribution of special bonuses to be recognized to the Chief Executive Officer equal, respectively, to gross Euro 25,000.00 and gross Euro 50,000.00; in this regard, the recognition of the aforementioned special bonuses will be resolved by the Board of Directors once the closing of the abovementioned transactions will be realized.

For the same reasons as above and with the same modalities, the Remuneration Committee has also proposed to the Board of Directors to assign to Executives with Strategic Responsibilities special bonuses, equal to a total of gross Euro 40,000.00, whose individual attribution will be demanded to the Chief Executive Officer.

## **8 REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS**

In relation to any future additional plans for the award of remuneration in the form of financial instruments, to be submitted for approval by the Shareholders' Meeting pursuant to Article 114-*bis* of the Consolidated Law on Finance, the details and application procedures will be defined by the Board of Directors on the advice and proposals of the Remuneration Committee, also in line with the Company's risk profile and with reference to the general principles - referred to in point 4 above - of:

- i. consolidation of the process of creating sustainable value for the Company and the Group in the medium/long term, as well as incentives and promoting the loyalty of Management through the definition of multi-year reference and vesting periods;
- ii. allocation or exercise options for financial instruments subject to achieving predefined and measurable business and/or market-related performance targets;
- iii. binding condition of the beneficiary's continuing service in the Company.

## **9 NON-MONETARY BENEFITS**

Members of the Board of Directors are not granted “*fringe benefits*” paid for by the Company.

With respect to the Chief Executive Officer, Executives with Strategic Responsibilities

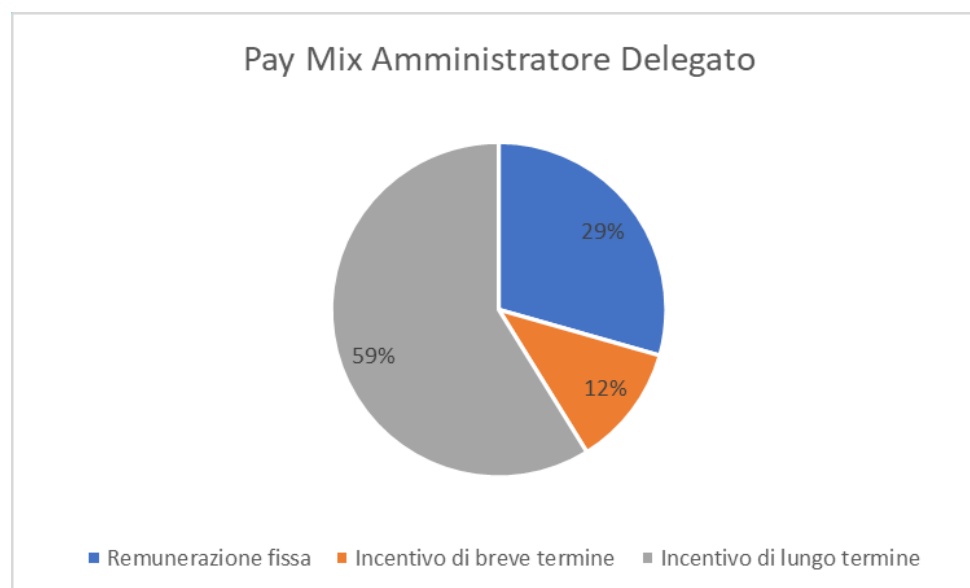
and other Directors, forms of insurance cover are provided for the risks of death, permanent disability from occupational/non-occupational accidents and illness provided for in the relevant national collective labour agreements, in addition to payment for supplementary health insurance. It is also possible to assign a company car for mixed professional/private use according to service and/or representation requirements, assessing the total remuneration package in line with the policies established by the Group for Directors.

## **10 PAY MIX**

### **A) Chief Executive Officer**

As illustrated in this Section, the Chief Executive Officer's remuneration package includes a fixed component, a short-term variable component and a long-term variable component, the latter consisting of the portion of the short-term incentive and of the long-term incentive comprising stocks, both calculated according to the international methods adopted for remuneration.

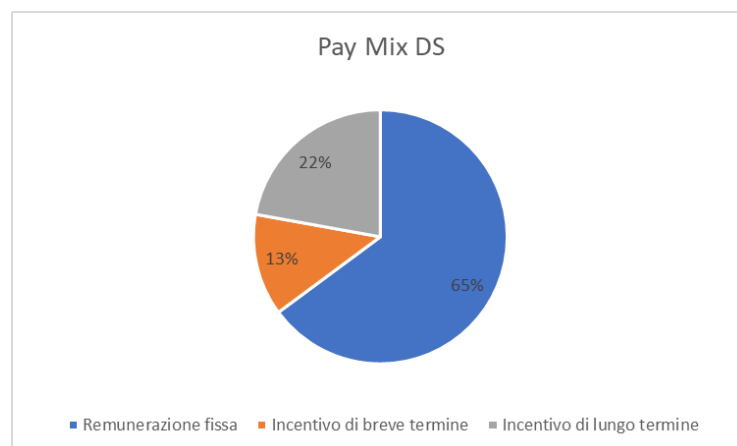
In this regard, the pay mix maintains a significant focus on variable components, with a net prevalence of the long-term component, as shown in the graph below:



### **B) Executives with Strategic Responsibilities**

The average pay mix at the *target* level of the remuneration package for Executives with Strategic Responsibilities - which, as illustrated in this Section, also includes the application of a short-term variable component and a long-term variable component comprising stock, both calculated using the same valuation methods as used for the Chief Executive Officer - demonstrates the balance between fixed component and variable components, with a prevalence of fixed remuneration, as shown in the graph

below:



## **11 PAYMENTS PROVIDED FOR DEPARTURE FROM OFFICE OR TERMINATION OF EMPLOYMENT**

The Company may enter into agreements with Directors or Executives with strategic responsibilities which *ex ante* govern the economic aspects of any early termination of the relationship at the initiative of the Company or the individual.

Without prejudice, in any case, to legal and/or contractual obligations, any agreements reached on the termination of the relationship with the Company are based on the relevant benchmarks and within the maximum limits defined by the case law and practices of the country in which the agreement is concluded. If the relationship with the Group is terminated other than for just reason, the aim is to reach agreement on the consensual "ending" of the relationship. If a sum is paid in settlement, it is defined by taking into account the provisions of Article 5, recommendation 27(f) of the Corporate Governance Code and by referring to the criteria established by the Company's National Collective Labour Agreement, and also evaluating the weight of the variable remuneration component allocated by the Company according to performance.

For the Chief Executive Officer, in accordance with the practices of the reference markets, an indemnity is provided for the termination of the directorship and management relationship in place as General Manager.

Taking into account the fact that, for the current Chief Executive Officer and General Manager, the relationship of director and the employment relationship are connected, the agreements provide that the termination of one determines the termination of the other.

In the event of termination of existing relationships or failure to renew upon expiry, and upon the fulfillment of the conditions indicated in the agreements, the payment of two years of remuneration and gross fixed remuneration is envisaged, supplemented by the average annual monetary incentive paid in the last three years, and except for what is resulting from the application of the provisions of the National Contract for Executives of companies producing goods and services.

The indemnity is not due if the termination of the relationships occurs for just cause.



As regards the compensation Plans based on multi-year financial instruments, please refer to point 4.6 above.

Finally, it should be noted that in the event of termination of employment, for any reason, the Company may assess the implementation of non-competition agreements, in the interest of the Company, determining remuneration adjusted according to the effective limit imposed on the exercise of professional activity (for example, by referring to the duration and extent of the restrictions on business activity and the countries in which the limit applies). The adoption of such agreements is at the exclusive discretion of the Board of Directors, on a proposal of the Remuneration Committee.

## **12 BENCHMARKS USED TO DEFINE THE POLICY**

The definition of the Policy was drawn up with a focus on the best practices on the market, without, however, a specific reference to the remuneration policies of other companies but looking exclusively at average market data for listed companies.

## **13 ASPECTS OF THE POLICY GIVING RISE TO DEROGATIONS IN EXCEPTIONAL CIRCUMSTANCES**

At the suggestion of the Remuneration Committee, the Board of Directors may make amendments and additions to the Policy necessary to retain as unchanged, the substantive and economic content of the incentive plans and KPIs underlying the short- and medium-long term incentive schemes. The amendments and additions to the Policy may be made by the Board of Directors in the event of exceptional and unforeseeable events (such as, by way of example, pandemics, market, raw materials or energy crises, limits arising from external forces which cannot be controlled by the Company or sudden legislative and regulatory changes) such as to require an extraordinary commitment to pursue the medium-term strategic and operational objectives of the Company as a whole, as well as in the event of changes in the corporate scope and, in particular, cessation of trading by a business, mergers or demergers, transfers and contributions of business units, transactions involving the share capital, financial or share transactions capable of affecting the market value of the security.

## **SECTION II – REMUNERATION AND OTHER COMPENSATION PAID IN THE 2020 FINANCIAL YEAR**

This section of the Report sets forth of each of the items making up the remuneration members of Administrative and Supervisory bodies and of Executives with Strategic Responsibilities for the 2020 financial year. It should be noted that, with effect from 2020, no additional Executives with Strategic Responsibilities were identified, other than the Company's Chief Executive Officer himself, Luca Rizzo in his capacity as Group Chief Financial Officer, Marita Lovera in her capacity as Group Chief HR Officer and Andrea Bettinelli in his capacity as Group Head of Strategy.

### **FIRST PART - IMPLEMENTATION OF THE POLICY.**

The components of the remuneration paid in 2020 to members of Administrative and Supervisory bodies and of Executives with Strategic Responsibilities were structured according to different principles and methods in relation to (i) fixed and variable components, as well as (ii) the different types of beneficiaries.

It should be noted that the compensations that were paid in 2020 are in line with the provisions of the Remuneration Report submitted, pursuant to Article 123-ter, paragraph 6, of the TUF, to the binding vote of the Shareholders' Meeting of April 29<sup>th</sup>, 2020, which expressed itself with a favorable vote.

In addition, reference is made to the tables set out in the second part of this Section II for a representation of the actual values.

#### **A. REMUNERATION OF DIRECTORS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES**

##### **(i) Non-executive Directors**

Non-executive Directors are identified, according to the definition set out in Section I, as Directors who do not have individual management powers and who do not hold management positions in the Company or in Group companies, or with the parent company if the mandate also concerns the Company.

During 2020, the following were paid out in line with the procedural methods defined in the Policy:

- annual fixed remuneration due *pro-rata temporis* for the position of Director, including non-executive Directors, as most recently determined by the Ordinary Shareholders' Meeting of 29 April 2020 at the time of appointment of the Board of Directors, with term of office fixed for three financial years and, specifically, until approval of the Financial Statements as at 31 December 2022.

In particular:

- the determination by the Shareholders' Meeting of the total annual amount of

remuneration due to Directors of €170,000.00, including the sum of €30,000.00 for the position of Chairman, taking into account the total number of members of the Board of Directors and market values inferable in relation to the average remuneration awarded to non-executive Directors;

- the distribution between individual directors of the total amount, as determined above, by the Board of Directors in equal measure for all Directors.

Considering the above, for the three-year period 2020-2022, the total fixed remuneration due, *pro rata temporis*, to each director was determined as €20,000.00 on an annual basis and €30,000.00 on an annual basis for the position of Chairman.

- additional annual fixed remuneration payable to non-executive Directors members of internal Board Committees (Control and Risks Committee, which also performs the duties of the Related Parties Committee, Remuneration Committee and Appointments Committee) determined by the Board of Directors, at the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors pursuant to Article 2389 of the Italian Civil Code.

The individual amounts paid, *pro-rata temporis* in 2020 are determined as follows:

- €15,000.00 per annum for the Chairman of each Committee;
- €10,000.00 per annum for each Director who is a member of the Committees.

The remuneration granted to non-executive directors is not linked to the economic results achieved by the Company or to consolidated results, or in any case to performance targets in general.

**(ii) Directors vested with special responsibilities in accordance with the Articles of Association. Chief Executive Officer. Executives with Strategic Responsibilities**

During 2020, the total remuneration package of Chief Executive Officer Michele Bianchi and Executives with Strategic Responsibilities was broken down as follows:

**a) Fixed component of the Chief Executive Officer**

- emolument for the position of €150,000.00 gross, determined by the Board of Directors, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors pursuant to Article 2389 of the Italian Civil Code;
- fixed component consisting of gross annual remuneration of €300,000.00.

**b) Annual monetary variable component - Chief Executive Officer**

The annual variable component refers to the targets in an individual financial year (annual *MBO*).

The key performance indicators (*KPI*) relating to annual targets (*MBO*) in 2020 for the Chief Executive Officer are linked to the achievement of forecasts on profitability, efficiency and strategic projects defined in the budget and as part of the Group's development plan.

These *KPIs* are quantitative in nature, related to budget parameters and objective valuation elements not subject to discretionary evaluation, such as consolidated EBITDA, OEE, IF OSHA. For these parameters, an entry threshold of 80% was established, with bonus accrued proportionally up to a maximum of 120%.

Other parameters are related to strategic projects for the business and for the Group's organisation, aimed at recovering efficiency and the necessary transformation of the Group for achievement of the *Vision*.

The nominal monetary variable remuneration for 2020 was 40% of the total remuneration paid as General Manager and Chief Executive Officer, i.e. €180,000.00 gross. This percentage, compared with the total package of the Chief Executive Officer (fixed component, short-term variable component and long-term variable component), is equivalent to 12% of the total remuneration.

The total amount of the annual variable remuneration accrued in 2020, calculated according to the *KPIs* verified by management control and the objective measurements resulting from a specific communication, was €167,321.54 gross, equal to 92.96% of the nominal value assigned, determined as follows:

Obiettivi	% bonus	Obiettivo	% raggiunti	% bonus maturato
1	30%	EBITDA RDM Group	110,6%	33,2%
2	10%	Indice eff. Produttiva	97,9%	9,8%
3	10%	IF OSHA	0,0%	0,0%
4	50%	Progetti strategici di trasformazione del Gruppo	100,00%	50,00%

The accrued amounts take into account the value of the bonus provided upon reaching the target and in the event of extra-target of the resulting higher amount in proportion to the result achieved. As regard the projects of strategic nature for the transformation of the Group - the Board of Directors decided to recognize the bonus provided for the year 2020 to the Chief Executive Officer in consideration of the achievement of many of the objectives set in the three-year plan related to these strategic projects for 2020 but achieved in advance during the previous two years (without recognition of extra-targets in the relevant years) and also considering the overall benefits brought to the Company, which turned out to be higher than originally estimated.

Lastly, to the abovementioned amount is added a residual portion of the 2019 bonus,

equal to €8,000.00 gross, whose granting and payment was conditional on the completion of the activities on the Magenta site.

**c) Extraordinary monetary variable remuneration for the year 2020**

No extraordinary monetary variable component is to be paid for 2020 in favour of the Chief Executive Officer.

**d) Medium/long-term monetary variable component of the Chief Executive Officer**

The medium/long-term variable component is the Stock Grant Plan and the Phantom Stock Grant Plan reserved for the Chief Executive Officer and Executives with Strategic Responsibilities, as described in Section I of this Report and in paragraph C below.

**e) Fixed component of Executives with Strategic Responsibilities**

The fixed component consists of a gross annual remuneration for a total amount of Euro 395,000.00.

**f) Annual variable component of Executives with Strategic Responsibilities**

The nominal variable monetary remuneration for 2020 amounts to a total of €79,000.00 gross. This amount, compared with the total package of Executives with Strategic Responsibilities (including fixed component, short-term variable component and long-term variable component), is equivalent to 12% of the total remuneration.

Key performance indicators (KPIs) for annual targets (MBOs) for 2020 for Executives with Strategic Responsibilities were related to the achievement of profitability, efficiency and strategic projects forecasts defined at budget level and as part of the Group's development plan.

These KPIs are quantitative, related to budget parameters and objective valuation elements not subject to discretionary evaluation, such as consolidated EBITDA, IF OSHA, as well as specific strategic projects for the position of responsibility.

On the basis of the objectives achieved, the annual variable component (MBO) was €57,140 gross, or 72% of the nominal value assigned, determined as follows:

Obiettivi	% bonus	Obiettivo	% raggiunti	% media bonus maturato
1 - comune	40%	EBITDA RDM Group	110,55%	44,22%
2- comune	20%	OSHA RDM Group - 10% vs 2019 result (3,2)	100,00%	0,00%
3 -specifico	40%	Progetti strategici di trasformazione del Gruppo per specifica funzione	80,00%	50,00%

The accrued amounts take into account the value of the bonus provided upon reaching the target and, in the event of extra-target, of the resulting higher amount

in proportion to the result achieved.

It should be noted that the Chief Executive Officer, as agreed with the Remuneration Committee, will assess the payment of special bonuses in favour of Executives with Strategic Responsibilities, according to the extraordinary events in particular related to the pandemic event which significantly impacted company management managed during the 2020 financial year, for a total amount equal to Euro 37,000.00.

**g) Medium/long-term variable component of Executives with Strategic Responsibilities**

The medium/long-term variable component is represented by:

- (i) the Stock Grant Plan and the Phantom Stock Grant Plan reserved for the Chief Executive Officer and Executives with Strategic Responsibilities, as described in Section I of this Report and in paragraph C below; and
- (ii) the Long-Term Incentive Plan based on the objectives for *wave 1* (2018-2020) for the years 2018 and 2019 only, as in 2020 this plan was replaced by the provisions of point i). The amount accrued for the three-year period (Wave1), based on average EBITDA and ROCE results of 108% and 114% respectively of the target values, amounts to a total of Euro 94,500.

**B. REMUNERATION OF THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS**

The Ordinary Shareholders' Meeting of the Company, held on 30 April 2018, resolved to grant to the Chairman of the Board of Statutory Auditors an annual gross remuneration of Euro 70,000.00 and to each Statutory Auditor a gross annual remuneration of Euro 45,000.00.

**C. COMPENSATION IN THE EVENT OF EARLY TERMINATION OF THE EMPLOYMENT RELATIONSHIP**

No indemnities were paid during 2020 relating to the termination of employment relationships or positions as a Director.

**D. INFORMATION ON THE STOCK GRANT PLAN AND THE PHANTOM STOCK GRANT PLAN**

As indicated in Section I of this Report, the Shareholders' Meeting of 29 April 2020 approved the adoption, pursuant to Article 114-*bis* of the Consolidated Law on Finance, of a Stock Grant Plan and a Phantom Stock Grant Plan, both reserved for the Chief Executive Officer and Executives with Strategic Responsibilities for the three-year period 2020-2021-2022.

For detailed information on the rules and procedures for implementation of the Stock Grant Plan and the Phantom Stock Grant Plan, please refer to the aforementioned

Section I of this Report, as well as to the respective Information Documents drawn up in accordance with Article 84-*bis* of the Regulations for Issuers, available on the website: [www.rdmgroup.com](http://www.rdmgroup.com), in the *Governance/Shareholders' Meeting* section, as well as to the authorised storage system *EmarketStorage* ([www.emarketstorage.com](http://www.emarketstorage.com)).

During 2020, the Board of Directors, at the proposal of the Remuneration Committee, verified the achievement of performance targets under the conditions for the free grant of rights established in the Stock Grant Plan and the Phantom Stock Grant Plan to beneficiaries relating to 2020.

For both plans, the target assigned, the ROCE, was achieved with over-target performance.

On 19 March 2021, the Board of Directors verified, with the support of the Remuneration Committee, the achievement of the performance targets as determined above. Consequently, the rights were assigned to the maximum extent provided for in the two plans:

- With reference to the Stock Grant Plan, 600,000 rights were allocated to the Chief Executive Officer and 90,000 rights were allocated to Executives with Strategic Responsibilities, a total of 690,000 rights.

These rights will only be fully exercisable at the end of the three-year reference period, according to the methods established in the relevant plan regulations.

- With respect to the Phantom Stock Grant Plan, 600,000 rights grants were allocated to the Chief Executive Officer and 90,000 rights grants were allocated to Executives with Strategic Responsibilities, a total of 690,000 rights granted.

These grants will constitute the basis for calculating the related bonus, which, on the basis of the provisions of the relevant plan regulations, will be calculated as follows: "Bonus = Grant actually accrued \* current value of share".

Allocation to the beneficiaries of the bonus accrued as a function of achieving the performance targets will only take place at the end of the three-year reference period and after the approval by the Shareholders' Meeting of the financial statements as at 31 December 2022, in one or more *tranches* in the period between 15 June 2023 and 31 December 2023.

It should be noted that if the shares indicated in the Stock Grant Plan or the bonus in the Phantom Stock Grant Plan have been allocated on the basis of data which, subsequently, proves manifestly erroneous as a result of unlawful or malicious conduct and/or gross negligence on the part of one of the beneficiaries, the Board of Directors of the company shall have the power to request the return of the sums attributed to the beneficiary (claw-back).

#### **E. CLAW-BACK MECHANISM**

Provision is made for the adoption of a claw-back mechanism for requesting (i) the

return of short-term variable components of remuneration already paid, or the retention of variable remuneration subject to deferral, the award of which was made on the basis of data that subsequently proved to be manifestly erroneous, or (ii) the return of all incentives for the financial year (or years) for which fraudulent alteration of the data used for the final calculation of results in order to obtain the right to the incentive, was ascertained. Likewise, a request for return is made in the event of serious and intentional violations of laws and/or regulations, the Code of Ethics adopted by the Company or corporate procedures.

In the event of adoption of the claw-back mechanism, restitution will be made by deducting from the fixed remuneration of the amounts until the amounts not due are offset, in compliance with current laws on deductions (or salary backed loans) to be applied to managers.

## **F. INFORMATION ON THE COMPARISON OF REMUNERATION IN 2019/2020**

The reviews of the remuneration paid during 2020 for members of the Administrative and Supervisory Bodies and for Executives with Strategic Responsibilities are structured according to different principles and methods in relation to: (i) market parameters, (ii) responsibilities assigned to them and, in particular, (iii) company profitability parameters.

### ***(i) Non-executive Directors***

The remuneration of non-executive Directors was determined by the Shareholders' Meeting of 29 April 2020 at the time of appointment of the Board of Directors, with term of office established for three financial years, specifically until the approval of the financial statements for the year ended 31 December 2022.

### ***(ii) Chief Executive Officer and Executives with Strategic Responsibilities***

The total short-term remuneration (fixed and variable) was revalued in 2019 and 2020 for the Chief Executive Officer and Executives with Strategic Responsibilities for adjustments to market averages.

In particular, in 2019, the remuneration of the Chief Executive Officer was increased by 4.4%, while the remuneration of Executives with Strategic Responsibilities was increased by 8.3%.

With respect to the 2020 financial year, the remuneration of the Chief Executive Officer was increased by 5.9%, while the remuneration of Executives with Strategic Responsibilities was increased by 1.3%.

It should be noted that total remuneration for employees as a whole increased by 1.8% in the 2020 financial year compared to the 2019 financial year, while total remuneration for the 2019 financial year increased by 1% compared to the 2018 financial year. The data in question include all fixed elements and variable bonuses.

### ***(iii) Company profitability parameters***



During the two-year period 2019 and 2020, the Company recorded a satisfactory improvement in business profitability indicators.

The EBITDA for 2019 increased by 18.8% compared to the EBITDA for 2018; the EBITDA for 2020 increased by 15.8% compared to the previous year.

The net result of the RDM Group increased by 115% in 2020 in respect to 2019 and by 18% in respect to 2018.

## SECOND PART - ANALYTICAL REPRESENTATION OF THE REMUNERATION PAID IN THE FINANCIAL YEAR.

### Diagram 7-bis: Remuneration Report

**TABLE 1: Remuneration paid to the members of the Administrative And Supervisory Bodies, General Managers and other Executives with Strategic Responsibilities.**

(A) Nome e cognome	(B) Carica	(C) Periodo per cui è stata ricoperta la carica	(D) Scadenza della carica	(1) Compensi fissi	(2) Compensi per la partecipazione a comitati	(3) Compensi variabili non equity		(4) Benefici non monetari	(5) Altri compensi	(6) Totale	(7) Fair Value dei compensi equity	(8) Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Eric Laflamme	Presidente	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	50.000 €						50.000 €		
Michele Bianchi	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Michele Bianchi	Amministratore Delegato	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	150.000 €				4.761 €		154.761 €		
Michele Bianchi	Direttore generale	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	297.154 €			175.322 €	5.760 €		478.236 €	1.080.000 €	
Gloria F. Marino	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Gloria F. Marino	Componente Comitato per le remunerazioni	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Gloria F. Marino	Componente Comitato Parti Correlate	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Gloria F. Marino	Componente Organismo di Vigilanza	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		20.000 €					20.000 €		
Sara Rizon	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Sara Rizon	Componente Comitato per le remunerazioni	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Sara Rizon	Comitato per le nomine	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Sara Rizon	Componente Comitato Controllo Interno	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Giulio Antonello	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Giulio Antonello	Presidente comitato per le remunerazioni	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		15.000 €					15.000 €		
Giulio Antonello	Presidente comitato per le nomine	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		15.000 €					15.000 €		
Giulio Antonello	Componente Comitato Controllo Interno	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Giulio Antonello	Componente Comitato Parti Correlate	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Allan Hogg	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Laura Guazzoni	Consigliere	01/01/2020 - 31/12/2020	Approvazione bilancio 2022	20.000 €						20.000 €		
Laura Guazzoni	Comitato per le nomine	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		10.000 €					10.000 €		
Laura Guazzoni	Presidente comitato controllo interno	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		15.000 €					15.000 €		
Laura Guazzoni	Presidente comitato parti correlate	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		15.000 €					15.000 €		
Laura Guazzoni	Componente Organismo di Vigilanza	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		20.000 €					20.000 €		
Daniele Ripamonti	Presidente Organismo di Vigilanza	01/01/2020 - 31/12/2020	Approvazione bilancio 2022		30.000 €					30.000 €		
Dirigenti Strategici	CFO, CHRO, Head of Strategy	01/01/2020 - 31/12/2020		393.462 €			94.140 €	8.036 €		495.638 €	162.000 €	
(I) Compensi nella società che redige il bilancio				1.010.616 €	210.000 €	269.461 €	- €	18.557 €	- €	1.508.634 €	1.242.000 €	- €
(II) Compensi da controllate e collegate												
(III) Totale				1.010.616 €	210.000 €	269.461 €	- €	18.557 €	- €	1.508.634 €	1.242.000 €	- €

Column (1) shows the "Fixed remuneration" separately, which may be disclosed in the notes and on an accrual basis: (i) emoluments within the purview of the Shareholders' meeting, even if not paid; (ii) attendance fees; (iii) lump-sum reimbursements of expenses; (iv) the remuneration received for the performance of special duties, pursuant to Article 2389, paragraph 3, of the Italian Civil Code (for example, chairman, vice-chairman); (v) the fixed remuneration from employment gross of social security charges and taxes payable by the employee, excluding compulsory collective social security charges payable by the Company and the severance pay provision (TFR). The other components of any remuneration for employment (bonuses, other compensation, non-monetary benefits, etc.) must be indicated in the relevant columns, specifying in the note the part paid by virtue of the administration relationship and the part paid by virtue of the employee relationship.

In column (2), the "Remuneration for participation in committees" is indicated on an accrual basis and may be indicated at aggregate level. The note provides information on the committees of which the director is a member and, in the event of participation in several

committees, the remuneration that he/she receives for each committee.

Column (3), section "**Bonuses and other incentives**", includes the shares of remuneration accrued (*vested*), even if not yet paid, during the year for targets achieved in the year itself, in respect of monetary incentive plans. The amount is indicated on an accrual basis even if the approval of the financial statements has not yet been achieved and also for the portion of the bonus that may be subject to deferral. In no case are the values of the stock options assigned or exercised or other remuneration in financial instruments included. This value corresponds to the sum of the amounts indicated in Table 3B, columns 2A, 2B and 4, row (III).

With regard to column (3), section "**Profit sharing**", the amount is indicated on an accrual basis even if the approval of the financial statements and the distribution of profits have not yet occurred.

Column (4) "**Non-monetary benefits**" shows the value of fringe benefits (according to a taxation criterion) including any insurance policies and supplementary pension funds.

Column (5) "**Other payments**" shows separately and on an accrual basis any additional remuneration arising from other services provided. The note provides information on any loans, advance payments and guarantees granted by the company or by subsidiaries to executive directors and to the chairman of the board of directors, if, taking into account particular conditions (different from market conditions or those applicable in a standardised form to categories of persons), they represent an indirect form of remuneration.

Column (6) "**Total**" summarises items (1) to (5).

Column (7) "**Fair value of equity payments**" shows the *fair value* at the grant date of the payments accrued during the year in respect of incentive plans based on financial instruments, estimated in accordance with international accounting standards<sup>1</sup>. This value corresponds to the sum of the amounts in column 16, row III of Table 2 and column 12, row III, of Table 3A.

Column (8) "**Indemnity for end of office or severance of employment relationship**" shows the remuneration accrued, even if not yet paid, for termination of duties during the financial year considered, with reference to the financial year in which the actual termination of office took place. The estimated value of any payment of non-monetary benefits, the amount of any consultancy contracts and non-competition commitments, is also shown. The amount of compensation for non-competition commitments is only shown once at the time of leaving office, specifying in the first part of the second section of the report the duration of the non-competition obligation and the date of actual payment.

The row (III) includes, for each column, the remuneration received by the company that prepares the financial statements and that received for assignments performed in subsidiaries and associates.

**TABLE 3A: Incentive plans based on financial instruments other than Stock Options, for members of the Administrative body, General Managers and other Executives with Strategic Responsibilities**

This table refers to:

- the Stock Grant Plan for the three-year period 2020/2022 reserved for the Chief Executive Officer and Executives with Strategic Responsibilities established by the Shareholders' Meeting of 29 April 2020. As described in this Report, the Plan provides for the allocation to beneficiary of rights to the allocation, free of charge, of up to 2,070,000 Company ordinary shares only at the end of the three-year vesting period and subject to the achievement of pre-determined performance targets.
- the Phantom Stock Grant Plan for the three-year period 2020/2022 reserved for the Chief Executive Officer and Executives with Strategic Responsibilities established by the Shareholders' Meeting of 29 April 2020. As described in this Report, the Plan provides for the allocation to beneficiary of rights to the allocation, free of charge, of up to 2,070,000 Company ordinary shares which confer the right to receive a monetary bonus at the end of the three-year vesting period and subject to the achievement of pre-determined performance targets.

A	B	Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio			Strumenti finanziari assegnati nel corso dell'esercizio					Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Nome e cognome	Carica	Piano	Numero e tipologia di strumenti finanziari	Periodo di vesting	Numero e tipologia di strumenti finanziari	Fair value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia strumenti finanziari	Numero e tipologia strumenti finanziari	Valore alla data di maturazione	Fair value
Michele Bianchi	CEO												
(I) Compensi nella società che redige il bilancio		Piano Stock Grant (29 aprile 2020)			600000	0,90 €	1 gennaio- 31 dicembre 2020	12/05/2020	0,64 €				540.000,00 €
		Piano Phantom Stock Grant (29 aprile 2020)			600000	0,90 €	1 gennaio- 31 dicembre 2020	12/05/2020	0,64 €				540.000,00 €
		Piano C (data relativa delibera)											
(II) Compensi da controllate e collegate		Piano A (data relativa delibera)											
		Piano B (data relativa delibera)											
	DS												
(I) Compensi nella società che redige il bilancio		Piano Stock Grant (29 aprile 2020)			90000	0,90 €	1 gennaio- 31 dicembre 2020	12/05/2020	0,64 €				81.000,00 €
		Piano Phantom Stock Grant (29 aprile 2020)			90000	0,90 €	1 gennaio- 31 dicembre 2020	12/05/2020	0,64 €				81.000,00 €
		Piano C (data relativa delibera)											
(II) Compensi da controllate e collegate		Piano A (data relativa delibera)											
		Piano B (data relativa delibera)											
(III) Totale													

The total (III) is indicated with reference to columns (5), (11) and (12).

Table 3A, for each interested party and for each incentive plan its recipient, indicates:

- the financial instruments assigned in previous years and not vested during the year, with an indication of the vesting period;
- the financial instruments assigned during the year, with an indication of the fair value at the grant date, the vesting period, the grant date and the market price at the grant;
- the financial instruments vested during the year but not allocated;
- the financial instruments vested during the year which are attributable, indicating the value on the maturity date;
- the fair value of financial instruments accrued in the year.

Period of vesting means the period between when the right to participate in the incentive system is allocated and when the right matures.

Financial instruments vested during the year and not allocated are financial instruments for which the period of vesting ended during the year and which were not attributed to the recipient due to failure to fulfil the conditions governing allocation of the instrument (for example, failure to achieve performance targets).

The value at the vesting date is the value of the accrued financial instruments, even if not yet paid (for example, due to the presence of lock-up clauses), at the end of the vesting period.

If an aggregated representation criterion is used, the following information must be provided in the Table:

-the total number of non-vested financial instruments held at the beginning of the year, with an indication of the average maturity:

-the total number of financial instruments assigned at the beginning of the year, with an indication of the total fair value, the average maturity and the average market price at the time of the allocation;

-the total number of financial instruments vested during the year and not assigned;

-the total number of financial instruments *vested* during the year and attributable, with an indication of the total market value;

-the total fair value of financial instruments accrued during the year.

**TABLE 3B: Monetary incentive plans for members of the Board of Directors, General Managers and other Executives with Strategic Responsibilities<sup>2</sup>**

A Nome e cogno me	B Carica	-1 Piano	-2			-3			-4 Altri Bonus
			Bonus dell'anno			Bonus di anni precedenti			
			(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile/Erogato	Differit o	Periodo di differi mento	Non più erogabili	Erogabile/Erogati	Ancora differiti	
<b>Direttore Generale</b>			167.321,54 €				8.000,00 €		
<b>Dirigenti Strategici</b>			57.139,60 €						37.000,00 €
(I) Compensi nella società che redige il bilancio	Long Term Incentive (31.07.18)						94.500,00 €		
(II) Compensi da controllate e collegate									
(III) Totale			224.461,14 €				102.500,00 €		37.000,00 €

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

"Column 2A" shows the bonus accrued for the year for the targets achieved during the year and paid or payable because it is not subject to additional conditions (so-called upfront remuneration).

"Column 2B" shows the bonus linked to targets to be achieved during the year but not payable because it is subject to additional conditions (so-called deferred bonus).

"Column 3A" shows the sum of bonuses deferred from previous years still to be paid at the start of the year and which are no longer payable as a result of not meeting the conditions under which they are subject.

"Column 3B" shows the sum of bonuses deferred from previous years still to be paid out at the start of the year and paid or payable during the year.

"Column 3C" shows the sum of bonuses deferred in previous years still to be paid out at the start of the year and further deferred.

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

The column "Other Bonuses" shows bonuses accrued during the year not explicitly included in specific plans defined *ex ante*.

If an aggregate representation criterion is adopted, the following information must be provided in the Table:

- total bonuses for the year, divided into paid and deferred, with an indication of the average period of deferral of the latter;
- total bonuses from previous years, divided into no longer payable, paid and deferred;
- other total bonuses

<sup>2</sup> Note that the Table concerns all types of monetary incentive plans, both short and medium-long term.

**Diagram 7-ter: diagram with information on the shareholdings of members of the Administrative and Supervisory bodies, General Managers and other Executives with Strategic Responsibilities**

**Table 1: Shareholdings of members of the Administrative and Supervisory bodies and General Managers**  
TABELLA PARTECIPAZIONI AMMINISTRATORI E SINDACI - ESERCIZIO 2020

Nome e Cognome	Carica	Società Partecipata	Numero azioni possedute al 31/12/2019	Numero azioni acquistate nel corso dell'esercizio 2020	Numero azioni vendute nel corso dell'esercizio 2020	Numero azioni possedute al 31/12/2020
<b>Amministratori</b>		Reno De Medici S.p.A.				
Eric Laflamme			0	0	0	0
Michele Bianchi (*)			0	2.262.857	(1.000.000)	1.262.857
Allan Hogg			0	0	0	0
Laura Guazzoni			0	0	0	0
Giulio Antonello			150.000		0	150.000
Gloria Marino			0	0	0	0
Sara Rizzon			0	0	0	0
<b>Collegio Sindacale</b>						
Giancarlo Russo Corvace			0	0	0	0
Giovanni Maria Conti			0	0	0	0
Tiziana Masolini			0	0	0	0
<b>Dirigenti Strategici</b>						
Andrea Bettinelli			0	0	0	0
Marita Lovera			0	0	0	0
Luca Rizzo			0	0	0	0
<b>Totale</b>			<b>150.000</b>	<b>2.262.857</b>	<b>(1.000.000)</b>	<b>1.412.857</b>

(\*) With respect to the Stock Grant Plan for the three-year period 2017/2018/2019 approved by the Shareholders' Meeting of 28 April 2017 (hereinafter the "Plan"), the Board of Directors, during the meeting of 16 March 2020, recorded the achievement of the targets for the three financial years regarding the Plan and consequently it has authorised the free allocation to the Chief Executive Officer Mr. Michele Bianchi, of 2,262,57 ordinary shares in Reno De Medici S.p.A.

\* \* \*

**PROPOSED RESOLUTION (ARTICLE 123-TER, PARAGRAPHS 3-BIS AND 6, OF LEGISLATIVE DECREE 58/1998).**

Pursuant to Article 123-ter, paragraphs 3-bis and 6 of Legislative Decree 58/1998, the Shareholders' Meeting is required to approve, either by voting for or against, by binding resolution, the first section of the Remuneration Report and to approve, either by voting for or against, the second section of the Remuneration Report. The latter resolution, unlike the first, is not binding.

With respect to the above, the following proposed resolution is given:

*"The Ordinary Shareholders' Meeting of Reno De Medici S.p.A.*

**resolves**

- *to approve, and vote in favour, pursuant to Article 123-ter, paragraph 3-bis, of Legislative Decree 58/98, the content of the first section of the Report on remuneration and compensations paid to members of the administrative body,*

- Executives with Strategic Responsibilities and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the members of the supervisory body, and the procedures used to adopt and implement this policy, approved by the Board of Directors at its meeting of March 19<sup>th</sup>, 2021;*
- *to approve and vote in favour of the second section of the Report on Remuneration and compensations paid, with regard to compensations made in the 2020 financial year, pursuant to Article 123-ter, paragraph 6, of Legislative Decree 58/98, as most recently amended”.*

Reno De Medici S.p.A.

for the Board of Directors

the Chief Executive Officer;

“Signed”

Michele Bianchi