

SeSa S.p.A.

Report on the Remuneration Policy and Payments Made

Drawn up in compliance with article 123-ter of Legislative Decree 58/1998, as subsequently amended, and article 84-quater of Consob Regulation 11971/1999, as subsequently amended

Approved by the Board of Directors on 12 July 2021.

GLOSSARY

Civ. Code / c.c.: the Italian Civil Code, as approved by Royal Decree no. 262 of 16 March, as subsequently amended and supplemented

Self-governance Code: the current Self-governance Code of listed companies approved in July 2018 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., available for consultation at www.borsaitaliana.it, in the section “Borsa Italiana – Regulation – *Corporate Governance*”, applicable until 30 April 2021.

Corporate Governance Code: the Corporate Governance Code of listed companies approved in January 2020 by the Committee for Corporate Governance and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, applicable from 1 May 2021.

Board or Board of Directors: the Board of Directors of the Issuer.

Listing Date: the date from which the Issuer's ordinary shares and warrants are admitted to trading on the electronic stock market organised and managed by Borsa Italiana S.p.A., i.e.: 22 October 2013.

Year: the business year to which the Report refers. Taking into account that the company's business year ends on the 30th of April, the period between 1 May 2020 and 30 April 2021.

Group: the Sesa Group

Instructions for Regulation of the Borsa: the Instructions for Regulation of the Markets organised and managed by Borsa Italiana S.p.A.. (as subsequently amended).

SeSa, Issuer or company: the issuer of listed stocks to which the Report refers.

Regulation of the Borsa: the Regulation of the markets organised and managed by Borsa Italiana S.p.A.. (as subsequently amended).

Issuers' Regulation: Consob Regulation no. 11971 of 14 May 1999, as subsequently amended.

Regulation of Related Parties: Consob Regulation no. 17221 of 12 March 2010 relating to transactions with related parties, as subsequently amended.

Report on the Remuneration Policy and Payments Made: this report, which the company is obliged to prepare in compliance with article 123-*ter* of the TUF.

TUF: Legislative Decree 58 (Consolidated Law on Finance) dated 24 February 1998, as subsequently amended.

REPORT ON THE REMUNERATION POLICY AND PAYMENTS MADE

This Report on the Remuneration Policy and Payments Made has been drawn up in compliance with article 123-ter of the TUF, as subsequently amended, and article 84-quater of the Issuers' Regulations, as subsequently amended, and has been prepared in compliance with Annex 3A, Schedule 7-bis and Schedule 7-ter of the Issuers' Regulations.

The Report on the Remuneration Policy and Payments Made is divided into the following sections:

- Section I clearly and comprehensibly outlines SeSa's policy on the remuneration of company directors and executives with strategic responsibilities for at least the following year and, notwithstanding the provisions of article 2402 c.c., of Statutory Auditors (hereinafter the “**Remuneration Policy**”), as well as the procedures used for the adoption and implementation of said policy; In particular, the Remuneration Policy:
 - (a) indicates how it contributes to the corporate strategy, the pursuit of long-term interests and the sustainability of the company, and is determined in consideration of the remuneration and working conditions of the company's employees;
 - (b) defines the different components of remuneration that can be awarded. Where variable remuneration is allocated, it establishes clear, comprehensive and differentiated criteria for the recognition of such remuneration, based on financial and non-financial performance targets where appropriate, taking into consideration criteria relating to corporate social responsibility;
 - (c) specifies the elements of the policy from which, in the presence of exceptional circumstances indicated in Article 123-ter, paragraph 3-bis, of the TUF, it is possible to temporarily derogate and the procedural conditions on the basis of which, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010 on transactions with related parties, the waiver may be applied; companies may limit the identification of the procedural conditions to the procedures envisaged in the aforesaid Regulation;
- Section II clearly and comprehensibly outlines, by name, for the remuneration attributed to the company's Directors and Statutory Auditors and in aggregate form for the remuneration attributed to SeSa's Executives with strategic responsibilities¹: Section II in particular:
 - (a) provides an adequate representation of each of the items constituting remuneration, including any procedures envisaged in the event of expiry of office or termination of employment, highlighting their consistency with the company's remuneration policy for the Year;
 - (b) analytically illustrates the remuneration paid during the Year, for any reason and in any form, by the company and its subsidiaries or associated companies, indicating any components of the aforesaid remuneration that refer to activities carried out in financial years prior to the year of reference and also highlighting the remuneration to be paid in one or more subsequent years for activities carried out during the year, indicating, where appropriate, an estimated value for components that cannot be objectively quantified during the year;
 - (c) illustrates how the company took into account the vote cast the previous year on the second section of the report.

Section II also contains:

- i)* information relating to the shareholdings held, in SeSa and its subsidiaries, by members of the administrative and auditing bodies, general managers and other executives with strategic responsibilities in the company as well as by spouses who are not legally separated and by minor children, directly or through subsidiaries, trusts or third parties, resulting from the shareholders' register, communications received and other information acquired by the same members of the administrative and auditing bodies, general managers and executives with strategic responsibilities, in compliance with the provisions of article 84-quater, paragraph 4, of the Issuers' Regulations;
- ii)* data relating to the financial instruments assigned in implementation of the plans approved in compliance with article 114-bis of the Consolidated Law on Finance, pursuant to article 84-bis, paragraph 5, of the Issuers' Regulations.

¹ In compliance with Annex 3A, Schedule 7-bis of the Issuers' Regulations, the remuneration of Executives with strategic responsibilities is shown in aggregate as none of them received a higher overall remuneration during the Year than the highest overall remuneration attributed to the Directors.

In compliance with article 123-ter, paragraphs 3-bis and 3-ter, after examination and approval by the Board of Directors, the Remuneration Policy is submitted to the binding vote of the Shareholders' Meeting, while, with regard to the second section of the Report on Remuneration paid for the financial year 2020-2021, pursuant to art. 123-ter, paragraph 6, TUF, the Board of Directors, having examined and approved this section, submits it to the consultative vote of the aforesaid Shareholders' Meeting called to approve the financial statements as at 30 April 2021.

It should also be noted that the term of office of the Board of Directors and the Board of Statutory Auditors expires on the date of the Shareholders' Meeting called to approve the financial statements for the year ended 30 April 2021.

To this end, it should also be noted that, by resolution of 27 January 2021, the Extraordinary Shareholders' Meeting approved the proposal for amendments to the Articles of Association related to the adoption of the one-tier system of administration and control, pursuant to and for the purposes of articles 2049-sexiesdecies et seq. of the Italian Civil Code. The amendments relating to the new governance system will be applied as of the next renewal of the corporate bodies (by the Shareholders' Meeting called for 26 August 2021 by first call or 27 August 2021 by second call for the appointment of the members of the Board of Directors and by the latter for the appointment of the members of the Management Audit Committee), except for the amendments relating to the pre-meeting procedures associated with the appointment of the new corporate bodies, which apply as of the date of the convening of the Shareholders' Meeting called to pass resolution on the appointment of the new Board of Directors, i.e.: as of 12 July 2021. From the next renewal of corporate bodies, the company will therefore operate through a Board of Directors, some members of which will also be part of the Management Audit Committee.

SECTION I

This Section of the Report on the Remuneration Policy and Payments Made describes the key elements of the Remuneration Policy adopted by the company, which defines the aims pursued, the principles and guidelines to which the Group adheres in determining and monitoring the application of the remuneration practices of directors (also as members of the Management Audit Committee) and executives with strategic responsibilities.

The Remuneration Policy was approved by the Board of Directors on 12 July 2021, as proposed by the Remuneration Committee.

The Remuneration Policy has been prepared in compliance with article 5 of the Corporate Governance Code, and in accordance with the Regulations on Related Parties and article 9 of the internal procedure entitled "Procedure for transactions with Related Parties" recently adopted by the Board of Directors (the "**Related Parties Procedure**").

In compliance with the provisions of the Regulations on Related Parties, as implemented in Related Parties Procedure - available on the company's website www.sesa.it, in the "Corporate Governance" section - the submission of a report illustrating the Remuneration Policy to the Shareholders' Meeting for approval exempts the company from applying the aforesaid procedure in the resolutions of the Board of Directors concerning the remuneration of directors holding particular offices and executives with strategic responsibilities, as long as the latter are assigned in compliance with the Remuneration Policy and quantified on the basis of criteria that do not implicate discretionary assessments.

It should also be noted that, in compliance with art. 2.2.3, par. 3, lett. o) of the Regulation of the Borsa, restricted to issuers in possession of STAR qualification, the remuneration of directors is regulated with respect for the principles and recommendations 25, 26, 27(a), 27(c), 29 and 31 envisaged by art. 5 of the Corporate Governance Code.

On this matter, you are reminded that, in compliance with art. IA.2.10.1 of the Regulations of the Borsa, in order to obtain (and, therefore, maintain) STAR qualification, it is necessary for a significant part of the remuneration of executive directors, general managers and other executives with strategic responsibilities to be linked, also in the form of remuneration plans based on financial instruments or profit sharing, to the economic results achieved by the Issuer and/or to the achievement of specific targets set not exclusively in the short term.

- a) **Bodies or parties involved in the preparation, approval and any review of the remuneration policy, specifying their respective roles, as well as the bodies or parties responsible for the correct implementation of said policy**

The remuneration of the directors is established by the Shareholders' Meeting. In compliance with art. 17 of the Articles of Association, the Shareholders Meeting can determine a total amount for the remuneration of all the Directors, including those holding particular offices, to be divided by the Board in compliance with the law. The Directors are entitled to

reimbursement of the expenses sustained in the performance of their functions. The ordinary Shareholders' Meeting may also acknowledge the directors a payment and an indemnity at the end of their mandate, also in the form of an insurance policy.

The main parties and bodies involved in the preparation and approval of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors and the Remuneration Committee.

Board of Directors

The Board of Directors:

- constitutes an internal Remuneration Committee;
- draws up the Remuneration Policy as proposed by the Remuneration Committee;
- in compliance with the Remuneration Policy, it determines the remuneration of Directors who hold special offices (including that of member of the Management Audit Committee) in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to and compliant with the methods of article 2389, paragraph 3, of the Italian Civil Code, having heard the opinion of the Remuneration Committee;
- approves the Report on the Remuneration Policy and Payments Made, in compliance with article 123-ter of the TUF and article 84-quater of the Issuers' Regulations;
- prepares any share-based remuneration plans or other financial instruments for directors, employees and collaborators, including executives with strategic responsibilities, submits them to the Shareholders' Meeting for approval pursuant to article 114-bis of the TUF and ensures their implementation.

Remuneration Committee

For details on the composition, operating procedures and activities entered into by the Remuneration Committee, please see paragraph b) below.

Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors pursuant to article 2364, paragraph 1, no. 3) of the Italian Civil Code and pursuant to article 2389, paragraph 3, of the Italian Civil Code and article 17 of the Articles of Association;
- expresses a binding vote on Section II of the Report on the Remuneration Policy and Payments Made.
- expresses a consultative vote on Section II of the Report on the Remuneration Policy and Payments Made.

b) The possible intervention of a remuneration committee or other committee competent on the subject, describing its composition (with the distinction between non-executive and independent directors), its powers and its operating methods, and any additional measures aimed at avoiding or managing conflicts of interest.

The company's current Board of Directors has set up an internal Remuneration Committee.

It should also be noted that, in compliance with IA 2.10.1, par. 2, of the Instructions for Regulation of the Borsa, which, in compliance with art. 2.2.3, par. 3, lett. o) of the Regulation of the Borsa, limited to issuers in possession of STAR qualification, the Remuneration Committee is made up of Non-executive Directors, most of whom are independent. Consequently, the Remuneration Committee is composed of the directors Angela Oggioni (Independent Director and Chairman of the Committee), Maria Chiara Mosca (Independent Director), Claudio Berretti (Non-executive Director).

It should be noted that, in the Issuer's opinion, all the members of the Remuneration Committee are recognised as possessing adequate knowledge and experience of financial matters or remuneration policies, as assessed by the Board at the time of appointment of the Committee members in accordance with and by the effects of art. 6.P.3 of the Self-governance Code in force at the time.

No director takes part in the meetings of the Remuneration Committee in which proposals to the Board of Directors relating to his/her remuneration are formulated.

Functions assigned to the Remuneration Committee

The Remuneration Committee is a supporting, consultative and propositional body with the task of helping the Board of Directors define the remuneration policy.

The setting up of this Committee guarantees the most extensive information and transparency on payments due to Executive Directors, as well as the respective methods used to determine them. It is, however, understood that, in compliance with art. 2389, par. 3 c.c., the Remuneration Committee holds supportive, propositional and consultative functions only, while the power to determine the remuneration of the Directors holding special offices is handled by the Board of Directors.

In accordance with the resolution passed by the Board of Directors on 25 June 2013, in accordance with the Remuneration Committee Regulation adopted by the Board on 23 December 2013 (as amended to implement the provisions of the new Corporate Governance Code), and in compliance with the provisions of art. 2.2.3, paragraph 3, letter o) of the Borsa Italiana Regulations, limited to issuers with STAR qualification, in addition to that envisaged by the Remuneration Policy, the Remuneration Committee is entrusted with the tasks pursuant to the principles and to recommendation no. 25 of the Corporate Governance Code and, in particular:

- helping the Board of Directors define the remuneration policy;
- regularly assessing the adequacy and overall consistency of the policy for the remuneration of directors and executives with strategic responsibilities;
- presenting proposals or expressing opinions to the Board of Directors on the remuneration of executive directors and other directors holding particular offices, as well as on the setting of performance targets related to the variable component of such remuneration;
- monitoring the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance targets.

Regulation of the Remuneration Committee approved by the Board on 23 December 2013, as subsequently amended

In compliance with that envisaged by recommendation no. 17 of the Corporate Governance Code, in the pursuit of its functions, the Remuneration Committee has the faculty to access information and the business functions necessary for the pursuit of its tasks, also engaging external consultants with expertise in remuneration policies, with prior verification that they are not in situations that compromise their independence of judgement.

In compliance with the Regulation of the Remuneration Committee, the Committee Chairman is responsible for planning and coordinating the Committee's activities, presiding over and guiding the relative meetings, representing the Committee at the meetings of the Board of Directors, and signing the opinions and any reports to be submitted to the Board of Directors, in the Committee's name. When absent or impeded in any way, the Chairman is replaced for all purposes by the eldest Committee member.

In compliance with the above Regulation, the Committee meets as often as is necessary for the pursuit of its functions or when the Chairman sees fit, also by request of one or more of its members.

The meeting is called by the Chairman or whomsoever is acting in his stead, using any means suitable to reach all those concerned, including phone calls and e-mails, at least two business days before the date set for the meeting, apart from in emergencies, in which case a shorter period of notification is allowed. The call to the meeting must also be brought to the attention of the Chairman of the Supervisory Body.

The Committee meetings are held - also by audio or video-conference - at the registered office or in another place, and are presided over by the Chairman or, in the event of his absence or impediment, by the eldest Committee member.

For the meetings to be valid, the presence of the majority of the members is required. Minutes are drawn up of the meetings of the Remuneration Committee. The Board of Directors is informed by the Chairman of the resolutions passed by the Committee at the first useful meeting.

Members of the supervisory body may attend the Committee's proceedings. By invitation of the Chairman, the meetings of the Committee may be attended, in relation to the single items on the agenda, also by non-members of the committee whose contribution to the work is considered useful.

The participant who holds a personal interest or represents the interest of a third party with reference to the subject of the discussion, shall inform the Committee and abstain from taking part in the resolution, on the understanding that no director takes part in the meetings of the Committee in which proposals to the Board of Directors relating to his/her remuneration are formulated.

During the year ended 30 April 2021, the Remuneration Committee met four times, on 3 June 2020, 29 June 2020, 14 July 2020 and 8 October 2020.

Minutes were drawn up of the meetings of the Remuneration Committee. The resolutions passed by the Committee were announced by the Chairman of the Board of Directors at the first useful meeting.

The Remuneration Committee meetings lasted approximately one hour each.

For the percentage participation by each director in the meetings of the Remuneration Committee see the Table named "Structure of the Board of Directors and Committees" in paragraph 4.2. of the Report on Corporate Governance and Ownership Structure drawn up in compliance with article 123-bis of the Consolidated Law on Finance.

At least one more meeting is planned for the Remuneration Committee for the year from 1 May 2021 to 30 April 2022, in addition to those already held on 3 May 2021, 14 June 2021 and 12 July 2021.

During the Year, the activities performed by the Remuneration Committee were focused mainly on supervising the policy for the remuneration of directors and executives with strategic responsibilities in the company, to submit to the approval of the company's Board of Directors.

The Committee also acknowledged the following activities performed by the Group's Human Resources Department:

Company welfare programme and loyalty of the Group's human resources;
Staff review, development plan and human capital selection of the Sesa Group;
Development of procedures to manage the Covid-19 emergency.

The Chairman of the Board of Statutory Auditors plus, on some occasions, one Statutory Auditor, participated in the work of the Remuneration Committee.

In the pursuit of its activities, the Remuneration Committee had the possibility to access the information and business functions necessary for the performance of its tasks, particularly involving the Group's human resources department. No financial resources were destined to the Remuneration Committee, in that it uses the Issuer's business structures and means for the pursuit of its tasks.

c) how the company has taken into account the remuneration and working conditions of its employees in determining its remuneration policy

In defining its Remuneration Policy, the company has taken into account the working conditions of its employees, also in terms of the application of corporate welfare and staff loyalty figures compared to reference values for companies of similar size and activity. Integrity, responsibility and transparency are the drivers adopted in the Group's remuneration policies, which are expressed in elements such as attention to employees, sustainability of sites in terms of environmental impact and the supply chain.

In determining the Remuneration Policy, medium-long term strategic guidelines have also been taken into account, in order to ensure the attraction and retention of all key roles that have the characteristics and skills required to guarantee the creation of value for all stakeholders.

d) the names of any independent experts involved in the preparation of the remuneration policy

In defining the Remuneration Policy, the company did not engage the services of independent experts, despite using benchmarking analyses formulated by independent organisations.

e) the aims pursued by the remuneration policy, the principles on which it is based, its duration and, in the event of a review, a description of the changes with respect to the remuneration policy last submitted to the Shareholders' Meeting and how such review takes into account the votes and assessments expressed by the shareholders at that Meeting or subsequently

The Remuneration Policy defines the aims pursued, the principles and guidelines to which the Group adheres in determining and monitoring the application of the remuneration practices of directors (also as members of the Management Audit Committee) and executives with strategic responsibilities.

The main purpose of SeSa's Remuneration Policy for the financial year 1 May 2021 to 30 April 2022 is to align the interests of the management with those of the company and the shareholders in the medium to long term and to pursue

the sustainable success of the company. The Remuneration Policy also contributes to the company's strategy and aims to promote the sustainability of the company's business.

With these aims in mind, the Remuneration Policy is defined in such a way as to ensure an overall remuneration structure capable of acknowledging the managerial value of the individuals involved and the contribution made to the company's growth in relation to their respective skills and functions in order to attract, retain and motivate people with the skills and the professional qualities required to successfully manage the company.

In particular, the Remuneration Policy is based on the inspiring principles indicated below with regard to the remuneration of Executive Directors and Executives with strategic responsibilities in SeSa:

- (i) remuneration is based on individual and Group performance, ensuring an adequate balance between individual and Group goals;
- (ii) the incentive scheme for executives with strategic responsibilities recognises an appropriate balance between the fixed and variable components that is consistent with the company's strategic goals and risk management policy, taking into account the characteristics of the company's business and the sector in which it operates, while still ensuring that the variable portion, including the stock incentive plan for executive directors, represents a significant part of total remuneration;
- (iii) the fixed remuneration component is established taking into account the skills and responsibility of the office / function held by the person concerned and is, in principle, sufficient to remunerate their performance if the variable component is not paid due to failure to reach the targets assigned;
- (iv) the variable remuneration component - for which maximum limits are set - is related to the achievement of Group performance targets, which are (a) defined in relation to time, placed within a timescale in order to contribute to the creation of value in a way that is compatible with the Group's business development strategies; (b) verifiable ex post; (c) assigned to the person concerned in consideration of the office / function held within the company and therefore graduated, where appropriate, also in relation to the specific qualitative result, taking into account the skills, tasks and responsibilities assigned;
- (v) the performance targets to which the payment of variable remuneration components is linked are predetermined, measurable and significantly linked to a long-term timeframe. They (a) are consistent with company's strategic goals and are aimed at promoting its sustainable success (b) also including non-financial parameters and particularly related to ESG performance;
- (vi) remuneration and the relative evolution must be sustainable from an economic point of view, and therefore encourage management to assume business risks consistent with the Group's overall strategy and the relative risk profile defined by the Board of Directors;
- (vii) a significant portion of the variable remuneration component consisting of the stock incentive plan matures over multi-year periods, consistent with the characteristics of the business and the associated risk profiles;
- (viii) part of the variable remuneration component of the stock incentive plan is paid with a deferral period (vesting) in relation to the time of maturity.

Moreover, in order to employ people with suitable skills and professionalism, the remuneration of both executive and non-executive directors (also as members of the Management Audit Committee) is defined in consideration of the remuneration practices applied in the reference sectors and for companies of similar size, also considering comparable foreign experiences.

With regard to the members of the Management Audit Committee, the remuneration of the directors who are part of this body shall consist exclusively of a fixed component in addition to their remuneration as directors, and shall be determined by the Board of Directors at the time of their appointment, in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code, after consulting with the Remuneration Committee, with a possible increase if the director holds the position of Chairman of the Management Audit Committee.

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

The Remuneration Policy envisages the articulation of fixed and variable components (the latter being broken down into short and medium/long-term variable components) according to different principles and methods in relation to the different types of recipients.

The company therefore deems it appropriate to divide the remuneration structure in relation to the executive/management skills and responsibilities acknowledged as held by the parties concerned and, consequently, to independently define the criteria for determining the remuneration of:

- (i) Non-executive Directors and Independent Directors;
- (ii) Directors holding special offices (Chairman of the Board of Directors);
- (iii) Executive Directors;
- (iv) Executives with strategic responsibilities; and
- (v) members of the Management Audit Committee.

(i) *Non-executive Directors and Independent Directors of SeSa*

Non-executive Directors are Directors who do not hold individual management mandates and who do not hold executive offices.

Independent Directors are Directors who meet the independence requirements envisaged by article 148, paragraph 3, TUF and recommendation no. 7 of the Corporate Governance Code.

Non-executive Directors are entitled to fixed remuneration determined by the Shareholders' Meeting pursuant to article 2389 of the Civil Code, as well as reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties. If the Shareholders' Meeting has not already done so, the Board of Directors divides the total remuneration established by the Shareholders' Meeting. Non-executive Directors do not receive variable remuneration and are not recipients of remuneration plans based on financial instruments.

Independent Directors are entitled to fixed remuneration determined by the Shareholders' Meeting pursuant to article 2389 of the Civil Code, as well as reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties. If the Shareholders' Meeting has not already done so, the Board of Directors divides the total remuneration established by the Shareholders' Meeting. Independent Directors do not receive variable remuneration and are not recipients of remuneration plans based on financial instruments.

Non-executive Directors and Independent Directors may receive an additional fixed annual fee as members of the Committees established within the Board of Directors (including the Management Audit Committee), with a possible increase if the Director holds the office of Committee Chairman.

The remuneration paid to Executive Directors and Independent Directors is always appropriate to the skill, professionalism and commitment required by the tasks assigned to them within the Board of Directors and Board Committees.

(ii) *Directors of SeSa holding special offices (Chairman of the Board of Directors)*

The Director who holds the office of Chairman of the Board of Directors may be awarded an additional fixed annual fee as established by the Board of Directors, with the approval of the Remuneration Committee, in compliance with any overall amount established by the Shareholders' Meeting.

In particular, the fixed remuneration due to the Chairman of the Board of Directors is not linked to the achievement of goals but is commensurate with the responsibilities and skills associated with the office of Chairman.

The Director who holds the office of Chairman and also qualifies as an Executive Director may be paid a medium/long-term variable remuneration for each year of office, as established by the Board of Directors, with the approval of the company's Remuneration Committee.

(iii) *Executive Directors*

Executive Directors are paid short-term variable remuneration and medium/long-term variable remuneration for each year of office, as established by the Board of Directors, with the approval of the company's Remuneration Committee.

The variable remuneration is subject to the achievement of specific goals, as indicated by the Board of Directors, with the approval of the Remuneration Committee, which are predetermined, measurable and significantly linked to a long-term timeframe. On this matter, you are reminded that the performance targets to which the payment of variable remuneration components is linked (a) are consistent with company's strategic goals and are aimed at promoting its sustainable success (b) also include non-financial parameters.

(A) *Fixed component*

The fixed remuneration component (including any fixed component assigned where the Executive Director also holds the office of Chief Executive Officer and/or Deputy Chairman) is commensurate with the responsibilities and skills associated with the office / function held by the individual concerned. This component, which is not linked to the achievement of performance objectives, is determined as an amount sufficient to remunerate (also taking into account any amount paid if the Executive Director also holds the office of Executive and/or Executive Director of Group companies) the performance of the Executive Director if the variable components pursuant to letters (B) and (C) below are not paid.

It is understood that the company has the right to apply the provisions of this letter (A), insofar as they are compatible, also to the Executive Directors of the major subsidiaries pursuant to article 93 of the TUF.

(B) Short-term variable component

The short-term variable component may consist of monetary incentive plans and/or incentive plans based on financial instruments pursuant to article 114-bis of the TUF.

(B.1) Short-term monetary incentive plans

The short-term variable component is determined on the basis of the achievement of pre-defined annual quantitative targets related to performance indices. They also include non-financial parameters of at least 50%.

The Remuneration Policy envisages the application of a calculation system in order to determine a link between the change in company results, which not necessarily be financial, and the change in remuneration. In particular, the short-term variable component is determined using a calculation system that takes into account the achievement of sustainable financial and non-financial growth targets.

The financial parameters consist of the sustainable growth of EBITDA and NFP at consolidated Group level as indicated by the Board of Directors after consultation with the Remuneration Committee.

As regards the financial parameters, if 100% of the target is met, this calculation system envisages the payment of the maximum bonus available, equal to 100% of the bonus, which is the variable remuneration cap; if the minimum limit, set at 60% of the target, is reached, the beneficiary will be entitled to 50% of the bonus; if between 60% and 100% of the target is reached, the beneficiary will be entitled to a bonus between 50% and 100% in a linear progression.

The non-financial parameters, to which at least 50% of the short-term variable remuneration target is linked, are identified by: (i) generation of sustainable value for stakeholders, measured by the parameter of growth of the economic value distributed (Source annual NFS); (ii) environmental protection based on the verification of sustainability ratings of leading companies and the attainment/maintenance of environmental certifications by the main Group companies; (iii) development, loyalty and safety of human capital, also measured through the sustainability report.

As regards the non-financial parameters, if 100% of the basket of non-financial targets (consisting of a basket of ratios comprising parameters for the measurement of sustainable growth and the non-financial value generated) is met, this calculation system envisages the payment of the maximum bonus available, equal to 100% of the bonus, which is the variable remuneration cap; if the minimum limit, set at 60% of the target, is reached, the beneficiary will be entitled to 50% of the bonus; if between 60% and 100% of the target is reached, the beneficiary will be entitled to a bonus between 50% and 100% in a linear progression.

If 100% of the annual target is met, the short-term variable component will be equal to 15% of the fixed component paid to the Executive Director.

(B.2) Short-term incentive plans based on financial instruments pursuant to article 114-bis of the TUF

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, in line with the best comparable market practices which may envisage vesting periods, during the year, the Ordinary Shareholders' Meeting held on 28 August 2020 had approved, in accordance with and by the effects of art. 114-bis of the TUF, the creation of an incentive and loyalty plan called the "2021-2023 Stock Grant Plan", which envisages the right of the executive directors of SeSa S.p.A. and of the two board members appointed to the commercial management of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. to freely receive a total number of up to 265,000 shares upon

reaching annual and three-year targets (of which 91,000 shares with three-year vesting and 58,000 shares with annual vesting for each of the three financial years from 2021 to 2023).

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section. It should be noted that the benchmarks of the 2021-2023 Stock Grant Plan consist of sustainable growth targets for EBIDTA and NFP at the consolidated Group level in the three-year period from 2021 to 2023 compared to 2020.

To this end, it should be noted that, during the year, on 13 September 2017 to be precise, the Issuer's Board of Directors, following a proposal by the Remuneration Committee, and with the approval of the Board of Statutory Auditors, the Issuer's Board of Directors approved the Regulation of the 2021-2023 Stock Grant Plan resolved by the aforesaid Shareholders' Meeting held on 28 August 2020, in accordance with and by the effects of art.114-bis of the TUF.

It is understood that the company has the right to apply the provisions of this letter (B), insofar as they are compatible, also to the Executive Directors with strategic responsibilities of subsidiaries pursuant to article 93 of the TUF.

(C) Medium/long-term incentive plans based on financial instruments pursuant to article 114-bis of the TUF

In order to create value for the company in the medium/long term, it is possible to pay Executive Directors a medium/long-term variable component which consists entirely of incentive plans based on financial instruments pursuant to article 114-bis of the TUF as detailed in the previous paragraph.

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, it is envisaged that they be in line with comparable market best practices and that they envisage vesting periods. They also envisage a calculation system that adequately considers the positive or negative deviation from specific targets - which can be measured ex post - as indicated by the Board of Directors, after consulting the Remuneration Committee.

It should be noted that the benchmarks of the 2021-2023 Stock Grant Plan consist of sustainable growth targets for EBIDTA and NFP at consolidated Group level from 2021 to 2023.

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, in line with the best comparable market practices which may envisage vesting periods, during the year, the Ordinary Shareholders' Meeting held on 28 August 2020 had approved the "2021-2023 Stock Grant Plan" described in the previous paragraph, which envisages the right of the executive directors of SeSa S.p.A. and of the two board members appointed to the commercial management of the subsidiaries Computer Gross S.p.A. and Var Group S.p.A. to freely receive a total number of up to 265,000 shares upon reaching annual and three-year targets, of which 91,000 shares with three-year vesting.

With regard to this, it should be noted that, for some of the shares covered by the 2021-2023 Stock Grant Plan with three-year vesting, the delivery times are deferred and parameterised, respectively, to the date of approval of the financial statements on 30 April 2024, 30 April 2025 and 30 April 2026.

If the company carries out exceptional operations in terms of strategic importance and/or the effects on the results of the company and/or the Group, the Board of Directors, after consulting the Remuneration Committee, has the power to award specific bonuses on a discretionary basis to Executive Directors and directors with special duties, related strictly to their specific contribution to the above-mentioned operations.

*(iv) **Executives with strategic responsibilities***

As things stand, in addition to the two Executive Directors who also hold the office of executives with strategic responsibilities, there are no other persons that qualify as such in the Issuer's structure. As regards the policy for the remuneration of directors with strategic responsibilities, please see paragraph f) (iii) above.

*(v) **Members of the Management Audit Committee.***

The remuneration of the members of the supervisory body shall be appropriate to the skill, professionalism and commitment required by the importance of the role covered and the size and sector of the company and its situation.

The remuneration of the directors who are part of the Management Audit Committee consists exclusively of a fixed component in addition to their remuneration as directors, and shall be determined by the Board of Directors at the time of appointment, in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to article

2389, paragraph 3, of the Italian Civil Code, after consulting with the Remuneration Committee, with a possible increase if the director holds the position of Chairman of the Management Audit Committee.

Directors who are members of the Management Audit Committee are also entitled to reimbursement of out-of-pocket expenses sustained in the pursuit of their office.

They may receive additional compensation as members of the Supervisory Body.

(vi) Head of the Internal Audit Function and Director in Charge

There are incentive mechanisms for the Head of Internal Audit consistent with the tasks assigned to them. No mechanisms for the provision of incentives for the director in charge of preparing the company's financial reports are envisaged.

g) policy followed with regard to non-monetary benefits

The Remuneration Policy envisages the attribution of non-monetary benefits currently recognised in the remuneration practice widespread in the sector and for companies of a similar size consistent with the office/function held.

In particular, in addition to plans based on financial instruments, non-monetary benefits may include any supplementary social security, insurance and health policies envisaged by the National Collective Bargaining Agreement for Executives in Industry and Commerce (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as life and non-occupational accident policies).

No other non-monetary benefits are envisaged.

h) with reference to the variable components, a description of the financial and non-financial performance targets, taking into account criteria related to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium/long-term variable components, and information on the link between the change in results and the change in remuneration

See the previous paragraphs

i) the criteria used to assess the attainment of the performance targets underlying the assignment of shares, options, other financial instruments or other variable remuneration components, specifying the extent of the variable component to be paid according to the level of attainment of the targets

Short-term variable component

With reference to the short-term variable component paid to Executive Directors and Executives with strategic responsibilities, the Remuneration Policy states that the assessment of performance and communication of the degree of achievement of the targets assigned is a continuous process characterised by two key appointments over a twelve-month period:

- (i) an interim performance assessment based on the consolidated half-yearly result (roughly in the middle of the year of reference), for the verification of the degree of achievement of the results in the first part of the year and for the analysis of any corrective actions, with the disbursement of an advance payment equal to 50% of the variable monetary compensation, where this has matured;
- (ii) the final assessment of performance and communication of the degree of achievement of the targets assigned (within 10 days of the date of approval of the consolidated annual financial statements by the Board of Directors). Verification of the level of achievement of the targets for the previous year is the responsibility of the Remuneration Committee, with the support of the Administration, Finance and Audit function, which will submit its assessments to the Board of Directors for final determination of the measure of the variable component of the remuneration payable to the individual concerned.

If SeSa carries out extraordinary operations in terms of strategic importance and/or effects on the results of the company and/or the Group or on their activities, the Board of Directors, after consulting the Remuneration Committee, will review the targets in order to make them consistent with the targets set by the Board of Directors.

In relation to the extent of the variable component to be paid according to the level of attainment of the targets, please see paragraph f) (iii), lett. B.1) and point (iv), lett. B.1) above with regard to the variable monetary component and to the Explanatory Document relating to the "2021-2023 Stock Grant Plan" published at www.sesa-it in the "Investor Relations-Meetings" section, with regard to the incentive plan based on financial instruments in accordance with article 114-bis of the TUF currently in force.

Any further incentive plans based on financial instruments pursuant to article 114-bis of the TUF shall envisage a calculation system that considers the negative deviation from the relevant performance targets.

Long-term variable component

The competent bodies will determine the methods and timing for the definition and verification, also in the interim, of the performance targets for incentive plans based on financial instruments pursuant to article 114-bis of the TUF, as well as any corrective measures to be applied to these targets.

In relation to the extent of the variable component to be paid according to the level of attainment of the targets, please see paragraph f) (iii), lett. B.1) and point (iv), lett. B.1) above with regard to the variable component relating to the “2021-2023 Stock Grant Plan” published at www.sesa-it in the “Investor Relations-Meetings” section, with regard to the incentive plan based on financial instruments in accordance with article 114-bis of the TUF currently in force.

Any further incentive plans based on financial instruments pursuant to article 114-bis of the TUF shall envisage a calculation system that considers the negative deviation from the relevant performance targets.

j) information aimed at highlighting the contribution of the remuneration policy and, in particular, the policy on variable components of remuneration, to the company's strategy, the pursuit of long-term interests and the sustainability of the company

As better described in paragraph d) above, the Remuneration Policy is aimed at pursuing not only the short-term but also the medium/long-term interests of the company.

With this aim in mind, the Remuneration Policy is defined in such a way as to ensure an overall remuneration structure consistent with the company's strategic goals capable of acknowledging the managerial value of the individuals involved and the contribution made to the company's growth in relation to their respective skills and functions in order to attract, retain and motivate people with the professional qualities required to successfully manage the company.

To this end, the composition of the remuneration package paid to Executive Directors and Executives with strategic responsibilities is defined in accordance with the following criteria:

- to guarantee a direct link between remuneration and performance by means of mechanisms that establish the non-payment of bonuses in the event of failure to achieve the company's targets and overall profitability;
- to guarantee overall remuneration levels capable of recognising the professional value of people and their contribution to the creation of sustainable value, not only in the short term, but also in the medium to long term.

The Shareholders' Meeting held on 27 January 2021 integrated the Articles of Association (Art.19), envisaging that the Board of Directors would be committed to guiding the company in the pursuit of success and sustainable growth for the benefit of shareholders. The policy was defined in line with the company's long-term strategy and goals, being linked to company results, in order to pursue the long-term interests and sustainability of the Group.

Launched in compliance with the amendments to the Articles of Association resolved at the Shareholders' Meeting held on 27 January 2021, aimed at guiding the Directors' commitment to pursuing success and sustainable growth, this important path of promotion and focus on sustainability-related issues aims to include the key drivers of the “ESG” (Environmental, Social and Governance) factors for the variable components of remuneration.

k) the vesting period, any deferred payment systems, with an indication of the deferral periods and the criteria used to determine such periods and, if applicable, the ex-post correction mechanisms applied to the variable component (*malus* or *return* of “*claw back*” variable remuneration)

With reference to incentive plans based on financial instruments pursuant to article 114-bis of the TUF, the Remuneration Policy envisages that they be in line with comparable market best practices and that they envisage vesting periods.

To this end, you are reminded that a significant portion of the shares covered by the 2021-2023 Stock Grant Plan, approved by the Ordinary Shareholders' Meeting on 28 August 2020, is linked to the attainment of three-year performance targets, with delivery times deferred until the end of the three-year period.

The characteristics of the 2021-2023 Stock Grant Plan, including the conditions and requirements for its implementation, are described in the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the company's website at www.sesa.it at in the "Investor Relations - Shareholders' Meetings" section.

As far as fixed monetary components are concerned, the Remuneration Policy, does not envisage deferred payment systems.

In relation to the variable components of remuneration recognised in favour of Executive Directors, mechanisms are envisaged, allowing the company to request the refund of the variable components of the remuneration paid (or to withhold sums subject to deferral), determined on the basis of data which, as proven by the competent company departments within a set term of disbursement, are shown to be manifestly incorrect (so-called clawback clause). The clawback clauses require their effective application to be subject to a binding assessment by the company's Board of Directors.

(l) information on any provision of clauses for holding financial instruments in the portfolio after their acquisition, indicating the retention periods and the criteria used to determine such periods

In relation to the characteristics of the 2021-2023 Stock Grant Plan, approved by the Shareholders' Meeting held on 28 August 2020, including the conditions and requirements for its implementation, please see the report drawn up in compliance with Article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the company's website at www.sesa.it in the "Investor Relations - Shareholders' Meetings" section.

With regard to this, you are reminded that, for some of the shares covered by the 2021-2023 Stock Grant Plan with three-year vesting, the delivery times are deferred and parameterised, respectively, to the date of approval of the financial statements on 30 April 2024, 30 April 2025 and 30 April 2026.

m) the policy relating to the treatments envisaged in the event of expiry of office or termination of employment

It is not company practice to enter into agreements with the Directors that regulate ex ante the economic aspects relating to the possible early termination of the relationship by the company or the individual.

It is not company practice to enter into agreements with executives with strategic responsibilities that regulate ex ante the economic aspects relating to the possible early termination of the relationship by the company or the individual, notwithstanding legal obligations or those envisaged by collective labour agreements.

The company may, however, enter into non-competition or non-disclosure agreements with directors and executives with strategic responsibilities for a limited period following termination of the relationship, as well as agreements aimed at granting or maintaining non-monetary benefits and consultancy contracts for a period following termination of the relationship.

With regard to the description of the effects of termination of the working relationship on the rights assigned within the scope of the "2021-2023 Stock Grant Plan", please see the explanatory document relating to said plan, published on the company website www.sesa.it in the "Investor Relations – Meetings" section.

n) information on the presence of any insurance coverage, i.e.: social security or pension plans, other than compulsory coverage

With regard to this, you are reminded that non-monetary benefits may include any supplementary social security, insurance and health policies envisaged by the National Collective Bargaining Agreement for Executives in Industry and Commerce (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previdai as well as life and non-occupational accident policies).

On this matter, it should be noted that, at the board meeting held on 24 August 2018, the Board of Directors resolved to make available a supplementary pension and/or insurance policy, with the four executive directors as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2018 to 2021.

o) any remuneration policy followed, with reference: (i) independent directors, (ii) participation in committees and (iii) the performance of particular duties (chairman, deputy chairman, etc.)

Non-executive Directors and Independent Directors receive an additional fixed annual fee as members of the committees established within the Board of Directors (including the Management Audit Committee), with an increase if the Director holds the office of committee Chairman.

For further information on the matter, as well as information on the remuneration of Directors who perform special functions, such as Chairman, please see paragraph f), points (i) and (ii) above.

p) whether the remuneration policy has been defined using the remuneration policies of other companies as reference and, if so, the criteria used for the selection of such companies

The Board of Directors has defined a Remuneration Policy for Executive Directors, Directors holding special offices and Executives with strategic responsibilities, considering market practices and in particular the policies in place in Italian companies operating in similar sectors, as well as the strategy for sustainable growth. In order to ensure greater competitiveness and retention potential in relation to the market, the company intends to align its practices, comparing its position with those of similar companies in terms of value creation.

Sesa defines its remuneration policies also on the basis of analyses conducted on market benchmarks referred to companies in a sector considered comparable both in terms of size and business affinity. Sesa also monitors Italian market trends and best practices. The preparation of the remuneration policy guidelines and the assessment of the policies implemented were carried out with reference to the panorama in which the Group operates, for reference sectors and companies of similar size, in order to have a vision of both the labour market and business practices, as well as specific sector studies including the Mercer report (2020 Ed. - Study on the remuneration of the Boards of Directors of listed companies).

q) the elements of the policy from which, in the presence of exceptional circumstances, it is possible to derogate and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any procedural conditions on the basis of which the waiver may be applied

There are no exceptional circumstances under which the Remuneration Policy may be waived.

SECTION II

This section is divided into two parts and clearly and comprehensibly explains, by name:

- a) in the first part, to the remuneration of members of the boards of directors and statutory auditors, as well as executives with strategic responsibilities, providing a representation of each of the items constituting remuneration, including the procedures envisaged in the event of expiry of office or termination of employment, highlighting their compliance with the company's remuneration policy for the year of reference and the methods by which remuneration contributes to the company's long-term results;
- b) in the second part, it analytically illustrates the remuneration paid in the year of reference (1 May 2020 - 30 April 2021) for any reason and in any form by the company and its subsidiaries and associated companies.

Lastly, this section indicates, in accordance with the criteria envisaged in Annex 3A, Schedule 7-ter of the Issuers' Regulations, the investments held, in the Issuer and its subsidiaries, by members of the boards of directors and statutory auditors, the general manager and other executives with strategic responsibilities, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, resulting from the shareholders' register, communications received and other information acquired by the members of the boards of directors and statutory auditors, the general manager and other executives with strategic responsibilities.

This section also illustrates how the company took into account the vote cast by the Shareholders' Meeting of 28 August 2020 on the second section of the report on the Remuneration Policy prepared by the Board of Directors on 14 July 2020, pursuant to article 123-ter, paragraph 4, letter b-bis), TUF.

SECTION II - PART ONE - REMUNERATION ITEMS

In the first part, it provides an adequate representation of each of the items constituting remuneration, including the procedures envisaged in the event of expiry of office or termination of employment, highlighting their compliance with the remuneration policy for the year of reference and the methods by which remuneration contributes to the company's long-term results;

Remuneration of Directors and Executives with strategic responsibilities

As mentioned above, the Shareholders' Meeting held on 24 August 2018 appointed the Board of Directors currently in office for three years, i.e.: until the approval of the financial statements for the year ending 30 April 2021, establishing the number of Board members as eight.

The Board of Directors in office is made up as follows:

- Paolo Castellacci (Executive Chairman)
- Moreno Gaini (Executive Deputy Chairman)
- Giovanni Moriani (Executive Deputy Chairman)
- Alessandro Fabbroni (Chief Executive Officer)
- Angelica Pelizzari (Non-Executive director)
- Maria Chiara Mosca (Independent Director)
- Claudio Berretti (Non-Executive director)
- Angela Oggionni (Independent Director)

The Board of Directors was appointed by the Shareholders' Meeting on 24 August 2018.

On this subject, you are reminded that the Director Claudio Berretti was appointed by co-option during the year on 27 August 2019, following the resignation of the director Luigi Gola, submitted on the same date, and was subsequently confirmed by the Shareholders' Meeting held on 28 August 2020.

At the time of renewal of the Issuer's company boards, the ordinary Shareholders' Meeting resolved the total amount of the annual payments due to the entire board of directors for the years for which the Board shall remain in office, as indicated below:

- Euro 691,000 for year 1 May 2018 - 30 April 2019;
- Euro 691,000 for year 1 May 2019 - 30 April 2020;
- Euro 691,000 for year 1 May 2020 - 30 April 2021;
- Euro 42,917 a month for the period from 30 April 2021 until the date of approval of the financial statements closed at 31 April 2021.

The Board of Directors, during the meeting held on 24 August 2018, resolved to make the gross payments for the year. In particular, during the afore-mentioned meeting on 24 August 2018, the Board resolved to pay the gross payments to the Directors for the year from 1 May 2020 to 30 April 2021, as illustrated below:

- fixed payment (RAL) of Euro 236,000 for the Chairman of the Board of Directors, Mr Paolo Castellacci;
- fixed payment (RAL) of Euro 45,000 for each executive board member;
- fixed payment (RAL) of Euro 24,000 for each non-executive board member;
- variable payment (RAL) of Euro 36,000 for the Chairman of the Board of Directors, Mr Paolo Castellacci;
- variable payment (RAL) of Euro 20,000 for each executive board member;

Moreover, during the same meeting held on 24 August 2018, the Board resolved to assign monthly payments for the period from 30 April 2021 until the date of approval of the financial statements closed at 31 April 2021, as explained below:

- gross fixed monthly payment of Euro 19,667 for the Chairman of the Board of Directors, Mr Paolo Castellacci;
- gross fixed monthly payment of Euro 3,750 for each executive board member;
- gross fixed monthly payment of Euro 2,000 for each non-executive board member.

It should be noted that, unlike the Chairman, the Executive Deputy Chairmen and the Chief Executive Officer receive, in addition to their remuneration as directors of the parent company Sesa, further remuneration as executives and/or directors of group companies as detailed in Table 1 annexed to this Report.

It should also be noted that, following the resolution of the Shareholders' Meeting held on 24 August 2018, the Board of Directors had appointed, until approval of the financial statements for the year ending 30 April 2021:

- as members of the Strategy Committee, the directors Paolo Castellacci (Chairman), Alessandro Fabbroni, Luigi Gola, Angelica Pelizzari and Giovanni Moriani.
- as members of the Remuneration Committee, the directors Luigi Gola (Independent Director and Chairman), Angela Oggionni (Independent Director) and Maria Chiara Mosca (Independent Director).
- as members of the Audit and Risks Committee, the directors Maria Chiara Mosca (Independent Director acting as Chairman), Luigi Gola (Independent Director) and Angela Oggionni (Independent Director). On this matter, it should be

noted that the Issuer has identified the Audit and Risks Committee as the body responsible for transactions with related parties.

To this end, following the resignation of Luigi Gola on 27 August 2019 and his replacement by co-option with Claudio Berretti, which took place on the same date (subsequently confirmed by the Shareholders' Meeting held on 28 August 2020), the Board of Directors supplemented the composition of the aforesaid Committees by appointing Claudio Berretti as replacement for the resigning director in all three, and assigning the role of Chairman of the Remuneration Committee to Angela Oggionni.

The above Committees are, therefore, currently made up as follows:

- the Strategic Committee is currently made up of the directors Paolo Castellacci (Chairman), Alessandro Fabbroni, Giovanni Moriani, Angelica Pelizzari and Claudio Berretti.
- the Remuneration Committee is currently made up of the directors Angela Oggionni (Independent Director and Chairman of the Committee), Maria Chiara Mosca (Independent Director), Claudio Berretti (Non-executive Director);
- the Audit and Risks Committee is currently made up of the directors Maria Chiara Mosca (Independent Director acting as Chairman), Claudio Berretti (Non-executive Director) and Angela Oggionni (Independent Director).

Lastly, Alessandro Fabbroni has been confirmed as director in charge of internal audit.

During the session held on 24 August 2018, the Board of Directors resolved to assign (i) to the Chairman of the Remuneration Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 for the pursuit of the activities connected to their office; (ii) to the Chairman of the Risks and Control Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 per year, for the pursuit of the activities connected to their office; (iii) to the Chairman of the Strategic Committee, a gross emolument of Euro 8,000 and, to the other members, a gross emolument of Euro 6,000 for the year for the pursuit of the activities relating to the office; (iv) to the Appointed Director, a gross payment of Euro 8,000 for the year.

The remuneration of Non-executive Directors and Independent Directors is, therefore, made up of a fixed annual remuneration and a remuneration for participation in committees as explained above.

The remuneration of the executive directors for the year of consisted of a fixed payment and a variable payment (both of monetary nature and based on financial instruments; cf herein).

The variable monetary payment is determined on the basis of reaching specific annual quantitative targets related to performance indices. For the year from 1 May 2020 to 30 April 2021, a total variable monetary component of Euro 96,000 gross was paid, as shown in Table 1.

As regards the variable remuneration component based on financial instruments, it should be noted that the ordinary Shareholders' Meeting held on 28 August 2020 approved the "2021-2023 Stock Grant Plan". To this end, it should be noted that on 14 September 2020, the Board of Directors, acting on the proposal of the Remuneration Committee, and with the favourable opinion of the Board of Statutory Auditors, and the abstention of the executive directors, (i) identified as beneficiaries of the Plan the four executive directors of the company (Paolo Castellacci - Chairman, Giovanni Moriani - Deputy Chairman, Alessandro Fabbroni - Chief Executive Officer, Moreno Gaini - Deputy Chairman) as well as the two executive directors with commercial powers of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A. (Duccio Castellacci and Francesca Moriani) as key figures for the development and guidance of the Sesa Group, and (ii) resolved to grant them the right to receive, free of charge, subject to the attainment of annual and three-year targets for the creation of value and sustainable growth at Group level (EBITDA, Net Financial Position and EVA) predetermined for the three-year period 2021, 2022 and 2023, a total of 265,000 ordinary shares in service of the "2021-2023 Stock Grant Plan" as defined in the explanatory document prepared in compliance with article 84-bis of the Issuers' Regulations.

For further details, please see the explanatory document prepared in compliance with article 84-bis of the Consob Issuers' Regulations. Details of the "2021-2023 Stock Grant Plan" can be found on the company's website at www.sesa.it at in the "Investor Relations - Shareholders' Meetings" section.

On 12 July 2021, the Board of Directors, having heard the opinion of the Remuneration Committee checked that the Annual Target for EBITDA and NFP for the year from 1 May 2020 to 30 April 2021.

The Board of Directors then assigned the beneficiaries of the Plan 58,000 ordinary shares in the company (12,000 of which to each executive director of the Issuer and 5,000 to each executive director with commercial mandates of the subsidiaries Var Group S.p.A. and Computer Gross S.p.A.), corresponding to the total number of shares relating to the achievement of the annual performance target for the year from 1 May 2020 to 30 April 2021.

The remuneration of the Executive Directors also envisages fringe benefits, such as pension, insurance and additional healthcare policies, as envisaged by the collective national labour contract for Industrial and Commercial Executives (e.g.: Fondo Mario Negri, Fondo Pastore, Fasdac, Fasi and Previndai as well as an extra professional life and accident insurance policy).

On this matter, it should be noted that, at the board meeting held on 24 August 2018, the Board of Directors resolved to make available a supplementary pension and/or insurance policy, with the four executive directors as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2018 to 2021.

No other non-monetary benefits were envisaged in the year ended 30 April 2021.

With particular reference to the agreements that envisage indemnities in the event of early termination of the relationship, it should be noted that no agreements were signed for advance regulation of the acknowledgement of such indemnities.

The remuneration of executives with strategic responsibilities (who also hold office as Executive Director) for the year of reference consisted of a fixed payment. On this matter, it should be noted that, as things stand, in addition to the two Executive Directors who also hold the office of executives with strategic responsibilities, there are no other persons who hold this office in the Issuer's structure.

No agreements were entered into with executives with strategic responsibilities which regulate ex ante the economic aspects in the event of termination of office or relating to the possible early dissolution of the relationship by the company or the party concerned.

Remuneration of the Statutory Auditors

The Board of Statutory Auditors in office is made up as follows:

- Giuseppe Cerati (Chairman);
- Chiara Pieragnoli (Standing Auditor);
- Andrea Mariani (Standing Auditor);
- Paola Carrara (Alternate Auditor).
- Marco Sironi (Alternate Auditor).

The Board of Statutory Auditors currently in office was appointed by the Shareholders' Meeting on 24 August 2018 (with the exclusion of Andrea Mariani and Marco Sironi, as specified below) and will therefore remain in office until the approval of the financial statements for the year ending 30 April 2021, with the exclusion of Mr. Parenti, as specified below.

On this matter, it should be noted that Andrea Mariani and Marco Sironi were appointed, in accordance with article 2401, paragraphs 1 and 3, of the Italian Civil Code, and article 21 of the Articles of Association in force at the time, respectively, as Statutory Auditor and Alternate Auditor by the Shareholders' Meeting held on 28 August 2020, following the resignations tendered on 14 July 2020 by Fabrizio Berti (then Alternate Auditor) and Luca Parenti (then Statutory Auditor, who remained in office on an extended basis until the Board of Statutory Auditors was reinstated by the Shareholders' Meeting, as there were no Alternate Auditors from the same list to complete the Board of Statutory Auditors). Both Mr. Berti and Mr. Parenti had been taken from the majority list submitted by the shareholder ITH S.p.A. To this end, it should also be noted that the appointment Mr Andrea Mariani and Marco Sironi was based on the only proposal of nomination for the completion of the Board of Statutory Auditors received, on 29 July 2020, from the shareholder ITH S.p.A.

The Statutory Auditors' remuneration consists of a fixed amount determined by the Shareholders' Meeting, including the reimbursement of expenses sustained in the fulfilment of their duties. In particular, the aforesaid Shareholders' Meeting held on 24 August 2018 resolved to determine the annual emoluments of the Statutory Auditors for the entire duration of their term of office as Euro 30,000.00 (thirty thousand) for the Chairman and Euro 20,000.00 (twenty thousand) for the Standing Auditors, in addition to the reimbursement of out-of-pocket expenses incurred in the fulfilment of their duties.

No monetary or non-monetary benefits are envisaged in favour of Statutory Auditors

SECTION II - PART TWO - ANALYTICAL REPRESENTATION OF REMUNERATION PAID DURING THE YEAR

The second part provides a detailed breakdown of the remuneration paid in the year of reference for any reason and in any form by the company and its subsidiaries and associated companies, as shown in the tables below.

The information in Tables 1, 3A and 3B is provided separately with reference to offices held in the company preparing the financial statements and those held in subsidiaries and associates, both listed and otherwise. It includes all those who have held, office as a member of the boards of directors or statutory auditors, general manager or executive with strategic responsibilities for even a fraction of the year.

Some comparative information is provided below with regard to (i) the total remuneration of each of the individuals for whom the information set out in this section of the report is provided by name; (ii) the company's performance; and (iii) the average gross annual remuneration, benchmarked to full-time employees, of employees other than the individuals whose remuneration is represented by name in this section of the report. The following is acknowledged in relation to the financial year from 1 May 2019 to 30 April 2020:

- (i) total monetary remuneration amounted to Euro 1,356 million with reference to the tax year ended 30 April 2020 and to Euro 1,300 million, with reference to the tax year ended 30 April 2021, respectively, representing an annual decrease of 4%.
- (ii) the value of the stock market capitalisation and of the total revenues and other income amounted to Euro 752 million and 1,776 million with reference to the tax year ended 30 April 2020 and to Euro 1,788 million and 2,037 million with reference to the tax year ended 30 April 2021;
- (iii) average gross annual remuneration amounted to Euro 50,6 thousand with reference to the tax year ended 30 April 2020 and to Euro 54,5 thousand, with reference to the tax year ended 30 April 2021, respectively, resulting an annual increase of 5,8%.

TABLE 1: Remuneration paid to members of the boards of directors and statutory auditors, general managers and other executives with strategic responsibilities.

Nome e Cognome	Carica ricoperta	Periodo per cui è stata ricoperta la carica	Compensi Fissi		Compensi variabili non equity					Totale Monetario	di cui SeSa SpA	di cui controllate	Fair Value Compensi Equity (2)
			Compensi Fissi	Retribuzione Lav. Dipend.	Compensi Comitati (1)	Bonus e altri incentivi	Partecipazione agli utili	Benefici non monetari	Altri Compensi				
Paolo Castellacci (i)	Presidente	01/05/20 - 30/04/21	236.000		8.000	36.000			12.000	292.000	292.000	-	929.313
Moreno Gaini	Vice Pres. Esecutivo	01/05/20 - 30/04/21	123.920	100.583	-	20.000			27.925	272.428	193.508	78.920	929.313
Giovanni Moriani (ii)	Vice Pres. Esecutivo	01/05/20 - 30/04/21	161.300	7.910	6.000	20.000			12.000	207.210	93.010	114.200	929.313
Alessandro Fabbroni (iii)	Amm. Delegato	01/05/20 - 30/04/21	45.000	168.645	14.000	20.000			27.925	275.570	275.570	-	929.313
Angela Oggionni (iv)	Amministratore	01/05/20 - 30/04/21	24.000		14.000	-				38.000	38.000	-	
Maria Chiara Mosca (v)	Amministratore	01/05/20 - 30/04/21	24.000		14.000	-				38.000	38.000	-	
Angelica Pelizzari (vi)	Amministratore	01/05/20 - 30/04/21	24.000		6.000	-				30.000	30.000	-	
Berretti Claudio (vii)	Amministratore	01/05/20 - 30/04/21	24.000		18.000	-				42.000	42.000	-	
Giuseppe Cerati	Pres. Collegio Sind.	01/05/20 - 30/04/21	37.333		-	-				37.333	37.333		
Luca Parenti	Sindaco effettivo	01/05/20 - 28/08/20	24.334		-	-				24.334	9.334	15.000	
Chiara Pieragnoli	Sindaco effettivo	01/05/20 - 30/04/21	26.000		-	-				26.000	26.000		
Mariani Andrea	Sindaco effettivo	28/08/20 - 30/04/21	17.333		-	-				17.333	17.333		
Totale Compensi Corrisposti			767.220	277.138	80.000	96.000	-	79.850	-	1.300.208	1.092.088	208.120	3.717.252

(i) Presidente CS; (ii) Membro CS; (iii) Membro CS e amministratore incaricato controllo interno; (iv) Membro CCR, Presidente CR; (v) Presidente CCR e membro CR; (vi) Membro CS; (vii) Membro CS, membro CR, membro CCR

(1) Compensi Presidente eu 8.000, membro eu 6.000

(2) Controvalore delle azioni trasferite nell' esercizio in attuazione del piano di stock grant approvato il 14.07.17 valorizzate ad euro 68,838 (media 30gg antecedenti il trasferimento). I beneficiari hanno rinunciato all'attribuzione delle azioni annuali dell'esercizio (n. 42.000 azioni), pur essendo stati conseguiti i relativi obiettivi

Table 3A. Incentive plans based on financial instruments, other than stock options, for members of the board of directors, general managers and other key executives with strategic responsibilities.

Tipo	Nome e Cognome	Carica	Piano (1)	Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio				Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio e attribuibili		Strumenti finanziari di competenza dell'esercizio	
				Numero e tipologia strumenti finanziari	Periodi di vesting	Numero e tipologia di strumenti finanziari	Fair value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia strumenti finanziari	Numero e tipologia strumenti finanziari (2)	Valore alla data di maturazione (3)	Fair Value (4)
Compensi nella società che redige il bilancio	Paolo Castellacci	Presidente SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			49.500	2.779.920	2021-2023	28.08.20	56,16		12.000	995.280	673.920
	Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			49.500	2.779.920	2021-2023	28.08.20	56,16		12.000	995.280	673.920
	Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			49.500	2.779.920	2021-2023	28.08.20	56,16		12.000	995.280	673.920
	Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			59.000	3.313.440	2021-2023	28.08.20	56,16		12.000	995.280	673.920
	Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			28.750	1.614.600	2021-2023	28.08.20	56,16		5.000	414.700	280.800
	Francesca Moriani	Consigliere Delegato Var Group S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20			28.750	1.614.600	2021-2023	28.08.20	56,16		5.000	414.700	280.800
	Totale						265.000	14.882.400					58.000	4.810.520

(1) Piano di stock grant approvato dall'Assemblea dei soci del 28.08.20 riguardante n. 265.000 azioni di cui 174.000 legate al raggiungimento di obiettivi annuali al 30.04.21, 30.04.22 e 30.04.23 e 91.000 triennali legate al raggiungimento di obiettivi di creazione di valore
(2) Azioni annuali maturate sulla base dei risultati del Gruppo al 30 aprile 2021 (n.58.000 azioni Sesa SpA)
(3) Media dei prezzi di mercato nei 12 mesi dell'anno fiscale al 30.04.2021 (euro 82,94 per azione)
(4) Costo figurativo di competenza dell'esercizio rilevato secondo i principi IFRS (euro 56,16 per azione)

Table 3B. Monetary incentive plans for members of the board of directors, general managers and other executives with strategic responsibilities.

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Paolo Castellacci	Presidente SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	36.000						
Compensi da controllate/collegate									
Totale			36.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

Nome e cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			Erogabile/ Erogato	Differito	Periodo di differimento	Non più erogabili	Erogabile/ Erogati	Ancora Differiti	
Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 24.8.2018	20.000						
Compensi da controllate/collegate									
Totale			20.000						

SECTION II - PART THREE - INVESTMENTS HELD BY MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND OTHER EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

Information on the investments held, in the company and its subsidiaries, by members of the boards of directors and statutory auditors, General Managers and Executives with strategic responsibilities, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, resulting from the shareholders' register, communications received and from other information acquired by the members of the boards of directors and statutory auditors, General Managers and Executives with strategic responsibilities, is provided below. The members of the boards of directors and statutory auditors, general managers and executives with strategic responsibilities, as well as spouses who are not legally separated and minor children, either directly or through subsidiaries, trust companies or third parties, do not hold investments in the company or its subsidiaries at 30 April 2021, with the exception of the Chairman and the Executive Deputy Chairman as illustrated below:

Nome e cognome	Carica	Società	Numero azioni possedute alla fine dell'esercizio precedente	Numero azioni acquisite*	Numero azioni vendute	Numero azioni possedute alla fine dell'esercizio in corso
Paolo Castellacci	Presidente Esecutivo SeSa S.p.A.	Sesa SpA	29.918	13.500	0	43.418
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Sesa SpA	23.918	13.500	7.000	30.418

* Numero azioni attribuite a seguito di piani di stock grant

Information pursuant to article 84-bis, paragraph 5, of the Issuers' Regulations
REMUNERATION PLANS BASED ON FINANCIAL INSTRUMENTS - Table no. 1 of schedule 7 of annex 3A of the Issuers' Regulations

Nominativo o categoria	Carica (da indicare solo per i soggetti riportati nominativamente)	QUADRO 1						
		Strumenti finanziari diversi dalle opzioni						
		SEZIONE 1						
		Strumenti relativi a piani, in corso di validità, approvati sulla base di precedenti delibere assembleari						
		Data della delibera assembleare	Descrizione strumento	Numero strumenti finanziari (*)	Data di assegnazione da parte dell'organo competente (CdA)	Eventuale prezzo di acquisto	Prezzo di mercato alla data di assegnazione (**)	Periodo di Vesting
Paolo Castellacci	Presidente SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	13.500	14.09.2020	Euro 24,33		
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	13.500	14.09.2020	Euro 24,33		
Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	13.500	14.09.2020	Euro 24,33		
Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	13.500	14.09.2020	Euro 24,33		
Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	4.500	14.09.2020	Euro 24,33		
Francesca Moriani	Consigliere Delegato Var Group S.p.A.	25.08.2017	Azioni ordinarie SeSa S.p.A.	4.500	14.09.2020	Euro 24,33		

(*) Azioni triennali maturate al 30.04.20 (n. 63.000 azioni). I beneficiari hanno rinunciato all'attribuzione delle azioni annuali dell'esercizio (n. 42.000 azioni), pur essendo stati conseguiti i relativi obiettivi

(**) Prezzo per azione alla data di assegnazione del piano (25.08.2017)