Alkemy S.p.A.

Registered office in Milan, at via San Gregorio 34, Milan - share capital Euro 587,589.00 fully paid up

Registration number with Milan Companies House, tax code and VAT number 05619950966 - Economic and Administrative Index (REA) no. 1835268

Institutional website: www.alkemy.com

REPORT ON THE REMUNERATION POLICY

AND FEES PAID

prepared pursuant to Art. 123-ter of Italian Legislative Decree no. 58 of 24 February 1998

Approved by the Board of Directors on 22 March 2021

INTRODUCTION

This document (the "**Report**") is the result of a major effort made by Alkemy S.p.A. (the "**Company**" or "**Alkemy**") to assure a transparent, full disclosure on the policies introduced for the two years 2021 - 2022 and on the remuneration recognised to senior managers for 2020, guaranteeing the tools necessary to accurately value the Company and exercise the rights on an informed basis.

The principles and guidelines taken as reference to determine and implement the Company's remuneration policies incorporate and respect the cultural values of the Alkemy Group, i.e. Alkemy and its subsidiaries (the "**Group**"), namely quality, a proactive approach in anticipating change and promoting innovative solutions, sensitivity towards sustainability topics, a sense of belonging and the appreciation of the contribution made by people to achieve the corporate objectives.

Alkemy also complies with current provisions of legislation and the recommendations made by the Code of Corporate Governance of listed companies, to which it adheres in full, as a guarantee of the correct function of its corporate governance mechanisms.

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The Report:

(i) has been prepared pursuant to Art. 123-*ter* of Italian Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the "**Consolidated Law on Finance**" or the "**CLF**"), Art. 84-*quater* of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation""**) and Annex 3A, scheme 7-bis of the Issuers' Regulation and recommendations of the Code of Corporate Governance for listed companies promoted by the Corporate Governance Committee instituted at Borsa Italiana S.p.A. (the "**Corporate Governance Code**" or the "**Code of Corporate Governance**");

(ii) was approved on 22 March 2021, the Company's Board of Directors (the "**Board**" or the "**Board of Directors**", whose individual members are the "**Directors**") approved on the proposal of the Remuneration Committee (the "**Remuneration Committee**" or the "**Committee**");

(iii) will be submitted for the approval of the Shareholders' convened, in accordance with Art. 2364 of the Italian Civil Code, to approve the 2020 financial statements for 26 April 2021, at single call, to Via Pagano n. 65, Milan. To this end, in accordance with Art. 84-*quater* of the Issuers' Regulation, the Report is sent to Borsa Italiana and made available to the public at the registered office and on the website *www.Alkemy.com*, in the Governance/Shareholders' Meeting section, through publication by the twenty-first day before the Meeting date and for at least ten years, after which the Company will make sure that the personal data contained in Section II of the Report, if not already included in the obligation for non-publication pursuant to Art. 9-*ter*, paragraph 2 of Directive 2007/36/EC, is no longer publicly accessible;

(iv) it has two Sections:

1) **Section I** describes: (**i**) the policy adopted by the Company to govern the remuneration (the "**Remuneration Policy**") of the Company's Directors and key management personnel, with reference at least to the following year, thereby meaning those persons with the power and responsibility - directly or indirectly - for planning, managing and controlling the Company's activities, according to the definition given in Annex 1 to the Consob Regulation on related party transactions, adopted by resolution no. 17221 of 12 March 2010 (the "**Key Management Personnel**") **-** and members of the control bodies; (**ii**) the procedures used to adopt and implement the Remuneration Policy; and (**iii**) the elements of the Remuneration Policy to which derogations can be made where exceptional circumstances apply as per Art. 123-*ter*, paragraph 3-*bis* of the CLF, and the procedural conditions are met for the application of said derogations;

2) **Section II** provides, named for the Directors, the members of the control bodies and in aggregated form, without prejudice to the provisions of the Issuers' Regulation, for key management personnel: (**i**) an adequate representation of each of the items that make up the remuneration, including any benefits envisaged for termination of appointment or contract of employment, highlighting their consistency with the company's remuneration policy approved the previous year; and (**ii**) analytically illustrates the remuneration paid in the year of reference for any reason, and in any form, by the company and by subsidiaries or associates, indicating any components of these fees that are related to activities carried out in years previous to the year in question, and also highlighting the fees to be paid in one or more subsequent years against activities carried out in the year in question, and indicating an estimated value for the components that are not objectively quantifiable in the year of reference.

   For the purpose of the Report, please note that:

   a) the Board in office as at the Report date was appointed by the Shareholders' Meeting on 25 June 2019 and will remain in office for three financial years, i.e. until the date of the shareholders' meeting called to approve the Financial Statements for the year ended as at 31 December 2021, and has the following members:

Office	***Name and surname***	***Executive Director***
Chairman	Alessandro Mattiacci	X
Chief Executive Officer	Duccio Vitali	X
Director	Riccardo Lorenzini	
Director	Vittorio Massone (appointed by the Board of Directors through cooptation with resolution passed on 13 February 2020 and confirmed by resolution of the Shareholders' Meeting of 24 April 2020)	X
Director (1)	Massimo Canturi (appointed by the Board of Directors through cooptation with resolution passed on 23 July 2020)	X
Director (2)	Giorgia Abeltino	

Director (2)	Giulia Bianchi Frangipane
Director (2)	Andrea Di Camillo
Director (2)	Serenella Sala

(1) appointed General Manager.

(2) meets the independence requirements in accordance with Art. 148, paragraph 3 of the Consolidated Law on Finance.

b) the Board of Auditors in office as at the Report date was appointed by the Ordinary Shareholders' Meeting on 25 June 2019 and will remain in office until approval by the Shareholders' Meeting of the financial statements for the year ended as at 31 December 2021 and has the following members:

- Mauro Dario Riccardo Bontempelli (Chairman);
- Gabriele Ernesto Urbano Gualeni (Regular Auditor);
- Daniela Elvira Bruno (Regular Auditor);
- Marco Garrone (Alternate Auditor);
- Mara Luisa Sartori (Alternate Auditor).

c) the 4 Key Management Personnel are the manager appointed to prepare the company's accounting documents and certain managers responsible for business areas the Company holds to be particularly strategic.

The Chairman of the Board of Directors

(Alessandro Mattiacci)

SECTION I

REMUNERATION POLICY

A) Bodies or parties involved in the preparation, approval and implementation of the Remuneration Policy

The preparation and approval of the Alkemy Remuneration Policy involves, according to their respective competences, established in accordance with the provisions of the law and regulations in force, and with the recommendations established in the Code of Corporate Governance, A.1) the Shareholders' Meeting; A.2) the Board of Directors; A.3) the Remuneration Committee; A.4) the delegated bodies; and A.5) the Board of Auditors. In detail:

A.1 The Shareholders' Meeting:

a. determines the remuneration of the members of the Board of Directors and Auditors, in accordance with Art. 2364, paragraph 1, point 3) of the Italian Civil Code;

b. resolves in favour or not in favour of the remuneration policy defined by the Board of Directors (on the proposal of the Committee) for members of the administrative bodies, any general managers and key management personnel, in accordance with Art. 123-ter, paragraphs 3-*bis* and 3-*ter* of the Consolidated Law on Finance;

c. receives a suitable disclosure on the implementation of remuneration policies;

d. resolves on remuneration plans based on financial instruments intended for directors, employees and collaborators:, including key management personnel, in accordance with Art. 114-bis of the Consolidated Law on Finance.

A.2 The Board of Directors:

a. determines the remuneration of directors assigned specific duties, having consulted with the Board of Auditors and on the proposal of the Remuneration Committee;

b. defines, on the proposal of the Remuneration Committee, the policy for the remuneration of directors - and in particular executive directors and directors assigned specific duties - and key management personnel;

c. approves the Report on the Remuneration Policy and fees paid, in accordance with Art. 123-ter of the Consolidated Law on Finance, which must be published at least twenty-one days before the Shareholders' Meeting envisaged by Art. 2364, second paragraph of the Italian Civil Code;

d. prepares any remuneration plans based on shares or other financial instruments, with the assistance of the Remuneration Committee, submitting these plans for the approval of the Shareholders' Meeting in accordance with Art. 114-*bis* of the Consolidated Law on Finance;

e. implements remuneration plans based on financial instruments, together with - or with the assistance of - the Remuneration Committee, by delegation of the Shareholders' Meeting;

f. establishes the Remuneration Committee within its organisation (of which at least one member must have suitable knowledge and experience in financial matters or remuneration policies).

A.3 The Remuneration Committee:

a. presents the Board with proposals on the remuneration of executive directors and those assigned specific duties, as well as - after consulting with the delegated bodies involved at the time - on the identification and fixing of suitable performance objectives, which enable a calculation of the variable component of their remuneration;

b. makes proposals to the Board of Directors on the adoption of the policy for remunerating directors - in particular executive directors and directors assigned specific duties - and key management personnel;

c. assists the Board of Directors with preparing and implementing remuneration plans based on financial instruments;

d. periodically assesses the adequacy and concrete application of the remuneration policy and uses information supplied by the delegated bodies if the assessment regards the remuneration of key management personnel;

e. submits remuneration proposals to the Board of Directors;

f. monitors the application of decisions made by the Board of Directors on remuneration, amongst others, assessing the effective achievement of performance targets; where applicable, assesses any application of claw-back mechanisms;

g. reports to shareholders on how to go about their duties; to this end, it recommends to the annual Shareholders' Meeting that the Chairman of the Remuneration Committee, or another Committee member, attend;

h. if held to be necessary or appropriate to the fulfilment of the duties assigned it, uses external consultants expert in remuneration policies; these experts must be independent and, therefore, by way of example, must not carry out any significant activities for the Company's HR Department, for any controlling shareholders of the company, or for any directors or key management personnel of the Company. The independence of the external consultants is verified by the Committee before the conferral of the relevant appointment.

A.4 The delegated bodies (thereby meaning the members of the Company's Board of Directors holding individual delegated powers, involved each time according to the nature of the delegations held):

a. assist the Committee in preparing proposals on how to fix the performance objectives, where envisaged, to which payment of the variable component of their remuneration will be tied;

b. submit the projects for remuneration plans based on financial instruments to the Remuneration Committee or, if applicable, assist the Committee in preparing such;

c. provide the Remuneration Committee with all information useful to enable it to assess the adequacy and effective implementation of the remuneration policy, with particular regard to the remuneration of key management personnel;

d. implement the remuneration policies adopted by the Company.

A.5 The Board of Auditors (advisory role):

a. formulates the opinions required by the law and, in particular, expresses an opinion with reference to the proposed remuneration of directors assigned specific duties, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code; in expressing an opinion, verifies the consistency of the proposals made by the Remuneration Committee to the Board of Directors with the remuneration policy;

b. attends Remuneration Committee meetings.

B) Remuneration Committee: members, competences and operating procedure

B.1 Remuneration Committee members

By resolution passed on 25 June 2019, the Board established the Remuneration Committee, approving its internal regulation (the "**Regulation**") governing the members, tasks and operating procedures of the Committee. The activities and requirements of said committee are constantly reviewed and updated so as to reflect the best practices in matters of corporate governance.

As at the date of this report, the Remuneration Committee numbers 3 independent directors in accordance with the combined provisions of Articles 147-ter, paragraph 4 and 148, paragraph 3 of the Consolidated Law on Finance and Art. 3 of the Code of Corporate Governance:

- **Serenella Sala** (Independent Director with duties of Chairman of the Remuneration Committee), appointed by resolution of the Board of Directors passed on 25 June 2019;
- **Giulia Bianchi Frangipane** (Independent Director), appointed by resolution of the Board of Directors passed on 13 February 2020;
- **Andrea Di Camillo** (Independent Director), appointed by resolution of the Board of Directors passed on 25 June 2019.

The Directors Serenella Sala and Andrea Di Camillo have suitable knowledge and experience in financial matters and remuneration policies; this was assessed by the Board at the time of appointment.

The Remuneration Committee meets when convened by its Chairman, each time the Chairman believes it to be appropriate and in any case at least once every six months, or whenever directors assigned specific duties and powers by the Board of Directors (the "**Executive Directors**") so request, or the Chairman of the Board of Auditors or the Chairman of the Board of Directors.

The Remuneration Committee works are coordinated by its chairman. The chairman of the Board of Auditors (or another auditor designated by said chairman) takes part in the meetings of the Remuneration Committee and the other auditors may participate in any event. The chairman of the Remuneration Committee has the right to invite other subjects to the meetings, whose presence may help assure the best pursuit of the Committee's functions. In accordance with the recommendations of the Code of Corporate Governance, no Director shall participate in meetings of the Remuneration Committee in which proposals are submitted to the Board relating to his/her own remuneration.

Minutes are taken of Committee meetings. The chairman and the secretary sign the meeting minutes, which are kept on file by the secretary in chronological order.

B.2 Remuneration Committee duties

In compliance with the recommendations of the Code of Corporate Governance and by virtue of the Regulation, in going about its duties of making proposals and offering consultancy, the Remuneration Committee:

a) proposes and expresses opinions to the Board of Directors: (**i**) on the remuneration of Executive Directors and any other directors assigned specific duties, having consulted with the Board of Auditors for an opinion; and (**ii**) on the setting of performance objectives correlated with a potential variable component of said remuneration, monitoring the application of the decisions made and the effective achievement of performance objectives;

b) assesses the proposals of the chief executive officers relative to the general criteria of remuneration and incentive, as well as development systems and plans for the management and Company key management personnel;

c) periodically assesses the adequacy, comprehensive consistency and concrete application of the policy for remunerating directors and key management personnel, adopted by the Company, making proposals and general recommendations on the matter to the Board;

d) submits the Remuneration Report and, in particular, the policy for the remuneration of directors and key management personnel, to the Board of Directors, for its approval and presentation to the Shareholders' Meeting convened for the approval of the year's financial statements, under the terms provided for by law.

The Remuneration Committee has the faculty to access all information and corporate structures and departments, ensuring suitable functional and operative connections with such for the carrying out of its duties. It may use external consultants, at the expense of the Company and in any case within the limits of the budget approved by the Board of Directors, after verifying that such consultants are not in any situation that would concretely compromise their independence of judgement and, in particular, do not provide the HR Department, directors or key management personnel services of significance that would concretely compromise the independent judgement of said consultants.

The Chairman of the Remuneration Committee reports (**i**) to the Board of Directors, at least once every six months, on the activity carried out and (**ii**) to the Shareholders' Meeting, once a year, during approval of the financial statements, on the manner by which it goes about its duties.

C) Independent experts involved in the preparation of the Remuneration Policy

In order to prepare the Remuneration Policy, the Remuneration Committee sought the assistance of external consultants who it had assessed for requirements of (i) independence, (ii) professionalism and (iii) confidentiality, with whom it met to analyse the activities carried out by them, acquiring the necessary documented support for their assessments.

D) Objectives and principles of the Remuneration Policy

D.1 Objectives

The Remuneration Policy intends to guarantee Alkemy and the Group companies in the various business segments and geographic markets on which it operates, a suitable level of competitiveness on the employment market, so as to attract, develop and gain the loyalty of highly-qualified profiles with strong leadership skills. These results are pursued through the periodic determination of targets that can be objectively measured and which are of general application.

These targets are determined in terms of the growth of the value of gross profit with respect to each business unit (gross profit = revenues - external costs directly related to sales - costs of the BU staff), net revenues and consolidated EBITDA, which must have grown on the previous year and with a target value at least equal to that of the annual budget. The LTI Plan (as defined herein) envisages, in particular, by way of target, the increase of the Group EBITDA according to parameters in line with the growth targets that the Company has set itself in its business plan for the three years 2021/2023 and, with reference to the Key Management Personnel, a retention objective until the end of the vesting period. This incentive is one of the main tools through which the Company intends to strengthen its business strategy and pursue its long-term interests and sustainability.

The Remuneration Policy also aims to strengthen the involvement of those holding key positions in the pursuit of the Company and Group’s operating performance goals, with the aim of maintaining a constant alignment between the interests of the management and those of shareholders generally.

The Alkemy Remuneration Policy is therefore defined with the aim of:

a) attracting, retaining and motivating people having the individual and professional qualities required to pursue the Group's business development objectives;

b) aligning the company’s and management’s interests with those of the shareholders;

c) supporting the creation of value for shareholders in the medium-long term;

d) ensuring the accountability of the various competent bodies involved in the definition of the remuneration of Directors and Key Management Personnel;

e) identifying, in particular, the subjects and/or bodies involved in the adoption and implementation of the policies and procedures on remuneration, which - according to the respective competences - propose, resolve and/or determine the remuneration of the Directors and Key Management Personnel, express opinions on the matter or are called to verify the correct implementation of that resolved or determined by the competent bodies;

f) guaranteeing greater transparency in matters of remuneration in regard to both current and potential investors, through a suitable formalisation: (i) of the related decision-making processes; and (ii) of the criteria on which the remuneration policies and procedures are hinged.

To this end, the definition of the Remuneration Policy aims to align the interests of the Company’s management team with those of the shareholders, through a close link between the remuneration and results achieved on an individual level and by the Company.

In light of the results summarised in the first non-financial report of the Company approved in accordance with Italian Legislative Decree no. 254/2016 with reference to FY 2019 and the subsequent non-financial report approved by the Board of Directors on 22 March 2021 relating to FY 2020, the Company has clearly explained the priorities and lines of action in order to speed up its sustainable growth route, which started back with the foundation of Alkemy through the adoption of the "Alkemy Values" (EPIC: Excellence, Passion, Integrity and Concreteness) and the promotion of Alkemy as "best-place-to-work-for" (NPS detector). In line with the above, Alkemy has identified the principles and values of Diversity & Inclusion and improvement of the work-life balance as its very own path towards sustainable growth taking full account of the interests of the Company's key stakeholders.

Thus said, in upholding the recommendation made by the Chairman of the Corporate Governance Committee, as set out in the letter dated 22 December 2020, Alkemy aims to strengthen, right from this year, its commitment with a better focus of targets underlying the variable component of remuneration towards the sustainable growth of the Company, in order to generate long-term value.

D.2 Principles

The Remuneration Policy of Executive Directors and Key Management Personnel is therefore based on the following principles:

a) the fixed component and variable component of remuneration are adequately balanced according to the strategic objectives and the risk management policy adopted by Alkemy, also taking into account the business segment in which it operates and the characteristics of the business concretely carried out.

b) maximum limits are envisaged for the variable components or parametrised to the Company's effective profitability;

c) the fixed component suffices to remunerate the performance of the Executive Directors and Key Management Personnel if the variable component is not disbursed due to failure to achieve the performance objectives set by the Board. This principle is held to be essential in order to discourage any conduct focussed entirely on the short-term and which may not be aligned with the risk appetite defined by the Group;

d) the performance objectives - i.e. the economic results and any other specific objectives to which the disbursement of the variable components is linked (including objectives defined for remuneration plans based on financial instruments), are predetermined, measurable and connected with the purpose of creating value for shareholders over the medium/long-term;

e) the variable component of remuneration has a portion connected with short-term criteria and another linked to long-term criteria. The duration of the deferral is consistent with the characteristics of the business carried out and the related risk profiles;

f) the variable component of remuneration consists of a part that is disbursed immediately and/or a part that is deferred;

g) the variable component of remuneration for immediate disbursement aims to motivate beneficiaries to achieve the objectives defined by the annual budget and is defined according to the degree to which they are achieved or surpassed;

h) the variable component of the remuneration for deferred payment, consists of incentive plans based on financial instruments, which seek to pursue both the above objectives, through annual maturity mechanisms, and the objectives of achieving medium/long-term loyalty and alignment with the interests of all shareholders, typical of such instruments;

i) the Company can acknowledge an indemnity to its Executive Directors and Key Management Personnel for early termination or failure to renew, respectively, the administration position and the contract of employment.

D.3 Changes in the Remuneration Policy with respect to that approved last year

As compared with the version approved last year, the Remuneration Policy introduces the possibility to assign Executive Directors and Key Management Personnel additional remuneration if they should be assigned directorships n subsidiaries.

In addition, the Remuneration Policy also makes some changes to the LTI Plan - and, consequently, to the LTI Regulation (as defined herein) - adopted by resolution of the Board of Directors on 11 December 2020 and 22 March 2021, having first heard the opinion in favour of the Remuneration Committee, the RPT Committee and the Board of Auditors, with effect from 1 January 2021, subject to their approval by the Company's shareholders' meeting.

These changes - aiming to bring the LTI Plan into line with the strategic objectives of the business plan adopted by the Company for 2021/2023 and, therefore, with the long-term interests that the Company thus intends to pursue - consist of:

a) eliminating the "recovery" clause, which envisages that any shares not accrued during each vesting period shall be assigned at the end of the 2023 vesting period, in order to strengthen top management's commitment to achieving, each year, the Company's strategic objectives, aligning their interests, also in the short-term, with the shareholders' interests.

b) eliminating the "EBITDA margin target" insofar as this is no longer considered appropriate to assessing top management performance in respect of the Company's strategic and growth objectives;

c) changing the perimeter used to calculate the "EBITDA Objective", establishing that each change in the Group's perimeter as a result of the acquisitions made after the date of approval of the LTI Plan (with the exception of any completion of the acquisition of Design Group Italia S.r.l. and XCC S.r.l.), no consideration shall be given to determining the "EBITDA Objective", so as to avoid any distortion deriving from acquisitions made (and hypothesised) by the Group after determining the Performance Objectives;

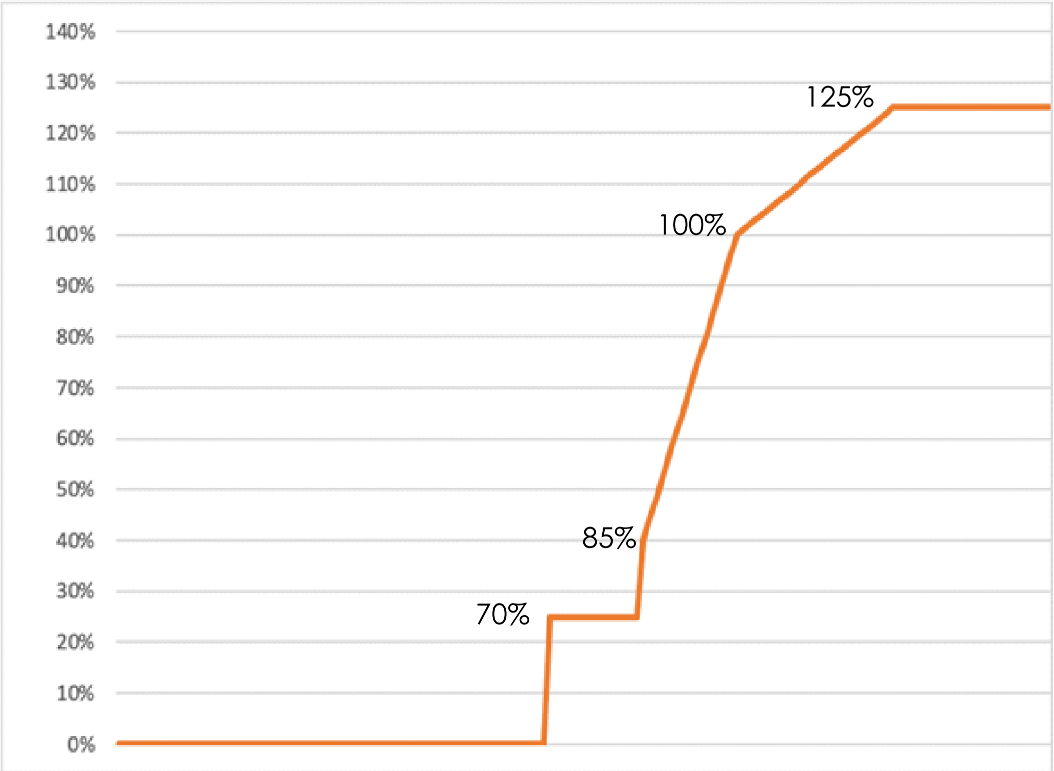
d) recalculating (increasing) "EBITDA Objectives" (as per the table) in order to strengthen top management's commitment to achieving the Company's pre-set growth objectives:

EBITDA Objective	**2021**	**2022**	**2023**
EBITDA Euro/thousands	8,042	11,539	15,916

e) recalculating the methods used to calculate the "Target Shares" for the vesting period relative to FYs 2021, 2022 and 2023, according to the table shown below, and in order to incorporate the main new features on the matter introduced by the new Code of Corporate Governance of listed companies.

EBITDA Objective	
Performance of the individual indicator (in terms of % of the EBITDA Objective, for each Annual Vesting Period)	*Shares to be Assigned for the EBITDA Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)*
less than 70% ("**Minimum Performance Objective**").	0%
Greater than 70% but less than 85%	25% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 85%

greater than 85% but less than 100%	40% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 100%
greater than 100% but less than 125%	100% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 125%
greater than or equal to 125%	125%



E) Fixed and variable components of the remuneration

Considering the purpose and criteria pursued by the Remuneration Policy, the remuneration of Directors and Key Management Personnel is defined as follows.

1. Directors

The remuneration of the Directors is structured in such a way as to attract and motivate the best professionals and skills, to ensure the best possible performance of their roles and the achievement of the purposes of the Remuneration Policy, as explained in paragraph D) above.

All Directors receive fixed remuneration that ensures adequate remuneration for their services and commitment to the Company.

The remuneration of Non-Executive Directors and Independent Directors is commensurate to the commitment required, also in connection with participation in board committees. The remuneration of Non-Executive Directors and Independent Directors is not tied to the economic results or to specific objectives of the Company and they do not benefit from share-based remuneration plans, unless otherwise decided, with good reason, by the Shareholders' Meeting.

The remuneration of the Chief Executive Officer and the Executive Directors is adequately balanced to ensure alignment between short-term growth objectives and the sustainable creation of value for shareholders in the medium-long term; more specifically, the remuneration structure is as follows:

(i) a fixed component (the "**Fixed Component**") that reflects their specific powers, positions, role and strategic responsibilities;

(ii) a variable component that is defined within maximum limits and aimed at remunerating the expected short-term (Group annual EBITDA growth) and medium/long-term (for stock options or three-year LTI plans) performance expectations, determined as indicated at point D.1 above.

The fixed remuneration and the variable component are modulated differently according to the characteristics of the role in the company and the responsibilities assigned, in order to ensure the sustainability of company results and the creation of medium/long-term value for shareholders.

The objectives connected with variable remuneration are predetermined, measurable and defined in such a way as to assure, through diversified maturation periods and parameters, the remuneration of performance over a short- and medium/long-term time frame and according to the economic results and profitability achieved by the Group (see as better clarified in Paragraph 1.1 of Section II of the Report).

To help create value in the medium/long-term, the Executive Directors may benefit from incentive plans based on financial instruments in accordance with Art. 114-*bis* of the Consolidated Law on Finance, prepared in line with the best market practices, which envisage suitable periods for the maturation of the right to exercise the options attributed ("vesting period"). To the same end, the Chief Executive Officer and Executive Directors may also be beneficiaries of monetary incentive plans.

More specifically, the Chairman of the Board of Directors, the Chief Executive Officer and any additional Executive Directors as to be indicated by the Board of Directors after seeking the opinion of the Remuneration Committee, are also assigned a long-term variable component of remuneration, represented by incentive plans based on financial instruments that link the payment of a suitable portion of the variable component to predetermined, measurable performance objectives, connected with the creation of value for shareholders over the medium/long-term, as described in paragraph 6 of Section II, below in this Report.

The Remuneration Policy may envisage the attribution to Directors of additional remuneration for any position as director of subsidiaries.

2. Key Management Personnel

The remuneration of Key Management Personnel is also subject to the application of the above principles and criteria, with the aim of attracting, motivating and withholding highly-qualified managers, whose remuneration package is competitive on the market and reflects key values such as merit, proven leadership and the impact of the different roles on the achievement of the Group's economic-strategic objectives.

The general scheme of the remuneration of Key Management Personnel includes a fixed component and short- and/or long-term variable components. The fixed component of the remuneration is established in an amount that suffices to remunerate the service, even if the variable components should not be disbursed due to failure to achieve the pre-set performance objectives. The short-term variable component of the remuneration is subject to achieving the economic and financial objectives set annually, and its amount is determined according to the degree to which such are achieved or surpassed, with a maximum limit parametrised to the fixed component. Some managers holding senior positions in the Company are also assigned - or may be assigned upon indication of the Board of Directors after seeking the opinion of the Remuneration Committee - a variable component, comprising, in this case too, as for executive directors, incentive plans based on financial instruments that tie payment of a suitable portion of the variable component to predetermined, measurable performance objectives relating to the creation of value for shareholders over the medium/long-term.

Therefore, in general terms, the remuneration package of Key Management Personnel consists of, amongst others, the following: (i) a gross annual fixed component; (ii) a variable component in cash and financial instruments, which is paid when certain short-term predetermined objectives are achieved; and/or (iii) a variable medium/long-term component based on financial instruments and incentives envisaged by specific long-term incentive plans.

Indemnities envisaged in the event of resignation or the termination of the contract, as well as with reference to social security and welfare plans and including supplementary welfare plans, are described over the next few Paragraphs.

2.1 Fixed component

The proposals relating to the salaries of Key Management Personnel are first assessed by the Chief Executive Officer (liaising with the Human Resources Management for regulatory support) and thereafter shared with the Remuneration Committee; these amounts may be subject to salary review. The salary review may be impacted positively by various elements, such as, for example, performance in the individual activity, the level of responsibility and experience and competence of the individual manager.

2.2 Annual incentive (MBO)

The annual incentive for those entitled serves a short-term purpose and aims to assure the achievement of the Company's annual results, mainly in terms of profitability. This weighs for less than the basic salary, which can vary from approximately 20% to approximately 35%., with the exception of the annual incentive of certain senior commercial figures, which may even account for around 66% of their basic salary.

The main economic indicator that enables the assessment of corporate performance so as to identify the variable remuneration attributed to Key Management Personnel is primarily the consolidated EBITDA of the Group.

The incentive is disbursed after approval of the reference annual financial statements and the amounts due may vary proportionally to the result achieved, but only up to the maximum value of the incentive envisaged by the MBO, on the basis of factors such as Consolidated EBITDA, Gross Margin and budget turnover.

2.3 Stock option plans and LTI Plan

Some Key Management Personnel may be assigned incentive plans based on financial instruments in accordance with Art. 114-*bis* of the Consolidated Law on Finance, prepared in line with the best market practices, which envisage suitable periods for the maturation of the right to exercise the options attributed ("vesting period").

For a description of the current incentive plans in place, see Paragraphs 5 and 6 of Section II of this Report. Furthermore, these incentive plans can be found in the following section of the Company's website: Corporate Governance /Incentive Plans.

2.4 Additional remuneration

The Policy envisages the possibility that Key Management Personnel may be attributed additional remuneration for any positions held as executive directors in subsidiaries.

F) Policy on non-monetary benefits

Executive Directors and Key Management Personnel shall be assigned non-monetary benefits (such as company telephone, PC and the use of a company car). These benefits are attributed - in respect of principles of sobriety and in a context of cost limitation - taking into account the roles and responsibilities held, in line with reference remuneration market practice and consistently with legislation in force over time, in order to complete and optimise the overall remuneration package.

G) Performance objectives underlying the variable component of Remuneration

H) Performance objectives underlying the assignment of incentive plans based on financial instruments

As mentioned, the standard structure of the remuneration package assigned to Executive Directors and Key Management Personnel envisages, in addition to a fixed component, a short-term and/or long-term variable component.

The short-term variable component is only assigned upon achieving certain predetermined financial objectives established each year, the amount of which is determined according to the degree to which these objectives are achieved or surpassed, with a maximum limit parametrised in respect of the fixed component.

In order to proceed with a suitable measurement of the achievement of the objectives, the Committee and Board will examine all atypical components seen during the reference year.

In any case, the choice of parameters aims to assure a natural balance, in order to prevent decisions focussed on the short-term that are not consistent with the risk level considered acceptable by the Company and Group.

The criteria used to assess the performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded, is based on the economic results and profitability recorded by the Group. Assessment (in the form of the "**Performance Review**") is carried out from November to February each year, involving the individual beneficiary, the head of the related business unit and the Chief Executive Officer.

The LTI Plan is intended for those working in the Group companies and whose leadership activities have a significant impact on a Group level. This plan aims to offer incentive to those holding key positions, including Key Management Personnel, where the Company and Group achieves specific results through the alignment of the long-term incentives with the interest in creating value for most shareholders.

I) Information showing the consistency of the Remuneration Policy with the pursuit of the long-term interests of the company and its risk management policy

As described in Paragraph D) above, the Remuneration Policy pursues the sustainable creation of value for the Company and its shareholders over the medium/long-term. In line with that purpose, the remuneration of Executive Directors and Key Management Personnel is structured in such a way as to:

(i) balance the fixed remuneration and variable remuneration with the objective of creating sustainable value in the medium/long-term for the company;

(ii) coordinate the variable remuneration, linking it to the achievement of operative and financial objectives, aligned with the creation of value over the medium/long-term and the effective results achieved by the company;

(iii) recognise suitable remuneration to attract, motivate and withhold in the medium/long-term, persons with the individual and professional qualities necessary to pursue the business objectives and assure business growth over the medium/long-term.

J) Terms for the maturation of the rights ("vesting period") and any deferred payment systems

With reference to incentive plans based on financial instruments, in accordance with Art. 114-bis of the Consolidated Law on Finance, the Policy envisages that they shall include suitable periods for the maturation of the right to exercise the options attributed ("vesting period"). The same also applies to monetary incentive plans.

In particular, the 2017 Stock Option Plan cycle lasts for 36 months; Options can be exercised between 1 April 2020 and 31 December 2021 and any Options not exercised by this deadline will be automatically forfeited.

In addition, it rules that the options can only be exercised if the beneficiary is still working for the Group, except in certain specific cases (e.g. retirement, agreed redundancy, etc.) envisaged by the plan regulation.

The 2018 Stock Option Plan establishes that the beneficiaries may be attributed options within three attribution cycles and, once attributed, the vesting period for such shall end at the end of the second corporate year following that on which the options were attributed; the Options can thereafter be exercised within 90 calendar days of the date of approval of the financial statements relative to the last corporate year falling within said vesting period.

The 2019-2020 Stock Option Plan establishes that the beneficiaries may be attributed options within two attribution cycles and, once attributed, the vesting period for such shall end at the end first year following that on which the options were attributed; the Options can thereafter be exercised within 90 calendar days of the date of approval by the shareholders' meeting of the financial statements relative to the year ended as at 31 December 2020.

The LTI Plan runs for multiple years and is divided up into four short-term vesting periods, each lasting one year, coinciding with each corporate year of plan duration (the "**Annual Vesting Periods**") and a medium/long-term vesting period lasting four years (the "**Long-Term Vesting Period**"), after which the shares of the reference period will be assigned. In greater details, the vesting periods are as follows:

- Annual Vesting Periods: from 1 January 2020 to 31 December 2020 (the "**2020 Vesting Period**"); from 1 January 2021 to 31 December 2021 (the "**2021 Vesting Period**"); from 1 January 2022 to 31 December 2022 (the "**2022 Vesting Period**"); from 1 January 2023 to 31 December 2023 (the "**2023 Vesting Period**");
- Long-Term Vesting Period: from 1 January 2020 to 31 December 2023.

The right to receive the shares concerned by the LTI Plan is attributed at the end of each Annual Vesting Period, while the consequent assignment of the shares is envisaged as follows:

- as regards the Executive Directors who benefit from the LTI Plan: for 50% within 30 days of approval of the Company's consolidated financial statements relative to each Annual Vesting Period and for the remaining 50% within 30 days of approval of the Company's consolidated financial statements relative to the Long-Term Vesting Period;
- as regards the Key Management Personnel benefiting from the LTI Plan: in full within 30 days of approval of the Company's consolidated financial statements relative to the Long-Term Vesting Period[1].

K) Clauses for holding financial instruments in the portfolio after their acquisition

The 2018 Stock Options Plan establishes that beneficiaries shall also make the irrevocable commitment to the Company to continuously hold at least 20% of the shares subscribed or purchased following exercise of the options, until expiry of the following terms:

- for Executive Directors, until the definitive cessation of the mandate;
- for Key Management Personnel, for a period of 3 (three) years from expiry of the exercise period during which they exercised the related options.

The LTI Plan does not specify any limits to transfers (lock-ups) of shares once they have been assigned to their respective beneficiaries. The subsequent transfer of shares will be regulated by applicable legislative and regulatory provisions. The rights assigned in accordance with the LTI Plan cannot instead be transferred (except, once accrued, in the event of the beneficiary's death).

L) Policy on benefits in the event of resignation or termination of employment

The Remuneration Policy envisages the possibility for the Company to stipulate agreements (i) with Directors, regulating *ex ante* the economic aspects in the event of cessation from office or in relation to any early termination of the contract by the Company or party concerned, except as better specified at the next paragraph; and (ii) with Key Management Personnel, which envisage indemnity in the event of resignation or dismissal/revocation without just cause or if the contract of employment ceases following a public takeover bid.

[1] In both cases, this is without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution of the individual beneficiary).

Severance indemnity for Key Management Personnel consists of the indemnity accrued in accordance with national collective bargaining agreements. Moreover, in the event of mutual agreement to terminate the contract of employment, the collective bargaining agreements applied by the Group in Italy, envisage the disbursement of severance indemnity at terms and conditions that are predetermined and not discretionary, to the managers to whom said agreements apply. Key Management Personnel whose contract of employment with the Group is not regulated by such collective bargaining agreements are assigned severance indemnity programmes at terms and conditions that are not discretionary and are prepared by the Group.

In addition, the Company may also stipulate, after seeking the opinion of the Remuneration Committee and in line with regulations governing related party transactions, non-compete agreements with the members of the Board of Directors and with Key Management Personnel, as well as with other senior managers holding particularly important roles; these may envisage the payment of an indemnity commensurate to the terms and extension of the non-compete clause included in said contract. The obligation refers to the segment in which the Company operates at the time of stipulation and the relevant geographic market. The extension of the obligation varies according to the role held by the obliged subject at the date of stipulation.

M) Additional, non-mandatory insurance, welfare or pension provisions

As indicated in paragraph F) above, non-monetary benefits may include life policies, injury policies and supplementary healthcare cover, over and above what is mandatory.

N) Remuneration policy applied for: (i) Independent Directors, (ii) participation in committees and (iii) performance of particular duties

The Policy envisages the attribution of an additional fixed fee to Non-Executive Directors and Independent Directors who are part of Board Committees, to suitably remunerate the additional work and commitment they carry out and assure to the benefit of the Company.

If the Executive Directors are members of the Committees established within the Board, it is the Board itself, which, having consulted with the Committee and the Board of Auditors, assesses the possibility of attributing additional fixed fees or one-off extraordinary fees, depending on the additional commitment and work made available to the Company's benefit.

For more information and for information about the remuneration of Directors assigned specific duties, please refer to the description given in paragraph E) above.

O) Reference made to the remuneration policies applied by other companies

The Company's Remuneration Policy has been prepared by also examining those applied by Italian and foreign companies of comparable size and business segments.

P) Derogations to the Remuneration Policy

Where exceptional circumstances apply - thereby meaning, in accordance with Art. 123-*ter*, paragraph 3-*bis* of the Consolidated Law on Finance, only situations in which the derogation to the Remuneration Policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or assure its capacity to operate on the market - the Company may derogate to the following elements of the Remuneration Policy:

a) variation of the ratio of fixed component and variation component of the remuneration;
b) variation of the performance objectives, in relation to MBOs and medium/long-term monetary incentives, where such are resolved;
c) attribution of an annual bonus (in lieu of or in addition to the MBO), parametrised to the objectives set by the Board of Directors, on the proposal of the Remuneration Committee, and, if applicable, having consulted with the Board of Auditors;
d) attribution of a one-off monetary bonus;
e) type of benefits recognised;

f) variation of remuneration plans based on shares or other financial instruments in accordance with Art. 114-bis of the Consolidated Law on Finance and, in particular, variation of the performance objectives set out therein.

These derogations must be adopted by means of specific resolution of the Board of Directors, on the proposal or in any case having first obtained the favourable opinion of the Remuneration Committee, expressed by grounded resolution and after consultation with the Board of Auditors, according to the Related Party Transactions Procedure adopted by the Company.

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SECTION II

REMUNERATION RECEIVED IN FY 2020 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF AUDITORS AND BY KEY MANAGEMENT PERSONNEL

This Section II, which in turn is structured into two Parts, provides a named indication of the remuneration assigned to the administrative and auditing bodies and, in aggregate form, the remuneration of Key Management Personnel paid in FY 2020. In compliance with Annex 3A, Scheme 7-bis of the Issuers' Regulation, the remuneration of Key Management Personnel is specified in aggregate form insofar as none received a comprehensive remuneration in FY 2020 that exceeded the comprehensive remuneration attributed to Directors.

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PART I - ITEMS MAKING UP THE REMUNERATION

Part I of Section II offers a complete explanation of the items making up the remuneration of the members of the Board of Directors, the Board of Auditors and Key Management Personnel.

1. Remuneration

As approved by the Shareholders' Meeting, each member of the Board of Directors receives a fixed remuneration. In accordance with Article 2389, third paragraph of the Italian Civil Code, the Board of Directors has resolved to attribute to Non-Executive Directors who are also members of the Committees established by the Board of Directors, an additional fixed fee. Executive Directors receive additional fixed remuneration as resolved by the Board of Directors. The remuneration of Key Management Personnel is determined by the related contracts of employment. The practice applied in terms of remuneration in FY 2020 is in line with the principles described in Paragraph E above.

1.1 Fixed and variable remuneration of Directors

The Ordinary Shareholders’ Meeting held on 25 June 2019 resolved to attribute the Board of Directors that had taken up office on that same date, comprehensive gross fixed remuneration of Euro 1,500,000.00, including emoluments relative to specific duties, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code and Art. 22 of the Articles of Association.

On 13 February 2020, the Board of Directors: (i) accepted the resignation tendered by the director Matteo Carlo De Brabant; (ii) accepted the resignation tendered by the director Francesco Beraldi from the position of Deputy Chairman and the return of the delegations that had been assigned him; (iii) coopted Vittorio Massone as new director of the Company and (iv) appointed the latter as Deputy Chairman of the Company, attributing him certain operative delegations;

By resolution passed on 24 April 2020, having first consulted with the Remuneration Committee and the Board of Auditors, in connection with FY 2020, the Board of Directors divided up the comprehensive gross remuneration established by the Shareholders' Meeting, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code and Art. 24 of the Articles of Association, as follows:

(i) a gross annual Euro 15,000.00 for each director;

(ii) a gross Euro 25,000.00 to the director Francesco Beraldi, by way of payment *pro-rata temporis* due (on the basis of the annual compensation established by resolution on 07 May 2019) for the period from 1 January 2020 to 13 February 2020 (date on which he returned the office of Deputy Chairman and his delegations);

(iii) a gross annual Euro 7,000.00 for each director member of the Control, Risks and Sustainability Committee, the RPT Committee and the Remuneration Committee;

(iv) the following gross annual fees in the favour of the Executive Directors:

	Fixed	**Variable**	**Total**
Alessandro Mattiacci	226,600	100,000	326,600
Duccio Vitali	0	0	0
Vittorio Massone	87,500[2]	100,000	187,500
TOTAL	**314,100**	**200,000**	**514,100**

specifying that:

a) the Chief Executive Officer of the Company, Duccio Vitali, has **not** been attributed fixed emoluments for this role, insofar as they are included in the gross annual remuneration of Euro 250,000 assigned by way of fixed emoluments and the gross variable Euro 100,000 he receives as Company manager, and which is inclusive of the gross annual fee of Euro 15,000 by way of member of the board of directors;

b) the variable fees assigned to the directors Duccio Vitali and Alessandro Mattiacci will accrue subject to the Company's achieving the business objectives established in the budget approved by resolution passed on 13 February 2020 (achievement of Consolidated EBITDA of Euro 7,500 million);

c) the variable fees assigned to the director Vittorio Massone, relative to FY 2020, will be determined as 10% of the Gross Margin of new customers, with a guaranteed minimum of Euro 100,000.

With resolution passed on 23 July 2020, the Board of Directors (i) accepted the resignation from office of the director Francesco Beraldi; (ii) acknowledged the director Mr Beraldi, having first consulted with the Remuneration Committee and the Board of Auditors, an extraordinary one-off payment for 2020 in the amount of Euro 30,000.00, in terms of company cost, in connection with his appointment - and work - as member of the Executive Committee established in connection with the COVID-19 emergency; (iii) coopted Massimo Canturi as new Company director; and (iv) approved the Company's stipulation of a directorship agreement with the latter, by virtue of which he has been assigned certain executive powers connected with his appointment as Company General Manager and acknowledged:

- a gross annual fee of Euro 15,000.00 in exchange for his position as director without delegations and, therefore, until the date of attribution to the latter of the executive powers;
- a gross fixed annual fee of Euro 250,000.00 (including the payment for the office) divided up into twelve months, starting from the date of attribution of the executive powers;
- a gross annual variable fee, subject to the achievement of the economic-financial targets defined by the business plan and up to a maximum value, 100% on plan, of a gross Euro 200,000.00.

[2] This is the fixed *pro rata temporis* fee due for 2020, from the date of appointment and relative attribution of delegations (the gross annual emoluments due for the same year are Euro 100,000.00).

It is specified that, with the favourable opinion of the Related Party Transactions Committee and the Remuneration Committee (both expressed on 10 December 2020), the director Mr Canturi has been acknowledged, for FY 2020, a one-off lump sum established as Euro 40,000 (forty thousand/00) by way of extraordinary payment for the work carried out, from when he was appointed and until 10 December 2020, in preparing the Company's new business plan.

1.2 Remuneration of Auditors

The Shareholders' Meeting held on 25 June 2019 determined the remuneration due to the board of auditors, as follows:

a) the Chairman of the Board of Auditors shall receive Euro 12,000.00 per year, without prejudice to the fact that the gross remuneration due to the Chairman for FY 2019 will be increased to Euro 20,000.00 and for FYs 2020 and 2021, to Euro 24,000.00, subject to the listing of the company's shares on the telematic stock market (MTA);

b) each Regular Auditor shall receive Euro 9,000.00 per year, without prejudice to the fact that the gross remuneration due to each Regular Auditor for FY 2019 will be increased to Euro 15,000.00 and for FYs 2020 and 2021, increased to Euro 18,000.00, subject to the listing of the company's shares on the telematic stock market (MTA).

No monetary and non-monetary benefits are envisaged in the Auditors' favour, nor any variable fees.

2. Reimbursement of costs

Each member of the Board of Directors has the right to receive reimbursement of costs incurred by virtue of the office held. The practice applied in terms of remuneration in FY 2020 is in line with the principles described in Paragraph E above.

3. Bonuses and other incentives

Executive Directors and Key Management Personnel are assigned variable components of remuneration, both immediately payable and deferred, subject to the achievement of predetermined economic and financial objectives. Payment of the short-term portion of the variable remuneration due to the Executive Directors assigned specific duties is subject to the achievement of results objectives established annually by the Board of Directors on the proposal of the Committee, without prejudice to the fact that such objectives must be concretely measurable and in line with those set. Once a year, the Committee checks that the Company has achieved the objectives established the previous year and makes the consequent recommendations to the Board of Directors. On this basis, the Board of Directors resolves on the variable remuneration of the Executive Directors. The variable remuneration of Key Management Personnel applies the same principles and criteria and is determined by the Chief Executive Officer in compliance with the general criteria established by the Committee. A Stock Option Plan and an LTI Plan are also envisaged and will be described below. The practice applied in terms of remuneration in FY 2020 is in line with the principles described in Paragraph E above.

4. Non-monetary benefits

Executive Directors and Key Management Personnel are entitled to company cars for both personal and professional use, life policies, injury policies and supplementary medical cover. The related benefits are calculated in compliance with tax legislation and form part of their gross remuneration. The practice applied in terms of remuneration in FY 2020 is in line with the principles described in Paragraph F above.

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

5. Incentive plans based on financial instruments

Below are the Stock Option Plans and other incentive plans based on financial instruments implemented and/or to be implemented by the Company.

5.1 2017 awards

On 09 March 2016, the shareholders' meeting of the Issuer resolved to task the Company's Board of Directors with increasing the share capital in exchange for payment, for a maximum of Euro 15,000.00

(plus premium), reserved for subscription by employees and/or directors of the Alkemy Group companies. On this same date, the Board of Directors implemented the above shareholders' meeting resolution, approving a share capital increase, in exchange for payment, for a maximum amount of Euro 8,500 (plus premium), at the service of a stock option plan (the "**2017 Stock Option Plan**") reserved for subscription, as per the relevant regulation approved by the Board of Directors on that same date (the "**Regulation**") to employees and/or directors of the Group companies (the "**Beneficiaries**"). The Company decided to adopt the 2017 Stock Option Plan in order to: (i) foster the creation of value for shareholders and (ii) increase the degree of participation and loyalty in the medium/long-term of Beneficiaries. In particular, the 2017 Stock Option Plan envisages the attribution, free of charge - by the Board of Directors - in the favour of the Beneficiaries identified by it, of non-transferable options (the "**Options**") for the subscription of Shares in exchange for payment of a strike price of Euro 10 per Share. The 2017 Stock Option Plan cycle lasts for 36 months; Options can be exercised between 1 April 2020 and 31 December 2021 and any Options not exercised by this deadline will be automatically forfeited.

The Regulation rules that the Options can only be exercised if the Beneficiary is still working for the Group, except in specific cases (e.g. retirement, agreed leaving, etc.) envisaged by the Regulation.

The 8,500 options of the 2017 Stock Option Plan have been assigned to employees of the Company and Alkemy Group and to 5 Alkemy managers and 3 directors of Alkemy Group companies.

5.2 2018 awards

On 16 November 2017, the Company's shareholders' meeting resolved to increase the share capital in exchange for payment, in a divisible fashion and with the exclusion of the option right pursuant to Article 2441, fifth paragraph and eighth paragraph, of the Italian Civil Code, for a maximum amount of Euro 22,798.00 (plus premium), by means of the issue, in one or more tranches, of up to 222,200 Shares in the Company, for use for stock option plans to be defined by the Board of Directors.

In implementation of this delegation, on 12 June 2018 the Board of Directors approved the stock option plan (the "**2018 Stock Option Plan**") reserved for subscription to employees and key management personnel of the Company and/or the other Group companies, to be identified at the sole discretion of the Issuer's Board of Directors (the "**Beneficiaries**"). The Company decided to adopt the 2018 Stock Option Plan in order to: (i) gain the loyalty of and offer incentive to the Company and/or Group's strategic resources in consideration of the relevance of the position held by said parties within the Group (i.e. for "retention" purposes); (ii) envisage an incentive aimed at increasing the company of the key persons of the Company and/or Group in the Group's corporate performance and strengthen the reward system correlated with the achievement of the corporate performance in the medium-term; and (iii) align the interests of the management to those of the Company and Group. In particular, the 2018 Stock Option Plan envisages the attribution, free of charge - by the Board of Directors - in the favour of the Beneficiaries identified by it, of non-transferable options (the "**Options**") for the subscription of Shares in exchange for payment of a strike price of Euro 11.75 per Share. In accordance with the Regulation, Options can be attributed to Beneficiaries in three attribution cycles and, during each attribution of Options, the Board will determine, for each Beneficiary, the number of Options attributed and the objectives to which the accrual of the Options is subject. In particular, as regards the objectives to which exercise of the Options is subject, during attribution, each Beneficiary will receive (i) a number of Options equal to 70% of the total, accrual of which - and of the consequent possibility of exercise - is subject to the achievement of EBITDA objectives and (ii) a number of Options equal to 30% of the total, accrual of which - and of the consequent possibility of exercise - is subject to the achievement of the individual performance objectives to be assigned to each Beneficiary by the Board. The number of Options that can effectively be exercised will be proportional to the degree of achievement of the EBITDA and individual performance objectives established by the board of directors, in application of a list to be communicated to Beneficiaries when the Options are attributed.

The right of Beneficiaries to exercise the Options, conditional on their maturation at the end of the Vesting Period (as defined in the 2018 Stock Option Plan regulations) is tied to the continuation of the relationship between the Beneficiaries and the Company or the other Group companies, until expiry of the Exercise Period. In the event that the relationship should cease prior to that date, for any reason, all

Options not yet exercised will be definitively forfeited, unless otherwise determined by the Board of Directors. The Beneficiaries shall also make the irrevocable commitment to the Company to continuously hold at least 20% of the Shares subscribed or purchased following exercise of the Options, until expiry of the following terms:

(i) for Beneficiaries who are executive directors, until the definitive cessation of the mandate;

(ii) for Beneficiaries who are key management personnel, for a period of 3 years from expiry of the Exercise Period during which they exercised the related Options.

If objective circumstances should arise, showing that the data on which basis the achievement of the objectives was verified on which the maturation of the Options depends, was clearly incorrect, the Company may revoke (all or part of) the Beneficiaries' right to exercise the Options, with the consequent definitive extinguishing of all rights of the Beneficiaries to exercise the Options in this regard, or it may ask the Beneficiaries - insofar as possible in accordance with applicable regulations - to return all or part of an amount equivalent to the benefit received following exercise of the Options, determined on the basis of the value of IRPEF taxable income and net of legal withholdings, including through offsetting against any amount due for any reason by the Company to the Beneficiaries.

Again on 12 June 2018, as part of the 2018 Stock Option Plan, the Alkemy Board of Directors resolved the attribution of 74,700 options (for the subscription of an equal number of new ordinary shares in the Company for a price of Euro 11.75 each), for a share capital increase of up to a nominal Euro 7,663.72 (plus premium). In accordance with the related regulation, it is envisaged that the maturation period of the Options shall end at the end of the second corporate year after that in progress when the Options were attributed (the "**Vesting Period**") and that the Options can be exercised within 90 calendar days from the date of approval of the financial statements relative to the last corporate year included in the Vesting Period (the "**Exercise Period**"). These options have been attributed, for a total of 74,700 options, of which 63,000 to three key management personnel (Paolo Fontana, Enrico Meacci and Oscar Zoggia), and for the remainder to 3 employees and/or directors of Bizup (a subsidiary of the Issuer).

5.3 2019 award

On 10 July 2019, the Board resolved to issue up to 147,500 new ordinary shares with no par value and regular dividend (applicable to the share capital increase resolved on 16 November 2017), to be reserved for subscription by the beneficiaries of a 24-month stock option plan (the "**2019-2020 Stock Option Plan**"), in respect of the award of an equal number of options that can be exercised in respect of the payment by beneficiaries of said nominal value, plus a premium of Euro 1,717,991.50.

In accordance with the 2019-2020 Stock Option Plan Regulation, the Options are divided up into two categories: (i) EBITDA Options, which can only be exercised if the EBITDA targets established by the Board of Directors at the end of the Vesting Period are achieved and in the amount of 70% of all Options assigned to each Beneficiary; and (ii) the Performance Options, which can be exercised, again at the end of the Vesting Period in a number equal to the residual 30%, upon achieving the performance objectives assigned individually to each Beneficiary.

In accordance with the 2019-2020 Stock Option Plan Regulation, it is envisaged that the maturation period of the Options shall end at the end of the second corporate year after that in progress when the Options were attributed (the "**Vesting Period**") and that the Options can be exercised within 90 calendar days from the date of approval of the financial statements as at 31 December 2020.

The 147,500 Options concerned by the Plan have been assigned to 31 employees of the Company and the Alkemy Group, as well as (in the amount of 51,000) to 3 key management personnel (Claudio Benasso, Oscar Zoggia and Ciro Morra).

On 27 August 2019, the Board of Directors partially amended the 2019/2020 Stock Option Plan to approve an extension of its duration to 36 months but only in connection with the Key Management Personnel, ruling that for such subjects, a new plan, the "**2019-2021 Stock Option Plan**" would be adopted, governed by a regulation with the exact same contents as that of the 2019/2020 Stock Option Plan, apart from, naturally, the term.

6. 2020-2023 Long-Term Incentive Plan

On 15 November 2019, with the favourable opinion of the Remuneration Committee and the Related Party Transactions Committee (issued respectively on 12 and 13 November 2019), having also consulted with the Board of Auditors, the Board of Directors approved a plan for the free assignment of ordinary shares in the Issuer, called the "**2020-2023 Long-Term Incentive Plan**" (the "**LTI Plan**"), concerning the free assignment of ordinary shares in the Company, in the favour of Beneficiaries (as defined below), which will run from the Trading Start Date until 31 December 2023. The Plan is governed by a specific regulation that lays down the relevant terms and conditions (the "**LTI Regulation**").

On 11 December 2020, in respect of the favourable opinions of the Remuneration Committee, the RPT Committee and the Board of Auditors, the Board of Directors resolved to amend the LTI Plan and, consequently, the LTI Regulation, with effect from 1 January 2021, subject to the approval of said amendments by the Company's Shareholders' Meeting[3].

6.1 LTI Plan beneficiaries

The LTI Plan is intended for the Chairman of the Board of Directors, Alessandro Mattiacci and the Chief Executive Officer, Duccio Vitali. The following Key Management Personnel are also beneficiaries of the LTI Plan: Paolo Fontana, Enrico Meacci and Oscar Zoggia, without prejudice to the fact that the Board may identify additional beneficiaries from amongst the Executive Directors and Key Management Personnel (including of Group companies) in compliance with the provisions of the LTI Regulation (jointly the "**Beneficiaries**" and, for each category, the "**Beneficiary Executive Directors**" and the "**Beneficiary Key Management Personnel**").

6.2 Reasons behind the adoption of the LTI Plan

The objectives pursued through the adoption of the LTI Plan, also in terms of the purpose pursued through a long-term incentive system, are those set out hereto:

- to align the interests of the Beneficiaries with those of the shareholders and the objectives of the Company's business plan as a whole;
- to tie the remuneration of Beneficiaries, as persons playing a key role in the achievement of Alkemy's objectives, to the economic results achieved by the Company and the Group and to achieving the specific objectives set for the medium/long-term;
- to support and reward the achievement of long-term objectives, allowing for the pursuit of the priority objective of creating value of the medium/long-term;
- to support the attraction, retention and engagement of key resources in line with the business culture, at the same time pursuing an efficient choice relative to the costs generated by the Incentive Plan.

6.3 Approval process

The LTI Plan was defined in collegial form, without the key contribution by the individual directors. The Board of Directors is the body responsible for managing the LTI Plan, with the faculty to sub-delegate, in compliance with and subject to the provisions of the LTI Regulation.

6.4 Extraordinary transactions

If events take place that are not specifically regulated by the LTI Regulation, namely:

(i) extraordinary transactions involving the Company's capital, and, merely by way of example, reductions of capital for losses through the cancellation of shares, increases in the Company's capital, free of charge or in exchange for payment, in option to shareholders or with the exclusion

[3] As regards the elimination of the "recovery" clause, this change has been resolved by the Board of Directors on an exceptional, provisional basis, with reference to FY 2020, and subject to approval given by the Company's Shareholders' Meeting definitively on 1 January 2021. The provisional adoption of this change is due to the extraordinary nature of the COVID-19 emergency, which has resulted in a change to the Company's strategy already with reference to FY 2020, a change that was then full and organically reflected in the new business plan for the three years 2021-2023.

of option rights, potentially also to be released through conferral in kind, grouping or splitting of shares that may impact shares;

(ii) mergers or spin-offs, purchase or sale of equity investments, businesses or business units;

(iii) legislative or regulatory changes or other events that may impact the rights of the LTI Plan, shares or the Company;

the Board of Directors may (but will not be required to) make all changes and supplements to the LTI Regulation, after consulting with the Remuneration Committee, as held to be necessary or appropriate in order to keep the substantive and economic contents of the LTI Plan unchanged, within the limits permitted by regulations in force over time.

6.5 Changes to the corporate structure

If, during the validity of the LTI Plan and LTI Regulation:

(i) a public takeover bid or a public bid of exchange should be submitted in regard to the shares; or

(ii) the shares should be delisted from the MTA;

the Board of Directors, at its discretion, shall have the right to grant Beneficiaries the opportunity of receiving all or part of the Shares (as defined herein) due to them early, even regardless of whether or not the Plan Objectives (as defined below) envisaged have effectively been achieved; it may also rule on the early termination of the LTI Plan. This decision will be binding on the Beneficiaries. The shares used for the LTI Plan may be obtained, at the Board of Directors's discretion, by means of (i) share capital increases in accordance with Art. 2349 of the Italian Civil Code or (ii) the purchase of treasury shares on the market, without prejudice to the fact that, at the Company's discretion, the incentive to Beneficiaries may be paid in cash (rather than in Company Shares).

During LTI Plan execution, subject to the admission to trading of the Company's Shares, the market will be informed, where envisaged by regulatory and legislative provisions in force over time. The Beneficiaries must comply with provisions on the abuse of inside information envisaged by applicable legislation and regulations, in particular with reference to the disposal of Shares, potentially assigned after verifying that the Performance Objectives have been achieved.

6.6 The characteristics of the attributed instruments

The Plan establishes that the attribution of the right to receive the Shares and the assignment of the Shares, shall take place free of charge. The Incentive Plan runs for multiple years and is divided up into four Annual Vesting Periods and one Long-Term Vesting Period, after which the Shares of the reference period will be assigned. For more details on the vesting period, refer to Paragraph J) of Section I of this Report.

The right to receive the Shares will be attributed personally to each Beneficiary. The Shares assigned in accordance with the Plan (the "**Shares**") will be of regular dividend and, therefore, equal to that of the other outstanding Shares as at the date of their issue. The basic number of Shares to be assigned to each Beneficiary will be calculated taking into account the market value of the Company's Shares as at the date of attribution of the right, so as to assign a basic number of Shares that, on that date, is worth Euro 75,000, in the case of Beneficiary Key Management Personnel, and Euro 150,000 in the case of Beneficiary Executive Directors, for each Annual Vesting Period. The basic number of Shares for Beneficiary Executive Directors shall consist entirely of Target Shares (as defined herein), while the basic number of Shares for Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares (as defined herein).

6.7 Objectives

The assignment of shares is subject to the verification by the Board of Directors: (i) that as at the Share assignment date, there is a relationship in place between the Beneficiary and the Company; (ii) that the following Objectives have been achieved:

2020 Vesting Period:

- "**EBITDA Objective**": i.e. the achievement of certain levels of EBITDA in terms of the consolidated Group results, determined in line with the Business Plan, using the term "EBITDA" to mean the period profit adjusted for: period income tax, gains/losses deriving from transactions in foreign currencies, financial income, financial expense, amortisation, depreciation and impairment and provisions made, to be calculated including extraordinary transactions;
- "**EBITDA Margin Objective**": i.e. the achievement of certain levels of EBITDA margin on a consolidated Group level, determined in line with the Business Plan, using the term "EBITDA margin" to mean the ratio of EBITDA and total revenues from sales and services (together with the "EBITDA Objective", the "**Performance Objectives**");
- "**Retention Objective**": i.e. within 30 days of the end of the Long-Term Vesting Period, the Board will verify compliance with the Retention Objective for Key Management Personnel, so as to Assign the Grant Shares (as indicated below).

Upon achieving the Performance Objectives, the target shares ("**Target Shares**") will be assigned, whilst upon achievement of the Retention Objective, the grant shares ("**Grant Shares**") will be assigned to Key Management Personnel. The basic number of Shares to be attributed to the Executive Directors will consist entirely of Target Shares, of which 75% correlated to the achievement of the EBITDA Objective and 25% to the achievement of the EBITDA Margin Objective. The basic number of Shares to be assigned to Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares. In turn, the Target Shares will be correlated, for a "theoretical" equivalent value of Euro 40,000 to the Consolidated EBITDA Objective and for a "theoretical" equivalent value of Euro 20,000 to the EBITDA Margin Objective.

Performance Objectives are independent of each other and will therefore be calculated independently for each Annual Vesting Period. The effective Target Shares to be assigned to each Beneficiary in the event that the Performance Objectives are achieved, considered individually, shall be calculated as follows:

2020 EBITDA Objective (Euro/thousand)	7,500

2020 EBITDA Margin Objective	7.9%

EBITDA Objective/EBITDA Margin Objective	
Performance of the individual indicator (in terms of % of the individual Performance Objective, for each Annual Vesting Period)	*Shares to be Assigned per individual Performance Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)*
less than 70%	0%
less than 80%	25%
less than 90%	50%
less than 100%	80%
greater than or equal to 100%	100%

No right shall be due to Beneficiaries in connection with the Target Shares that are not assigned due to failure to achieve all or part of the EBITDA Objective at the end of the 2020 Vesting Period.

2021 Vesting Period. 2022 Vesting Period: and 2023 Vesting Period:

- "**EBITDA Objective**" period: i.e. the achievement of certain levels of EBITDA in terms of the consolidated Group results[4], determined in line with the Business Plan, using the term "EBITDA" to mean the period profit adjusted for: period income tax, gains/losses deriving from transactions in foreign currencies, financial income, financial expense, amortisation, depreciation and impairment and provisions made, to be calculated excluding extraordinary transactions;
- "**Retention Objective**": i.e. within 30 days of the end of the Long-Term Vesting Period, the Board will verify compliance with the Retention Objective for Key Management Personnel, so as to Assign the Grant Shares (as indicated below).

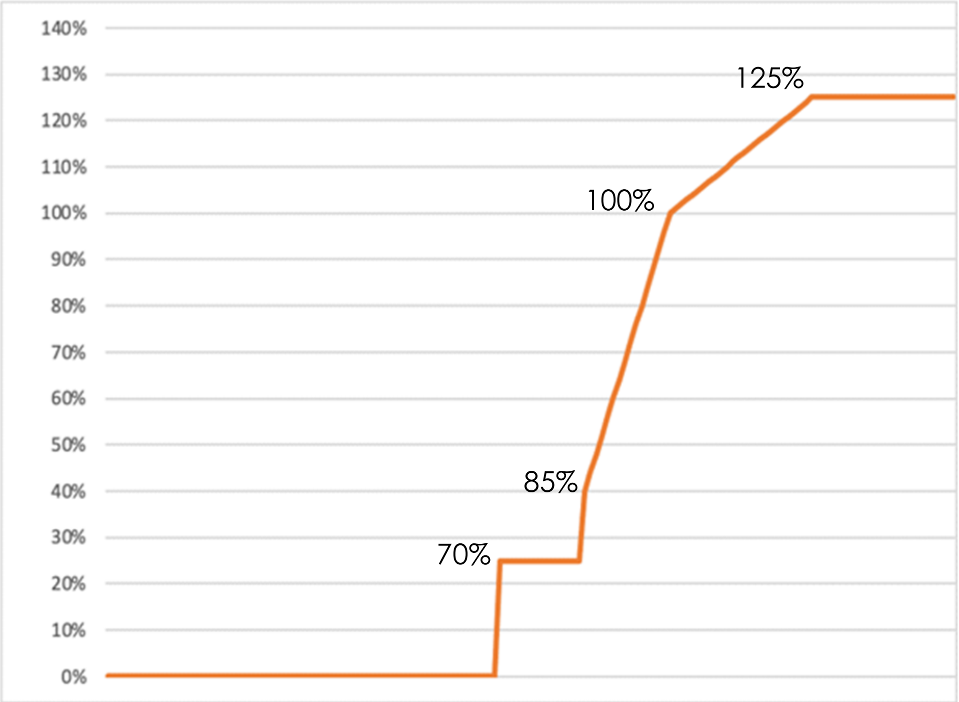
Upon achieving the EBITDA Objective, those entitled will be assigned the Target Shares; upon achieving the Retention Objective, the Grant Shares will be assigned. The basic number of Shares to be attributed to the Executive Directors will consist entirely of Target Shares, of which 100% to the achievement of the EBITDA Objective. The basic number of Shares to be assigned to Key Management Personnel will comprise 80% Target Shares and 20% Grant Shares. In turn, the Target Shares will be correlated, for a "theoretical" equivalent value of Euro 60,000, to the EBITDA Objective.

The EBITDA Objective will be calculated for each Annual Vesting Period. The effective Target Shares to be assigned to each Beneficiary in the event that the EBITDA Objective is achieved, considered individually, shall be calculated as follows:

EBITDA Objective	**2021**	**2022**	**2023**
EBITDA (Euro/thousands)	8,042	11,539	15,916

EBITDA Objective	
Performance of the individual indicator (in terms of % of the EBITDA Objective, for each Annual Vesting Period)	*Shares to be Assigned for the EBITDA Objective (as a % of the Basic Number of Shares for each Annual Vesting Period)*
less than 70% ("**Minimum Performance Objective**").	0%
Greater than 70% but less than 85%	25% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 85%
greater than 85% but less than 100%	40% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 100%
greater than 100% but less than 125%	100% and growing according to the line shown in the diagram below, calculated using the linear interpolation method, as a percentage up to a maximum of 125%
greater than or equal to 125%	125%

[4] In accordance with the LTI Plan, the term "Group" is used to refer to: Alkemy and the companies headed by it as at the approval of the LTI Plan, as well as Design Group Italia S.r.l. (including options for the completion of the purchase of such companies) and XCC S.r.l.



Failure to achieve the Minimum Performance Objective will prevent the assignment of Shares correlated to the achievement of the EBITDA Objective, unless otherwise resolved by the Board of Directors in a more favourable sense for the Beneficiaries.

No right shall be due to Beneficiaries in connection with the Target Shares that are not assigned due to failure to achieve all or part of the EBITDA Objective at the end of the 2021 Vesting Period and/or 2022 Vesting Period.

6.8 Share Assignment

Once the achievement of all or part of the Performance Objectives has been verified (as per the tables above), the Target Shares will be assigned (i) to Executive Directors, 50% at the date of assignment in relation to the individual Annual Vesting Period, and the remaining 50% at the Date of Assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Beneficiary); and (ii) to Key Management Personnel, in full, as at the Date of Assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Beneficiary).

The Grant Shares will be assigned to Key Management Personnel in full, as at the date of assignment relative to the Long-Term Vesting Period, without prejudice to the possibility for the Board of Directors to establish different conditions (to be indicated specifically in the letter of attribution to the individual Key Manager).

The Plan also has *malus* and claw-back mechanisms, by virtue of which the Company shall be entitled not to assign the shares accrued or to obtain their full or partial return, if events should take place that harm the interests of the Company and/or Group.

* * *

7. Agreements envisaging indemnity in the event of the early termination of the contract of employment

7.1 On 02 December 2019, the Company stipulated a directorship agreement with the Chairman of the Board of Directors, which, amongst others, envisages the recognition to the latter of indemnity in the amount of fifteen months' pay (to be increased by one month for each year of term of office, starting from any forthcoming renewal of office), calculated taking into account (i) the value of the annual fixed emoluments, (ii) 100% of the short-term variable emoluments; and (iii) the equivalent annual value of the shares concerned by the 2019 Incentive Plan, in the event of cessation of the directorship agreement, as a “good leaver” (i) revocation by the Company of office and/or delegations assigned without just cause; (ii) waiver by the Director of office for just cause; (iii) death and/or disability and/or illness making it impossible to continue the directorship agreement with the Company; (iv) failure to renew the Director in office and the delegations assigned after the first renewal of the Company’s corporate bodies (i.e. at approval of the financial statements for the year ending on 31 December 2021) for each subsequent three-year period; and (v) forfeiture of the Company’s Board of Directors occurring in any term of the mandate as director, not followed by a renewal of the Director in office and the delegations assigned, at the conditions laid down by the Directorship Agreement 1.

7.2 On 27 July 2020, the Company stipulated a directorship agreement with the Executive Director Massimo Canturi that envisages, amongst others, the recognition to the latter of an all-inclusive amount that does not exceed the total fees due by virtue of the Directorship Agreement 2 (from which the amount already paid *pro rata temporis* to him up until the date of effect of termination of the office of director, must be deducted) by way of indemnity in the event of early termination of the office of director, without his being considered a “bad leaver” (he is considered a “bad leaver” in cases of: (i) revocation for gross misconduct or gross negligence in going about his duties and fulfilling obligations deriving from the law and the Company’s Articles of Association; (ii) conviction for any of the offences pursuant to Italian Legislative Decree no. 231/2001 for offences committed against the interests of the Company or other Group companies, for personal gain; (iii) breach of any of the obligations to confidentiality and prohibition of reversal envisaged by contract; (iv) existence with a director of any grounds for forfeiture of office in accordance with Art. 2382 of the Italian Civil Code and (v) resignation from office or failure to accept appointment without just cause). In addition, in derogation to this provision, the Directorship Agreement 2 establishes that in the event of death or onset impossibility of the service due to physical or psychological incapacity (due to illness or injury) of the Executive Director Mr Canturi, which entails a period of incapacity of more than 6 months and if at least 12 months have passed since the appointment, he or his heirs shall be entitled to receive 50% of the all-inclusive amount by way of indemnity indicated above.

Finally, the agreement in question envisages a prohibition of reversal for the executive director, for the entire term of office and for 12 months after cessation. The remuneration for this commitment is included in the contracted fees.

7.3 With reference to the effects of the early termination of the contract with the Chairman of the Board of Directors (and the Chief Executive Officer, Duccio Vitali), please note that in accordance with Art. 14 of the LTI Regulation: (i) in the event of termination following a “bad leaver” hypothesis, before the Date of Assignment or in any case before delivery of the Shares for each Vesting Period, the Chairman shall definitively and fully forfeit the Right to Receive Shares, even if accrued *pro rata temporis*; (ii) in the event of cessation following a “good leave” hypothesis, before the Date of Assignment or in any case before delivery of the Shares for each Vesting Period, the Chairman and the Chief Executive Officer (or their heirs) may maintain the right to receive a pro-rata quantity, at the sole discretion of the Board of Directors on the basis of that effectively accrued and the achievement of the Plan Objectives referring to the last date of the last approved annual consolidated financial statements.

* * *

No other agreements were stipulated envisaging indemnity in the event of the early termination of the contract with Directors, Auditors and Key Management Personnel, save for the application to the latter of any agreements set out in applicable national collective bargaining agreements.

* * *

The Beneficiary Key Management Personnel of the LTI Plan have stipulated agreements with the Company setting out commitments to confidentiality and non-solicitation for a period of 12 months from the date of termination of their relationship with the Company. The remuneration of these commitments is included in the benefits obtained from adhesion to the LTI Plan.

* * *

PART II - TABLES

Part II of this Section II provides an analytical report of the remuneration paid in FY 2020 by any title and in any form to Directors, Auditors and Key Management Personnel by the Company and the other Group companies, using Table 1, envisaged by Annex 3, Scheme 7-bis of the Issuers' Regulation. The information is supplied separately with reference to the appointments in the Company and those held in subsidiaries and associates of the Group.

This Report also includes Table 1 and Table 2, envisaged by Annex 3, Scheme 7-ter of the Issuers' Regulation, which sets out the equity investments held in the Company and its subsidiaries, by the Directors, Auditors and Key Management Personnel, in compliance with Art. 84-quater, paragraph 4 of the Issuers' Regulation.

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a) 2020 - 01/01/2020-31/12/2020

Table 1: Remuneration paid to Members of Administrative and Auditing Bodies, General Managers and other Key Management Personnel

Table 2: Stock options assigned to members of Administrative Body, General Managers and other Key Management Personnel

Table 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of Administrative Body, General Managers and other Key Management Personnel

Table 3B: Monetary incentive plans in favour of Members of Administrative Body, General Managers and other Key Management Personnel

Table 4: Equity investments of members of Administrative and Auditing Bodies, General Managers and other Key Management Personnel

TABELLA 1: Compensi corrisposti ai componenti degli organi di amministrazione e di controllo, ai direttori generali e agli altri dirigenti con responsabilità strategiche.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Cognome e Nome	carica	Periodo per cui è stata ricoperta la carica (mesi)	Scadenza della carica (1)	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	totale	Fair Value dei compensi equity	Indentità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazion e agli utili					
Mattiacci Alessandro	Presidente	12	31/12/2021	226.600	=	=	=	auto aziendale	=	=	93.750	(2)
Vitali Duccio	Amministratore delegato	12	31/12/2021	(4)	=	=	=	auto aziendale	=	=	93.750	(3)
Massone Vittorio	Vice Presidente	10,5	31/12/2021	87.500	=	87.500	=	=	=	=	=	=
Lorenzini Riccardo	Amministratore	12	31/12/2021	15.000	=	=	=	auto aziendale	=	=	=	=
Beraldi Francesco	Amministratore	7,5 (8)	31/12/2021	31.250	=	30.626	=	=	=	=	=	=
Di Camillo Andrea	Amministratore	12	31/12/2021	15.000	21.000	=	=	=	=	=	=	=
Abeltino Giorgia	Amministratore	12	31/12/2021	15.000	14.000	=	=	=	=	=	=	=
Bianchi Frangipane Giulia	Amministratore	12	31/12/2021	15.000	21.000	=	=	=	=	=	=	=
Sala Serenella	Amministratore	12	31/12/2021	15.000	7.000	=	=	=	=	=	=	=
Massimo Canturi	Amministratore + Direttore Generale	5,5	31/12/2021	85.833	=	39.167	=	=	=	=	=	=
Matteo de Brabant	Amministratore	1,5	dimesso (5)	-	=	=	=	=	=	=	=	=
5 Amministratori Ex.Bizup		12	fusione (7)	111.500	=	0	=					=
Dirigenti	4	12	(6)	571.000	=	104.800	=	auto aziendale	=	=	165.011	(6)
(I) Compensi nella società che redige il bilancio				**1.188.683**	=	=	=	=	=	=	=	
(II) Compensi da controllate e collegate				-	=	=	=	=	=	=	=	
(III) Totale				**1.188.683**	=	=	=	=	=	=	=	

(1) la data di scadenza della carica è quella di approvazione del bilancio relativo alla data riportata
(2) 15 mesi di compenso fisso + 100% Short term incentive plan annuale + 100% Longterm incentive plan annuale
(3) termini previsti dai CCNL dirigenti commercio ++ 100% Short term incentive plan annuale + 100% Longterm incentive plan annuale
(4) compenso da amministratore è assorbito in quello riconosciuto quale dirigente (RAL 250.000 euro, costo azienda 354.000 euro)
(5) con efficacia dal 13 febbraio 2020.
(6) termini previsti dal CCNL dirigenti commercio
(7) La società Bizup srl è stata fusa per incorporazione il 30/12/2020, con efficacia dall' 1/1/2020;
i compensi indicati riguardano quanto percepito nel corso del 2020 dai 5 amministratori di Biz-Up S.r.l.
(8) dimesso in data 23 luglio 2020

TABLE 1: Remuneration paid to members of administrative and auditing bodies, general managers and other key management personnel.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	appointed position	Period for which the office was held (months)	Expiry of office (1)	Fixed remuneration	Remuneration for participating in committees	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	total	Fair Value of equity remuneration	Severance indemnity
						Bonuses and other incentives	Profit sharing					
Alessandro Mattiacci	Chairman	12	31/12/2021	226.600	=	=	=	company car	=	=	93.750	(2)
Duccio Vitali	Chief Executive Officer	12	31/12/2021	(4)	=	=	=	company car	=	=	93.750	(3)
Vittorio Massone	Vice Chairman	10,5	31/12/2021	87.500	=	87.500	=	=	=	=	=	=
Riccardo Lorenzini	Director	12	31/12/2021	15.000	=	=	=	company car	=	=	=	=
Francesco Beraldi	Director	7.5 (8)	31/12/2021	31.250	=	30.626	=	=	=	=	=	=
Andrea Di Camillo	Director	12	31/12/2021	15.000	21.000	=	=	=	=	=	=	=
Giorgia Abeltino	Director	12	31/12/2021	15.000	14.000	=	=	=	=	=	=	=
Giulia Bianchi Frangipane	Director	12	31/12/2021	15.000	21.000	=	=	=	=	=	=	=
Serenella Sala	Director	12	31/12/2021	15.000	7.000	=	=	=	=	=	=	=
Massimo Canturi	Director + General Manager	5,5	31/12/2021	85.833	=	39.167	=	=	=	=	=	=
Matteo de Brabant	Director	1,5	resigned (5)	-	=	=	=	=	=	=	=	=
5 Directors ex Bizup		12	merger (7)	111.500	=	0	=					=
Managers	4	12	(6)	571.000	=	104.800	=	company car	=	=	165.011	(6)
(I) Remuneration in the company drafting the financial statements				**1.188.683**	=	=	=	=	=	=	=	
(II) Remuneration from subsidiaries and associates				-	=	=	=	=	=	=	=	
(III) Total				**1.188.683**	=	=	=	=	=	=	=	

(1) the expiry date of office is that of approval of the financial statements relative to the date specified
(2) 15 months of fixed remuneration + 100% annual short-term incentive plan + 100% annual long-term incentive plan
(3) terms envisaged by the CCNL (Italian National Collective Bargaining Agreement) for trade managers ++ 100% annual short-term incentive plan + 100% annual long-term incentive plan
(4) the remuneration for director is included in the payment for the position as manager (gross annual remuneration 250,000 euros, cost to company 354,000 euros)
(5) with effect from 13 February 2020.
(6) terms envisaged by the CCNL (Italian National Collective Bargaining Agreement) for trade managers
(7) The company Bizup srl was merged by incorporation on 30/12/2020, with effect starting 01/01/2020;
the remuneration specified is that received in 2020 by the 5 directors of Biz-Up S.r.l.
(8) resigned on 23 July 2020

TABLE 2: Stock options assigned to members of the administrative body, general managers and other key management personnel

			Options held at the start of the year			Options assigned during the year						Options exercised during the year			Options expired during the year	Options held at year end	Options accrued during the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) =(2)+(5)-(11)-(14)	(16)
Name and surname	Office	Plan	Number of options	Strike price	Period of possible exercise (from - to)	Number of options	Strike price	Period of possible exercise (from - to)	Fair value at assignment date	Assignment date	Market price of underlying shares as assignment of the options	Number of options	Strike price	Market price of the underlying shares at exercise date	Number of options	Number of options	Fair Value
Alessandro Mattiacci	Chairman	=	=	=	=	=	=	= =	= =	=	=	=			=	=	=
Duccio Vitali	Chief Executive Officer	=	=	=	=	=	=	= =	= =	=	=	=			=	=	=
Vittorio Massone	Vice Chairman	=	=	=	=	=	=	= =	= =	=	=	=			=	=	=
Riccardo Lorenzini	Director	=	=	=	=	=	=	= =	= =	=	=	=			=	=	=
Francesco Beraldi	Director	=	-	=	=	=	=	= =	= =	=	=	-		=	=	=	=
Andrea Di Camillo	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Giorgia Abeltino	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Giulia Bianchi Frangipane	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Serenella Sala	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Claudio Benasso	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Marinella Soldi	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
Matteo de Brabant	Director	=	=	=	=	=	=	= =	= =	=	=	=		=	=	=	=
4 Managers			**133.000**									**-**			**- 71.000**	**62.000**	**0**
(I) Remuneration in the company drafting the financial statements		2017-2020 plan (BoD resolution of 09/03/2017)	-	10,00 €	1/(4/2020 - 31/12/2020	=	10,00 €					=			- 71.000		
		2018-2021 plan (BoD resolution of 12/06/2018)	-	11,75 €	1/(4/2021- 31/12/2021		11,75 €					=					
		2019-2022 plan (BoD resolution of 27/08/2019)		11,75 €	within 90 days of approval of the financial statements as at 31.12.2021	-	11,75 €					=					
(II) Remuneration from subsidiaries and associates		Plan A (date of relevant resolution)	=	=	=	=	=	= =	= =	=	= =	=					
		Plan B (date of relevant resolution)															
Total			133.000													62.000	

TABLE 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of the administrative body, general managers and other key management personnel

			Financial instruments assigned in previous years and not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and	Financial instruments vested during the financial year and attributed		Financial instruments accrued during the year
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and surname	Office	Plan	Number and type of financial instruments	Strike price	Number and type of financial instruments	Fair value at assignment date	Vesting period	Assignment date	Market price at assignment	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair Value
Alessandro Mattiacci	Chairman	LTP 20202 2023	0		18.029 of shares	150.001	2020	50% at approval of the 2020 financial statements 50% at approval of the 2023 financial statements	127.645	6.761 of shares	11.268 of shares	79.777	93.750
Duccio Vitali	Chief Executive Officer	LTP 20202 2023	0		18.029 of shares	150.001	2020	50% at approval of the 2020 financial statements 50% at approval of the 2023 financial statements	127.645	6.761 of shares	11.268 of shares	79.777	93.750
3 Managers		LTP 20202 2023	0		27.042 of shares	224.989	2020	100% at approval of the 2023 financial statements	191.457	7.209 of shares	19.833 of shares	140.418	165.011
(I) Remuneration in the company drafting the financial statements		Plan A (date of relevant resolution)											
		Plan B (date of relevant resolution)											
(II) Remuneration from subsidiaries and associates		Plan A (date of relevant resolution)											
		Plan B (date of relevant resolution)											
(III) Total			0			524.992						299.973	352.510

TABLE 3B: Monetary incentive plans in favour of members of the administrative body, general managers and other key management personnel

A	B	(1)	(2)			(3)			(4)
Name and surname	appointed position	Plan	2020 bonus			Bonus of previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	deferred	Deferment period	No longer payable	Payable/paid	Still deferred	
Alessandro Mattiacci	Chairman		=	=		=	=	=	=
Duccio Vitali	Chief Executive Officer		=	=		=	=	=	=
Massimo Canturi	General Manager			39.167					
Managers	4		-	104.800	lug-21	=	=	=	=
(I) Remuneration in the company drafting the financial statements		Plan A (date of relevant resolution)	=			=			
		Plan B (date of relevant resolution)							
		Plan C (date of relevant resolution)							
(II) Remuneration from subsidiaries and associates		Plan A (date of relevant resolution)	=			=			
		Plan B (date of relevant resolution)							
(III) Total			104.800			-			

Table 4: Equity investments of members of Administrative and Auditing Bodies, General Managers and other Key Management Personnel

Name and surname	appointed position	Investee company	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at year end
Alessandro Mattiacci (*)	Chairman	Alkemy spa	209.580			209.580
Duccio Vitali	Director	Alkemy spa	541.660	28.800		570.460
Riccardo Lorenzini	Director	Alkemy spa	344.220			344.220
Francesco Beraldi (**)	Director	Alkemy spa	315.770			315.770
Matteo de Brabant (***)	Director	Alkemy spa	441.340			441.340
Vittorio Massone	Director	Alkemy spa	-	113.890		113.890
Managers	4	Alkemy spa	19.680	-	-	19.680

(*) shares held through Lappentrop S.r.l.

(**) resigned since 7/2020 - shares held through O2E S.r.l.

(***) resigned since 2/2020 - shares held through Jakala Holding, resigned