

**SeSa S.p.A.**

**Report on the Remuneration Policy and Paid Considerations**

**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 2022.

## **GLOSSARY**

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

**Code of Corporate Governance:** the Code of Corporate Governance of listed companies approved in January 2020 by the Corporate Governance Committee 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 Mercato Telematico Azionario (now Euronext Milan) 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 30<sup>th</sup> of April, the period between 1 May 2021 and 30 April 2022.

**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.

**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 Paid Considerations:** 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 PAID CONSIDERATIONS

This Report on the Remuneration Policy and Paid Considerations 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 Paid Considerations 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 of the supervisory body (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 may be acknowledged. In the case of variable remuneration, it establishes clear, comprehensive and differentiated criteria for the acknowledgement of said remuneration, based on financial and non-financial performance targets, taking criteria relating to corporate social responsibility into account where appropriate;
  - (c) specifies the elements of the policy which, under the exceptional circumstances indicated in article 123-ter, paragraph 3-bis, of the Consolidated Law on Finance, may be temporarily waived, as well as the procedural conditions under which the waiver may be applied without prejudice to the provisions of Regulation no. 17221 of 12 March 2010 on related party transactions; companies may limit the identification of procedural conditions to the procedures laid down in the aforementioned Regulation;
- Section II clearly and comprehensibly illustrates the remuneration attributed, by name, to the Company's Directors and the members of the Company's supervisory body and in aggregate form for the remuneration attributed to SeSa's Executives with strategic responsibilities<sup>1</sup>. In particular, Section II:
  - (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;

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<sup>1</sup> 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 (obtained by adding together monetary remuneration and remuneration based on financial instruments) during the Year than the highest overall remuneration attributed to the Directors.

- 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.

In compliance with article 123-ter, paragraphs 3-bis and 3-ter of the Consolidated Law on Finance, 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 2021-2022, 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 2022.

You are reminded 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 changes related to the new governance system became effective as of the date of the renewal of corporate bodies resolved by the Shareholders' Meeting held on 26 August 2021. Therefore, the Company currently operates through a Board of Directors, some members of which are also members of the Management Control Committee.

## SECTION I

This Section of the Report on the Remuneration Policy and Paid Considerations 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 in their capacity as members of the Management Control Committee) and Executives with strategic responsibilities.

The Remuneration Policy was drawn up on the basis of strategic guidelines defined by the Board of Directors, within the scope of an articulate analysis and assessment process carried out with the support of the Remuneration Committee and the competent corporate structures.

The Remuneration Policy was approved by the Board of Directors on 12 July 2022, as proposed by the Remuneration Committee.

The Remuneration Policy has been prepared in compliance with article 5 of the Code of Corporate Governance, and in accordance with the Regulations on Related Parties and article 9 of the internal procedure entitled "Procedure for transactions with Related Parties" adopted by the Board of Directors and amended on 11 March 2021 (the "**Related Parties Procedure**").

In compliance with the provisions of the Related Parties Procedure, as implemented in SeSa's Procedure for Transactions with Related Parties - available on the Company's website [www.sesa.it](http://www.sesa.it), in the "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 in article 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 possible 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 Control Committee) in compliance with the overall remuneration determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3, of the Italian Civil Code, after hearing the opinion of the Remuneration Committee;
- approves the Report on the Remuneration Policy and Paid Considerations, 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, powers and operating procedures of the Remuneration Committee, as well as the activities entered into by it, 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 I of the Report on the Remuneration Policy and Payments;
- expresses a consultative vote on Section II of the Report on the Remuneration Policy and Paid Considerations.

**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 further measures aimed at avoiding or handling conflicts of interest**

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

You are informed 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, and is chaired by an independent director, in compliance with recommendation 26 of the Code of Corporate Governance.

In particular, following the renewal of the corporate bodies by the Shareholders' Meeting held on 26 August 2021, on the same date, the Issuer's Board of Directors appointed Angela Oggioni (Independent Director and Chairperson of the Committee), Prof. Giovanna Zanotti (Independent Director) and Claudio Berretti (Non-Executive Director) as members of the Remuneration Committee until the approval of the financial statements for the year ending 30 April 2024.

As of the date of approval of the draft financial statements for FY 2020-2021, the members of the Remuneration Committee were Angela Oggioni (Independent Director acting as Chairperson), Silva Bordi (Independent Director) and Claudio Berretti (Non-Executive Director).

It should also be noted that, in the Issuer's opinion, all the members of the Committee are recognised as having adequate knowledge and experience in financial matters or remuneration policies, as assessed by the Board when appointing the members of the Committee, pursuant to and in accordance with Recommendation 26 of the Code of Corporate Governance.

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 body with investigative, propositional and advisory functions, with the task of assisting the Board in drawing up 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 of the Italian Civil Code, the Remuneration Committee holds investigative, propositional and advisory 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 recently amended to incorporate the provisions of the current Code of Corporate Governance), 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 the that envisaged by the Remuneration Policy, the Remuneration Committee is entrusted with the tasks indicated in recommendation 25 of the Code of Corporate Governance 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 17 of the Code of Corporate Governance, 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, with the resolution of the absolute majority of those present. 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.

With regard to the procedures for recording the minutes of the meetings and the procedures for reporting to the Directors that make up the Remuneration Committee, the Regulation on the operation of the Board of Directors applies (please see section 4.4 of the Report on Corporate Governance and the Ownership Structure).

The members of the supervisory body may attend the proceedings of the Committee. 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 ending 30 April 2022, the Remuneration Committee met five times, on 3 May 2021, 14 June 2021, 12 July 2021, 21 October 2021 and 9 March 2022.

Minutes were drawn up of the meetings of the Remuneration Committee, which were coordinated by its Chairman. 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 on average approximately 45 minutes.

For the percentage of participation in the meetings of each Director in the Remuneration Committee, see the Table entitled "Structure of Board Committees at the end of the Financial Year" in paragraph 6 of the Report on Corporate Governance and Ownership Structures, drawn up pursuant to Article 123-bis of the Consolidated Law on Finance (TUF).

At least two more meetings of the Remuneration Committee are planned for the year from 1 May 2022 to 30 April 2023, in addition to those already held on 27 June 2022 and 11 July 2022.

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;
- Review, development and human capital selection of the SeSa Group;
- Development of Covid-19 emergency management procedures;
- Development of the certification system of the Issuer and SeSa Group companies;
- Remuneration policy benchmarking;
- Development of SeSa Group sustainability.

During the year, until the amendment of the administration and control system, the Chairman of the Board of Statutory Auditors, and sometimes also a Statutory Auditor, participated in the work of the Remuneration Committee. It should also be noted that, in consideration of the various items on the agenda, the Chairman invited the CEO, members of the Management Control Committee and, after informing the CEO, the Heads of the HR, Compliance and IR functions to attend the Committee's meetings.

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 considered the remuneration and working conditions of its employees in determining its remuneration policy**

When defining its Remuneration Policy, the Company considered 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 similar in size and activity. Integrity, responsibility and transparency are the drivers adopted in the Group's Remuneration Policy, which is expressed in elements such as attention to employees, sustainability of the premises in terms of environmental impact and the supply chain.

Medium- to long-term strategic directions were also considered when determining the Remuneration Policy, in order to ensure the attraction and retention of all key roles with characteristics and skills that are conducive to guaranteeing the creation of value for all stakeholders.

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

The Company did not engage the services of independent experts for the definition of the Remuneration Policy, despite having used benchmark analyses formulated by independent organisations.

**e) the aims pursued with the Remuneration Policy, the principles underlying it, its duration and, in the event of review, a description of the changes with respect to the Remuneration Policy last submitted to the Shareholders' Meeting and how such revision takes into account the votes and considerations expressed by the shareholders during or after the Shareholders' Meeting**

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 in their capacity as members of the Management Control Committee) and Executives with strategic responsibilities.

The main aim of SeSa's Remuneration Policy for 1 May 2022 - 30 April 2023 is to align the interests of the management with those of the Company and the shareholders over the medium to long term and is instrumental in pursuing 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 professional skills and 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 system for Executives with strategic responsibilities acknowledges a balance of the fixed and variable components that is appropriate and consistent with the Company's strategic goals and risk management policy, considering the characteristics of the Company's business and the sector in which it operates, as long as the variable portion including the stock incentive plan concerning Executive Directors represents a significant part of the overall 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) 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 linked significantly to a long-term time horizon. They (a) are consistent with the Company's strategic goals and are aimed at promoting its sustainable success (b) also include non-financial parameters, related particularly 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 equity incentive plan matures (vesting period) with reference to multi-year periods, consistent with the characteristics of the business activity and the relative risk profiles;
- (viii) a portion of variable remuneration component consisting of the equity incentive plan is paid with a deferral period than when performance targets has been established with reference to multi-year periods, upon occurring further conditions precedent.

Furthermore, to provide people with adequate expertise and professionalism, the remuneration of both executive and non-executive Directors (including members of the Management Control Committee) is defined by taking into account the remuneration practices widespread in the reference sectors and for companies of similar size, also considering comparable foreign experiences.

Directors who are members of the Management Control Committee are remunerated exclusively with a fixed component in addition to their remuneration as Directors, as 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 hearing the opinion of the Remuneration Committee, with a possible increase if the Director holds the position of Chairman of the Management Control Committee.

**f) description of the policies regarding fixed and variable remuneration components, with particular regard to the indication of the relative proportion within the scope of 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 Control 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 7 of the Code of Corporate Governance.

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 Control Committee) with a possible increase if the Director holds the office of Committee Chairman.

The remuneration paid to the Non-Executive Directors and Independent Directors (including members of the Management Control Committee) is always adequate to the expertise, professionalism and commitment required by the tasks assigned to them within the Board of Directors and Board Committees.

**(ii) *SeSa Directors 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 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 linked significantly to a long-term horizon. To this end, it should be noted that the performance targets to which the payment of variable remuneration components is linked (a) are consistent with the Company's strategic goals and are aimed at promoting its sustainable success; (b) also include non-financial parameters.

Furthermore, it should be noted that in the event the Company carries out particular exceptional operations due to strategic relevance and/or for the effects on the results of the Company itself and/or of the Group, the Board of Directors, after hearing the opinion of the Remuneration Committee, is entitled to assign, at its discretion, specific *bonuses* to Executive Directors and to Directors who perform special duties strictly related to their specific contribution to the aforementioned transactions.

#### *(A) Fixed component*

The fixed remuneration component (including any fixed component assigned where the Executive Director also holds the office of Managing Director 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 a Group Company) 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 main 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 at least 50 percent non-financial parameters.

The Remuneration Policy envisages the application of a calculation system in order to determine a link between the change in company results, including non-financial results, and the change in remuneration. In particular, for the determination of the short-term variable component, a calculation system that considers the achievement of both financial and non-financial sustainable growth targets is envisaged.

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

For the financial parameters in particular, in the event of 100% attainment of the target, 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.

Short-term variable remuneration linked to non-financial parameters, to which at least 50% of the short-term variable remuneration target is linked, will be paid upon achievement of annual sustainability and ESG performance targets such as: (i) growth in the generation of economic value distributed to stakeholders (Distributed Economic Value), measured through the Sustainability Report (starting from year ending 30 April 2022, an Integrated Consolidated Annual Report has been prepared); (ii) environmental protection measured through the maintenance of ISO 14001 environmental certification and EcoVadis rating at levels not lower than the starting level (*EcoVadis Bronze Medal*); (iii) human capital development and safety measured through the Sustainability Report (number of resources, training hours and accident

index at group level - an Integrated Consolidated Annual Report has been prepared as of the year ending 30 April 2022) and verification of confirmation of SA8000 social responsibility certification.

For the financial parameters in particular, in the event of 100% attainment of the basket of non-financial targets (made up of a basket of indicators comprising the parameters used to measure sustainable growth and the non-financial value generated), 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.

In the event of 100% achievement of the Annual Target, the short-term monetary variable component will be approximately 50% of the fixed component of 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, you are reminded that 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 (including 91,000 shares with three-year vesting and 58,000 shares with annual vesting for each of the three financial years 2021-2023).

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](http://www.sesa.it) in the "Investors - Shareholders' Meetings" section. It should be noted that the benchmarks of the 2021-2023 Stock Grant Plan consist of sustainable growth targets of EBIDTA and NFP at consolidated Group level from 2021 to 2023 compared to the year 2020.

On this matter, you are reminded that on 14 September 2020, following a proposal by the Remuneration Committee, and with the approval of the Board of Statutory Auditors in office at the time, 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 to long-term variable component 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 with strategic responsibilities 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 benchmark of the 2021-2023 Stock Grant Plan consists of sustainable growth targets of the result of 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, the aforementioned 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, including 91,000 shares with three-year vesting.

To this end, it should be noted that in relation to some of the shares subject to the 2021-2023 Stock Grant Plan with three-year vesting, 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, once the three-year EVA (Economic Value Added) target has been verified.

***(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 who can be qualified as such in the Issuer's structure. As regards the remuneration policy for Executives with strategic responsibilities, please see the previous paragraph f) (iii).

***(v) members of the Management Control Committee.***

The remuneration of the members of the supervisory body envisages remuneration commensurate with the expertise, professionalism and commitment required by the importance of the role covered and the Company's size and characteristics.

Directors who are members of the Management Control Committee are remunerated exclusively with a fixed component in addition to their remuneration as Directors, as 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 hearing the opinion of the Remuneration Committee, with a possible increase if the Director holds the position of Chairman of the Management Control Committee.

Directors who are members of the Management Control Committee are also entitled to reimbursement of expenses incurred in the fulfilment of their duties.

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

***(vi) Head of the Internal Audit Function and Executive in charge***

There are incentive mechanisms for the Head of Internal Audit consistent with the tasks assigned to the manager. There are no incentive mechanisms for the function of Financial Reporting Executive, however.

**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 applied in the reference sector and for companies of similar size, and 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 Fasi e 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, considering the criteria relating to corporate social responsibility where necessary ,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 achievement of performance targets underlying the granting 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 achievement 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, which implies the assessment of performance and communication of the degree of achievement of the targets assigned. 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 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.

With respect to the extent of the variable component to be paid according to the level of achievement of the targets, see paragraph f) point (iii) above with respect to the variable monetary component and to the Information Document relating to the “2021-2023 Stock Grant Plan” published on [www.sesa.it](http://www.sesa.it) in the “Investors – Shareholders' Meetings” section with respect to the incentive plan based on financial instruments pursuant to article 114-bis of the Consolidated Law on Finance currently in effect.

Any further incentive plans based on financial instruments pursuant to article 114-bis of the Consolidated Law on Finance shall provide for a calculation system that takes into account the negative deviation from the related 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.

With respect to the extent of the variable component to be paid according to the level of achievement of the targets, see paragraph f) point (iii) above with respect to the variable component and to the Information Document relating to the “2021-2023 Stock Grant Plan” published on [www.sesa.it](http://www.sesa.it) in the “Investors - Shareholders' Meetings” section with respect to the incentive plan based on financial instruments pursuant to article 114-bis of the Consolidated Law on Finance currently in effect.

Any further incentive plans based on financial instruments pursuant to article 114-bis of the Consolidated Law on Finance shall provide for a calculation system that takes into account the negative deviation from the related performance targets.

#### **j) information at highlighting the contribution of the remuneration policy, and particularly the policy on variable remuneration components, the company's strategy, the pursuit of long-term interests and the sustainability of the company**

As better described in paragraph e) 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 and 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 Company's Articles of Association were supplemented by the Shareholders' Meeting of 27 January 2021 (Art. 20), stipulating that the Board of Directors is committed to steering the Company to pursue 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 the Company's results, in order to pursue the Group's long-term interests and sustainability.

Moreover, in keeping with the amendments to the Articles of Association resolved upon by the aforementioned Shareholders' Meeting of 27 January 2021 and aimed at steering the Directors' commitment to pursuing success and sustainable growth, an important process of enhancing and focusing on sustainability-related issues was launched, with the aim of detailing 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 of the variable component (*malus*)**

**or repayment of variable “claw back” payments)**

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, it should be noted that a significant portion of the shares covered by the 2021-2023 Stock Grant Plan, approved by the Ordinary Shareholders' Meeting of 28 August 2020, is related to the achievement of three-year performance targets, with delivery times deferred to 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](http://www.sesa.it) in the “Investors - 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 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), are envisaged. The effective application of the clawback clauses is 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 Ordinary Shareholders' meeting held on 28 August 2020, including the conditions and requirements for its implementation, 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](http://www.sesa.it) in the “Investors - Shareholders' Meetings” section.

To this end, you are reminded that, in relation to some of the shares subject to the 2021-2023 Stock Grant Plan with three-year vesting, 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 applied in the event of termination of office or 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 confidentiality agreements with Directors and Executives with strategic responsibilities for a limited period of time following the termination of the relationship of employment, and may also stipulate agreements assigning or maintaining non-monetary benefits and consulting agreements for a period of time following the termination of the relationship.

PAs regards the description of the effects of the termination of the relationship of employment on the rights granted under the “2021-2023 Stock Grant Plan”, please see the disclosure document that accompanies said plan, published on the Company's website at [www.sesa.it](http://www.sesa.it) in the “Investors - Shareholders' Meetings” section.

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

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 Fasi e Previndai as well as life and non-occupational accident policies).

On this matter, it should be noted that, at the board meeting held on 26 August 2021, the Board of Directors resolved to make available a supplementary pension and/or insurance policy, with the four Executive Directors of SeSa as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2021 to 2024.

**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 Control 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, 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 drawn up a Remuneration Policy for Executive Directors, Directors holding special offices and Executives with Strategic Responsibilities, considering market practices and, in particular, policies in place at Italian companies operating in similar sectors, as well as the strategy oriented towards sustainable growth. In order to ensure greater competitiveness and retention potential with respect to the market, it is the Company's intention to align its practices with those of companies that are similar in terms of value creation.

SeSa defines its remuneration policies also on the basis of analyses conducted on market benchmarks referred to companies in the sector that are considered comparable both in terms of size and business affinity. SeSa also monitors trends and best practices on the Italian market. The preparation of the remuneration policy guidelines and the assessment of the policies implemented were carried out using the panorama in which the Group is positioned, by reference sectors and companies of similar size, in order to have a view of both the labour market and business practices, as well as specific sector studies.

**q) the elements of the remuneration policy which can be waived in the presence of exceptional circumstances, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions under which the waiver may be applied**

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

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## **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 conformity with the Company's remuneration policy for the year of reference and the ways in which remuneration contributes to the long-term performance of the Company;
- b) in the second part, it analytically illustrates the remuneration paid in the year of reference (1 May 2021 - 30 April 2022) 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 considered the vote expressed by the Shareholders' Meeting of 26 August 2021 on the second section of the Remuneration Policy report approved by the Board of Directors on 12 July 2021, 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 conformity with the remuneration policy for the year of reference and the ways in which remuneration contributes to the long-term performance of the Company.

### **Remuneration of Directors, Executives with strategic responsibilities and members of the Management Control Committee**

As mentioned above, on 26 August 2021, the term of office of the Board of Directors appointed by the Shareholders' Meeting on 24 August 2018 expired.

On 26 August 2021, the Shareholders' Meeting established the number of members of the Board of Directors as ten and then proceeded to appoint them. The Board of Directors so appointed will remain in office for three financial years, until the approval of the financial statements for the year ending 30 April 2024.

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

- Paolo Castellacci (Chairman)
- Giovanni Moriani (Deputy Executive Chairman)
- Moreno Gaini (Deputy Executive Chairman)
- Alessandro Fabbroni (Managing Director)
- Claudio Berretti (Non-executive director)
- Angela Pelizzari (Independent Director)
- Angela Oggionni (Independent Director)
- Giuseppe Cerati (Independent Director and Chairman of the Management Control Committee)
- Chiara Pieragnoli (Independent Director and member of the Management Control Committee)
- Giovanna Zanotti (Independent Director and member of the Management Control Committee)

It should be noted that up until the Shareholders' Meeting that approved the financial statements for the year ending 30 April 2021, the following were members of the Board of Directors:

- Paolo Castellacci (Chairman)
- Moreno Gaini (Deputy Executive Chairman)
- Giovanni Moriani (Deputy Executive Chairman)
- Alessandro Fabbroni (Managing Director)
- Angelica Pelizzari (Non-executive director)
- Silvia Bordi (Independent Director)
- Claudio Berretti (Non-executive director)
- Angela Oggionni (Independent Director)

You are reminded that Silvia Bordi (Independent Director) was appointed by co-optation on 21 July 2021, following the resignation of Maria Chiara Mosca (Independent Director).

At the time of renewal of the Issuer's company boards, the 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 895,000 for year 1 May 2021 - 30 April 2022;
- Euro 895,000 for year 1 May 2022 - 30 April 2023;
- Euro 895,000 for year 1 May 2023 - 30 April 2024;
- Euro 60,000 a month for the period from 30 April 2024 until the date of approval of the financial statements closed at 30 April 2024.

The Board of Directors, during the meeting held on 26 August 2021, resolved to make the gross payments for the year. In particular, during the afore-mentioned meeting, the Board resolved to pay the gross payments to the Directors for the year from 1 May 2021 to 30 April 2022, as illustrated below:

- fixed payment (RAL) of Euro 290,000 for the Chairman of the Board of Directors;
- fixed payment (RAL) of Euro 60,000 for each executive board member;
- fixed payment (RAL) of Euro 28,000 for each non-executive board member;
- variable remuneration (RAL) of Euro 36,000 for each Executive Deputy Chairman and a variable remuneration (RAL) of Euro 50,000 for the Chief Executive Officer.

At the same meeting held on 26 August 2021, the Board of Directors also resolved to pay monthly remuneration for the period from 30 April 2024 until the date of approval of the financial statements closed at 30 April 2024, as illustrated below:

- gross fixed payment of Euro 24,167 for the Chairman of the Board of Directors;
- gross fixed payment of Euro 5,000 for each executive board member;
- gross fixed payment of Euro 2,333.33 for each non-executive board member;

Lastly, it should be noted that during the aforementioned meeting, the Board of Directors resolved to subject:

- (a) the payment of 50% of the variable remuneration to the achievement of a basket of annual company ESG performance improvement and sustainability targets, in particular: (i) growth in the generation of economic value distributed to stakeholders (Distributed Economic Value), measured through the Sustainability Report (this year the Integrated Report); (ii) environmental protection measured through the maintenance of ISO 14001 environmental certification and EcoVadis rating; (iii) human capital development and safety measured through the Sustainability Report (number of resources, training hours and accident index at group level and confirmation of SA8000 social responsibility certification);
- and (b) payment of the remaining 50% of the variable remuneration for the financial years ending 30 April 2022 and 2023 upon achievement of the same Ebitda and NFP growth targets identified in the 2021-2023 Stock Grant Plan approved by the Shareholders' Meeting held on 28 August 2020 to 30 April 2022 and 30 April 2023, respectively, and for the year ending 30 April 2024 upon achievement of annual Ebitda and NFP targets at least equal to those indicated in the 2021-2023 Stock Grant Plan for the year ending 30 April 2023.

It should be noted that, unlike the Chairman, the Executive Deputy Chairmen and the Managing Director 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 26 August 2021, the Board of Directors appointed the Board of Directors, until approval of the financial statements for the year ending 30 April 2024:

- as members of the Management Control Committee, Giuseppe Cerati (Independent Director acting as Chairman of the Committee), Giovanna Zanotti (Independent Director) and Chiara Pieragnoli (Independent Director). To this end, it should be noted that during the same meeting, the Board resolved to assign the functions of Audit and Risks Committee, as well as that of Supervisory Board pursuant to Legislative Decree No. 231/2001, to the Management Control Committee;
- consequently, Giuseppe Cerati (Independent Director acting as Chairman of the Committee), Giovanna Zanotti (Independent Director) and Chiara Pieragnoli (Independent Director) are the current members of the Management Control Committee. On this matter, remember that the Issuer has identified the aforementioned Audit and Risks Committee as the body responsible for transactions with related parties;
- as members of the Remuneration Committee, Angela Oggionni (Independent Director acting as Chairwoman of the Committee), Giovanna Zanotti (Independent Director) and Claudio Berretti (Non-executive Director).

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

During the session held on 26 August 2021, the Board of Directors resolved to grant (i) the Chairman of the Management Control Committee (also in his capacity as Audit and Risk Committee, Related Parties Committee and Supervisory Board pursuant to Legislative Decree no. 231/2001) a gross annual emolument of €12,500.00 and the other members of the Management Control Committee a gross annual emolument of €10,000.00 for the performance of activities connected to the office; (ii) to the Chairman of the Remuneration Committee, a gross annual emolument of €12,500.00 and to the other members of the Remuneration Committee, a gross annual emolument of €10,000.00 for the performance of activities connected to the office; (iii) to the Appointed Director, a gross annual emolument of €10,000.00.

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 monetary 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 2019 to 30 April 2022, a total variable monetary component of Euro 122,000 gross was paid, as shown in Table 1.

As regard 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", and that, on 14 September 2020, the Board of Directors, upon proposal by the Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors still in office at the time, as well as with the abstention of the Executive Directors (i) identified the beneficiaries of the Plan as 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 in the development and guidance of the SeSa Group, and (ii) resolved to grant them the right to receive, free of charge, subject to the achievement 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 to service the “2021-2023 Stock Grant Plan” as defined in the disclosure document drawn up pursuant to article 84-bis of the Issuers' Regulations.

For further details, please see the disclosure document drawn up pursuant to 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](http://www.sesa.it) in the “Investors - Shareholders' Meetings” section.

On 12 July 2022, the Board of Directors, having heard the opinion of the Remuneration Committee, verified the achievement of the Annual EBITDA and NFP Target and the annual sustainability and ESG performance improvement targets for 1 May 2021 - 30 April 2022.

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 three-year performance target from 1 May 2021 to 30 April 2022.

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 26 August 2021, the Board of Directors resolved to make available a supplementary pension and/or insurance policy, with the four Executive Directors of SeSa as beneficiaries, for an annual amount of Euro 12,000 each, for the three-year period from 2021 to 2024. No other non-monetary benefits have been envisaged in the year ended 30 April 2022.

With particular reference to the agreements that envisage indemnities in the event of early termination of the relationship, 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**

Remember that the statutory changes related to the new governance system became effective as of the date of the renewal of corporate bodies resolved by the Shareholders' Meeting held on 26 August 2021.. To this end, it should be noted that until the aforementioned Shareholders' Meeting, the Board of Statutory Auditors in office was made up as follows:

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

You are hereby notified that the remuneration paid to the Statutory Auditors for the period between 1 May 2021 and 26 August 2021 amounted to Euro 30,000.00.

## **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.

Here follows some comparative information regarding (i) the total remuneration of each of the persons for whom the information in this section of the report is provided by name; (ii) the Company's results; (iii) the average gross annual remuneration, based on those in full-time employment, of employees other than the persons whose remuneration is provided by name in this section of the report. The following is noted with respect to the financial years between 1 May 2019 and 30 April 2021:

- (i) the total remuneration amounted to Euro 1.356 million with respect to the financial year ended 30 April 2020, Euro 1.300 million with respect to the financial year ended 30 April 2021 and Euro 1.445 million with respect to the financial year ended 30 April 2022, respectively, with an annual decrease of 4% at 30 April 2021 compared to 30 April 2020 and an increase of 11% at 30 April 2022 compared to 30 April 2021;
- (ii) the value of stock market capitalisation and total revenues and other income amounted to Euro 752 million and Euro 1,776 million, respectively, with reference to the financial year ended 30 April 2020, Euro 1,788 million and Euro 2,037 million, respectively, with reference to the financial year ended 30 April 2021 and Euro 2,149 million and Euro 2,390 million, respectively, with reference to the financial year ended 30 April 2022;
- (iii) the average gross annual remuneration amounted to Euro 51.6 thousand with respect to the financial year ended 30 April 2020, Euro 54.5 thousand with respect to the financial year ended 30 April 2021 and Euro 52.0 thousand with respect to the financial year ended 30 April 2022, respectively, with an annual decrease of 5.8% at 30 April 2021 compared to 30 April 2020 and an increase of 4.5% at 30 April 2022 compared to 30 April 2021.

**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	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	Presidente	01/05/21 - 30/04/22	290.000						12.000	<b>302.000</b>	<b>302.000</b>	-	<b>1.882.080</b>	
Moreno Gaini	Vice Pres. Esecutivo	01/05/21 - 30/04/22	132.160	126.990	-	36.000			28.231	<b>323.381</b>	<b>251.221</b>	72.160	<b>1.882.080</b>	
Giovanni Moriani	Vice Pres. Esecutivo	01/05/21 - 30/04/22	174.600		-	36.000			12.000	<b>222.600</b>	<b>108.000</b>	114.600	<b>1.882.080</b>	
Alessandro Fabbroni (i)	Amm. Delegato	01/05/21 - 30/04/22	60.000	186.002	10.000	50.000			28.231	<b>334.233</b>	<b>334.233</b>	-	<b>1.882.080</b>	
Angela Oggionni (ii)	Amministratore Ind.	01/05/21 - 30/04/22	28.000		12.500	-				<b>40.500</b>	<b>40.500</b>	-		
Giuseppe Cerati (iii)	Amministratore Ind.	01/05/21 - 30/04/22	28.000		12.500	-				<b>40.500</b>	<b>40.500</b>	-		
Chiara Pieragnoli (iv)	Amministratore Ind.	01/05/21 - 30/04/22	28.000		10.000	-				<b>38.000</b>	<b>26.000</b>	-		
Claudio Berretti (v)	Amministratore	01/05/21 - 30/04/22	28.000		10.000	-				<b>38.000</b>	<b>38.000</b>	-		
Giovanna Zanotti (vi)	Amministratore Ind.	01/05/21 - 30/04/22	28.000		20.000	-				<b>48.000</b>	<b>48.000</b>	-		
Angelica Pelizzari	Amministratore Ind.	01/05/21 - 30/04/22	28.000			-				<b>28.000</b>	<b>28.000</b>	-		
Giuseppe Cerati	Pres. Collegio Sind.	01/05/21 - 26/08/21	12.667		-	-				<b>12.667</b>	<b>12.667</b>	-		
Chiara Pieragnoli	Sindaco effettivo	01/05/21 - 26/08/21	8.667		-	-				<b>8.667</b>	<b>8.667</b>	-		
Mariani Andrea	Sindaco effettivo	01/05/21 - 26/08/21	8.667		-	-				<b>8.667</b>	<b>8.667</b>	-		
<b>Totale Compensi Corrisposti</b>			<b>854.760</b>	<b>312.992</b>	<b>75.000</b>	<b>122.000</b>	-		<b>80.462</b>	-	<b>1.445.214</b>	<b>1.246.454</b>	<b>186.760</b>	<b>7.528.320</b>

(i) Amm.re Incaricato controllo interno; (ii)Presidente CR; (iii) Presidente CCG; (iv) membro CCG; (v) Membro CR; (vi) membro CCG e CR

(1) Compensi Presidente comitati eu 12.500, membro dei Comitati eu 10.000

(2) Controvalore delle azioni trasferite nell' esercizio in attuazione del piano di stock grant approvato dall'Assemblea dei Soci del 28.08.20 valorizzate ad euro 156,84 (media 30gg antecedenti il trasferimento).

**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 (2)	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	
Compensi nella società che redige il bilancio	Paolo Castellacci	Presidente SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	12.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						12.000	1.854.600	656.760
	Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	12.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						12.000	1.854.600	656.760
	Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	12.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						12.000	1.854.600	656.760
	Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	12.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						12.000	1.854.600	656.760
	Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	5.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						5.000	772.750	273.650
	Francesca Moriani	Consigliere Delegato Var Group S.p.A.	Piano approvato dall'Assemblea Soci del 28.08.20	5.000 azioni ordinarie SeSa S.p.A.	01.05.2020 - 30.04.2023						5.000	772.750	273.650
	<b>Totale</b>				<b>58.000</b>							<b>58.000</b>	<b>8.963.900</b>

(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) Piano di stock grant assegnato il 28.08.20 per un totale di 265.000 azioni; i valori si riferiscono alle azioni annuali attribuite in data 11.09.21 (n. 58.000)

(3) Azioni annuali maturate sulla base dei risultati del Gruppo al 30 aprile 2022 (n.58.000 azioni Sesa SpA)

(4) Media dei prezzi di mercato nei 12 mesi dell'anno fiscale al 30.04.2022 (euro 154,55 per azione)

(5) Costo figurativo di competenza dell'esercizio rilevato secondo i principi IFRS (euro 54,73 per azione). Al 30.04.22 è stata rilevata anche una quota del piano di stock grant triennale in assegnazione al 30.04.23. Il costo totale per stock grant al 30.04.22 ammonta ad euro 4.312 migliaia

**Table 3B. Monetary incentive plans for members of the board of directors, the 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	
<b>Giovanni Moriani</b>	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 26.8.2021	36.000						
Compensi da controllate/collegate									
<b>Totale</b>			<b>36.000</b>						

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	
<b>Moreno Gaini</b>	Vice Presidente Esecutivo SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 26.8.2021	36.000						
Compensi da controllate/collegate									
<b>Totale</b>			<b>36.000</b>						

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	
<b>Alessandro Fabbroni</b>	Amministratore Delegato SeSa S.p.A.								
Compensi nella società che redige il bilancio		CdA 26.8.2021	50.000						
Compensi da controllate/collegate									
<b>Totale</b>			<b>50.000</b>						

## SECTION II - PART THREE - INVESTMENTS HELD BY MEMBERS OF THE BOARD OF DIRECTORS 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 2022, 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	43.418	12.000	12.000	43.418
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	Sesa SpA	30.418	12.000	12.000	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.	28.08.2020	Azioni ordinarie SeSa S.p.A.	12.000	11.09.2021	Euro 73,80		
Giovanni Moriani	Vice Presidente Esecutivo SeSa S.p.A.	28.08.2020	Azioni ordinarie SeSa S.p.A.	12.000	11.09.2021	Euro 73,80		
Moreno Gaini	Vice Presidente Esecutivo SeSa S.p.A.	28.08.2020	Azioni ordinarie SeSa S.p.A.	12.000	11.09.2021	Euro 73,80		
Alessandro Fabbroni	Amministratore Delegato SeSa S.p.A.	28.08.2020	Azioni ordinarie SeSa S.p.A.	12.000	11.09.2021	Euro 73,80		
Duccio Castellacci	Consigliere Delegato Computer Gross Italia S.p.A.	28.08.2020	Azioni ordinarie SeSa S.p.A.	5.000	11.09.2021	Euro 73,80		
Francesca Moriani	Consigliere Delegato Var Group S.p.A.	28.08.2020	Azioni ordinarie SeSa S.p.A.	5.000	11.09.2021	Euro 73,80		

(\*) Azioni annuali maturate al 30.04.22 (n. 58.000 azioni).

(\*\*) Prezzo per azione alla data di assegnazione del piano (28.08.2020)