



**CEMBRE**

**REPORT ON  
REMUNERATION POLICY AND  
COMPENSATION PAID**

pursuant to art. 123-*ter* of Legislative Decree 58/1998  
and art. 84-quater of Consob Regulation 11971/1999

Issuer: CEMBRE S.P.A. - Via Serenissima 9 - 25135 Brescia  
Website: [www.cembre.it](http://www.cembre.it)

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**REPORT ON REMUNERATION POLICY AND COMPENSATION PAID**  
**pursuant to art. 123-ter of Legislative Decree 58/1998 and art. 84-quater of Consob Regulation 11971/1999**

This report on the remuneration policy and on the compensation paid (“**Report on Remuneration**” or the “**Report**”) was drafted in accordance with art. 123-ter of Legislative Decree no. 58 dated February 24, 1998 (Testo Unico Finanza “**TUF**”, Consolidated Finance Act), and article 84-quater of Consob Regulation adopted through Resolution no.11971 of May 14, 1999 (“**Issuers’ Regulation**”), and was prepared in compliance with Attachment 3A, Schedules 7-bis and 7-ter of the same Regulation.

The Report on Remuneration comprises the following sections:

- Section I - in compliance with articles 123-ter of the TUF - illustrates the Company’s policy on the remuneration of the members of the administration body, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the Company’s Board of Statutory Auditors, with an annual duration, as well as the procedures used for the adoption, review and implementation of said policy;

Section II, with regard to the remuneration of directors and statutory auditors:

- supplies an adequate, clear and easy to understand representation of each of the components of the remuneration, including entitlements in the event the cessation of office or termination of employment, highlighting the consistency of the same with the remuneration policy of the Company approved in the previous year and also highlighting the methods with which the remuneration contributes to the company’s long-term results;
- illustrates analytically the compensation paid or accrued in the reference year for any reason and in any form by the Company and its subsidiaries or associates, also highlighting the compensation to be paid in one or more subsequent years for work carried out in the reference year, indicating where appropriate an estimate for components that cannot be objectively quantified in the reference year.

Section II also contains information relating to interests held in the Company and its subsidiaries by members of corporate boards, in addition to their spouses not legally separated and minor children, in compliance with art. 84-quater of the Issuers’ Regulation.

At the meeting of March 14, 2022, confirming its evaluation made with reference to previous financial years, the Board of Directors verified that the management of the Company does not include managers with strategic responsibilities, as all decisions with strategic relevance are taken by the Chair of the Board of Directors and Managing Director, in compliance with powers reserved to the Board of Directors. In this respect, the Issuer’s organisational chart has not changed since said date. It should also be noted that the Board of Directors has not appointed any General Managers.

Therefore, the Remuneration Policy described in this Report applies to the company’s Directors and Statutory Auditors and any references to executives with strategic responsibilities and General Managers is omitted, as not applicable to the Issuer.

## SECTION I

This Section of the Report on Remuneration describes the basic guidelines of the remuneration policy adopted by the Company (hereinafter the "**Remuneration Policy**").

The Remuneration Policy defines the principles and guidelines to which Cembre S.p.A. ("**Cembre**", the "**Company**" or also the "**Issuer**") in determining the remuneration policy of the directors and, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors, as well as the monitoring of the application of the same.

The Remuneration Policy was also drafted in light of the recommendations of the Code of Corporate Governance promoted by the Corporate Governance Committee (the "**Code of Corporate Governance**") and takes into account the provisions of article 2.2.3 of the Regulations of markets organised and managed by Borsa Italiana S.p.A. (the "**Stock Market Regulation**") and the related Instructions for STAR segment issuers.

Pursuant to the By-laws and applicable laws, the term of the Board of Directors currently in office will expire with the approval, by the Shareholders' Meeting, of the financial statements at December 31, 2023.

As provided by Consob Regulation no. 17221 of March 12, 2010 on transactions with related parties, as subsequently amended ("**Related Parties Regulation**"), as acknowledged in the internal procedure adopted by the company (the "**Related-Party Transactions Procedure**") in the Investor Relations section of the website [www.cembre.it](http://www.cembre.it), the approval of the Remuneration Policy by the Shareholders' Meeting exonerates the Company from applying said procedure in resolutions of the Board of Directors regarding the remuneration of Directors when:

- (i) the Company has adopted a remuneration policy approved by the Shareholders' Meeting;
- (ii) the definition of the remuneration policy has involved a committee consisting exclusively of non-executive directors, a majority of whom are independent;
- (iii) the remuneration assigned is identified in compliance with said policy and quantified on the basis of the criteria which do not involve discretionary evaluations.

Pursuant to article 13, paragraph 1 of the Related Parties Regulation, moreover, the Related-Party Transactions Procedure does not apply to Shareholders' Meeting resolutions made pursuant to art. 2389, paragraph 1, of the Italian Civil Code relating to the compensation of members of the Board of Directors and of the Executive Committee, nor to the resolutions on the compensation of directors holding offices that fall within the total amount resolved by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, second paragraph of the Italian Civil Code.

The Policy is published on the company's website for a period of ten years from the relevant approval.

a) **corporate bodies or individuals involved in the drafting, approval and, if necessary, revision of the remuneration policy, specifying the respective roles, corporate bodies and individuals responsible for the correct application of said policy;**

The main individuals and corporate bodies involved in the drafting, approval and revision of the Remuneration Policy are the Board of Directors, the Appointments and Remuneration Committee, the Shareholders' Meeting and the Board of Statutory Auditors.

### Board of Directors

The Board of Directors:

- sets up a committee internally responsible for remuneration;
- consistent with the Remuneration Policy, it determines the remuneration of Directors holding particular offices, after receiving the opinion of the Board of Statutory Auditors and upon proposal of the Appointments and Remuneration Committee, within the total compensation resolved by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code, and article 21 of the By-laws;
- defines the Remuneration Policy upon proposal of the Appointments and Remuneration Committee, as well as its revision if necessary;
- prepares the Remuneration Report, pursuant to articles 123-ter of the TUF and 84-quater of the Issuers' Regulation, submits it for approval by the Shareholders' Meeting in accordance with art. 123-ter, paragraph 3-bis, of the TUF, and oversees its implementation;
- drafts possible share-based remuneration plans or plans based on other financial instruments for Directors, employees and associates, submits them to the approval of the Shareholders' Meeting pursuant to article 114-bis, TUF, and oversees their implementation.

#### Appointments and Remuneration Committee

The Appointments and Remuneration Committee of the Company, established within the Board of Directors as provided in the Code of Corporate Governance, is made up by non-executive directors and independent directors.

As regards remuneration, the Appointments and Remuneration Committee is responsible for:

- supporting the Board of Directors in drawing up the Remuneration Policy;
- presenting proposals or expressing opinions on the remuneration of executive directors and other directors who hold special offices as well as the establishment of the performance objectives related to the variable component of said remuneration;
- monitoring the practical application of the Remuneration Policy and verifying, in particular, the actual attainment of the performance objectives;
- periodically evaluating the adequacy, overall consistency and practical application of the Remuneration Policy of Directors.

In particular, in defining said remuneration, the Committee duly takes into consideration the consistency of remuneration recognised in previous mandates, the adequacy of commitments undertaken and responsibilities for positions held, professional qualifications held by the persons involved and the size of the Company, the Group and the related growth prospects, the remuneration procedures applied in the reference sectors and for companies of a similar size.

#### Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the compensation of the members of the Board of Directors and the Board of Statutory Auditors pursuant to article 2364, paragraph 1, no. 3, and where appropriate of article 2389, paragraph 3, of the Italian Civil Code, and of article 21 of the By-laws;
- expresses (i) a binding vote on Section I of the Report on Remuneration prepared by the Board of Directors based on the frequency required by the duration of the Remuneration Policy (i.e. on an

annual basis) and, in any case, in the event of changes to the policy<sup>1</sup> and (ii) a non-binding vote on Section II of the Report on annual basis;

- resolves on any share-based remuneration plans or plans based on other financial instruments for directors, employees and associates pursuant to art. 114-*bis*, TUF.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay the remuneration in compliance with the most recent Remuneration Policy approved by the Shareholders' Meeting, or if lacking, in conformance with the practices in force. At the next Meeting for approval of the financial statements, the Company must submit a new Remuneration Policy to a vote of the Shareholders' Meeting.

#### Board of Statutory Auditors

The Board of Statutory Auditors expresses its opinion on proposals regarding the remuneration of Directors holding particular offices, pursuant to article 2389, paragraph 3 of the Italian Civil Code, verifying the consistency of the same with the Remuneration Policy.

#### **b) possible appointment of a remuneration committee or other competent committee, describing its composition (distinguishing between non-executive and independent directors), its powers and the rules and procedures for its operation, and any additional measures aimed at avoiding or managing conflicts of interest;**

In light of the provisions of article 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations, applicable to listed companies in the STAR segment of the market and in compliance with the Code of Corporate Governance, the Company appointed within its Board of Directors a Remuneration Committee. The Appointments and Remuneration Committee in its current composition was appointed by Board resolution dated April 27, 2021.

In compliance with Recommendation 26 of the Code of Corporate Governance, the Committee is currently composed of two non-executive and independent members, in the persons of:

- Paola Carrara – Independent Director – acting as Chair;
- Elisabetta Ceretti – Independent Director.

Ms. Paola Carrara has consolidated financial and remuneration policy experience deemed suitable at the time of appointment.

For information on the remuneration responsibilities of the Appointments and Remuneration Committee, please refer to paragraph a) above.

The rules of operation of the Appointments and Remuneration Committee, including the procedures for taking minutes at meetings and for managing information to directors, are contained in the Committee's regulations approved by the Board of Directors.

Pursuant to the above-mentioned regulation, the Appointments and Remuneration Committee meetings are carried out collegially and minutes are regularly kept. The Committee meets whenever its Chair deems it necessary and periodically, as necessary in view of the tasks assigned to the Committee, or whenever a member of the Committee makes a request for it.

The Committee is validly convened when the majority of its members is present. Resolutions are passed by majority vote of those present. In the event of a tie, the Chair's vote prevails.

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<sup>1</sup> It remains understood that the shareholders' vote is required whenever changes are made to the Remuneration Policy which are not merely formal or editorial clarifications.

Directors do not take part in the meetings of the Appointments and Remuneration Committee whenever proposals are formulated regarding their remuneration. Other members of the Board of Directors or representatives of the company functions or third parties, whose participation in the meeting is deemed useful, can take part in the Committee's meetings, where invited in advance.

The Committee, where necessary, may avail itself of the work of independent external consultants, within the limits of the budget determined by the Board of Directors. In order to avoid or manage potential conflicts of interest, no directors take part in meetings of the Committee in which proposals are formulated to the Board of Directors regarding their remuneration, except for proposals that relate to members of the Board of Directors in general.

In addition, typically, the Directors abstain from voting on resolutions of the Board of Directors regarding their remuneration, all without prejudice to the regulation governing transactions with related parties pursuant to the Related-Party Transactions Procedure (where applicable).

**c) as the company took account of the compensation and working conditions of its employees in determining the remuneration policy;**

The Cembre Group believes in the growth and optimisation of people, the protection of health and safety and the creation of a workplace that fosters human and professional growth. All employees and associates are offered career opportunities on the basis of merit, professional and managerial skills and active involvement in company development and improvement processes. This approach has allowed it to attract talented young people and, at the same time, gain the loyalty of employees and associates already working in the Company, as is borne out by the data on the average length of service, in many cases reaching 20/30 years.

Cembre assesses the commitment and performance of employees using compensation policies that differ according to performance and professional and managerial skills, considering:

- the responsibilities attributed;
- the results achieved;
- the quality of the professional contribution and personal development potential.

The compensation systems are regularly updated by monitoring changes in the reference salary markets and applying criteria based on meritocracy and internal fairness.

In order to protect and foster the well-being of its employees, Cembre S.p.A. makes services and initiatives available that aim to reconcile everyday needs with working activities, considering the family and childcare, maintaining good psychological and physical health, the acceptance of everyday commitments that can take up time and cost money and the organisation of free-time activities and artistic-cultural initiatives.

Cembre also ensures its employees have a safe and functioning work environment: as regards worker health and safety, Cembre has actually obtained the OHSAS 18001:2007 certification from 2012.

It should be noted that all of the Group's companies operate in countries in which matters linked to personnel management, occupational health and safety and the protection of workers' rights are highly regulated. Further information on Cembre's policies in terms of management of social and personnel issues are contained in the relevant paragraph of the consolidated Non-Financial Declaration, published on the website [www.cembre.com](http://www.cembre.com) in the Investor Relations section.

**d) the name of independent experts that have taken part in the drafting of the Remuneration Policy, if any;**

The Company did not make use of the advice of independent experts in drafting its remuneration policy.

- e) **the purposes pursued with the Remuneration Policy, the principles forming the basis of it, the duration and, in the event of revision, the description of the changes with respect to the Remuneration Policy recently presented to the Shareholders' Meeting and of how said revision takes account of the votes and judgments expressed by shareholders during said meeting or subsequently;**

The Company's Remuneration Policy, and, in particular, the policy on the variable components of remuneration, contributes to the corporate strategy and the pursuit of the long-term interests and sustainability of the company.

The remuneration of Directors is set so as to provide sufficient incentive to attract, retain and motivate persons possessing those professional qualities required to successfully manage the Company, taking into account the size of the Company and the sector in which it operates.

The remuneration of executive directors is defined so as to align their interests with the achievement of the primary objective of creating value for shareholders in the medium to long-term.

The incentive system seeks to introduce an adequate balancing between the fixed and variable components of compensation according to the strategic objectives and the risk management policy of the Company, taking into account also the characteristics of the segment and the sector in which the Company operates.

The Shareholders' Meeting resolves on the overall compensation of the Board of Directors, including possible individual compensation for Directors holding particular positions. Within the limits set by the resolutions of the Shareholders' Meeting, the Board of Directors is responsible for executing said resolutions by attributing compensation to individual Directors, setting additional compensation for Directors holding particular positions, upon proposals made by the Appointments and Remuneration Committee, and having consulted the Board of Statutory Auditors.

It should be noted that the Remuneration Policy approved by the Board of Directors on March 14, 2022, on the proposal of the Appointments and Remuneration Committee, has not been materially modified with respect to the text of the policy approved by the Cembre Shareholders' Meeting on April 27, 2021.

During the above-mentioned Shareholders' Meeting, the Remuneration Policy was approved by the shareholders and no judgements or comments were presented regarding its contents.

- f) **the description of policies regarding fixed and variable components of remuneration, with particular regard to the indication of the relative proportion attributed as part of the overall compensation and distinguishing between short- and medium/long-term components of variable remuneration**

#### REMUNERATION OF MEMBERS OF THE ADMINISTRATIVE BODY

The Company deems it appropriate to set remuneration components according to the specific role covered within the Board and of competencies and executive responsibilities of the persons involved, consequently autonomously defining criteria for the determination of the remuneration of: (i) Directors without powers and Non-executive Directors, and (ii) Executive Directors vested with particular roles.

In light of the principles described in paragraph d) above, the Remuneration Policy provides for the remuneration of key figures of the Company as described in the section that follows.

- (i) Directors without powers and Non-executive Directors

Directors without powers and Non-executive Directors are granted a fixed compensation allocated by the Board of Directors as part of the total compensation set by the Shareholders' Meeting pursuant to article 2389, paragraph 3 of the Italian Civil Code.

Non-executive Directors do not receive a variable compensation and are not the beneficiaries of plans based on financial instruments.

Each member of the Board of Directors is entitled to an attendance fee for participating in each meeting and the reimbursement of expenses incurred in carrying out the mandate.

The remuneration of Non-executive Directors that attend committees of the Board of Directors is described in paragraph o) below.

(ii) Executive Directors holding particular roles

The remuneration of Executive Directors and Directors vested with particular roles is made up of a fixed component and a variable component consisting of short and medium/long term incentives for each year the position is held, as established by the Board of Directors upon proposal of the Appointments and Remuneration Committee of the Company. The fixed component of the remuneration must in any case provide sufficient means to remunerate the position of Director also in the event the variable component is not paid out due to the failure to achieve the performance targets set by the Board. The above incentives may be determined in relation to policies adopted by other companies of similar size, profitability and growth rates, and will be devised to take into account value generated over time in terms of increase in asset value and profits and/or the increase in the capitalisation of the Company.

*a. Fixed component of remuneration*

The fixed component is determined in relation to responsibilities and competences in connection with the position/function of the related beneficiary. This component is not linked to the achievement of performance objectives and is set at an amount sufficient to remunerate the position of Executive Directors and Directors vested with particular responsibilities also in the event the variable components are not paid out.

The total amount of remuneration for all Directors, including those holding particular positions and also including other members of the internal Board committees, is resolved by the Shareholders' Meeting pursuant to article 2389 of the Italian Civil Code.

*b. Short-term incentives*

With reference to the Chair and Managing Director of Cembre, the Board, taking into account the ownership and the organisational structure of the Company and powers currently conferred by the parent company, believes that the participation, direct and/or indirect, of the latter in the capital of the Company is in itself effective in obtaining the attainment of the typical objective of a short-term incentive programme. This is because the current ownership structure and powers provides for the conferral of executive powers to the Chair and Managing Director that hold relevant stakes both in Lysne S.p.A. (a holding company controlled by the Rosani family that controls the Issuer pursuant to article 93 TUF with a 52.393% share), and directly in Cembre. The presence of said ownership structure and the assignment of executive and strategic responsibilities to a person who directly represents it, determines a structure of interests that the Board of Directors recognised in itself as sufficient to align interests of the Chair and Managing Director to those of all other shareholders.



The other executive directors<sup>2</sup> - including the Vice Chair of the Board, Mr. Aldo Bottini Bongrani, to which the Board conferred substitute powers compared Chair - are the recipients of short-term incentives determined by taking account of the Company's performance in the reference period, and in particular, of the economic-financial indicators which each of them has the ability to influence, as part of their operating responsibilities. Non-financial objectives are also identified, connected, for example, to the completion of particularly significant projects, with a view to ensuring the Company's sustainable success.

Short-term "on target" incentives normally do not exceed 80% of the fixed component of the remuneration received in the same period.

The STI objectives assigned to executive directors, who are also the company's managers, typically refer to the economic-financial indicators (e.g. turnover or Group EBIT) that are closely related to the operating sphere of each of these subjects, or over which they can exercise significant leverage.

These objectives are determined in advance, are measurable and consistent with the Company's strategic goals.

The system for calculating short-term incentives related to economic-financial objectives may make provision for a minimum limit (e.g. 90%) of the STI target, on attainment of which a part of the incentive will be paid (e.g. 50%). Below this threshold, the bonus is not paid. Provision may also be made for a maximum disbursement limit above the target (e.g. 120% of the STI target) to remunerate over-achievement situations, with respect to which an additional component is recognised, which can reach up to 130% of the total bonus target. In the event of intermediate performances, the bonus is paid in linear proportion to the STI target reached.

As regards non-financial STI objectives, the projects identified may concern, for example, product or process innovation, the development of given markets or product lines, acquisitions, customer satisfaction, the development of synergistic relations within the company organisation.

The measurement of these objectives may be of an on/off nature, as the case may be, or assessable in terms of under- or over-performance, always in compliance with the maximum limit indicated above (130% of the overall target bonus).

### *c. Medium/long-term incentives*

The medium/long-term incentive system is structured in such a way as to ensure the variable component of remuneration (for which caps are provided) is related to the attainment of company performance targets: (i) defined from a time perspective, and therefore set in a period of time to allow the creation of value compatible with the Company's development strategies; (ii) linked to parameters (that may also be other than economic or financial) that are verifiable at the end of the period; (iii) assigned to the beneficiary, in view of the position covered or task assigned within the Company, that may be set also according to specific qualitative results expected (also at the individual level), taking into account competences, tasks and responsibilities of the beneficiary.

In application of the above-described principles and with the objective of promoting the creation of value for the Company in the medium and long term, executive directors and directors vested with particular roles may therefore become the beneficiaries of a variable compensation payable at the end of a set period of several years and related to the achievement of financial and economic objectives set in an incentive plan covering the same time period. The variable compensation may be paid only upon the achievement of the objectives set in the aforementioned medium/long-term incentive plans.

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<sup>2</sup> In line with the indications contained in the Corporate Governance Report, also considered as executive directors, in addition to the Chair and Managing Director, Mr. Giovanni Rosani, are the Vice Chair Aldo Bottini Bongrani and the Directors Franco Celli and Felice Albertazzi, based on the management positions held within the Issuer

The medium/long term component may not exceed 50% of the fixed component accrued in the period covered by the plan.

The medium/long term incentive ("LTI") system provides for the application of criterion for calculating the variable component able to establish a link between the change in corporate results and the change in the remuneration.

In particular, the medium/long term variable monetary component is based on a calculation that keeps into account the underperformance with respect to objectives which may include consolidated sales, consolidated gross operating margin, consolidated operating profit and consolidated net profit (the "LTI Objective") as from time to time indicated by the Board of Directors upon proposal of the Appointments and Remuneration Committee. In particular, this calculation system makes provision for a minimum limit set at 90% of the LTI objective; when this is achieved, 50% of the incentive is paid. A total of 90% of the LTI Objective also represents the under-performance threshold: in fact, below said threshold, the bonus is not paid. The maximum limit is set at 100% of the LTI Objective and envisages the payment of the maximum bonus that can be disbursed, equal to 100% of the bonus, which constitutes the cap (i.e. maximum limit). In the event a percentage of between 90% and 100% of the LTI Objective is reached, the bonus is paid in linear proportion to the LTI Objective attained.

For information on the incentive and loyalty plan called "Premio Carlo Rosani per i 50 anni dalla fondazione della Società" (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company) - approved by Cembre's Shareholders' Meeting on April 18, 2019 and which the company's executive directors access, based on their employment relationship - please refer to the dedicated paragraph, at the end of this Section I.

#### **REMUNERATION OF MEMBERS OF THE ADMINISTRATIVE BODY**

Pursuant to art. 2402 of the Italian Civil Code, the remuneration of members of the Board of Statutory Auditors is determined by the Shareholders' Meeting at the time of the appointment for the entire period of office.

Art. 22, paragraph 4, of the By-laws establishes that "*the Shareholders' Meeting determines the fee due to the statutory auditors, plus the reimbursement of expenses incurred for the fulfilment of office*".

The remuneration of members of the control body provides for a fee suited to the expertise, professionalism and commitment required by the relevance of the role held and the size and sector characteristics of the company and its situation.

#### **g) the policy applied with regard to non-monetary benefits;**

The members of corporate bodies and employees may be entitled to certain benefits, in consideration of their position and/or need in carrying out their tasks, that include: liability insurance policy for member of corporate boards, health insurance, on-the-job and off-the-job accident insurance, company car.

#### **h) with reference to variable components, a description of financial and non-financial performance objectives, if necessary taking into account the criteria relating to corporate social responsibility, based on which variable remuneration is assigned, distinguishing between short and medium to long-term variable components, and information on the type of correlation between results achieved and the change in the remuneration;**

Please refer to the information already provided previously, in paragraph f).

**i) the criteria used to evaluate the attainment of the performance objectives based on the allocation of shares, options, other financial instruments or other variable components of remuneration, specifying the amount of the variable component which will be disbursed based on the level of achievement of said objectives:**

In the setting of the LTI Objective, the evaluation of the performance as defined in the incentive plan and the measurement of the degree of achievement of objectives assigned, the following shall apply:

- (i) objectives for the period shall be defined and shared (indicatively by March of the first year of the term set in the plan) as provided by the Board of Directors having heard the opinion of the Company's Appointments and Remuneration Committee.
- (ii) intermediate evaluations of performance (indicatively by September of each year in the plan) may be carried out to assess the achievement of results in the first part of the year and to evaluate possible corrective action;
- (iii) the final evaluation of the performance and the communication of the degree of achievement of objectives assigned shall take place indicatively within 30 days of the date of approval of the draft financial statements and consolidated financial statements by the Board of Directors in the next year. The assessment of the degree of achievement of objectives set for the previous year is entrusted to the Appointments and Remuneration Committee, supported by the Administration, Finance and Control department of the Company that will submit its evaluations to the Board of Directors for the final determination of the variable component of remuneration payable to each beneficiary.

In the event, for any reason, the Board of Directors does not proceed with the setting of objectives for a specific term, said Board will pass, after having heard the opinion of the Appointments and Remuneration Committee, the necessary resolutions to determine the medium/long term variable component, taking into account the performance of the Company consistent with the underlying principles of the Remuneration Policy.

By contrast, as regards the STI Objectives, the relevant guidelines are defined and shared with the Appointments and Remuneration Committee and the Board of Directors, indicatively by the first quarter of each year.

The economic-financial indicators used refer to the adjusted results, net of extraordinary components, such as, for example, the impacts deriving from the entry into force of new accounting standards, which involve a discontinuity of accounting representation or the effects of a disaster or major catastrophic events that were unforeseeable.

Attainment of the objectives - with the subsequent disbursement of the incentive - is evaluated (indicatively, within 30 days of the date of approval of the draft financial statements and consolidated financial statements by the Board of Directors during the next year) by the Managing Director, with the support of the Administration, Finance and Control department as regards the financial parameters, by consulting the Appointments and Remuneration Committee for an expression of the relevant opinion.

The attainment of the non-financial objectives is evaluated on the basis of the state of implementation of each project concerned, according to the phases, time frames and methods envisaged for said project.

As regards the amount of the variable component disbursed based on the level of attainment of the objectives, please refer to the information provided in the previous paragraph.

In the event Cembre should carry out extraordinary operations with either a strategic importance and/or effects on the results of the Company and/or the Group or the scope of business, or in the case of extraordinary changes in the conditions of the market in which the Company operates, the Board of

Directors, upon proposal of the Appointments and Remuneration Committee, will carry out a revision of the objectives (both LTI and STI) to make them consistent with the new corporate structure and/or business environment and/or their consequent economic and financial results, without prejudice to the procedure governing related party transactions pursuant to the Related-Party Transactions Procedure, where applicable.

For more information, please refer to previous paragraph h) (see, in particular, the variable component connected with the attainment of the targets, distinguished on the basis of the level of achievement of the targets).

The Shareholders' Meeting, in accordance with the law and regulations, may approve, upon proposal of the Board of Directors and following the opinion of the Appointments and Remuneration Committee, compensation plans based on financial instruments in favour of directors and employees (or in any case, holders of a comparable relationship pursuant to the legislation applicable from time to time) of the Company and/or the subsidiaries of Cembre. For more information on the incentive and loyalty plan known as “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” – approved by Cembre’s Shareholders’ Meeting on April 18, 2019 and targeted at employees (or, nonetheless, holders of an equivalent relationship pursuant to the applicable legislation from time to time) of Cembre and/or its subsidiaries, which may also incorporate entities that have an administration relationship in place with Cembre, but who participate in the plan based on an employment contract - please refer to the dedicated paragraph, at the end of this Section I.

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

As outlined in previous paragraph d), the Company’s Remuneration Policy, and, in particular, the policy on the variable components of remuneration, contributes to the corporate strategy and the pursuit of the long-term interests and sustainable success of the Company. This contribution is provided through: (i) increased and more informed involvement of shareholders who are required to express their binding vote on the Remuneration Policy, which describes each of the items that make up the remuneration of directors and statutory auditors and which, therefore, has different and more comprehensive content with respect to the resolutions regarding compensation pursuant to articles 2364, 2389 and 2402 of the Italian Civil Code; (ii) the pursuit of a loyalty and incentive policy for the Company’s key personnel - which constitutes one of the factors of strategic interest for it - who are the recipients of the incentive and loyalty plan known as “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*”, through the extension of the time horizons of the decision-making processes of the company players (so-called long-term perspective) and alignment of the interests of these personnel with those of the shareholders over the medium/long-term horizon; (iii) the identification of performance targets related to parameters and projects that support the growth and profitability objectives of the company, through the development of new markets, technological innovation and improvement in processes.

**k) the period in which the rights mature (i.e. vesting period), possible deferred payment systems, indicating the term of the deferral periods and criteria used to determine said periods and, where provided for, ex post correction mechanisms of the variable component (malus or repayment of variable compensation - “clawback”);**

The Remuneration Policy sets forth that, the incentive plans based on financial instruments pursuant to art. 114-*bis* of the TUF and/or medium/long-term monetary incentive plans, prepared in line with the best market practice, envisage vesting periods.

As regards the LTI Objective, the attainment of said objective is verified following approval of the financial statements for the final year included in the period forming the object of the incentive.

As regards the plan “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*”, verification of the Assignment Conditions is performed annually, following approval of the consolidated financial statements.

However, it should be noted that, in reference to variable components, the Remuneration Policy provides for clauses in the agreements between the Company and Executive Directors that give the Company the right to request the return, in full or in part, of variable remuneration components paid (or to withhold sums still not paid), determined on the basis of data that has subsequently proved to be erroneous, as well as in the case of fraudulent conduct, contrary to the legal rules and/or company regulations, violation of loyalty and proper management obligations and where disciplinary penalties have been imposed.

In addition, with reference to the incentive plans based on financial instruments pursuant to art. 114-*bis* of the TUF, the Remuneration Policy sets forth that they make provision for adequate ex-post correction mechanisms (so-called claw-back / malus clauses). For information regarding the claw-back mechanism governed by the incentive and loyalty plan called “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*”, please refer to the dedicated section at the end of this Section I.

**l) information on possible clauses for the maintenance of financial instruments in the portfolio after their acquisition, indicating the term for which these will be held and criteria used in setting such term;**

The Remuneration Policy provides for the insertion in the incentive plans based on financial instruments pursuant to 114-*bis* of the TUF, of clauses for the maintenance of securities in the portfolio after their acquisition.

For information regarding the constraints on the maintenance in the portfolio of shares acquired on the basis of the incentive and loyalty plan called “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*”, please refer to the dedicated section at the end of this Section I.

**m) the policy relating to the entitlements envisaged in the event of cessation of office or termination of employment, by specifying:**

- i. the duration of any employment contracts and additional agreements, the notice period, where applicable, and which circumstances give rise to the right;**
- ii. the criteria for determining the compensation due to directors, general managers and, at aggregated level, executives with strategic responsibilities, distinguishing, where applicable, the components attributed based on the office of director from those relating to employee relationships, as well as the components for any non-competition commitments. In the event this compensation is expressed on the basis of years, indicate the components of these years in detail (fixed, variable, etc.);**
- iii. any connection between said compensation and the company’s performances;**
- iv. any effects of the termination of the relationship on the rights assigned as part of incentive plans based on financial instruments;**

v. **any provision for the assignment or maintenance of non-monetary benefits in favour of persons or stipulation of consulting contracts for a term subsequent to that of the termination of the employment;**

It is not the Issuer's practice to stipulate agreements with directors that make provision for indemnities in the event of cessation from office or termination of employment.

Upon the termination of the employment contract with executive directors, therefore, the provisions of the National Labour Agreement for Industrial Executives would be applied.

The effects of the termination of employment on the rights assigned as part of the incentive plan "*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*" are governed by the relevant regulation. For more information in this regard, please refer to the dedicated paragraph, at the end of this Section I.

n) **information regarding the existence of insurance coverage, health insurance or private pension plans, other than coverage provided according to applicable laws;**

The Board of Directors resolved the underwriting of an insurance policy that covers third party liability of directors and statutory auditors.

o) **the Remuneration Policy applied with reference: (i) to independent directors, (ii) participation in committees, and (iii) positions covered (Chair, vice Chair, etc.);**

Independent Directors are granted a fixed compensation allocated by the Board of Directors as part of the total compensation set by the Shareholders' Meeting pursuant to article 2389, paragraph 3 of the Italian Civil Code.

Independent Directors do not receive variable remuneration and are not beneficiaries of remuneration plans based on financial instruments.

The total amount of remuneration for all Directors, including those holding particular positions and also including other members of the internal Board committees, is resolved by the Shareholders' Meeting pursuant to article 2389 of the Italian Civil Code.

p) **if the Remuneration Policy was define by using as reference the remuneration policies of other companies, and where this is the case, the criteria used for the choice and indication of such companies;**

In setting its Remuneration Policy the Company did not take the remuneration policies of other companies as a reference.

q) **the elements of the Remuneration Policy which, under exceptional circumstances, it is possible to depart from and, without prejudice to the provisions of Regulation no. 17221 of March 12, 2010, the additional procedural conditions on the basis of which the derogation can be applied.**

In the presence of exceptional circumstances, the company may depart from the elements of the Remuneration Policy illustrated below.

It should be noted that "exceptional circumstances" means those situations in which the exception to the Remuneration Policy is necessary for the purposes of pursuing the long-term interests and sustainability of

the Company as a whole or to ensure its capacity to remain on the market, by way of a non-exhaustive example:

(i) verification, at national or international level, of extraordinary and unforeseeable events, regarding the company and/or sectors and/or markets in which it operates, which have a significant impact on the company's results, including the verification of significant negative effects not only of an economic or financial nature, such as, for example, those deriving from the Covid-19 health emergency;

(i) substantial changes to the organisation of business activities, both of an objective nature (such as extraordinary transactions, mergers, sales, etc.) and of a subjective nature, such as changes to the top management structure and any identification of subjects (other than directors and statutory auditors) that qualify as executives with strategic responsibilities relevant for the purposes of this Policy;

(iii) considerable changes to the perimeter of company activities during the period of validity of the Policy, such as the sale of a company/business unit on which the performance targets of the reference Policy had been based or the acquisition of a significant business not considered for the purposes of preparation of said Policy.

It remains understood, in any case, that any exceptions to the Policy will be subject to prior review by the Committee and application of the regulation set forth by the Related-Party Transactions Procedure.

Without prejudice to the above, the derogation may concern: (i) the restructuring of the performance targets to which the variable remuneration and the frequency of their calculation is linked, (iii) the revision of the criteria used to evaluate said targets, (iii) the change in the ratio between the fixed and variable components of the remuneration; (iv) the assignment of lump sum monetary bonuses; (v) the attribution of special indemnities, in order to take account of the aforementioned exceptional circumstances and solely up to the limits in which it is instrumental in the pursuit of the interests indicated above.

\* \* \*

#### **Incentive and loyalty plan known as**

#### ***“Premio Carlo Rosani per i 50 anni dalla fondazione della Società” (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company)***

On April 18, 2019, the Shareholders' Meeting of Cembre resolved, pursuant to art. 114-*bis* of the TUF, the adoption of the incentive and loyalty plan called “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” (for the purposes of this paragraph, the “**Plan**”) reserved to persons who have an employment relationship with Cembre in the position of executive or middle manager - without prejudice to the right of the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee, to include among the beneficiaries also persons holding an employment relationship (or, nonetheless, an equivalent relationship pursuant to the legislation applicable from time to time) with the wholly-owned direct and indirect subsidiaries of Cembre (the “**Recipients**”) - to be implemented through the free assignment of rights (the “**Rights**”) which attribute the right to purchase Cembre's ordinary shares in the company's portfolio (the “**Shares**”).

More specifically, the Plan provides for the free assignment, to each of the beneficiaries identified from time to time by the Board, based on the prior opinion of the Appointments and Remuneration Committee, within the category of Recipients (the “**Beneficiaries**”), of rights that attribute Beneficiaries the right to purchase the Company's shares due to them as a result of the exercise the Rights, based on a ratio of 1 share for every 1 right exercised, at a price per share of €10.00.

At the date of assignment of the rights (the “**Assignment Date**”), the Board identifies, among other things, the number of Rights to be attributed to each Beneficiary, as well as the terms and conditions of exercise of

the Rights, all in compliance with the provisions of the Plan regulation approved by the Board on May 14, 2019 (the “**Regulation**”) and taking into account that the Beneficiaries identified by the Board are attributed, for each annual assignment (i) 2,000 Rights to Beneficiaries with the role of executive; (ii) 500 Rights to Beneficiaries in the position of middle manager.

The Rights are assigned freely on an annual basis during the plan term, following the Board’s approval of the Company’s consolidated financial statements relating to each of the years included in the Plan performance period (i.e. from 2019 to 2024) based on prior verification of the conditions below.

Pursuant to the Plan and the Regulation, the assignment of Rights to Beneficiaries is subject to the verification of company performance targets relating to the Group’s gross operating profit (the “**Performance Conditions**”), as well additional conditions, relating to the individual Beneficiary (the “**Personal Conditions**” and, together with the Performance Conditions, the “**Conditions**”), such as:

- (i) the existence of the employment contract between the Plan recipient and the Company (the “**Relationship**”) with the position of executive or middle manager;
- (ii) solely for Plan recipients with the position of middle manager, the performance of work activities for the Company for a minimum number of weekly hours;
- (ii) in compliance with the prohibition to transfer referred to below, starting from the second Assignment Date, maintenance of ownership of the shares acquired as part of the Plan and, nonetheless, a number of shares at least equal to the total number of rights exercised as part of the Plan.

The Regulation sets forth that, in the event of termination of the relationship between the Beneficiary and the Company (each of these events, the “**Termination of the Relationship**”), the following rules shall apply:

- (a) in the event of the Termination of the Relationship before the Assignment Date, the subject will lose the qualification of recipient and, therefore, shall not have any entitlement to be an assignee of the Rights as part of the Plan;
- (b) in the event of voluntary resignation, retirement or dismissal for just cause after the Assignment Date, all Rights assigned to the Beneficiary shall automatically cease and shall be stripped of any effect and validity, hence freeing the Company from any obligation or responsibility to the Beneficiary;
- (c) if, due to contractual or organisational modifications, there is a change of category which means the Personal Condition pursuant to the previous point (i) no longer applies, previous points (a) and (b) shall apply, depending on the case;
- (d) if the Termination of the Relationship is due to the death of the Beneficiary which has occurred after the relevant Assignment Date from time to time, the heirs shall retain the right to exercise the Rights already assigned to the Beneficiary under the terms and conditions set out in the Plan.

Without prejudice to the Board’s right, based on the prior opinion of the Appointments and Remuneration Committee, to derogate, in accordance with the terms and methods identified by said Board at its sole discretion, from applying the above.

The Regulation sets forth that, in each assignment year, the Rights are to be exercisable by the Beneficiary in the period between (i) October 1; and (ii) October 15 and that the rights can only be validly exercised where the Board ascertains that, at the date of communication of the exercise of the Rights by the Beneficiary, the Personal Conditions continue to be met.

The Shares acquired by the Beneficiary following the exercise of the Rights are subject to a lock-up constraint for the entire duration of the Plan (i.e. until the delivery of the Shares in 2025). Any transfer of the Shares carried out against consideration or free, in any form, due to the exercise of the Rights, determines the



loss of the Personal Condition described above sub (iii) and shall entail the exclusion of the Beneficiary from the Plan. Therefore, in the event of violation of the lock-up constraint pursuant to the Plan and the associated Regulation (a) the Beneficiary will not be able to validly exercise the Rights already attributed; (b) cannot be the recipient of additional allocations of Rights for the entire duration of the Plan.

The Company - according to the methods and terms that will be established by the Board of Directors, having consulted the Appointments and Remuneration Committee, and communicated to the Beneficiaries - may request the return, in full or in part, of the Shares assigned in execution of the Plan, in the event the Beneficiary engages in: (i) conduct that results in a significant loss for the Company, a Cembre Group company or the Cembre Group in general; (ii) fraudulent behaviour or gross negligence to the detriment of the Company, a Cembre Group company or the Cembre Group in general; (iii) behaviour contrary to the legal regulations and/or company rules; (iv) violation of the obligations of loyalty and correct management (so-called claw-back).

For more information on the Plan, please refer to the Information Document drafted in accordance with art. 84-*bis* of the Issuers' Regulation filed at the Company's registered office and available as an attachment to the related directors' report to the shareholders' meeting of April 18, 2019, on the website of the company [www.cembre.it](http://www.cembre.it) in the "Investor relations/Shareholders' Meetings section".

Details of the rights assigned to the Beneficiaries in 2021 are contained in Table 2 attached to this Report.

## SECTION II

With regard to the remuneration of directors and statutory auditors, the present Section:

- in the first part, (i) provides an adequate, clear and easy to understand representation of each of the items that make up the remuneration, including the entitlements in the event of cessation of office or termination of the employment contract, highlighting their compliance with Company's remuneration policy approved in the reference year and the methods with which remuneration contributes to the Company's long-term results; (ii) provides information on any exception to the remuneration policy applied in exceptional circumstances; (iii) provides information on any application of ex-post correction mechanisms of the variable component; (iv) provides comparative information between the change in the total remuneration of Directors and Statutory Auditors, the Company's results and the gross annual average remuneration of the company employees; (v) illustrates how the Company took account of the vote expressed in the previous year by the Shareholders' Meeting on the Second Section of the Report on Remuneration;
- in the second part, illustrates analytically - using the tables set forth in Annex 3A, Scheme 7-bis of the Issuers' Regulation - the compensation paid or accrued in the year (2021, hereinafter "**the Year**") for any reason and in any form by the Company and its subsidiaries or associates, also highlighting the compensation to be paid in one or more subsequent years for work carried out in the reference year, indicating where appropriate an estimate for components that cannot be objectively quantified in the reference year;
- in the third part, it indicates also (applying criteria established in Attachment 3A, Schedule 7-ter of the Issuers' Regulations), investments held in the Issuer and its subsidiaries by members of the administration and control bodies and their non-legally separated spouses, minor sons and daughters, either directly or through subsidiaries, trust companies or third parties, as reported in the Shareholders' Register, by communications received and other information acquired by the same members of the administration and control bodies.

Cembre, being a company of "small dimensions" pursuant to article 3, paragraph 1, letter f) of the Related Parties Regulation, (i) may supply in aggregate form information on compensation received by managers with strategic responsibilities (where present), other than the General Manager, and (ii) may provide information on existing agreements providing for indemnities to be paid in case of early termination of office only with reference to executive directors and the Chair of the Board of Directors.

It should be noted that the independent auditors EY S.p.A. verified - in compliance with the provisions of article 123-ter, paragraph 8-bis, of the TUF - the preparation by Cembre's Board of Directors of this section of the Report on Remuneration.

## SECTION II – PART ONE – ITEMS THAT MAKE UP REMUNERATION

### **Remuneration of the Board of Directors**

With reference to the Board of Directors in office until April 27, 2021, it should be noted that the Shareholders' Meeting of April 26, 2018 set at €12,000.00 the gross annual compensation for each member of the Board of Directors for each of the 2018-2020 financial years, in addition to a compensation for attendance at Board Meetings of €100.00 per meeting, to be recognised only to participants in meetings only at the place where it has been called (nothing was due for participation by teleconferencing or video-conferencing).

The Board of Directors, at its meeting held on April 26, 2018, in line with the Remuneration Policy, had resolved further compensation for members of the Board of Directors with particular appointments or for participating in committees, as follows:

- to the Chair and Managing Director Giovanni Rosani, upon proposal of the Appointments and Remuneration Committee, and the prior favourable opinion of the Board of Statutory Auditors, an annual compensation of €202,000.00 net of withholding taxes and legal expenses and in addition to the basic compensation resolved by the Shareholders' Meeting;
- to Vice Chair Anna Maria Onofri, upon proposal of the Appointments and Remuneration Committee, and the prior favourable opinion of the Board of Statutory Auditors, a total compensation of €170,000.00 net of withholding taxes and legal expenses and in addition to the basic compensation resolved by the Shareholders' Meeting;
- to each member of the Internal Control and Risk Committee a total annual compensation of €16,000.00 net of withholding taxes and contributions;
- to each member of the Appointments and Remuneration Committee, an annual compensation of €2,000.00 net of withholding taxes and legal expenses.

Furthermore, the Directors Fabio Fada and Paola Carrara received an annual compensation of €11,000.00 each, gross of withholding taxes and legal expenses, for their position as members of the Supervisory Body of the Company.

With reference to the Board of Directors in office as at the date of this Report, it should be noted that the Shareholders' Meeting of April 27, 2021 set the annual remuneration for the Board of Directors at €504,000.00, including remuneration for special assignments and participation in committees, in addition to the reimbursement of expenses incurred in performing the assignment - excluding from the above gross amount the remuneration paid to Directors employed by Cembre under an employment contract - with mandate to the Board of Directors for the allocation of such remuneration among its members.

On April 27, 2021, the Board of Directors, on the proposal of the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, allocated the remuneration approved by the aforementioned Shareholders' Meeting among its members as follows:

- (i) all members of the Board receive a gross annual fee of €15,000 (fifteen thousand/00) each, including any remuneration for taking part in the meetings and any expense incurred to carry out the mandate;
- (ii) the Chair and Managing Director receive an annual fee of €253,000 (two hundred and fifty-three thousand/00), to be intended gross of withholding taxes and legal charges, and additional to the "basic" remuneration referred to in point (i) above;
- (iii) the Vice Chair receives an annual fee of €95,000 (ninety five thousand/00), to be intended gross of

withholding taxes and legal charges, and additional to the "basic" remuneration referred to in point (i) above;

Regarding the members of the Committees, the Board allocated:

- to each member of the Internal Control and Risk Committee a total additional annual compensation of €14,000.00 (fourteen thousand/00) net of withholding taxes and contributions;
- to each member of the Appointments and Remuneration Committee a total annual additional compensation of €4,000.00 (four thousand/00) net of withholding taxes and contributions.

On November 11, 2021, the Board of Directors noted the non-achievement of the targets set for the period 2018-2020 in the medium/long-term monetary incentive plan (LTI) intended for the Chair and the Managing Director Mr. Giovanni Rosani. Consequently, the related monetary bonus was not liquidated.

Subsequently, on September 9, 2021, the Board, on the proposal of the Remuneration Committee, approved the new LTI plan for the Chair and Managing Director, defining at €165,000 the maximum bonus payable for the period 2021-2023, equal to an annual accrual of €55,000 for each of the years from 2021 to 2023 and setting as a performance target the "Cumulative consolidated EBITDA for the period 2021-2023", also providing for a minimum guarantee clause represented by the growth in cumulative consolidated sales revenues for the period 2021-2023. Once the fulfilment of this condition has been ascertained, the disbursement of the bonus at the end of the period will take place in compliance with the minimum and maximum limits described in Section I of this document.

In the Year, the executive directors were paid, as company managers, short-term incentives totalling €258,713 based on the performance recorded by the company in the reference period and the results obtained by the individual recipients, and in particular in relation to the attainment of the economic-financial and non-financial objectives established beforehand; the Company intends to avail itself of the right not to issue a disclosure regarding the individual targets assigned, nor regarding the strategic projects identified as the non-financial objectives, as relating respectively to the provisional data not published and commercially sensitive information. Details of these incentives are provided in Table 1, at the end of this Report.

In addition, the executive directors were assigned a total of 6,000 Rights during the Year, pursuant to the incentive plan known as "*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*" (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company") described in the dedicated paragraph, at the end of Section I. Details of the options assigned and exercised are contained in Table 2 at the end of this Report.

On March 14, 2022, the Board of Directors, based on the prior opinion of the Appointments and Remuneration Committee, currently consisting of identified 8 managers (including the executive directors Felice Albertazzi and Franco Celli) and 7 middle managers; in the event all the Conditions are respected (see those defined above) and all the shares are assigned, the maximum number of Cembre shares assigned as part of the Plan would amount to 121,500 shares. In the Year, the fixed component of remuneration of executive directors (column 1 of Table 1 attached to this Report) averaged **64.6%** of the total remuneration (column 6 of Table 1 attached to this Report).

The remuneration of non-executive directors is not linked to the economic performance of Cembre and they are not the beneficiaries of share-based incentive plans as they receive a fixed remuneration set by the Shareholders' Meeting on April 27, 2021 pursuant to article 2389, paragraph 1 of the Italian Civil Code and article 21 of the By-laws, as outlined above.

The Director Paola Carrara receives an annual compensation of €11,000.00, gross of withholding taxes and legal expenses, for her position as member of the Supervisory Body of the Company.

No compensation is set at the end of the mandate or in case of early termination of office or employment

other than benefits provided by Law.

There are no agreements that provide for indemnities and/or other benefits for the termination of office or of the employment contract.

The effects of the termination of employment on the rights assigned as part of the incentive plan “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” are governed by the relevant regulation. For more information please refer to the dedicated paragraph, at the end of Section I.

There are not agreements providing for the assignment or maintenance of non-monetary benefits in favour of persons whose employment or appointment is terminated, or contracts providing for consulting services for a term subsequent to that of the termination of the employment.

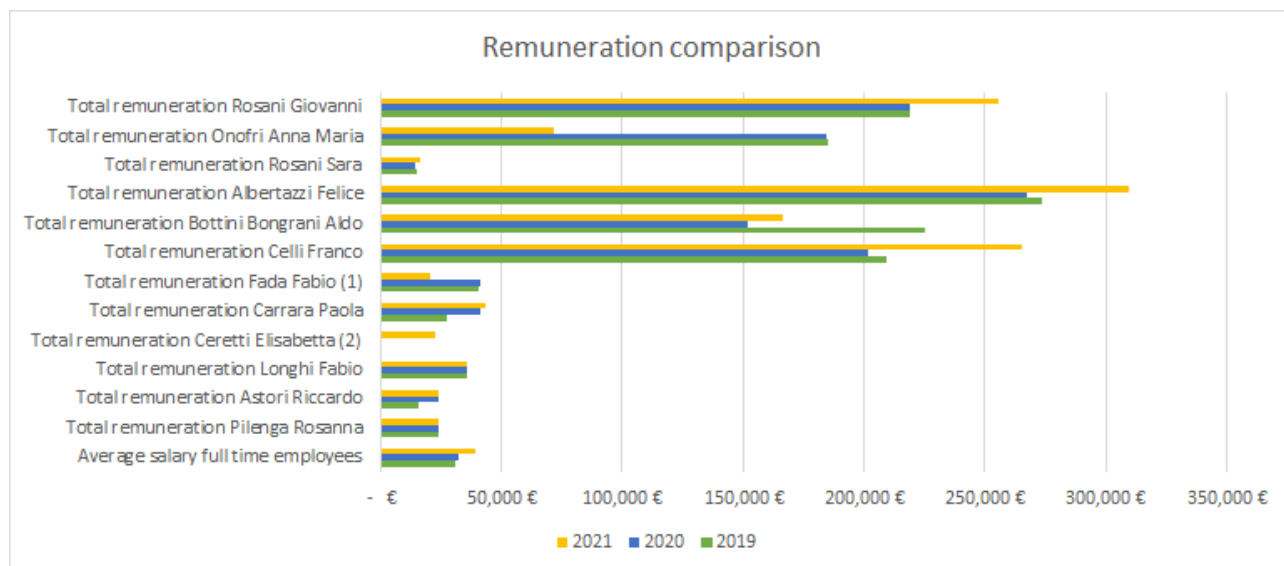
There are no agreements providing for compensation for non-competition agreements.

### **Remuneration of the Board of Statutory Auditors**

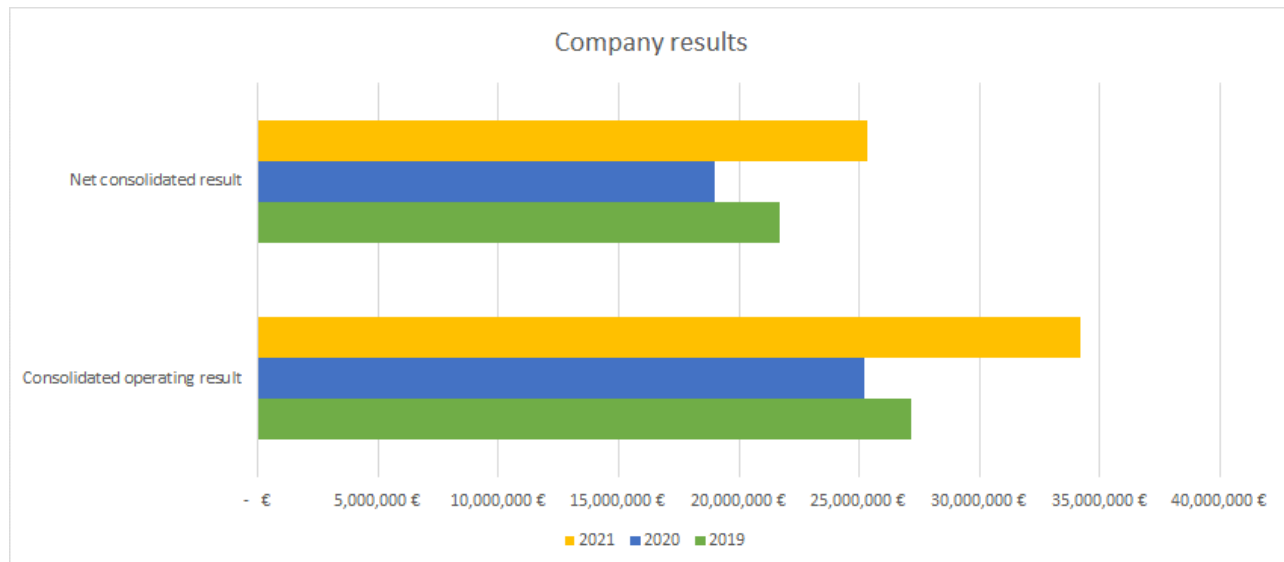
With reference to the Board of Statutory Auditors in office since April 27, 2021, it should be noted that the remuneration had been resolved by the Shareholders’ Meeting of April 26, 2018, that set the annual compensation at €36,000.00 for the Chair and an annual compensation of €24,000.00 for each Permanent Auditor, including all indemnities and the reimbursement of expenses incurred in fulfilling the position.

The remuneration of the Board of Statutory Auditors in office as at the date of this Report was established by the Shareholders' Meeting held on April 27, 2021, which set the annual fee at €36,000.00 for the Chair and €24,000.00 for each of the other Permanent Auditors, including any indemnity, as well as the reimbursement of the expenses incurred in carrying out their duties.

**Information on the comparison between the change in the total remuneration of the Directors and Statutory Auditors, the Company’s results and the annual average gross remuneration of the Company’s employees**



- (1) Director resigned from office on 04/27/2021.
- (2) Director appointed for the first time on 04/27/2021.



\* \* \*

The remuneration paid in the Year is consistent, in terms of the amount and the items that compose it, with the Remuneration Policy defined by the Company and approved by the Shareholders’ Meeting most recently on April 27, 2021.

During the year, no mechanisms for *ex-post* correction of the variable component of remuneration were applied, nor were any exceptions made to the approved Policy. As a result of the termination of his employment with the Company, the Director Aldo Bottini was paid severance indemnity, the amount of which is shown in Table 1 in the appendix to this Report.

**SECTION II - PART TWO - COMPENSATION PAID TO DIRECTORS, STATUTORY AUDITORS IN THE YEAR****TABLE 1: Compensation paid to members of the administration and control bodies**

	Office held	Period	Term ending (1)	Fixed compensation			Compensation for committees	Non-equity variable compensation		Non-monetary benefits (2)	Other compensation (3)	Total	Fair value of equity compensation	Post termination or retirement benefits (4)
				Emoluments for position	Attendance fees (5)	Remuneration as employees		Bonuses and other incentives (6)	Profit-sharing					
<b>Giovanni Rosani</b>	Chair of BOD and Managing Director	01/01/2021 - 12/31/2021	2023	250,420	200					5,263		<b>255,883</b>		
<b>Anna Maria Onofri</b>	Director	01/01/2021 - 12/31/2021	2023	69,273						2,351		<b>71,624</b>		
<b>Sara Rosani</b>	Director	01/01/2021 - 12/31/2021	2023	14,023						2,233		<b>16,256</b>		
<b>Aldo Bottini Bongrani</b>	Vice Chair of BOD	01/01/2021 - 12/31/2021	2023	78,137	200	37,052		48,416		2,907		<b>166,712</b>	19,860	11,324
<b>Fabio Fada</b>	Director	01/01/2021 - 04/27/2021	2020	3,902			5,853				3,667 <sup>(7)</sup>	<b>13,422</b>		
<b>Felice Albertazzi</b>	Director	01/01/2021 - 12/31/2021	2023	14,023	200	175,100		116,832		3,494		<b>309,649</b>	19,860	
<b>Franco Celli</b>	Director	01/01/2021 - 12/31/2021	2023	14,023	200	154,105		93,465		3,222		<b>265,015</b>	19,860	
<b>Paola Carrara</b>	Director	01/01/2021 - 12/31/2021	2023	14,000			18,000				11,000	<b>43,000</b>		
<b>Elisabetta Ceretti</b>	Director	24/04/2021 - 12/31/2021	2023	10,123			12,148					<b>22,271</b>		
<b>Fabio Longhi</b>	Chair of BSA	01/01/2021 - 12/31/2021	2023	36,000								<b>36,000</b>		
<b>Riccardo Astori</b>	Permanent Auditor	01/01/2021 - 12/31/2021	2023	24,000								<b>24,000</b>		
<b>Rosanna Angela Pilenga</b>	Permanent Auditor	01/01/2021 - 12/31/2021	2023	24,000								<b>24,000</b>		
<b>Compensation from company that prepares the financial statements</b>				<b>551,924</b>	<b>800</b>	<b>366,257</b>	<b>36,001</b>	<b>258,713</b>	<b>0</b>	<b>19,470</b>	<b>14,667</b>	<b>1,247,832</b>	<b>59,580</b>	<b>11,324</b>
<b>Compensation from subsidiaries</b>				<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>				<b>551,924</b>	<b>800</b>	<b>366,257</b>	<b>36,001</b>	<b>258,713</b>	<b>0</b>	<b>19,470</b>	<b>14,667</b>	<b>1,247,832</b>	<b>59,580</b>	<b>11,321</b>

**Notes**

- (1) The expiry of office coincides with the approval of the Financial Statements at December 31, 2023 for both Board of Directors and Board of Statutory Auditors.
- (2) Consisting of fringe benefits represented by the use of a company car.
- (3) Compensation as member of the Monitoring Board (organisational model as per Legislative Decree 231/2001)
- (4) Amount accrued as “Termination indemnity” relating to employment as manager.
- (5) Attendance fees paid until 04/27/2021.
- (6) Variable part of remuneration for employment linked to results.
- (7) The amount indicated refers to the period January-April 2021, i.e. until the termination of the director's office; the total remuneration for the year 2021 is €11,000.



**TABLE 2: Stock-options assigned to the members of the Board of Directors, general managers and other key management personnel**

A	B	Opzioni detenute all'inizio dell'esercizio				Opzioni assegnate nel corso dell'esercizio						Opzioni esercitate nel corso dell'esercizio			Opzioni scadute nell'esercizio	Opzioni detenute alla fine dell'esercizio	Opzioni di competenza dell'esercizio
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)			
Nome e cognome	Carica	Piano	Numero azioni	Prezzo di esercizio	Periodo possibile esercizio (dal - al)	Numero opzioni	Prezzo di esercizio	Periodo possibile esercizio (dal - al)	Fair value alla data di assegnazione	Data di assegnazione	Prezzo di mercato delle azioni sottostanti alla data di assegnazione delle opzioni	Numero opzioni	Prezzo di esercizio	Prezzo di mercato delle azioni alla data di esercizio	Numero opzioni	Numero opzioni	Fair value
Felice Albertazzi	Amministratore	A	0	0		2.000	10,00 €	1/10/2021-15/10/2021	19.860,00 €	11/03/2021	22,30 €	2.000	10,00 €	27,40 €	0	0	19.860,00 €
Aldo Bottini Bongrani	Amministratore	A	0	0		2.000	10,00 €	1/10/2021-15/10/2021	19.860,00 €	11/03/2021	22,30 €	2.000	10,00 €	27,40 €	0	0	19.860,00 €
Franco Celli	Amministratore	A	0	0		2.000	10,00 €	1/10/2021-15/10/2021	19.860,00 €	11/03/2021	22,30 €	2.000	10,00 €	27,40 €	0	0	19.860,00 €
(I) Compensi nella società che redige il bilancio	Piano A 18/04/2019		0			6.000			59.580,00 €			6.000			0	0	59.580,00 €
(II) Compensi di controllate e collegate																	
(III) Totale			0			6.000			59.580,00 €			6.000			0	0	59.580,00 €

**Notes:**

Each option corresponds to the subscription or purchase of one share.

“Plan A” means “*Premio Carlo Rosani per i 50 anni dalla fondazione della Società*” (Carlo Rosani Prize for the 50th anniversary of the foundation of the Company”).

Total (III) is shown with reference to columns (2), (5), (8), (11), (14), (15), and (16).

**TABLE 3B: Monetary incentive plans for members of the board of directors, general managers and other key management personnel - Year 2021**

The table below shows the monetary incentive plans for members of the Company's Board of Directors.

Last Name and First Name	Office held	Plan	Bonus of the Year			Bonuses from previous years			Other Bonuses
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still Deferred	
Felice Albertazzi	Executive Director	March 11, 2021	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still Deferred	
(I) Remuneration from company that prepares the financial statements			€ 116,832		2021				
(II) Remuneration from subsidiaries and associated companies									
Aldo Bottini Bongrani	Executive Director	March 11, 2021	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still Deferred	
(I) Remuneration from company that prepares the financial statements			€ 48,416		2021				
(II) Remuneration from subsidiaries and associated companies									
Franco Celli	Executive Director	March 11, 2021	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still Deferred	
(I) Remuneration from company that prepares the financial statements			€ 93,465		2021				
(II) Remuneration from subsidiaries and associated companies									

**SECTION II - PART THREE – SCHEDULE NO 7-TER**

**Schedule regarding information on the equity investments of the members of the management and control bodies, general managers and other key management personnel.**

**TABLE 1: Interests of the members of the administration and control bodies (1)**

	INVESTE COMPANY	NUMBER OF SHARES AS AT DEC. 31, 2020	NO. OF SHARES PURCHASED	NO. OF SHARES SOLD	NUMBER OF SHARES AS AT 12/31/2021	TITLE	OWNERSHIP
LYSNE S.P.A. (2)	Cembre S.p.A.	8,906,825	0	0	8,906,825	owned	direct
ANNA MARIA ONOFRI	Cembre S.p.A.	120,096	0	0	120,096	owned	direct
SARA ROSANI	Cembre S.p.A.	1,470,000	0	0	1,470,000	owned	direct
GIOVANNI ROSANI	Cembre S.p.A.	1,450,000	0	0	1,450,000	owned	direct
ALDO BOTTINI BONGRANI	Cembre S.p.A.	120,106	2,000	10,000	112,106	owned	direct
FELICE ALBERTAZZI	Cembre S.p.A.	2,000	6,220	0	8,220	owned	direct
FRANCO CELLI	Cembre S.p.A.	5,000	2,000	0	7,000	owned	direct
	Cembre S.p.A.	1,000	0	1,000	0	owned	indirect

(1) Statutory Auditors and Directors not mentioned above did not own Cembre S.p.A. shares at December 31, 2021.

(2) The share capital of Lysne S.p.A., the parent of Cembre S.p.A., is held by Anna Maria Onofri, Giovanni Rosani and Sara Rosani.

Brescia, March 14, 2022

for the Board of Directors  
Chair and Managing Director  
Mr. Giovanni ROSANI