



## **EXTRAORDINARY AND ORDINARY GENERAL MEETING OF THE SHAREHOLDERS**

**Single call – April 30 2021 - at 11.00 a.m.**

**CIR S.p.A.**

**Via Ciovassino n. 1 - Milan**

**Report on the Item 4) on the Agenda**

**REPORT ON COMPENSATION POLICY AND COMPENSATION PAID OUT.  
RESOLUTIONS ON THE SAME.**

**CIR S.p.A.**

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Società soggetta all'attività di direzione e coordinamento della F.LLI DE BENEDETTI S.p.A.



**CIR S.p.A**

**REPORT ON COMPENSATION POLICY AND REMUNERATION PAID**

**As per the terms of Art. 123-ter of the Finance Consolidation Law,  
in compliance with Art. 84-quater of the Rules for Issuers  
and Art. 5 of the Corporate Governance Code**



## FOREWORD

This report (“Compensation Report”) has been prepared by CIR S.p.A. (hereinafter the “Company” or the “Issuer”) in conformity with the terms of Art. 84-quater of Consob Regulation no. n. 11971/99 (the “Rules for Issuers”) and its respective Annex 3 schedule 7bis (as recently amended by Consob Resolution no. 21623/20) - in implementation of Art. 123-ter of D. Lgs. no. 58/98 (“TUF”) as recently updated by D.Lgs. 49/2019 (“D.Lgs. 49/2019”) – and takes into account the provisions of Art. 5 of the Company’s Corporate Governance Code.

On February 19 2020, the Company COFIDE S.p.A. incorporated its subsidiary CIR S.p.A. (the “Companies involved in the merger”), and took the name of the latter. Until February 19 2020 the Companies involved in the merger continued to pay remuneration to the members of their respective administrative bodies and to the Executives with strategic responsibilities, in accordance with their respective Policies, described in Section I of the Reports approved by the ordinary general meetings of their shareholders held on April 29 2019.

After the date of the merger, the Board of Directors of the incorporating company COFIDE S.p.A. (re-named CIR S.p.A.) remained in office until the General Meeting of the Shareholders that approved the financial statements for the year 2019, held on June 8 2020, and its members were paid in continuity with conditions pre-merger except for the Executive Directors, the Chairman and the Chief Executive Officer, co-opted on February 3 2019 and previously Chief Executive Officer of the incorporated company, to whom the Board of Directors assigned compensation from February 19 onwards equivalent to that received from the incorporated Company before the merger.

On June 8 2020 the General Meeting of the Shareholders appointed the Board of Directors and the Board of Statutory Auditors currently in office, whose mandate will last for three years and will end on the date of the Annual General Meeting called to approve the financial statements for the year ended December 31 2022. The Board of Directors is currently made up of 12 members of whom 7 directors are independent. The Board of Statutory Auditors is made up of three Statutory Auditors in office and three alternate auditors appointed by the Shareholders’ Meeting on June 8 2020, whose mandate will last three years and will end on the date of the Annual General Meeting called to approve the financial statements for the year ended December 31 2022.

The governance of the Company envisages two executive directors, the Chairman and the Chief Executive Officer; the remaining directors are all non-executive. The Board of Directors identified the Executive Director and General Manager as the Chief Executive Officer.

The Board of Directors has set up three committees – the Appointments and Compensation Committee, the Control, Risk and Sustainability Committee and the Committee for Related-party Transactions – comprising only non-executive and independent directors.

As for the Executives with strategic responsibilities, according to the definition contained in the Rules for Issuers, this means those persons, other than the directors and statutory auditors, who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company’s activities. The Company has identified the Director of Administration and Corporate Governance of CIR S.p.A. as an Executive with strategic responsibilities.



This report was approved by the Board of Directors of the Company on March 29 2021 and, in compliance with current regulations, is organized in two sections:

- The first section, entitled “Policy on the subject of compensation”, which describes (i) the Company’s policy for the year 2021 for remunerating the members of the Board of Directors and the Board of Statutory Auditors, the General Managers and the Executives with Strategic Responsibilities and (ii) the procedures for adopting and implementing the said policy;
- The second section, entitled “ Compensation 2020”, which as per the terms of Art. 123-ter, fourth paragraph, of the TUF, lists the individual items making up the compensation of the members of the Board of Directors and the Board of Statutory Auditors, the General Managers and the Executives with Strategic Responsibilities of the Company and illustrates in detail the compensation paid to them or in any case assigned to them in 2020 on whatever account and in whatever form, by CIR S.p.A. and by its subsidiaries, including compensation for termination of a position or of employment.

The Annual General Meeting of the Shareholders, convened to approve the Financial Statements for the year ended December 31 2020, is called upon to express a vote as follows:

- a binding vote as per the terms of Art 123-ter paragraph 3-ter of the TUF, on section I of the Report “Policy on the subject of Compensation”;
- a non-binding vote, as per the terms of Art 123-ter paragraph 6 of the TUF, on section II of the Report, “Compensation 2020”.

The result of the vote will be disclosed to the public in the terms required by law.

## DEFINITIONS

For the purposes of this Report, the terms and expressions listed below have the meaning given alongside each of them.

“**Shares**”: the ordinary shares of CIR S.p.A.

“**Beneficiaries**”: the persons identified as beneficiaries of the Plan.

“**Corporate Governance Code**”: the Corporate Governance Code adopted by the Company on January 29 2021, in compliance with the principles and recommendations, where compatible, of the Corporate Governance Code for listed companies approved on January 31 2020 by the Corporate Governance Committee set up by Business Associations (ABI, ANIA, Assonime, Confindustria) and professional investors (Assogestioni), together with Borsa Italiana S.p.A..

“**Grant Date**”: the date on which the Units are assigned to the Beneficiaries.

“**Executives with strategic responsibilities**”: persons so defined in Annex 1 of Consob Regulation no. 17221 of March 12 2010 and subsequent amendments giving instructions on the subject of related-party transactions and identified in Art. 2.2.3 of the “Rules for related-party transactions” adopted by CIR S.p.A.

“**Group**”: the company CIR S.p.A. and its subsidiaries.

“**Minimum Holding**”: limit on the availability of the Shares for the Beneficiaries.

“**Plan**”: Stock Grant Plan 2021

“**Regulations of the Plan**”: the regulations dealing with the definition of criteria, terms and conditions for implementing the Plan.



**“Rules for Issuers”**: the rules adopted with Consob Resolution no. 11971/99 and subsequent amendments.

**“TUF”**: Legislative Decree no. 58/98.

**“Vesting”**: period in which the Units mature.

**“Units”**: the conditional rights on which the plan is based, assigned free of charge and not transferable *inter vivos*, each of which assigns the Beneficiaries the right to receive 1 Share free of charge according to the terms and conditions set out in the Regulations of the Plan.



## SECTION I: POLICY ON THE SUBJECT OF COMPENSATION

This section describes: (i) the Company's policy on the subject of compensation (the "Compensation Policy" or the "Policy") of the members of the Board of Directors and the Board of Statutory Auditors, General Managers and Executives with strategic responsibilities with reference to the year 2021, and (ii) the procedures for adopting and implementing the said Policy. The Policy establishes the principles and guidelines based on which compensation is determined.

This Compensation Policy was approved by the Board of Directors, at the proposal of the Appointments and Compensation Committee, on March 29 2021 and introduces some changes from the policy for 2020, which will be commented on from time to time.

### *a) Preparation, approval, implementation and updating of the Policy*

The Company has adopted a governance model aimed at guaranteeing transparency and adequate control in relation to compensation policy and its implementation.

The Compensation Policy: (i) is defined each year by the Board of Directors, at the proposal of the Appointments and Compensation Committee, after hearing the opinion of the Board of Statutory Auditors and (ii) it is subsequently submitted by the Board of Directors to a binding vote by the Shareholders' Meeting.

In implementation of the Policy, the appropriate bodies carry out the following functions:

- The Shareholders' Meeting (i) establishes the fee for the members of the Board of Directors and the Board of Statutory Auditors when they are appointed and for the entire duration of their mandate, and (ii) approves the share-based compensation plans, delegating the Board of Directors to approve the regulations, identify the beneficiaries and the number of rights to assign to each of them;
- The Board of Directors, at the proposal of or having heard the opinion of the Appointments and Compensation Committee, establishes: (i) the fees for the Executive Directors and non-Executive Directors with special positions or for their being on one or more committees, having heard the opinion of the Board of Statutory Auditors; (ii) the compensation for the General Manager and, at the proposal of the Chief Executive Officer, compensation for the Executives with strategic responsibilities; (iii) the regulations of the share-based compensation plans, the Beneficiaries and the number of rights to assign to each of them, having heard the Chief Executive Officer for the beneficiaries other than the same CEO.

### *b) Composition, competence and functioning of the Appointments and Compensation Committee*

The Board of Directors has set up from within its number the Appointments and Compensation Committee, in accordance with the provisions of Art. 3 of the Company's Corporate Governance Code; the Committee is made up of a minimum of three non-executive directors, all of whom are independent, including the Chairman. The Appointments and Compensation Committee is appointed by the Board of Directors, ensuring that its members have competence and/or experience in finance and/or compensation policies.

The functioning of the Appointments and Compensation Committee is defined in its regulations, which were approved by the Board of Directors, most recently on March 29 2021, and which contain the following main provisions: (i) the Committee meets when convened by its Chairman when the latter deems it necessary, or at the request of the Chairman of the Board of Directors; (ii) the Board of Statutory Auditors takes part in the meeting; (iii) the Chairman coordinates the meeting proceedings; (iv) when considered necessary, the Chairman can invite executive and non-executive directors to meetings and,



giving prior notification to the Chief Executive Officer, also managers of the Company with competence in the matters being dealt with at the meeting; (v) no director or manager takes part in meetings of the Committee when proposals are formulated for the Board regarding his or her own compensation; (vi) the meetings of each committee are minuted; (vii) the Committee has the right of access to Company information and to the functions necessary for them to carry out their duties; (viii) the Company provides the Committee with the financial resources needed for it to carry out its duties; (ix) the committee chairman informs the Board of Directors of its activity at the first convenient Board meeting.

On the subject of compensation, the Appointments and Compensation Committee carries out the following consultative, propositive and monitoring activities:

- It assists the Board of Directors in drafting the Compensation Policy and monitors its correct application;
- It makes proposals or expresses opinions regarding the compensation of directors who hold special positions, executive directors, the general manager and executives with strategic responsibilities;
- It makes proposals or expresses opinions on criteria and targets for the variable component of compensation;
- It makes proposals or expresses opinions on share-based plans, including (i) the plan regulations, with particular reference to the terms and conditions for the vesting of the rights, (ii) the beneficiaries and (iii) the number of rights to assign to them;
- It checks that the targets fixed for the vesting of the variable part of compensation and for the rights under the Plan have actually been reached and drafts the relative proposal to the Board of Directors;
- It assesses periodically the adequacy, consistency and concrete application of the Policy.

As of the date of this Report, the Appointments and Compensation Committee, appointed by the Board of Directors on June 8 2020, consists of four Directors, all of whom are independent: Francesca Pasinelli (Chairman of the Committee), Philippe Bertherat, Silvia Giannini and Maria Serena Porcari. As can be seen from the *curricula vitae* of the members (available on the Company's website in the section Governance / Board of Directors), the Committee contains adequate competences in the areas of finance and/or compensation policy.

*c) How the Company has taken into account the pay and working conditions of its personnel in determining its compensation policy*

The Compensation Policy considers the commitment and responsibilities that characterize the positions occupied and the business sector of the company and is consistent with current levels of pay for the various hierarchical levels of the Company and the Group.

*d) Possible intervention of independent experts*

No independent experts were involved in the drafting of the Policy.

*e) Aims and principles of the Policy*

The Compensation Policy is aimed at guaranteeing the competitiveness of the Company in the labour market, allowing it to attract, motivate and retain people with adequate professional qualities for managing the Group effectively and contributing to the definition and implementation of the Company's



strategy, which is aimed at achieving the creation of value and the sustainable success for the Company and the Group in the medium-long term.

The Policy is based on the following principles: (i) modulating and differentiating salaries based on the professionalism, competences and roles of the individuals in the Company; (ii) aligning the level of top management compensation with the performance and interests of the Company and the Group, its shareholders and all its stakeholders, over a short, medium and long-term time horizon.

In defining the Compensation Policy, the Board of Directors takes into account the recommendations of the Corporate Governance Code, and more specifically ensures that:

- The compensation of the Chief Executive Officer and the Executives with strategic responsibilities meet rewarding criteria, making sure that the variable part has a significant weighting in the total compensation;
- The targets to which the payment of the variable part is linked are predetermined, measurable and consistent with the strategic objectives of the Company and the Group and that there are caps on the maximum limits payable;
- The share-based plans incentivize alignment with the interests of the shareholders over a medium-long term time horizon;
- The compensation of the Chairman, the non-executive Directors and the members of the Board of Statutory Auditors is adequate in the light of the competence, professionalism and commitment required of them by the duties and responsibilities that they have been assigned.

This Policy, as stated above, is in continuity with that of the previous year (2020), even in consideration of the vote in its favour (90.06% of the voting capital) expressed by the Shareholders' Meeting. Nonetheless, there have been changes in some specific aspects illustrated in points *k*) and *l*) below.

#### *f) Fixed and variable elements of compensation*

The compensation assigned to the Chairman of the Board of Directors and the non-executive Directors for being on one or more committees or for being entrusted with special positions, is determined as a fixed amount and is commensurate with the commitment required and the responsibilities assumed in each of the roles envisaged. The compensation as per Art. 2389 of the Civil Code assigned to the Chief Executive Officer consists of a fixed part and a variable part on an annual basis.

The overall structure of the compensation of the Chief Executive Officer and General Manager and of the Executive with strategic responsibilities consists of a fixed part and a variable part structured as follows: an annual short-term variable part (MBO) and a medium-long term variable part, consisting of a share-based incentive plan. The variable parts are described in point *h*) below.

The Board of Directors is of the opinion that the compensation allocated to top management has an adequate variable component to stimulate attention towards performance in the short, medium and long term.

More specifically, the mix of compensation of the Chief Executive Officer and General Manager (including the fees received from the subsidiaries for the positions held in them), considering as the annual short-term variable part the gross amount payable with targets applicable and as the long-term variable part the notional value pertaining to the year 2020 (as shown in table 1 of the Annex), can be broken down as follows: the fixed part accounts for 49%, the short-term variable part accounts for 14% and the long-term part 37%.





For the year 2021, a new Stock Grant Plan has been submitted to the coming Shareholders' Meeting, under the terms of which the Board of Directors, at the proposal of the Appointments and Compensation Committee, at its own discretion and in accordance with the information document of the Plan, will decide on the number of rights to assign to the Chief Executive Officer and General Manager; therefore, at present, it is not possible to identify the percentage of the long-term variable part of the compensation mix of the Chief Executive Officer and General Manager for 2021.

*g) Policy on non-monetary benefits*

There are no non-monetary benefits for non-Executive Directors.

For the Executive Directors and Managers, there are non-monetary benefits (insurance plans, healthcare policies, see point *n*) below, Company cars for mixed use, and just for Managers the company welfare programme). The non-monetary benefits are described in detail for each of the beneficiaries in Section II of this Report.

*h) Description of the performance objectives (financial and non-financial) of the variable*

The annual variable part is linked mainly to reaching specific economic and financial performance objectives based on the budget of the Group (for example, EBITDA, EBIT, Free Cash Flow, etc.), and necessary to reach the objectives of the medium-long term plans; in addition, there are specific objectives of a non-economic/financial nature that can be evaluated objectively.

The Board of Directors wanted to draw particular attention to issues of sustainability, in its decision to give the Chief Executive Officer and General Manager the objective for the year 2021 of articulating sustainability guidelines for the Group. No quantitative targets have been contemplated yet for the issue pending the consolidation of a strategic prospective.

100% of the variable compensation is paid when 100% of the defined objectives are achieved; the amount can vary between a minimum of 0% and a maximum of 150% depending on the degree of achievement of the objectives assigned.

The Board of Directors reserves the right, however, to award one-off bonuses to the Chief Executive Officer and/or to the Executive with strategic responsibilities in the event of transactions or performance that it considers worthy of an extra bonus.

The medium-long term variable part is in the form of stock grant plans. It is thought that incentive plans based on the vesting of rights to be assigned Shares free of charge in the medium-long term are the most effective instrument and one that best meets the interests of the Company and the Group, for the reasons explained below.

First of all, they are a way of incentivizing that involves a benefit deferred over an appropriate time horizon, taking into account that the 2021 Plan, being submitted to the coming Annual General Meeting, envisages a period (from the Grant Date) of 2 years before the Units start vesting, a further period of almost 3 years during which the Units gradually vest and lastly a minimum holding period of 6 years (from the Grant Date) for part of the Shares assigned. It is therefore an incentive clearly aimed at stimulating the pursuit of medium-long term objectives.

Moreover, the vesting of the rights over the time horizon indicated is subject to the Beneficiaries remaining in the Group, strengthening the link between top management and the Company and fostering the consolidation of professional profiles with experience, which is one of the Company's strong points.



Lastly, the benefit will depend on the creation of value in the medium-long term as: (i) shares in the Company are assigned and thus the value of the benefit will depend on the value of the shares at the moment of assignation and (ii) the vesting of the rights is subject to a large extent, not only to reaching time limits, but also to reaching the objectives of creating value, measured in terms of the value of the Share.

More specifically, Stock Grant Plan 2021, being submitted to approval by the Shareholders, involves the assignment of Units, free of charge and non-transferable *inter vivos*, each of which can give the right to be assigned free of charge one Share if certain circumstances arise. The Units are divided into two categories:

- “Time based Units”, the vesting of which is dependent on the employment continuing for a certain period of time;
- “Performance Units” in a number equal to at least 50% of the total Units assigned, the vesting of which is dependent not only on reaching time limits but also on reaching objectives in terms the performance of the Share on the Stock Exchange in relation to the FTSE Italia Mid Cap index.

i) *Criteria used for evaluating the achievement of performance objectives*

The criteria used to assess the degree of achievement of the performance objectives are decided upon each year by the Board of Directors, at the proposal of the Appointments and Compensation Committee, as regards both the short-term variable compensation and the medium-long term share-based incentive plans and are described in point h) above.

The Board of Directors also evaluates, again with the support of the Appointments and Compensation Committee, whether the defined objectives have been achieved.

j) *Contribution of the Policy to the Company's strategy and to the pursuit of the long-term interests and sustainability of the Company*

The Compensation Policy, and particularly the part on variable components, is formulated in such a way as to contribute (i) to the Company strategy and (ii) to the pursuit of medium- and long-term interests.

The Board of Directors defines the parameters and the objectives in order to obtain the variable components of compensation on the basis of the multi-year business plans approved by the same Board, ensuring in this way that they are consistent with the objectives of the Group in the medium and long term.

The Board of Directors ensures that the objectives are fixed and more especially that the method used to assess the results obtained is such as to avoid their being achievable through short-term managerial choices, which could potentially undermine sustainability and/or the ability to generate profit in the long term.

k) *Vesting periods, any deferred payment systems, and mechanisms for ex-post correction of the variable component (malus or claw-back clauses)*

The short-term variable component vests on the date of approval by the Shareholders' Meeting of the financial statements for the year to which it refers, provided that the employment relationship (and directorship for the Chief Executive Officer) with the Company still exists and to the extent that the objectives have been reached as verified by the Board of Directors after an examination carried out by the Appointments and Compensation Committee.



There is no further time deferral of payment as the Board of Directors believes that the part of compensation consisting of stock grant plans, which are by their very nature deferred, have a sufficient weighting to foster an orientation towards medium and long term management policies.

As from 2021 the Company has introduced some mechanisms for ex-post correcting the short-term variable part of compensation (claw-back clauses), enabling it to request the return of all or part of the variable compensation paid out if it was calculated on the basis of accounting figures that proved to be incorrect. This provision is in the footnote of the form giving the targets to which the short-term variable compensation is linked.

Regarding the long-term incentive plans, as stated in point *h*) above, the Stock Grant Plan proposed for 2021 stipulates that the Units assigned to the Beneficiaries vest gradually in twelve tranches each equal to one twelfth of the total, every three months starting from the second anniversary of the Grant Date, subject to fulfilment of the vesting requirements set out for each category of Units. On this subject it should be noted that the Board of Directors, acknowledging the recommendations of the Corporate Governance Code and respecting the time horizon of the Company's strategic plans, on the recommendation of the Appointments and Compensation Committee, decided to extend the vesting period of the Units assigned under the plan over a total time horizon of approximately 5 years (compared to the approximately 4 years of the previous plans).

The Units that have vested must however be exercised by the final maturity ten years from the Grant Date.

Stock Grant Plan 2021 states that, in the event of termination of the employment relationship for whatever reason, the beneficiary shall keep entitlement to the Units that have already vested but shall lose entitlement to those that have not vested at the moment when the relationship ends, the sole exception being the death of the beneficiary, which involves the transfer to his or her heirs of all the Units both those that have vested and those that have not yet vested.

Without prejudice to the above, the Board of Directors has the right, at its own discretion and indisputable decision, to allow one or more beneficiaries to keep the rights under the Plan even in a situation in which the same rights would lose their validity, and more specifically to keep part or all of the Units that have not yet vested as of the date of termination.

*1) Clauses for keeping the financial instruments in the portfolio after their assignation*

Stock Grant Plan 2021, which will be submitted to the approval of the Shareholders' Meeting, contains a minimum holding requirement for the Shares assigned: more specifically, it establishes that each beneficiary undertakes to hold at least 10% of the Shares assigned continuously until the sixth anniversary of the Grant Date. During this period, the Shares will therefore be subject to this inalienability restriction unless the Board of Directors should authorize otherwise.

Acknowledging what is recommended in the Corporate Governance Code and respecting the time horizon of the Company's strategic plans, the Board of Directors, at the proposal of the Appointments and Compensation Committee, decided as from Stock Grant 2021 to lengthen by one year the minimum holding period until the sixth anniversary (instead of the fifth anniversary of previous plans).

*m) Policy in relation to benefits applicable in the event of termination of a position or of the employment relationship*



For the non-Executive Directors, no benefits are envisaged for the end of their mandate, without prejudice to the application of the terms of the law. There are, however, financial benefits in the event of the termination of the directorship and/or of the employment relationship for Executive Directors.

The Chairman benefits from an end-of-mandate indemnity (TFM), which involves an annual contribution by the Company to a policy in which the Chairman is the beneficiary, and the latter can claim the benefits offered by the said policy when his or her mandate terminates.

As for the Chief Executive Officer and General Manager, the contract with the Company establishes specific rules governing withdrawal which, in the case of:

- a. Termination by the company of the managerial position, with the sole exclusion of the case of a dismissal for a just cause;
- b. Termination by the manager in the event of revocation, without a just cause, non-reappointment, or non-assignment of the powers and duties agreed upon or reduction of the same as Chief Executive Officer of CIR;
- c. Termination by the manager in the event of the suspension, for any reason other than renouncement and/or revocation for a just cause, of the position of Director and/or Chief Executive Officer of CIR;
- d. Termination by the manager in the event of a just cause for resigning from the managerial position with CIR, and/or a just cause for giving up the position of Director and/or Chief Executive Officer of CIR;
- e. Termination by the manager because of a change of control compared to that existing when the contract was signed;
- f. Termination by the manager in the event of non-compliance with the financial obligations established in the contract;

involves (i) the payment of a gross one-off indemnity equal to twice the total compensation (meaning the sum of the gross fixed compensation received as an employee at the date of the termination, of the fees received as director as of the date of termination and of the average of the last three years of what was paid as the annual variable fee/compensation) and (ii) the Director keeping the benefit of the Units assigned by the Plans that have not yet vested, as per the right of waiver contained in the Regulations of the Plans. This last point was decided in 2021 by the Board of Directors at the proposal of the Appointments and Compensation Committee when it was decided to lengthen the Vesting period, in order to ensure that the Plan maintains all its effectiveness as an instrument of incentivization.

The prior definition of conditions for the termination of the position and/or the employment relationship of the Executive Directors and more specifically of the Chief Executive Officer and General Manager is in line with the recommendations of the Corporate Governance Code for listed companies.

As for the Executive with strategic responsibilities, the rules of law and the agreements of the National Contract for Industry Executives apply on the subject of termination of employment.

*n) Information on the presence of possible insurance cover, or of welfare or pension plans other than those that are obligatory*

An insurance policy (Directors & Officers) has been taken out to cover civil liability towards third parties for the company bodies and executives in the exercise of their functions with the aim of holding the Group harmless from any charges resulting from claims for compensation.

In addition to what is set out in point *m*), the Chairman is the beneficiary of an accident, illness and life insurance policy.

The Chief Executive Officer and General Manager and the managers of the Company benefit from insurance, social security or pension cover in line with what is required by law and by National Collective



Labour Agreements, and have extra health cover provided by a dedicated healthcare fund to which the Company and the managers themselves make contributions.

*o) Compensation policy with reference to: (i) independent directors, (ii) committee membership and (iii) holding special positions*

The independent Directors, in addition to the fixed fee established by the Shareholders' Meeting, also receive fees for sitting on Committees.

*p) Using the compensation policies of other companies as benchmarks*

The Policy was prepared without any specific reference to the policies of other companies. It is, however, in line with the market practices of listed companies, adapted to take into account the necessary continuity with the characteristics and professional history of the persons involved and consistency with the profile of the Group in terms of business carried out and size.

*q) Waivers to the Policy*

Without prejudice to the terms of Regulation no. 17221 of March 12 2010, the Board of Directors can waive the terms of this Compensation Policy temporarily in the presence of exceptional circumstances, meaning, as per the terms of Art. 123-ter, paragraph 3-bis of the TUF, situations in which waiving the compensation policy is necessary to pursue the long-term interests and sustainability of the Company as a whole and to ensure that it is able to remain in the market.

In the presence of such circumstances, the Appointments and Compensation Committee will give the Board of Directors its opinion to on such waiver so that the latter can adopt a reasoned resolution and the Company will give an indication of the specific elements that it has waived and of the circumstances that led to the waiver, providing evidence of their exceptional nature, of the specific purpose and of the procedure followed.





## SECTION II: 2020 REMUNERATION

This Section describes each of the items that make up the compensation and the sums actually paid out in the year 2020 to the Members of the Board of Directors and Members of the Board of Statutory Auditors and the Executives with strategic responsibilities of both Companies.

### I.1 Part One

#### *1.1 Items making up compensation*

##### Board of Directors

The Directors received the fixed fee determined by the Shareholders' Meeting on their appointment and for the whole duration of their mandate:

- Until February 19 2020 the annual fixed fee, paid *pro-rata temporis*, by the incorporated company, (CIR S.p.A.) as established by the Annual General Meeting of the Shareholders on April 29 2019, amounted to € 20,000;
- Until June 7 2020 the fixed annual fee, paid *pro-rata temporis*, by the incorporating company (COFIDE S.p.A., subsequently renamed CIR S.p.A.), as established by the Annual General Meeting of the Shareholders on April 29 2019, amounted to € 10,000;
- From June 8 2020 onwards the fixed annual fee, paid *pro-rata temporis*, as established by the Annual General Meeting of the Shareholders, amounted to € 20,000.

##### Chairman

The Chairman received for his position, including the sums paid by the incorporated company, a fixed amount of € 1,707,443. He also received compensation, as per Art. 2389 of the Civil Code, from the subsidiaries Sogefi S.p.A. (€ 20,000) and GEDI Gruppo Editoriale S.p.A. (€ 7,847 - mandate ended on April 23 2020). The Chairman also received (i) an amount of € 165,000 as an end-of-mandate indemnity (see point *m*) of Section I) in the form of an insurance premium paid by the Company and of which the Chairman will be the beneficiary when his mandate ends and (ii) non-monetary benefits of € 23,796, in the form of accident, illness and life insurance policies ( see point *n*) of Section I).

##### Chief Executive Officer

The Chief Executive Officer and General Manager, including what was paid by the incorporated company, received a gross annual salary for her employment as Executive of the Company of € 700,000, a fixed fee for the position of Chief Executive Officer of € 575,747, a variable compensation item for her position of € 400,000, and fees as per Art. 2389 of the Civil Code from the subsidiaries Sogefi (€ 100,000 for the position of Chairman) and GEDI Gruppo Editoriale S.p.A. (€ 39,236 for the position of Director and Deputy Chairman, mandate ended on April 23 2020). She is the beneficiary of share-based compensation plans (on the rights assigned and vested by the Chief Executive Officer and General Manager and those that have vested reference should be made to schedule 7-bis, table 3A).

The variable compensation awarded to the Chief Executive Officer for the year 2020 corresponds to 100% of the amount envisaged in the event of achievement of the targets set by the Board of Directors; when the objectives were established, the Board of Directors decided to evaluate the performance of the Chief Executive Officer using different parameters from those normally considered because of the totally exceptional situation that was developing due to the pandemic crisis. At the assessment stage, the Board of Directors reached the decision that, despite the difficult operating conditions that characterized the year, the Chief Executive Officer (i) had been able to ensure a constant monitoring of the economic and



financial performance of the Company and its Subsidiaries, (ii) had launched a rapid and in-depth revision of the multiyear business plans of the subsidiaries in the light of the changed scenario, (iii) had pressed for the adoption of measures to counter the impact of the external circumstances on the business, and (iv) had concluded or supported and stimulated the conclusion of transactions of an exceptional nature with strategic value for the Group.

The compensation mix of the Chief Executive Officer and General Manager consists of the following: the fixed part including the fees received from the subsidiaries for the positions held in the latter, which accounts for 49%, the short-term variable part accounting for 14%, and the long-term part, based on stock grant plans, valued at the notional value for the year 2020 (as shown in table 1 of the annex) and subject to effectively vesting, 37%.

#### Non-Executive Directors

Non-Executive Directors who are also members of the Appointments and Compensation Committee or the Control, Risk and Sustainability Committee were given a fixed annual fee of € 10,000 *pro-rata temporis*.

#### Board of Statutory Auditors

The Chairman of the Board of Statutory Auditors was assigned, *pro-rata temporis* as from June 8 2020, a fixed fee of € 75,000.

The Statutory Auditors in office were assigned, *pro-rata temporis* as from June 8 2020, a fixed fee of € 50,000.

#### Executives with strategic responsibilities

The Executive with strategic responsibilities, Mr Giuseppe Gianoglio, Director of Administration and Corporate Governance and Executive responsible for the preparation of the Company's financial statements, received a gross annual fixed salary of € 197,721. He was assigned non-monetary benefits of € 3,282 corresponding to a car for mixed use, as well as an amount of € 5,000 entitling him to a Company welfare programme. He also received a fixed fee of € 7,808 as a member of the Supervisory Bodies of GEDI S.p.A. and its subsidiaries, a position that ended on April 23 2020.

In addition to the above, there were also insurance and healthcare assistance plans in line with the applicable National Contract for Industry Executives.

Mr Giuseppe Gianoglio left the Company on December 31 2020, having taken the decision to retire. No indemnity was paid for the termination of his employment.

The Board of Directors, on acknowledging Mr Gianoglio's resignation, decided to allow him to keep the rights that had not yet matured as of the date on which his resignation took effect, as recognition of his long service to the Company, exercising the right of waiver given by the Compensation Policy and the Regulations of the Plans at the indisputable decision of the Board of Directors (see point *k*).

#### *1.2 Compensation in the event of early termination of the relationship*

During 2020, for the Directors, the General Manager and the Executives with strategic responsibilities, (i) no new agreements were reached involving indemnity in the event of termination of the position or of the employment relationship, except for what is stated in Section I, point *m*), (ii) no indemnity and/or other benefits were paid for the termination of a position or of an employment relationship, (iii) no agreements were signed involving the assignation or maintaining of non-monetary benefits in favour of



persons who have left their position, or consulting contracts for a period following the termination of employment, (iv) no agreements were signed involving compensation for non-compete undertakings.

For the sake of completeness, it should be noted that, on the termination of their employment, agreements of this kind were indeed entered into with managers and various personnel to whom this Compensation Policy is not applicable.

### *1.3 Waivers to the Compensation Policy during the year*

During 2020, there were no waivers to the Compensation Policy.

### *1.4 Application of malus or claw-back mechanisms*

Such mechanisms were not envisaged by the Compensation Policy for 2020, but in any case there were no circumstances that could have determined their application, if they had existed.

### *1.5 Compensation, results and average salaries of employees*

The Company's status as a holding company and its profile mean that such comparisons are of little significance.

Indeed, the results of the Company and the consolidated results of the Group are highly dependent not only on the performance of its two main subsidiaries but also on the realization of extraordinary transactions.

It should be noted on this subject that the net result of the Group for the year 2019 was a loss of € 69,807 thousand while in 2020 net income of € 16,313 thousand was reported. Both years were characterized by transactions that had a significant impact on results: in 2019 an adjustment was recognized to the price agreed for the sale of the interest in GEDI, while in 2020 there was a significant reconfiguration of the consolidation perimeter of the subsidiary KOS, which led to the sale of a business, realizing a substantial capital gain. For an evaluation of the performance of the Group and the significance of the transactions effected, reference should be made to the Directors' Report on Operations for the two years cited.

As regards a breakdown of the compensation of the persons affected by the Policy, in relation to the average salaries of the Company's employees, it should be noted that the compensation of the Chief Executive Officer and General Manager remained unchanged, as indeed did that of the Company's employees in the same period.

The opinion is that a breakdown of the average compensation carried out at Group level rather than just for the Company, is not a valid indicator for comparison given that the companies of the Group have a significant part of their labour force in countries where levels of pay are totally out of alignment with Italian levels.

### *1.6 Information on how the vote expressed by the AGM on the second section of the Policy for the previous year was taken into account*

Of the vote of the Annual General Meeting of the Shareholders held in 2020 on Section II of the Policy, 90.06% of the voting capital voted in favour. The delegated bodies of the Company received no indication as to why approximately 10% of the voting capital had voted against the said section of the Policy and thus went ahead and prepared this Policy in substantial continuity with that of 2020, but making some changes to the duration of the Stock Grant Plan and introducing malus and claw-back clauses, which it is assumed will please all Shareholders.





## **I.2 Part two**

At the end of the Report are tables 1, 2, 3A and 3B of Schedule no. 7-bis of the Rules for Issuers.

### **Equity investments**

As per paragraph four of Art. 84-quater of the Rules for Issuers, an annex to this Report shows the shares held, in the Company and its subsidiaries, by Directors, Statutory Auditors and Executives with strategic responsibilities as well as by their spouses, unless legally separated, and minor children, directly or through subsidiaries, fiduciary companies or third persons, as resulting from the Shareholder Book, from any notifications received or any other information obtained from the same Directors, Statutory Auditors and Executives with strategic responsibilities (tables 1 and 2 of Schedule no. 7-ter of the Rules for Issuers).



**PROPOSED RESOLUTION**  
**on the Report on Compensation Policy and the remuneration paid**  
**as per Art.123-ter of the T.U.F.**

Dear Shareholders,

As per the terms of Art. 123-ter of the TUF – as amended by D.Lgs. 49 of May 10 2019- you are being called upon to adopt a resolution on the Report on Compensation Policy and the remuneration paid (hereinafter also the “Report”), prepared according to the instructions of Art. 84-quater of the Rules for Issuers published by Consob, in conformity with Annex 3A, Schedule 7-bis of the above Rules.

On the strength of the amendments introduced by the above-cited D.Lgs. no. 49 of May 10 2019 you are being called upon to express your vote as follows:

- **With a binding resolution** in compliance with Art. 123-ter, paragraph 3-ter of the TUF on Section I of the Report, which deals with the Company policy on the subject of the remuneration of the members of the Board of Directors, the Board of Statutory Auditors, the General Manager and the Executives with strategic responsibilities and the procedures used for the adoption and implementation of this policy;
- **With a non-binding resolution** in compliance with Art. 123-ter paragraph 6 of the TUF on Section II of the Report on the compensation paid in 2020 to the individuals specified in Art. 123-ter, paragraph 4, of the TUF.

The Board of Directors therefore submits to you the following proposed resolutions:

**ON SECTION I**

“The Ordinary General Meeting of the Shareholders of CIR S.p.A.,

- having seen the terms of current regulations.
- having acknowledged the Report on compensation policy and remuneration paid,
- given that the Report on compensation policy and remuneration paid was filed and made available within the time limit laid down by law,

**RESOLVES**

To approve the Company’s Policy on compensation as per Section I of the Report on Compensation Policy and the remuneration paid.”

**ON SECTION II**

“The Ordinary General Meeting of the Shareholders of CIR S.p.A.,

- having seen the terms of current regulations
- having acknowledged the Report on the Compensation Policy and the remuneration paid
- given that the Report on the Compensation Policy and the remuneration paid was filed and made available within the time limits laid down by law
- given that Section II of the Report has been verified by the firm of Auditors KPMG S.p.A. in compliance with Art. 123 ter paragraph 8 bis of the TUF,

**ADOPTS A RESOLUTION**

in favour of Section II of the Report on Compensation and the remuneration paid approved by the Board of Directors at the meeting held on March 29 2021.”



**SCHEDULE 7-BIS - TABLE 1: Compensation paid to members of the Board of Directors and the Board of Statutory Auditors, General Managers and other Executives with strategic responsibilities – members in office**

(in euro)

| Last name<br>First name | Position in<br>CIR S.p.A.     | Period in<br>which the<br>position was<br>held<br>2020 | End of<br>mandate        | Company that<br>prepares the<br>financial<br>statements and<br>subsidiaries<br>and associates | Fixed fee or<br>salary | Fees for sitting<br>on committees | Variable<br>compensation<br>(non-equity) |                   | Non-monetary<br>benefits | Other pay | Total     | Fair value of<br>equity<br>remuneration<br>(2) | End of mandate<br>or leaving<br>indemnity | Notes           |
|-------------------------|-------------------------------|--|--------------------------|---|------------------------|-----------------------------------|--|-------------------|--------------------------|-----------|-----------|--|---|-----------------|
|                         |                               |  |                          |   |                        |                                   | Bonuses<br>and<br>other<br>incentives    | Profit<br>sharing |                          |           |           |  |   |                 |
| DE BENEDETTI<br>RODOLFO | Chairman                      | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 1,707,443              |                                   |  |                   | 23,796                   |           | 1,731,239 |  |   | 1a, 1b, 3, 4    |
|                         |                               |  |                          | Subsidiaries  | 27,847                 |                                   |  |                   |                          |           | 27,847    |  |   | 7               |
|                         |                               |  |                          | <b>Total</b>  | 1,735,290              |                                   |  |                   | 23,796                   |           | 1,759,086 |  |   |                 |
| MONDARDINI<br>MONICA    | CEO and<br>General<br>Manager | 3.2-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 1,275,747              |                                   | 400,000                                  |                   |                          |           | 1,675,747 | 1,087,529                                      |   | 1a, 1b, 1c, 1d, |
|                         |                               |  |                          | Subsidiaries  | 139,236                |                                   |  |                   |                          |           | 139,236   |  |   | 5               |
|                         |                               |  |                          | <b>Total</b>  | 1,414,983              |                                   | 400,000                                  |                   |                          |           | 1,814,983 | 1,087,529                                      |   |                 |
| BERTHERAT<br>PHILIPPE   | Director                      | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 13,973                 | 8,986                             |  |                   |                          |           | 22,959    |  |   | 1a, 1f          |
| BOTTICINI<br>MARISTELLA | Director                      | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 13,973                 | 11,986                            |  |                   |                          |           | 25,959    |  |   | 1a, 1e          |
| DE BENEDETTI<br>EDOARDO | Director                      | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 18,344                 |                                   |  |                   |                          |           | 18,344    |  |   | 1a              |
| DEBENEDETTI<br>FRANCO   | Director                      | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 13,973                 |                                   |  |                   |                          |           | 13,973    |  |   | 1a              |
| DE BENEDETTI<br>MARCO   | Director                      | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 18,344                 |                                   |  |                   |                          |           | 18,344    |  |   | 1a              |
|                         |                               |  |                          | Subsidiaries  | 70,625                 |                                   |  |                   |                          |           | 70,625    |  |   | 6               |
|                         |                               |  |                          | <b>Total</b>  | 88,969                 |                                   |  |                   |                          |           | 88,969    |  |   |                 |
| DUBINI PAOLA            | Director                      | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 15,659                 | 20,015                            |  |                   |                          |           | 35,675    |  |   | 1a, 1e          |
| GIANNINI<br>SILVIA      | Director                      | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 13,973                 | 19,630                            |  |                   |                          |           | 33,603    |  |   | 1a, 1e, 1f      |



| Last name<br>First name   | Position in<br>CIR S.p.A.                        | Period in<br>which the<br>position was<br>held<br>2020 | End of<br>mandate        | Company that<br>prepares the<br>financial<br>statements and<br>subsidiaries<br>and associates | Fixed fee or<br>salary | Fees for sitting<br>on committees | Variable compensation<br>(non-equity) |                   | Non-<br>monetary<br>benefits | Other pay | Total   | Fair value of<br>equity<br>remuneration<br>(2) | End of mandate<br>or leaving<br>indemnity | Notes      |
|---------------------------|--|--|--------------------------|---|------------------------|-----------------------------------|---------------------------------------|-------------------|------------------------------|-----------|---------|--|---|------------|
|                           |  |  |                          |   |                        |                                   | Bonuses<br>and other<br>incentives    | Profit<br>sharing |                              |           |         |  |   |            |
| MAROCCO PIA               | Director   | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 15,659                 | 13,830                            |                                       |                   |                              |           | 29,489  |  |   | 1a, 1e     |
| PASINELLI<br>FRANCESCA    | Director   | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 13,973                 | 19,630                            |                                       |                   |                              |           | 33,603  |  |   | 1a, 1e, 1f |
| PORCARI MARIA<br>SERENA   | Director   | 1.1-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 15,659                 | 22,473                            |                                       |                   |                              |           | 38,133  |  |   | 1a, 1e, 1f |
| MANTEGAZZA<br>FRANCESCO   | Chairman of<br>Board of<br>Statutory<br>Auditors | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 42,329                 |                                   |                                       |                   |                              |           | 42,329  |  |   |            |
| GNUDI MARIA-<br>MADDALENA | Statutory<br>Auditor                             | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 28,219                 |                                   |                                       |                   |                              |           | 28,219  |  |   |            |
| REBECCHINI<br>GAETANO     | Statutory<br>Auditor                             | 8.6-31.12  | Appr. Fin.<br>Stat. 2022 | CIR S.p.A.  | 28,219                 |                                   |                                       |                   |                              |           | 28,219  |  |   |            |
| GIANOGLIO<br>GIUSEPPE     | Executive with<br>strategic<br>responsibilities  |  |                          | CIR S.p.A.  | 197,721                |                                   |                                       |                   | 3,282                        | 5,000     | 206,003 | 131,913  |   | 1c, 8, 9   |
|                           |  |  |                          | Subsidiaries  |                        |                                   |                                       |                   |                              | 7,808     | 7,808   |  |   |            |
|                           |  |  |                          | <b>Total</b>  | 197,721                |                                   |                                       |                   | 3,282                        | 12,808    | 213,811 | 131,913  |   |            |

## NOTES

- (1) Fixed fees or salaries and Fees for sitting on committees in the company that prepares the financial statements and in the incorporated company (CIR S.p.A. pre-merger):
  - a) Fees *pro-rata temporis* for the position of director of € 20,000 approved by the AGM
  - b) Special positions as per Art. 2389, paragraph 3 approved by the Board of Directors in favour of Rodolfo De Benedetti and Monica Mondardini
  - c) Employee salary
  - d) Bonus as variable part of compensation linked to reaching objectives in terms of result
  - e) Fees *pro-rata temporis* for being on the Control and Risk Committee
  - f) Fees *pro-rata temporis* for being on the Appointments and Compensation Committee
- (2) Fair value of equity remuneration: this is the notional cost for the Company recognized to the income statement in personnel costs, with offset in special equity reserve; IAS carrying values not yet received by the director and for the moment just potential.
- (3) Remuneration in non-monetary benefits in favour of the Chairman: insurance policies covering accident and illness plus life insurance.
- (4) Fixed fees *pro-rata temporis* for the positions of: Director of GEDI S.p.A. (€ 7,847), mandate ended on April 23 2020, and Sogefi S.p.A. (€ 20,000).
- (5) Fixed fees *pro-rata temporis* for the positions of: Director (€ 7,847) and Deputy Chairman (€ 31,389) of GEDI S.p.A., mandate ended on April 23 2020, and Chairman of Sogefi S.p.A. (€ 100,000).  
Not included are the amounts for the position of Director of Sogefi S.p.A. (€ 20,000) and KOS S.p.A. (€ 10,000) as these were paid to CIR S.p.A.
- (6) Fixed fees *pro-rata temporis* for the positions of: Director (€ 7,847) and Chairman (€ 62,778) of GEDI S.p.A., mandate ended on April 23 2020.
- (7) To the compensation of the Chairman stated in the chart a gross annual amount of € 165,000 should be added. This is paid by the company in the form of an insurance premium and constitutes an end of mandate indemnity.
- (8) Non-monetary benefits: value of company car for mixed use.
- (9) Other benefits: company welfare programme; fee for being member of the Supervisory Body of the GEDI Group, mandate ended on April 23 2020.



**SCHEDULE 7-BIS - TABLE 1: Fees paid to the members of the Board of Directors and Board of Statutory Auditors, General Managers and other Executives with strategic responsibilities – members no longer in office**

(in euro)

| Last name<br>First name | Position in<br>CIR S.p.A.                        | Period in which<br>the position<br>was held<br>2020 | End of mandate | Company that<br>prepares the<br>financial<br>statements and<br>subsidiaries<br>and associates | Fixed fees | Fees for sitting<br>on committees | Variable<br>compensation<br>(non-equity) |                   | Non-monetary<br>benefits | Other pay | Total  | Fair value of<br>equity<br>remuneration<br>(2) | End of mandate<br>or leaving<br>indemnity | Notes      |
|-------------------------|--|---|----------------|---|------------|-----------------------------------|--|-------------------|--------------------------|-----------|--------|--|---|------------|
|                         |  |   |                |   |            |                                   | Bonuses<br>and other<br>incentives       | Profit<br>sharing |                          |           |        |  |   |            |
| CREMONA<br>MASSIMO      | Director   | 1.1-8.06  | 8.6.2020       | CIR S.p.A.  | 4,372      | 9,372                             |  |                   |                          |           | 13,744 |  |   | 1a, 1e, 1f |
| FERRERO<br>PIERLUIGI    | Director   | 1.1-3.02  | 3.2.2020       | CIR S.p.A.  | 929        |                                   |  |                   |                          |           | 929    |  |   | 1.a        |
| GUASTI<br>FRANCESCO     | Director   | 1.1-8.6   | 8.6.2020       | CIR S.p.A.  | 4,372      | 9,372                             |  |                   |                          |           | 13,744 |  |   | 1a, 1e, 1f |
| ZINGALES<br>RICCARDO    | Chairman of<br>Board of<br>Statutory<br>Auditors | 1.1-8.06  | 8.6.2020       | CIR S.p.A.  | 21,262     |                                   |  |                   |                          |           | 21,262 |  |   |            |
|                         |  |   |                | Subsidiaries  | 48,194     |                                   |  |                   |                          |           | 48,194 |  |   |            |
|                         |  |   |                | <b>Total</b>  | 69,456     |                                   |  |                   |                          |           | 69,456 |  |   |            |
| BRACCO<br>TIZIANO       | Statutory<br>Auditor                             | 1.1-8.06  | 8.6.2020       | CIR S.p.A.  | 8,743      |                                   |  |                   |                          |           | 8,743  |  |   |            |
| DELLATORRE<br>ANTONELLA | Statutory<br>Auditor                             | 1.1-8.06  | 8.6.2020       | CIR S.p.A.  | 8,743      |                                   |  |                   |                          |           | 8,743  |  |   |            |
|                         |  |   |                | Subsidiaries  | 10,000     |                                   |  |                   |                          |           | 10,000 |  |   |            |
|                         |  |   |                | <b>Total</b>  | 18,743     |                                   |  |                   |                          |           | 18,743 |  |   |            |

**NOTES**

(1) Fixed fees and Fees for sitting on Committees:

- a) Fees *pro-rata temporis* for the position of Director approved by the AGM
- b) Special positions as per Art. 2389 paragraph 3 approved by the Board of Directors
- c) Employee salary
- d) Bonus part of variable compensation linked to reaching objectives in terms of result to be determined
- e) Fees *pro-rata temporis* for being on the Control and Risk Committee
- f) Fees *pro-rata temporis* for being on the Appointments and Compensation Committee



**SCHEDULE 7-BIS - TABLE 2: Stock options assigned to the members of the Board of Directors, General Managers and other Executives with strategic responsibilities**

|                          |   |                  | Options held at the start of the year |              |                                       | Options assigned during the year |              |                                       |                          |            |  | Options exercised during the year |              |   | Options that expired in the year | Options held at end of year | Options pertaining to the year                                       |
|--------------------------|---|------------------|---------------------------------------|--------------|---------------------------------------|----------------------------------|--------------|---------------------------------------|--------------------------|------------|--|-----------------------------------|--------------|---|----------------------------------|-----------------------------|--|
|                          |   | (1)              | (2)                                   | (3)          | (4)                                   | (5)                              | (6)          | (7)                                   | (8)                      | (9)        | (10)   | (11)                              | (12)         | (13)  | (14)                             | (15) = (2)-(5)-(11)-(14)    | (16)   |
| Last name and first name | Position held                             | Plan             | No. of options                        | Strike price | Possible period of exercise (from-to) | No. of options                   | Strike price | Possible period of exercise (from-to) | Fair value on grant date | Grant date | Market price of underlying shares at grant date of options | No. of options                    | Strike price | Market price of underlying shares at date of exercise | No. of options                   | No. of options              | Fair value (theoretical value: see note) (amounts in euro thousands) |
| RODOLFO DE BENEDETTI     | Chairman                                  | 2010 2nd tranche | 3,517,500                             | 0.7454       | from 28/02/2011 to 28/02/2021         |                                  |              |                                       |                          |            |  |                                   |              |   |                                  | 3,517,500                   | --   |
| GIANOGGIO GIUSEPPE       | Executive with strategic responsibilities | 2010 2nd tranche | 251,250                               | 0.7454       | from 28/02/2011 to 28/02/2021         |                                  |              |                                       |                          |            |  |                                   |              |   |                                  | 251,250                     | --   |

(16) This is the notional cost for the Company recognized to the income statement in personnel costs with an offset in the special equity reserve



**SCHEDULE 7-BIS - TABLE 3A: Incentive plans based on financial instruments other than stock options in favour of Members of the Board of Directors, General Managers and other Executives with strategic responsibilities**

|                          |               |      | Financial instruments assigned in previous years that did not vest during the year |  | Financial instruments assigned during the year |  |                              |            |                            | Financial instruments that vested in the year but were not assigned | Financial instruments that vested in the year and assignable |                       | Financial instruments pertaining to the year                            |
|--------------------------|---------------|------|--|--|--|--|------------------------------|------------|----------------------------|---|--|-----------------------|---|
|                          |               | (1)  | (2)  | (3)  | (4)  | (5)  | (6)                          | (7)        | (8)                        | (9)   | (10)   | (11)                  | (12)  |
| Last name and first name | Position held | Plan | Number and type of financial instruments   | Vesting period   | Number and type of financial instruments       | Fair value at grant date (theoretical value; see note) (amounts in euro thousands) | Vesting period               | Grant date | Market price at grant date | Number and type of financial instruments                            | Number and type of financial instruments                     | Value at vesting date | Fair value (theoretical value; see note) (amounts in thousands of euro) |
| MONDARDINI MONICA        | CEO/GM        | 2015 | stock grant 1,086,618<br>stock grant 2,158,039                                     | from 27/04/2015 to 31/01/2019<br>from 27/04/2015 to 31/03/2018 |  |  |                              |            |                            |   | 1,086,618<br>2,158,039                                       |                       | --<br>--  |
| GIANOGGIO GIUSEPPE       | ESR           | 2015 | stock grant 139,574  | from 27/04/2015 to 31/01/2019                                  |  |  |                              |            |                            |   | 139,574  |                       | --  |
| MONDARDINI MONICA        | CEO/GM        | 2016 | stock grant 2,038,057  | from 29/04/2016 to 31/01/2020                                  |  |  |                              |            |                            | -1,005,000  | 1,033,057  |                       | 3   |
| GIANOGGIO GIUSEPPE       | ESR           | 2016 | stock grant 316,101  | from 29/04/2016 to 31/01/2020                                  |  |  |                              |            |                            | -155,875  | 160,223  |                       | --  |
| MONDARDINI MONICA        | CEO/GM        | 2017 | stock grant 1,790,897  | from 28/04/2017 to 31/01/2021                                  |  |  |                              |            |                            |   | 785,868  |                       | 113   |
| GIANOGGIO GIUSEPPE       | ESR           | 2017 | stock grant 277,765  | from 28/04/2017 to 31/01/2021                                  |  |  |                              |            |                            |   | 121,886  |                       | 18  |
| MONDARDINI MONICA        | CEO/GM        | 2018 | stock grant 2,540,136  | from 27/04/2018 to 31/01/2022                                  |  |  |                              |            |                            |   | 635,034  |                       | 321   |
| GIANOGGIO GIUSEPPE       | ESR           | 2018 | stock grant 393,976  | from 27/04/2018 to 31/01/2022                                  |  |  |                              |            |                            |   | 98,493   |                       | 50  |
| MONDARDINI MONICA        | CEO/GM        | 2019 | stock grant 2,502,316  | from 29/04/2019 to 31/01/2023                                  |  |  |                              |            |                            |   |  |                       | 414   |
| GIANOGGIO GIUSEPPE       | ESR           | 2019 | stock grant 388,110  | from 29/04/2019 to 31/01/2023                                  |  |  |                              |            |                            |   |  |                       | 64  |
| MONDARDINI MONICA        | CEO/GM        | 2020 |  |  | stock grant 2,900,407                          | 1,112  | from 8/06/2020 to 31/01/2024 | 8/06/2020  | 0.5443                     |   |  |                       | 237   |

ESR: Executive with Strategic Responsibilities

(5) Notional cost for the Company of the whole plan assigned, calculated at the grant date (recognized to the income statement in personnel costs, with an offset in the special equity reserve)

(9) Units cancelled as the performance condition was not fulfilled within the maximum time limit

(10) Total Units vested and assignable at the end of the year

(12) Notional cost for the Company pertaining to the period (recognized to the income statement in personnel costs, with an offset in the special equity reserve)



**SCHEDULE 7-BIS - TABLE 3B: Monetary incentive plans in favour of members of the Board of Directors, General Managers and Executives with strategic responsibilities**

**(in euro)**

| A                       | B                          |   | (1)         | (2)                  |          |                       | (3)                       |                |                | (4)           |       |
|-------------------------|----------------------------|---|-------------|----------------------|----------|-----------------------|---------------------------|----------------|----------------|---------------|-------|
| Last name<br>First name | Position                   | Company<br>preparing<br>financial<br>statements | Plan        | Bonuses for the year |          |                       | Bonuses of previous years |                |                | Other bonuses | Notes |
|                         |                            |   |             | Payable / Paid       | Deferred | Period of<br>deferral | No longer payable         | Payable / Paid | Still deferred |               |       |
| MONDARDINI<br>MONICA    | CEO and General<br>Manager | CIR S.p.A.                                      | June 8 2020 | 400,000              |          |                       |                           |                |                |               |       |





**SCHEDULE 7-TER - TABLE 1-2: Equity investments held by members of the Board of Directors and the Board of Statutory Auditors, General Managers and other Executives with strategic responsibilities**

| Last name<br>First name | Position                                  | Period in which the position was held | Investee company | Number of shares owned at December 31 2019 | Number of shares acquired during the year 2020 | Number of shares sold in the year 2020 | Number of shares owned at December 31 2020 | Notes   |
|-------------------------|---|---------------------------------------|------------------|--|--|--|--|---------|
| DE BENEDETTI Rodolfo    | Chairman                                  | 1.1-31.12                             | CIR S.p.A.       | 8,207,746                                  | --   | --                                     | 16,497,569                                 | (1) (2) |
| MONDARDINI Monica       | CEO and General Manager                   | 3.2-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| BERTHERAT Philippe      | Director                                  | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| BOTTICINI Maristella    | Director                                  | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| CREMONA Massimo         | Director                                  | 1.1-8.6                               | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| DE BENEDETTI Edoardo    | Director                                  | 1.1-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| DE BENEDETTI Marco      | Director                                  | 1.1-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| DEBENEDETTI Franco      | Director                                  | 8.6-31.12                             | CIR S.p.A.       | 375,000                                    |  |  | 753,570                                    | (1)     |
| DUBINI Paola            | Director                                  | 1.1-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| FERRERO Pierluigi       | Director                                  | 1.1-3.2                               | CIR S.p.A.       | 250,000                                    | --   | --                                     | 250,000                                    | (3)     |
|                         | No position                               | -                                     | SOGEFI S.p.A.    | 15,000                                     | --   | --                                     | 15,000                                     | (3)     |
| GIANNINI Silvia         | Director                                  | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| GUASTI Francesco        | Director                                  | 1.1-8.6                               | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| MAROCCO Pia             | Director                                  | 1.1-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| PASINELLI Francesca     | Director                                  | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| PORCARI Maria Serena    | Director                                  | 1.1-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| ZINGALES Riccardo       | Chairman Board of Statutory Auditors      | 1.1-8.6                               | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| BRACCO Tiziano          | Statutory Auditor                         | 1.1-8.6                               | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| DELLATORRE Antonella    | Statutory Auditor                         | 1.1-8.6                               | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| MANTEGAZZA Francesco    | Chairman Board of Statutory Auditors      | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| GNUDI Maria Maddalena   | Statutory Auditor                         | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| REBECCHINI Gaetano      | Statutory Auditor                         | 8.6-31.12                             | CIR S.p.A.       | --   | --   | --                                     | --   |         |
| GIANOGLIO Giuseppe      | Executive with strategic responsibilities |                                       | CIR S.p.A.       | 242,793                                    | --   | --                                     | 488,013                                    | (1)     |

- (1) The number of shares of CIR S.p.A. changed as an effect of the merger of CIR into COFIDE (now CIR S.p.A.) which took place on 19/02/2020 with an exchange rate of 2.01 new shares of CIR post-merger for every 1 share of CIR owned pre-merger.
- (2) The shares at December 31 2020 are all fully owned, of which: 2,025,569 shares directly and indirectly, 10,452,000 shares through Rodolfo De Benedetti *Società Semplice* (simple partnership) and 4,020,000 shares through Rodolfo De Benedetti S.r.l.
- (3) Shares held at February 3 2020, date of termination of position as Director of the Company. The number of CIR shares, equal to 250,000 pre-merger, correspond to 502,500 CIR shares post-merger.