

# OVS

OVS S.p.A.

*Registered Office in Venice-Mestre, Via Terraglio n° 17 - share capital EUR 227,000,000.00 fully paid-up  
Venice Companies Register Number, Tax Code and VAT N° 04240010274 –  
Administrative Economic Index N° VE - 378007  
Corporate website: [www.ovscorporate.it](http://www.ovscorporate.it)*

## **REPORT ON THE POLICY REGARDING REMUNERATION AND ON FEES PAID**

pursuant to Article 123 *ter* of Legislative Decree n° 58 of 24 February 1998

Approved by the Board of Directors' Meeting of 15 April 2021

## Letter from the Chairman of the Nomination and Remuneration Committee

Dear Shareholders,

as Chairman of the Nomination and Remuneration Committee of OVS and in the name of the members of the Committee, I have the pleasure to present you with our Report on policy on remuneration for 2021 and fees paid for the 2020 year, with reference to Directors, Statutory Auditors and Managers with Strategic Responsibilities. The Nomination and Remuneration Committee worked during 2020 with a twin-track approach. On the one hand the path to consolidating the Group's remuneration strategy that has to be transparent, clear, effective and aligned with the guidelines of the Borsa Italiana Corporate Governance Code, market practices and the interests of you Shareholders, accepting all the stimuli and suggestions received from the Shareholders and Stakeholders. On the other hand, the Nomination and Remuneration Committee, in collaboration with the Human Resources Department, integrated the compensation policy with some innovative elements, some of which required by the new regulatory provisions, reinforcing the aims of the policy to pursue the long-term interests and sustainability of the Company, maintaining the principles of the policy unchanged even in the exceptional pandemic situation that has affected Italy and your Company in the 2020.

The process of evolution of the Group remuneration strategy during 2020 concerned the Short Term Incentive System offered to Top Management (MBO 2020) in order to further consolidate the engagement of these figures on the challenging objectives of the Company also with reference to non financial objectives. Among the changes introduced in 2020, within the 2020 MBO system, we remind the alignment of the weight of KPIs to the situation that characterized the business during 2020. The Long term incentive system has been straight by ad hoc action.

With reference to the policy for 2021, it is in substantial continuity with that approved by the Shareholders' Meeting on 9 July 2020 and with the 2019 policy; it is confirmed that the policy contributes to the corporate strategy, to the pursuit of long-term interests and to the sustainability of the Company. The short-term incentive system offered to Top Management for 2021 is substantially in line with the 2020 system, confirming the introduction of non-financial objectives linked to the Company's sustainable success, except for some adjustments regarding the weights of the individual KPIs, to in order to make the policy more consistent with the different economic situation that is expected to characterize 2021 and therefore align it with the corporate strategy.

Also for 2021, with the aim of making the reading of the annual Report clear, and transparent, the Committee has continue to have a high level of disclosure of the Compensation Policy towards the market, guaranteeing detailed information and graphic elements functional to the correct understanding of the main elements which make up the Group remuneration systems in line with best market practices. Finally, the 2021 remuneration policy was adapted, if necessary, to the disclosure requirements requested by the new regulations.

On behalf of all the OVS Nomination and Remuneration Committee, we thank the Shareholders and Stakeholders in general for their valuable contribution to the continuous improvement of the Group's remuneration policies.

**Chiara Mio**

**Chairman of the Nomination and Remuneration Committee**

## Introduction

This Report on remuneration policy and on fees paid (the “**Report**”) was approved on 15 April 2021 by the Board of Directors of OVS S.p.A. (the “**Company**” or “**OVS**”), at the proposal of the Nomination and Remuneration, and prepared in compliance with Article 123 *ter* of Legislative Decree n° 58 of 24 February 1998, as amended (the “**Consolidated Finance Act**” or “**CFA**”), with Article 84 *quater* of the Issuers’ Regulations adopted by CONSOB with resolution n° 11971 of 14 May 14 1999, as amended (the “**Issuers’ Regulations**”). The policy on remuneration is in line with the recommendations of the Code of Conduct for listed companies promoted by the Corporate Governance Committee set up at Borsa Italiana S.p.A. January 2020 edition [the Italian Stock Exchange] (the “**Code of Conduct**” or “**Code 2020**”), adopted by the Company on 11 February 2020.

The Report consists of two sections:

- 1) Section I describes clearly and comprehensibly (i) the policy adopted by the Company on the remuneration of the Company’s Board of Directors’ members (the “**Directors**”) and Managers with Strategic Responsibilities, meaning those persons who have the power and responsibility - directly or indirectly - of planning, directing and controlling the Company’s activities as defined in Annex 1 of the CONSOB Regulation concerning transactions with related parties adopted by resolution n° 17221 of 12 March 2010 (the “**Managers with Strategic Responsibilities**”) (the “**Remuneration Policy**” or “**Policy**”) and without exceptions of article 2402 of the Italian Civil Code, of the controlling bodies , and (ii) the procedures for adopting and implementing the Policy;
- 2) Section II describes clearly and comprehensibly the compensation paid in the financial year ending on 31 January 2021, for any reason and in any form, by the Company and its subsidiary companies as well as by the associated companies, to the Directors, Managers with Strategic Responsibilities and Board of Statutory Auditors’ members (the “**Auditors**”), providing a representation of each of the items comprising the remuneration. Section II, pursuant to Article 84 *quater*, paragraph 4, of the Issuers’ Regulations, also indicates, in specific tables, the data relating to the shareholdings held - in the Company and its subsidiaries - by Directors, Statutory Auditors and Managers with Strategic Responsibilities, as well as by non-legally separated spouses and minor children, either directly or through subsidiaries, trust companies or nominees, as shown in the Shareholders’ Register, the communications received and other information acquired from the said Directors, Statutory Auditors and Managers with Strategic Responsibilities. Pursuant to article 123-ter, paragraph 4 b-bis) of TUF, the Report illustrate as the Company took note of the vote that was expressed, on such Session II.

For the purposes of this Report, it is stated that:

- (a) the Board in office at the date of the approval of the present Report is composed of nine (9) members: Franco Moscetti (Chairman), Stefano Beraldo (Chief Executive Officer), Giovanni Tamburi (non executive-director and Vice-Chairman) Carlo Achermann (Independent Director), Elena Garavaglia (Independent Director), Vittoria Giustiniani (Non-executive Director), Massimiliano Magrini (Independent Director) and Chiara Mio (Independent Director).

The Board of Directors will remain in office until the approval of the financial statements for the year ending 31 January 2023.

- (b) the Board of Statutory Auditors in office at the date of the Report is composed of Stefano Poggi Longostrevi (Chairman), Paola Tagliavini (Standing Auditor) Roberto Cortellazzo Wiel (Standing Auditor), Emilio Velladi (Alternate Auditor) and Emanuela Italia Fusa (Alternate Auditor).

The Board of Statutory Auditors will remain until the approval of the financial statements at 31 January 2021;

- (c) in addition to the Chief Executive Officer, three (3) Managers with Strategic Responsibilities have been identified:

- Ismail Seyis, OVS Brand Director;
- Massimo Iacobelli, UPIM Brand Director;
- Nicola Perin, Chief Financial Officer.

The Remuneration Policy, referred to in Section I of this Report, will be submitted to the vote of the Shareholders' Meeting called, pursuant to Article 2364 of the Civil Code, for 28 May 2021 at legal offices of the Company, via Terraglio n. 17, 30174 Venezia-Mestre (Italy), at 10:00am, in a single call, to approve the financial statements as at 31 January 2021.

Pursuant to Article 123 *ter*, paragraph 3-bis and 3-ter, of the CFA, the Shareholders' Meeting is in fact required to express itself, with a binding resolution, in favour or against Section I of the Report, while pursuant to art. 123-ter paragraph 6 of the CFA is required to express itself, with a non-binding resolution, in favour or against in relation to Section II of the Report. To this end, according to Article 84 *quater* of the Issuers' Regulations, the Report is submitted to the Italian Stock Exchange and made available to the public at the registered office and on the website [www.ovscorporate.it](http://www.ovscorporate.it), Section Governance/Shareholders' Meeting 2021, no later than twenty-one days before the date of the Shareholders' Meeting.

This document is made available at the registered office and on the Company's website ([www.ovscorporate.it](http://www.ovscorporate.it), Section Governance/Shareholders' Meeting) as well as at the mechanism for the central storage of regulated information "1info" on the website [www.1info.it](http://www.1info.it).

Venice – Mestre, 15 April 2021

The Chairman of the Board of Directors  
Franco Moscetti



## SECTION I - Remuneration Policy 2021

### 1. Remuneration Policy for Directors and Executives with Strategic Responsibilities

- A) **Bodies and persons involved in preparing and approving the Remuneration Policy; positions and bodies and persons responsible for properly implementing the said Policy.**

The preparation and approval of the OVS Remuneration Policy involves the Board of Directors (the “**Board**” or also the “**Board of Directors**”), the Nomination and Remuneration Committee (the “**Nomination and Remuneration Committee**” or “**Remuneration Committee**” or “**Committee**”) and the Company’s Ordinary Shareholders’ Meeting (the “**Shareholders’ Meeting**”).



#### Shareholders' Meeting

The OVS Shareholders' Meeting:

- approves the remuneration of the Directors in the ordinary session pursuant to art. 2364, paragraph 1, no. 3 and 2389, paragraph 3, code civ., as well as art. 22 of the articles of association;
- pursuant to art. 123-ter, paragraphs 3-bis and 3-ter, of the TUF, on the occasion of the approval of the financial statements, the Shareholders' Meeting is also called to deliberate in favor or against on Section I of the remuneration report prepared by the Board, the vote it is binding;
- pursuant to art. 123-ter, paragraph 6, of the TUF on the occasion of the approval of the financial statements, the Assembly is also called to deliberate in favor or against on Section II of the remuneration report prepared by the Board, the vote is not binding;
- approves the share-based incentive plans proposed by the Board of Directors, remitting their attribution to the Board.

#### Board of Directors

- The Board holds the exclusive non-delegable power to define the Remuneration Policy based on the proposal made by the Nomination and Remuneration Committee set up within it
- The Board implements the Remuneration Policy, and in accordance with it sets the remuneration of

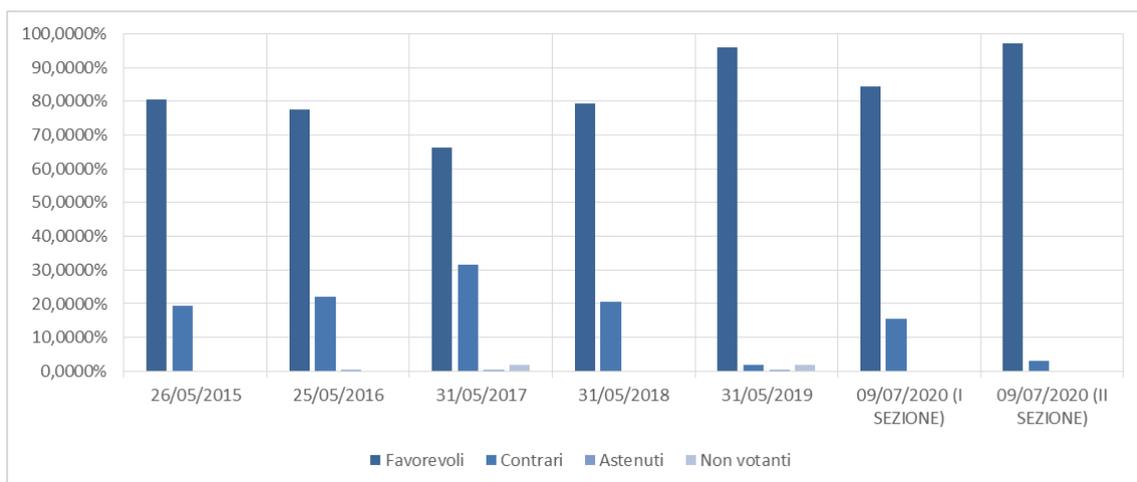
Directors holding particular offices, at the proposal of the Nomination and Remuneration Committee and having consulted with the Board of Statutory Auditors, within the limits of the aggregate compensation ultimately set by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Civil Code and Article 22 of the Articles of Association.

- The Board prepares and approves annually the Remuneration Report provided for in Article 123 *ter* of the CFA and in Article 84 *quater* of the Issuers' Regulations.

### The Nomination and Remuneration Committee

- The Nomination and Remuneration Committee, in accordance with the recommendations contained in Article 6 of the Code of Conduct, is tasked with assisting the Board of Directors, in an advisory and consulting capacity, in its assessments and decisions on the composition of the Board of Directors and the remuneration of the Directors and the Managers with Strategic Responsibilities.
- The Committee's functions are described in detail in the paragraph A.2) below.

The performance of the shareholders' meeting results on the OVS Annual Remuneration Report from 2015 to 2020 is shown below.



In 2020, the year in which the binding vote was introduced for Section I of the Remuneration Report, an important result was achieved, in consideration of the particularity of the year 2020 and therefore of the actions taken by the Company to enhance the management retention elements, also due to the continuation of the dialogue undertaken with the world of investors and with the main proxy advisors, aimed at better representing the new remuneration policy and the reasons that led to certain choices. In the face of the positive feedback obtained in the shareholders' meeting on the 2020 policy, the choice in defining the policy for 2021 was essentially in the direction of continuity, with some adjustments in order to make it more consistent with the different economic situation that is expected to characterize 2021. With reference to the non-binding vote relating to Section II of the Report, also introduced for the first time in 2020, the results were highly appreciated by the shareholders, who appreciated the work of the Company regarding the remuneration paid.

### **Duration of the Policy**

In order to guarantee continuous discussion with the shareholders and to facilitate their involvement in the definition of the guidelines of the Company's Remuneration Policy and, at the same time, to maintain the necessary flexibility to respond promptly to present and future needs, this Remuneration Policy it has an annual duration and will be followed for at least the next financial year (2021). Furthermore, it is considered appropriate that the same may be reviewed next year also for taking into consideration new practices that will be taken by other issuers in consideration of the fact that the process of the transposition of the Shareholder's Right Directive II Directive was ended at the end of 2020 and that the new provision on the new Report on the remuneration policy and the remuneration paid was introduced for the first time for the policy 2021.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will pay remuneration in accordance with the latest Policy approved by the Shareholders' Meeting itself.

### **B) Intervention of the Nomination and Remuneration Committee; composition, powers and operating procedures of the said Committee.**

By resolution of 27 October 2014 with effect from March 2, 2015, the first trading day of the OVS shares on the Stock Exchange, the Board established the Remuneration Committee, approving the relative internal rules governing the Committee's composition, duties and operating procedures.

On 4 August 2020, after the appointment of the new Board of Directors by the Shareholders' Meeting held on 9 July 2020, the Board proceeded to appoint the members of the new Nomination and Remuneration Committee.

The Committee is at the moment<sup>1</sup> composed by the following 3 non-executive directors, 2 of whom are independent within the meaning of the combined provisions of Article 147 *ter*, paragraph 4, and Article 148, paragraph 3, of the CFA and of Article 3 of the Code of Conduct – applicable at the moment of appointment – as well as Recommendation n. 6 of the Code 2020: Chiara Mio (Independent Director and Chairman of the Nomination and Remuneration Committee), Carlo Achermann (Independent Director), and Giovanni Tamburi (Non-Executive Director).

All members of the Committee have adequate knowledge and experience in financial matters or remuneration policies, and this was assessed by the Board of Directors at the time of appointment.

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<sup>1</sup> The previous Committee, in force until 9 July 2020 date of the Shareholders' Meeting that appointed the new Board of Directors, was composed by the following four non-executive directors, three of whom are independent within the meaning of the combined provisions of Article 147 *ter*, paragraph 4, and Article 148, paragraph 3, of the CFA and of Article 3 of the Code of Conduct: Chiara Mio (Independent Director and Chairman of the Nomination and Remuneration Committee), Elena Garavaglia (Independent Director), Heinz Jürgen Krogner Kornalik (Independent Director), and Giovanni Tamburi (Non-Executive Director).

The regulation of the Committee was amended by the Board of Directors on 12 June 2017 and on 22 March 2018. During 2021 the regulation will be updated in consideration of the adoption of the Code 2020.

The Nomination and Remuneration Committee meets when called to do so by its Chairman, whenever the Chairman deems it appropriate, but at least once every six months or when requested by either the Executive Directors or the Chairman of the Board of Statutory Auditors or the Chairman of the Board of Directors.

The Chairman coordinates the Nomination and Remuneration Committee's work.

The Chairman of the Board of Statutory Auditors (or another auditor designated by the same) attends the Nomination and Remuneration Committee's meetings, and, in any case, the other auditors may attend as well.

The Chairman of the Nomination and Remuneration Committee is entitled to invite other persons, whose presence may help to carry out better the functions of the Committee, to attend the Nomination and Remuneration Committee's meetings.

The Nomination and Remuneration Committee's meetings are minuted. The Chairman and the Secretary sign the minutes of the meetings, to be kept by the Secretary in chronological order.

In accordance with the recommendations contained in Article 6 of the Code of Conduct, applicable at the time of the appointment, the Nomination and Remuneration Committee was entrusted with the following advisory and consultative functions, detailed in the rule.

As Nomination Committee

- (a) submits opinions to the Board regarding the size and composition of the Board itself and makes recommendations on the professional figures whose presence on the Board would be desirable, as well as on issues related to the maximum number of offices as Director or Auditor in companies listed on Italian or foreign regulated markets and in financial, banking, insurance or large-size companies, which can be considered compatible with the effective performance as a Director of the listed issuer, and on the authorisations of the Shareholders' Meetings granted to the Directors to operate in derogation of the general ban on competition;
- (b) proposes candidates as Directors to the Board in cases of co-optation, should it become necessary to replace Independent Directors;
- (c) oversees the annual self-assessment program on the performance of the Board of Directors and its Committees, in compliance with the Corporate Governance Code, and deals with the preliminary activity for appointing an external consultant for such self-assessment.

As Remuneration Committee:

- (d) submits proposals to the Board to define the remuneration policy for Directors and Managers with Strategic Responsibilities;
- (e) regularly assesses the adequacy, overall consistency and practical application of the remuneration policy for Directors and Managers with Strategic Responsibilities, also on the basis of information provided by the Chief

Executive Officer, and submits proposals to the Board on the matter;

(f) submits proposals or expresses opinions to the Board on the remuneration for Executive Directors and other Directors holding particular offices, as well as on setting the performance targets related to the variable component of the said remuneration, monitoring the implementation of the decisions taken by the Board itself and the actual achievement of the performance targets;

(g) expresses an assessment on particular and specific remuneration issues which the Board may have requested it to examine.

In consideration of the adoption of the 2020 Code and in accordance with the practice already followed by the Company, the functions of the Nomination and Remuneration Committee have been updated to the provisions of the 2020 Corporate Governance Code and therefore:

in its function of Nomination Committee, in accordance with Recommendation no. 19, assists the Board of Directors in the activities of:

- a) self-assessment of the Board of Directors and its committees;
- b) definition of the optimal composition of the Board of Directors and its committees;
- c) identification of candidates for the office of director in the event of co-optation;
- d) possible submission of a list by the outgoing Board of Directors to be implemented in a manner that ensures its formation and transparent presentation;
- e) preparation, updating and implementation of any plan for the succession of the chief executive officer and other executive directors;

in its function of Remuneration Committee, in compliance with Recommendation no. 25, has the task of:

- a) assist the Board in developing the remuneration policy;
- b) submit proposals or express opinions on the remuneration of executive directors and other directors who hold particular offices as well as on the setting of performance objectives related to the variable component of such remuneration;
- c) monitor the actual application of the remuneration policy and verify, in particular, the actual achievement of the performance objectives;
- d) periodically assess the adequacy and overall consistency of the remuneration policy for directors and top management.

The Nomination and Remuneration Committee is also entitled to submit proposals to the Board of Directors regarding the disbursement of an additional “one-off” amount in circumstances that would justify such measures.

The Nomination and Remuneration Committee is entitled to access to information and corporate functions and departments, ensuring appropriate functional and operational links with the same in order to perform their duties.

The Committee has financial resource and may use external consultant.

In line with the recommendations of Article 6.C.6 of the Code of Conduct, no Director may attend the Nomination and Remuneration Committee's meetings in which proposals on their remuneration are submitted to the Board.

The Nomination and Remuneration Committee's Chairman reports (i) on its activities to the Board of Directors at least once every six months; and (ii) on the procedures adopted for the exercise of his functions to the Shareholders' Meeting on an annual basis in conjunction with the approval of the financial statements.

During the 2020 financial year, the Nomination and Remuneration Committee has, inter alia:

<b>Function of the Committee</b>	<b>Activities carried out in 2020</b>
<b>Nomination Committee:</b>	<ul style="list-style-type: none"> <li>✓ in view of the renewal of the Board of Directors, which took place during the Financial Year, the outgoing Nomination and Remuneration Committee, in its function of Nomination Committee, formulated non-binding proposals and guidelines on managerial and professional figures, whose presence on the board was deemed appropriate and on the size of the Board as emerged from the results of the board evaluation carried out in 2019; these results were presented to the Board of Directors and it took them into account in the indications provided to the shareholders for the purpose of appointing the Board of Directors;</li> <li>✓ with reference to the BoD List, on 26 May 2020, it considered that the aforementioned list complied with the indications expressed during the assessment regarding the composition, size and diversity of the Board.</li> </ul>
<b>Remuneration Committee:</b>	<ul style="list-style-type: none"> <li>✓ formulated, to the Board of Directors, proposals for the definition of the remuneration policy for directors and managers with strategic responsibilities, in particular by formulating non-binding opinions and proposals regarding the objectives relating to short-term variable remuneration (MBO) and criteria for assessing the achievement of these objectives as well as the adoption of a Long Term Incentive Monetary Plan;</li> <li>✓ formulated non-binding opinions and proposals regarding the existing Stock Option plans, also suggesting the objectives connected with the granting of these benefits and the criteria for assessing the achievement of these objectives;</li> <li>✓ monitored and verified the actual achievement of the performance objectives, as they were set by the Board of Directors, in relation to the variable remuneration of executive directors and managers with strategic responsibilities;</li> <li>✓ in view of the appointment of the new Board of Directors and the Board of Statutory Auditors, it analyzed a peer group of companies comparable to the Issuer in order to identify guidelines for the remuneration of the members of the Board of Directors, of the committees and of the Board of Statutory Auditors. The Board of Directors has taken into account these guidelines for the purpose of proposals to shareholders regarding the resolutions on the remuneration of corporate bodies, as indicated in the explanatory reports published for the purposes of the Shareholders' Meeting of 9 July 2020;</li> <li>✓ analyzed the contents of the Remuneration Report, approved in its final version on 26 May 2020 and published on 29 May 2020;</li> </ul>

Function of the Committee	Activities carried out in 2020
	✓ analyzed the voting results obtained by the Shareholders' Meeting of 9 July 2020 on the remuneration policy and the remuneration paid.

**C) Compensation and working conditions of its employees in determining the remuneration policy**

In determining the Policy, the Company also takes into account the remuneration and working conditions of its employees. The remuneration policy guarantees competitive opportunities on the market, in full compliance with the principles of equal opportunity, equality and non-discrimination, enhancement of professional skills and recognition of individual merit. This purpose is achieved through the use of different tools aimed at creating the motivations and loyalty to achieve sustainable value creation over time. The remuneration structure is based on different components with the aim of attracting, retaining and motivating qualified resources.

With particular regard to the emergency situation that characterizes the current socio-economic context, the Company has worked to ensure maximum safety for its employees and also to ensure the operational continuity of the processes. In addition to the previously provided welfare services, such as the company doctor, OVS has carried out and is continuing to carry out cyclically various antigenic nasopharyngeal test campaigns, on a voluntary and free basis, aimed at identifying possible Covid-19 infections; The continuous supply of personal protective equipment (masks) and the installation of protective screens, disinfectant gel dispensers and thermo-scanners were also carried out, even with frequent and specific office sanitation cycles. Smart working was used significantly, used, when necessary, also by all or a large part of the staff of the headquarters and of the subsidiaries of the Group compatibly with the type of activity carried out by the individual employee.

**D) Name of any independent experts who participated in preparing the Remuneration Policy.**

In 2020, the Committee was supported, in line with company's policy, by the Department for Human Resources and Organisation, which in turn makes use of information from external experts such as Mercer Italia S.r.l. In order to present the Long term monetary Incentive Plan to the Remuneration Committee and the Board of Directors, the Human Resources Department availed itself of the support of the company Mercer Italia S.r.l.

**E) Aims pursued with the Remuneration Policy, its underlying principles and any changes to the Remuneration Policy with respect to the previous financial year and how this review takes into account the votes and evaluations expressed by the shareholders during the meeting or subsequently.**

The OVS Remuneration Policy is defined, also in line with the Code of Conduct's recommendations, as having the aim:

- of attracting, retaining and motivating individuals with the high personal qualities and professional and managerial skills necessary for achieving the corporate objectives for business development;
- of aligning the interests of the company and the management with those of Shareholders;
- of promoting the creation of value for Shareholders over the medium-to-long term;
- contributing to Company's strategy and pursuing the long-term and sustainability interests of the Company..

Therefore, consistent with the Code 2020's recommendations, the Remuneration Policy for Executive Directors and Managers with Strategic Responsibilities is based on the following criteria:

- a) the fixed and variable remuneration components are properly balanced according and coherent to the strategic objectives and risk management policy of OVS, also taking account of the business sector in which it operates and the nature of the actual business activities carried out;
- b) the fixed component is sufficient to remunerate the services of the Executive Directors and Managers with Strategic Responsibilities should the variable component not be disbursed due to failure to achieve the performance targets set by the Board, the variable part represents a significant part of the overall remuneration;
- c) the performance targets - i.e. the economic results and any other specific targets linked to the disbursement of the variable components (including the targets set for the share-based remuneration plans) - as detailed further on, are predetermined, measurable and linked to the objective of creating value for Shareholders over the medium-to-long term. They are consistent with the strategic objectives that the Company has set itself in the short and medium-long term and are aimed at promoting sustainable success.;
- d) the variable remuneration component is composed of a portion related to the short-term criteria and a portion related to the long-term criteria. The latter is higher than the former and is deferred for an appropriate period of time since it is linked to achieving the long-term targets. The length of the deferral is consistent with the nature of the business activities carried out and with the associated risk profiles;
- e) the variable remuneration components have a preconceived maximum value.

The remuneration policy provides for constant monitoring of market trends with special reference to the best practice on remuneration. The comparison with the market is made using analysis carried out by relevant independent advisors or by the study and analysis of information available on the market. Such benchmarking activity is useful for evaluating the competitiveness of remuneration packages offered in order to attract and retain the most talented people in the market.

The remuneration is consistent with the complexity of the role and assigned responsibilities, with the obtained results and with the quality of the individual contribution.

Economic compatibility of the Remuneration Policy is ensured through compliance with the budget policies defined each year and the identification of thresholds for access to variable pay systems linked to expected

profitability.

This Remuneration Policy is in line with the previous one, that took into account the provisions of Directive (EU) 2017/828 (so-called Shareholders Rights Directive II ("SHRII")) as well as the consequent Legislative Decree No. 49 of 2019. It is confirmed, also for the Policy 2021, in line with 2020, non-financial strategic objectives both for the Chief Executive Officer and for all Managers with Strategic and Strategic Responsibilities.

Compared to the 2020 Policy, there has been a revision of some weights relating to the target objectives and the performance curve of a KPI, in order to make the MBO 2021 system always aligned with the strategic objectives of the Company also with a view to sustainability and corporate social responsibility.

**F) Description of the policies regarding the fixed and variable remuneration components, with particular regard to the indication of the relative weight within the overall remuneration and to the distinction between short and medium-to-long term variable components.**

The remuneration of the Chief Executive Officer and of the Managers with Strategic Responsibilities is properly balanced in order to ensure consistency between short-term development targets and sustainable value creation for Shareholders over the medium-to-long term; specifically, the remuneration structure consists mainly of:

- (i) a fixed component set to reflect appropriately the particular delegations and offices, and the position and strategic responsibilities assigned;
- (ii) a variable component set within maximum limits and with the purpose of remunerating the expected performance over the short-term (MBOs) and over the medium-to-long term (stock options), subject to predetermined Performance conditions.

The fixed annual component and the variable remuneration are structured differently in relation to the nature of the position held in the company and to the responsibilities assigned in order to ensure the sustainability of the corporate results and the creation of value for Shareholders over the medium-to-long term.

The targets linked to the variable remuneration are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance over both the short and medium-to-long terms. The non-financial strategic target are based on objective measurable parameters.

The Chief Executive Officer and Managers with Strategic Responsibilities are beneficiaries of short-term monetary incentive plans (MBO Plans).

The Chief Executive Officer and Managers with Strategic Responsibilities are also included among the beneficiaries of financial instruments in the form of Stock Options pursuant to Article 114 *bis* of the CFA (Stock Option Plan 2015-2020, Stock Option Plan 2017-2022 and Stock Option Plan 2019-2022).

The Board of Directors, upon proposal of the Remuneration Committee, adopted, in the context of the 2020 Remuneration Policy, a long-term monetary incentive plan of a multi-year duration in favor of the Chief Executive Officer and Executives with Strategic Responsibilities (the so-called Long Term Nonetary Incentive Plan or “**LTMIP**”), in addition to the current Stock Option Plans to ensure adequate commitment with respect to the significant challenges imposed by the external and internal context of the company, especially for the pandemic Covid-19 event. In particular, from the analysis of the internal and external factors that influenced the current Stock Option Plans, it was emerged that the incentive power of the same is severely limited by the real convenience of exercising the options and by the fact that they end their period of validity with the exercise 2021. Considering the complicated competitive context, also in light of the considerations on the business scenario of the sector, it was considered important to evaluate a remuneration offer capable of protecting managerial capital mainly composed of the Chief Executive Officer and Director General and Managers with Strategic Responsibilities in force at the adoption of the LTIMP, to ensure business continuity, speed and reaction effectiveness. Regardless, then, of the considerations on the incentive power, since the Stock Option Plans did not allow to cover the entire horizon of the new mandate (financial years 2020-2022 and which will end with the approval of the financial statements at 31 January 2023) it was considered It is appropriate to start a long-term incentive plan aligned with the mandate of the new board.

Information on the structure of long-term incentive effect are given hereunder.

With reference to the MBO Plan, the Board of Directors, upon prior consultation with the Remuneration Committee, positively assesses – within the term of 3 years from the date of awarding – that the MBO targets have been determined on the basis of uncorrected data or should a judgment at first instance certified on the account of the beneficiary one of the following events attributable to the beneficiary fraudulent or severally faulted behaviours to the detriment of the Company, causing relevant financial damages to the Company or without which the performance objectives would have not been reached, the Board of Directors, after having heard the Remuneration Committee, keeps the right to obtain from the beneficiary who caused one of such acts and/or facts, the revocation of the MBO effectively paid.

With reference to the long-term plans (Stock Option Plans), their rules provide for:

- (i) revocation and restitution clauses. If the Board of Directors, upon prior consultation with the Remuneration Committee, finds - within 3 years from the initial date of exercise - that the performance objectives have been determined on the basis of uncorrected data or should have been found on the account of the Beneficiary, with a judgment at first instance, fraudulent or severally faulted behaviours to the detriment of the Company, as a consequence of which relevant financial damages occurred to the Company or without which the performance objectives would have not been reached, the Board of Directors, upon prior consultation with the Remuneration Committee, shall reserve to obtain from the beneficiary who is author of one of the acts and/or facts above, the revocation of the exercisable options or the restitution of shares held by the beneficiary, minus a number of shares having a value equal to the exercise price of the options and the taxes, providential and welfare charges connected to the options exercise effectively paid, or the refund of the transfer's value (minus a number of shares value equal to

exercise price of the options and the taxes, providential and welfare charges connected to the option exercise, possibly also by balancing such value with the wages and / or indemnities granted to the b, should the shares held by the Beneficiary already been transferred;

- (ii) a so called malus condition; if, before the initial date of exercise, the Board of Directors, upon prior consultation with the Remuneration Committee, finds that the beneficiary (a) committed some facts expressly provided for the rules, or (b) incurred in a disciplinary action connected with the Organizational and Control Model ex Legislative Decree 231/2001 and the Code of Ethic adopted by the Company, as well as (c) committed any act (also omission) or violation of laws or regulations that involve the Company in a fine, delivered by a Public Authority, the Board of Directors shall reserve to revoke, totally or a part, of the options granted to the beneficiary who commits such acts.

### **Chief Executive Officer and General Manager**

#### **Fixed component**

With reference to the fixed component of the Chief Executive Officer and General Manager, this is defined in a congruous way with respect to the delegations and particular offices and to the strategic role and responsibilities assigned and includes and includes:

- (i) the annual gross remuneration - as a member of the Board of Directors;
- (ii) the annual gross remuneration in relation to the office of Chief Executive Officer,

It should also be noted that Stefano Beraldo has as General Manager of the Company, a remuneration provided for by the related employment contract signed between him and the Company, and this remuneration amounts to EUR 500,000.

In addition, the Chief Executive Officer, as General Manager and in force of the employment agreement signed with the Company, receives an amount of EUR 200,000, having “guaranteed nature”, i.e. determined ex ante in a fixed amount, no discretionary and due regardless of the achievement of annual targets or other results, as the annual fee due at the time of approval of the financial statements by the Board of Directors.

The details relating to the amounts paid to the Chief Executive Officer in 2020 are contained in the Second Section of the Remuneration Report.

#### **Short-term variable component**

With reference to the short-term variable component of the Chief Executive Officer and General Manager, it is linked to the achievement of measurable and defined objectives in order to ensure the recognition of yearly performance, over a short-term horizon.

In particular, it is linked to the achievement of the Company's economic, financial and operational performance targets and also, from 2020, non financial goals.

The actual value to be paid is determined based on the level of achievement of these objectives.

The performance targets are set annually by the Board of Directors, upon the proposal of the Remuneration Committee.

Please find below the performance objective of the annual variable component for 2021 and the relative weight in the short-term variable component, as approved by the Board of Directors held on 15 April 2021, upon favourable opinion of the Remuneration Committee of 13 April 2021, are the follow:

- Economic and Financial Objectives: EBITDA OVS SpA (50%), Net Financial Position –(20%), for a total weight equal to 70%, and
- Non-Financial Strategic Objectives linked: to the implementation of the sustainability programme for 2021 (10%) and to the design and implementation of an overall program of actions and interventions in order to overcome the emergencies generated or linked to COVID-19, also from the point of view of safeguarding and motivating resources (20%) for an overall weight equal to 30%.

On reaching the target performance, the amount of the annual MBO to be paid is equal to Euro 1,300,000.

For the Company's economic, financial and operational performance objectives, in addition to setting the performance target, a predetermined minimum incentive threshold and a predetermined maximum incentive threshold are also envisaged.

With reference to EBITDA, the minimum incentive threshold, equal to 92.87% of the performance target (performance objective), allows the disbursement of 60% of the corresponding payout and the maximum incentive level, equal to 117.2 % of the performance target (performance target that allows the disbursement of 130% of the corresponding payout).

With reference to the Net Financial Position, there is a predetermined minimum performance threshold with respect to the target performance, which allows the disbursement of 60% of the corresponding payout. There is also a predetermined maximum threshold, upon reaching which the disbursement of 130% of the corresponding payout is allowed.

With reference to the non-financial strategic objectives, their achievement at 100% will result in a disbursement equal to 100%. If the level of achievement of the same is lower than the target, no provision will be made; if the level of achievement is higher than the target, the disbursement will still be 100%.

In the event of extraordinary transactions and/or profound changes in the macroeconomic and business scenario, as well as the occurrence during the year of exceptional and unpredictable circumstances that impact the Company's reference market, the Nomination and Remuneration Committee also has the right to submit to the Board of Directors a possible revision of the targets / percentages of the performance levels as indicated above for the purpose of protecting the value and purposes of the retention system thus guaranteeing constant

alignment between the corporate objectives and the objectives underlying the incentive systems of the Management.

It is understood that in such cases, the Company will provide in the relevant Remuneration Report, information relating to these changes, describing the decision-making process, the assessments and the circumstances that motivated these choices.

The Nomination and Remuneration Committee is also entitled to submit proposals to the Board of Directors regarding the disbursement of an additional “one-off” amount in particular circumstances that would justify such measures.

Also in this casw, if such particular cases occurred, the Company would provide in the relevant Remuneration Report information related to such exceptions or one-off amounts, describing the decision-making process, the evaluations and the circumstances that motivated these choices<sup>2</sup>.

### **Long-Term Variable Component**

With reference to the long-term variable Component, the Company set up three Stock Option Plans, which also includes the Chief Executive Officer among the beneficiaries.

The Plans are the following:

- 1) Stock Option Plan 2015-2020, approved by the Shareholders’ Meeting on May 26, 2015 (“Stock Option Plan 2015-2020”);
- 2) Stock option Plan 2017- 2022, approved by the Shareholders’ Meeting on May 31, 2017 (“Stock Option Plan 2017-2022”);
- 3) Stock option Plan 2017- 2023, approved by the Shareholders’ Meeting on May 31, 2019 (“Stock Option Plan 2019-2022”).

A new Stock Option Plan 2019-2022, moreover (see above) will be submitted for the approval of the Shareholders’ Meeting called for May 31, 2019; in line with the previous plans, among its beneficiaries, could include, among others, the Chief Executive Officer, as well as other managers of the Company.

The incentive system above consist in assigning free-of-charge option rights to subscribe ordinary OVS shares. The rights assigned to each beneficiary accrue, as explained below, only if pre-established access conditions and a performance objective are achieved.

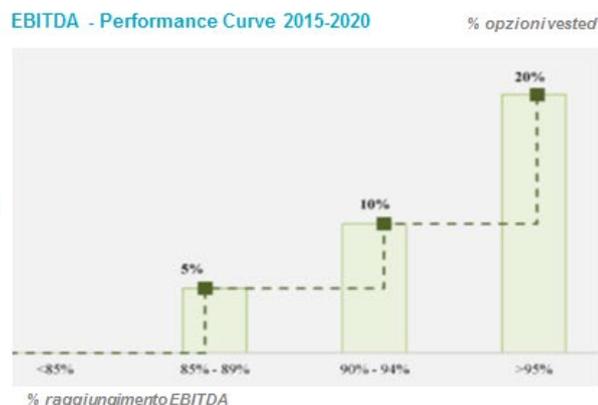
The details of these plans are described in the prospectus published in accordance with law on the company’s website ([www.ovscorporate.it](http://www.ovscorporate.it)).

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<sup>2</sup> It should be noted that in the last five financial years no proposals have been formulated for the payment of *una tantum* additional amounts.

### Stock Option Plan 2015-2020

With a view to ensuring the sustainability of the economic and financial performance of OVS over time, the vesting for the options rights granted is subject to the constant achievement on an annual basis of the Company's EBITDA targets, set by the Board of Directors for each financial year. The option rights granted accrue to a maximum of 20% per year over a period of five years as shown below.



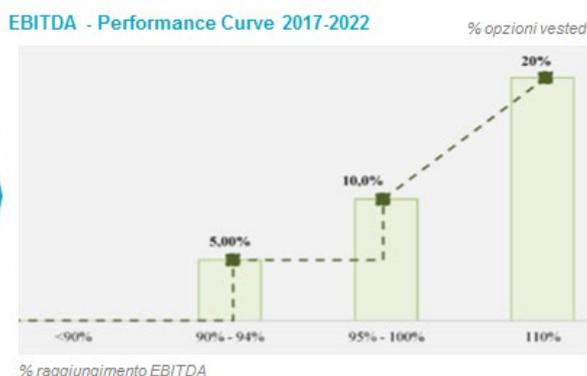
The exercise of the option rights accrued by achieving the EBITDA target is also subject to a vesting period with a minimum term of three years and a maximum term of five years as shown.

The Stock Option Plan 2015-2020 establishes a lock up period of 12 months applicable to 20% of the shares related to the option, for the Chief Executive Officer.

Pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate.

### Stock Option Plan 2017-2022

Also for this plan, with a view to ensuring the sustainability of the economic and financial performance of OVS over time, the vesting for the options rights granted is subject to the constant achievement on an annual basis of the Company's EBITDA targets set by the Board of Directors for each financial year. The option rights granted accrue to a maximum of 20% per year over a period of five years as shown below.



The exercise of the option rights accrued by achieving the EBITDA target is also subject to a vesting period with a minimum term of three years and a maximum term of five years as shown below.

The Stock Option Plan 2017-2022 establishes a lock up period of 12 months applicable to 20% of the shares related to the option, for the Chief Executive Officer.

Pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate.

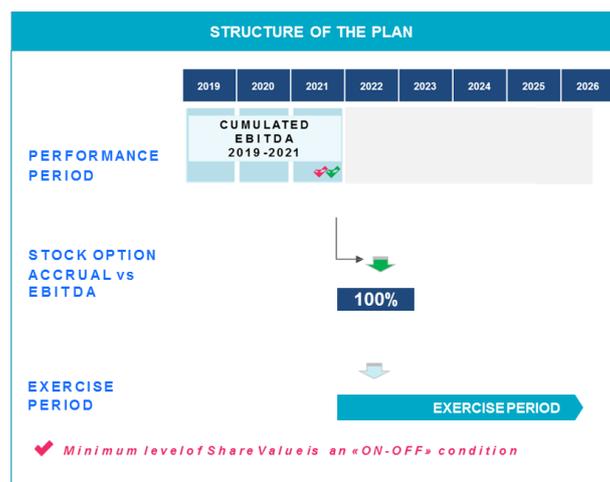
**Stock Option Plan 2019-2022**

The instrument underlying the Stock Option Plan 2019-2022 (Stock Option) was considered the best vehicle through which to direct the involved resources towards the creation of medium long-term value, given the specific context in which the Company found itself, namely, inter alia, a high focus on value growth of the action.

The Plan provides for a single assignment of the options in 2019 (closed plan) and a vesting period of 3 years. The Plan provides for the allocation of options by the Board of Directors, after consulting the Remuneration Committee in a single solution to the identified beneficiary.

In 2019 the granting of option rights by the Board of Directors upon proposal of Remuneration Committee, for the subscription of ordinary OVS shares - at a predefined price (exercise price), whose maturation will be subject to an Access Condition and a Performance Condition, as defined and specify below<sup>3</sup>.

The Board of Directors will determine, after the end of a three-year vesting period, the number of options actually accrued by each beneficiary based on the satisfaction of the Access Condition to the Plan as well as the level of achievement of the Performance Condition, as specified below.



<sup>3</sup> In accordance with the guidelines of the Stock Option Plan 2019-2022 relating to the allocation of options and taking into consideration the difference between the Access Condition and the Exercise Price, the value of the options assigned will be equal to a multiple of between 0.6 and 3 times the RAL of the beneficiaries.

#### *Condition of Access to the plan (c.d. Gate)*

The transformation of the options assigned into options accrued and therefore exercisable, to the extent and under the conditions established pursuant to the Stock Option Plan 2019-2022, is primarily subject to verification by the Board of Directors, at the end of the performance period, of the fulfilment of the access condition to the piano (so-called Gate) ("**Access Condition**"), that consists in the achievement of a minimum value of the OVS share price; if this value is lower than the Access Condition, the plan will have no effect for the identified beneficiaries, thus not giving rise to any possibility of transforming the Options assigned in Options accrued and exercisable.

Specifically, this Access Condition consists in the achievement of a minimum value of the OVS share price, equal to Euro 2.50, to be calculated as weighted average daily closing price during the second half of the year before the end of the 2021 financial year (i.e. in the period from 1 August 2021 to 31 January 2022).

This value equal to Euro 2.50, set by the Board of Directors on April 17, 2019 at the proposal of the Remuneration Committee, considering an appropriate performance in terms of return for the shareholders of OVS SpA also taking into account the liquidity and of the specific risk factor of the sector in which the company operates.

This determination was made considering as a reference the current closing price (as of 15 April 2019), equal to euro 1.67, that of the average of the last 30 calendar days, equal to € 1.64 and that of the average of the last 50 days of calendar, equal to Euro 1.59; this reference values were compared with the yield of the FTSEMIB index of the last 3 years, equal to + 25% and of the last 5 years, equal to + 3.1%. The comparison shows that the Euro 2.5 target determines an expected return of 49.8% compared to the closing price on April 15, which is 25% higher than the yield of the 3-year and 46-year FTSEMIB Storico 7% higher than the performance of the historical FTSEMIB at 5 years. The average price of the stock of OVS over the last 50 and 30 days, on the other hand, reflects even more significant returns: compared to the yield of the FTSEMIB at 3 years, the former reflects a return of 31.9% higher than the latter of 27.1%, while if we consider the performance of the FTSEMIB at 5 years, the former reflects a higher return of 54.1%, the latter instead of 49.3%. Even considering the price at which the transaction between Tamburi Investment Partners S.p.A. and BC Partners took place, equal to Euro 1.85, the upside is significant and equal to 35.1%.

#### *Performance condition*

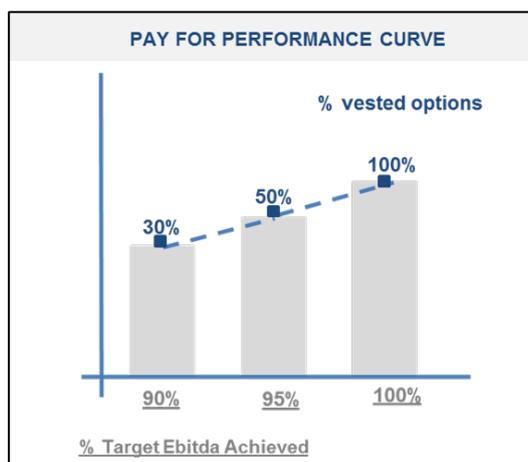
The Stock Option Plan 2019-2022 provides for the achievement of a performance condition which is conditioned by the right of each beneficiary to accrue Exercisable Options (the "**Performance Condition**"). More precisely, the options assigned to each beneficiary, subject to verification that the Access Condition to the plan has been exceeded, will accrue in relation to the achievement of a pre-set cumulative EBITDA target value for the three-year period 2019-2021 (from 01.02.2019, starting of 2019 fiscal year, to 31.02.2022, ending of 2021 fiscal year).

This value of cumulated EBITDA was determined equal to Euro 550 million by the Board of Directors held on 17 April 2019, upon proposal of Remuneration Committee, and will be calculated applying the same accounting principles adopted by OVS for the consolidated financial statements as at 31 January 2019.

With respect to the number of options initially allocated, the beneficiary will be recognized a percentage of the same as specified in Table 1.

<b>% Cumulated Ebitda Target Achievement 2019-2021</b>	<b>% Accrued Options on assigned Options</b>
Less than 90%	0%
90%	30%
95%	50%
100%	100%

If a three-year cumulative EBITDA level is reached between the percentages indicated in Table 1 above, a linear interpolation will be performed to determine the percentage of options accrued with respect to the Options assigned. In any case, the number of options accrued may never exceed 100% of the options assigned.



The verification of the achievement of the Access Condition and of the Performance Condition will be carried out by the Board of Directors of the Company following the approval of the consolidated financial statements of the OVS Group by the same Board at the end of the three-year reference period of the plan.

Each beneficiary may exercise the options actually accrued based on the achievement of the Performance Condition up to the plan expiry date (30 June 2026) - except as provided in terms of holding - at the defined exercise price.

For any further details please refer to the illustrative report document information prepared pursuant to 114 bis of the Consolidated Law on Finance [www.ovscorporate.it/Corporate/Shareholders' Meeting 2019](http://www.ovscorporate.it/Corporate/Shareholders%20Meeting%202019).

For the Chief Executive Officer, a 12-month lock-up period is applied to 30% of the shares deriving from the exercise of the options.

In compliance with the recommendations of the Corporate Governance Code, even after the unavailability period indicated above, the Chief Executive Officer will hold a number of shares at least equal to 30% of the shares subject to the lock-up commitment until the end of the mandate.

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The Company is evaluating the possibility of adopting, as permitted by the regulations of the Plans and in line with practice, any actions aimed at keeping the substantial and essential economic contents of the Plans as unchanged as possible, in compliance with the objectives and purposes prosecuted and the economic and property rights recognized by them. If decisions to this effect are adopted, appropriate information will be given, in compliance with the applicable regulations, including regulations.

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#### ***Long term monetary Incentive Plan***

On the favorable opinion of the Remuneration Committee, the Board of Directors of 26 May 2020 approved the adoption, within the 2020 Remuneration Policy, of a three-year Long Term Monetary Incentive Plan (for the Board's term of office for the years 2020-2022, which will end with the approval of the financial statements as at 31 January 2023) for the Chief Executive Officer - if he would be confirmed - for an amount of € 3,000,000 (equal to two years, meaning the remuneration per year total annual consisting of fixed remuneration plus the average of the variable paid in the last three years); the amount of the Long Term Monetary Incentive Plan will be disbursed in a single tranche if in June 2023, after the approval of the financial statements for the 2022 financial year, the beneficiary is still part of OVS as CEO.

For the reasons on the advisability of adopting this Long Term Monetary Incentive Plan, please refer to what is indicated in Paragraph F) page 15.

This Long Term Monetary Incentive Plan - described in detail and presented in the Remuneration Policy approved by the Shareholders' Meeting of 9 July 2020 - was confirmed and approved by the current Remuneration Committee, on 18 September 2020 and by the current Board of Directors of the 22 September 2020, subject to the favorable opinion of the Board of Statutory Auditors.

#### ***Pay Mix of the Chief Executive Officer***

Based on the remuneration structure of the Chief Executive Officer described above, following is the remuneration pay mix with reference to the hypothesis of achieving the performance targets at the target.

As describe in the table below, for the 2021 the fixed component is equal to 28% of the total remuneration, while the variable is equal to the remaining 72%.

*Pay mix* based on the adoption of Long term monetary Incentive Plan

<b><i>First and Second year</i></b>		
<b><i>Base Salary</i></b>	<b><i>STI</i></b>	<b><i>LTI</i></b>
<b><i>28%</i></b>	<b><i>30%</i></b>	<b><i>42%</i></b>

<b><i>Third year</i></b>		
<b><i>Base Salary</i></b>	<b><i>STI</i></b>	<b><i>LTI</i></b>
<b><i>34%</i></b>	<b><i>37%</i></b>	<b><i>29%</i></b>

With reference to the benefits and the treatment envisaged in the event of termination of office, reference should be made to the provisions of paragraphs G) and M).

## Managers with Strategic Responsibilities

The remuneration package for Managers with Strategic Responsibilities is divided into a fixed component, a short-term variable component, and a medium-to-long term variable component.

### Fixed component

The fixed remuneration component is linked to the significance of the position, the organisational role held and its responsibilities.

The Company continuously monitors the market practices as regards the fixed remuneration components in order to align itself with the best practices in the field.

The Policy does not contemplate the allocation to Managers with Strategic Responsibilities of any additional remuneration for any activities as directors of a subsidiary.

### Short-term variable component

The short-term variable component is linked to the achievement of predetermined, measurable and defined objectives so as to ensure, through maturation periods and diversified parameters, the remuneration of performance over a short-term time horizon.

The strategic objectives are selected from the following according to the role and responsibilities assigned:

- ✓ EBITDA of the Company and / or business line - relative weight not less than 30%
- ✓ Other economic-financial targets (eg sales, market shares, margins, cash flow, net financial position) - relative weight not less than 20%
- ✓ strategic targets non –financial related to individual areas of activity and specific objectively measurable projects - relative weight not exceeding 30%. With reference to this strategic goal, if the achievement level of the same is lower than the Target, no disbursement linked to the Strategic Goal will be envisaged.

The general structure of the MBO plan for Managers with Strategic Responsibilities is based on the following elements:

- the incentive to achieve the target performance varies from 40% to 60% of the fixed remuneration, in relation to the responsibility attributed to the individual Manager with Strategic Responsibilities in the organization;
- a maximum threshold is applied to the incentive to achieve a predefined performance above the target objective, in relation to the responsibility attributed to the individual Executive with Strategic Responsibilities in the organization;
- here is a minimum performance threshold, predetermined with respect to the target performance (performance objective), below which the annual monetary incentive is not paid.

As regards the details of the structure of the 2021 MBO with reference to the economic and financial objectives, please refer to what is illustrated for the Chief Executive Officer, specifying that the structure relating to the NFP also applies with reference to other economic and financial objectives.

With reference to the non-financial strategic objectives, 100% disbursement will take place upon achievement and/or exceeding of the maximum expected performance level, while no disbursement will be envisaged in the event that the achieved performance level is lower than the expected level.

In the event that a Non-Financial Strategic Objective, other than that linked to the sustainability program, could not be realized for events independent of the Company, due to external objective events such as, for example, the issuance of new legislative and regulatory provisions, the relative weight it may be reallocated to the other objectives in order to maintain the reward structure in any case always aligned with the strategic objectives of the Company.

In the event of extraordinary transactions and/or profound changes in the macroeconomic and business scenario as well as the occurrence during the year of exceptional and unpredictable circumstances that impact the Company's reference market, the Nomination and Remuneration Committee also has the right to submit to the Board of Directors a possible revision of the targets / percentages of the performance levels as indicated above for the purpose of protecting the value and purposes of the retention system thus ensuring constant alignment between the corporate objectives and the objectives underlying the incentive systems of Management.

It is understood that in such cases, the Company will provide in the relevant Remuneration Report, information relating to these changes, describing the decision-making process, the assessments and the circumstances that motivated these choices.

The Remuneration Committee also has the power to submit to the Board of Directors proposals on the provision of additional "*una tantum*" amounts in the presence of particular circumstances that justify such measures.

If such particular cases the Company would provide in the relevant Remuneration Report information describing the decision-making process, the evaluations and the circumstances that motivated these choices.

#### **Long-Term Variable Component**

The Managers with Strategic Responsibilities and other managerial personnel with impact on the company's long-term results are included as beneficiaries of the Stock Option Plan 2015-2020, Stock Option Plan 2017-2022 and Stock Option Plan 2019-2022.

All the above Stock Option Plans establish a lock up period of 12 months applicable to 20%, with reference to Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022, or 30%, with reference to Stock Option Plan 2019-2022, of the shares related to the option, for the Managers with Strategic Responsibilities.

The details of these plans are described in the illustrative report and prospectus published in accordance with law on the company's website [www.ovscorporate.it](http://www.ovscorporate.it).

#### ***Long term monetary Incentive Plan***

The Board of Directors of 26 May 2020, on the favorable opinion of the Remuneration Committee, approved the adoption, within the 2020 Remuneration Policy, of a three-year Long Term Monetary Incentive Plan (for the mandate period of the Board for the years 2020-2022, which will end with the approval of the financial statements as of January 31, 2023) for Executives with Strategic Responsibilities. For more details, please refer to what is indicated for the CEO. The amount of the Long Term Monetary Incentive Plan for a manager with Strategic Responsibilities is set by the Chief Executive Officer up to a maximum of two years (meaning the total annual remuneration made up of fixed remuneration plus the average of the variable paid in the last three years). The Bonus will be paid in a single tranche if in June 2023, after the approval of the financial statements for the 2022 financial year, the beneficiary is still part of the OVS as a Manager with Strategic Responsibilities.

#### ***Average Pay Mix of the Managers with Strategic Responsibilities***

Based on the remuneration structure of Managers with Strategic Responsibilities, the average pay mix for 2021 provides for a relative weight of the fixed component equal to about 54% of the overall package, an impact of short-term variable remuneration of about 32% (if target is achieved) and a weight of variable remuneration of long-term payment of about 14% of the total remuneration (if target is achieved).

Following is the representation of the pay mix of the Manager with Strategic Responsibilities:

<b><i>Base Salary</i></b>	<b><i>STI</i></b>	<b><i>LTI</i></b>
<b><i>54%</i></b>	<b><i>32%</i></b>	<b><i>14%</i></b>

With reference to the benefits and the treatment envisaged in the event of termination of office, reference should be made to the provisions of paragraphs G) and N) below.

#### **G) Policy followed with regard to non-monetary benefits**

Both Chief Executive Officer and Managers with Strategic Responsibilities have the allocation of non-monetary benefits set in line with standard practices and the CCNL and in a reasonable manner with respect to the position and the role held. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and supplementary health insurance policies other than the mandatory policies.

**H) With reference to the variable components, description of the performance targets, financial and not-financial taking into consideration social responsibility of the Company if applicable, under which they are assigned, distinguishing between the short and medium term variable components, and information on the link between the variation in the results and the variation in the remuneration.**

Please refer to the description provided in paragraph F) above.

**I) Criteria used to assess the performance targets underlying the allocation of shares, options, other financial instruments or other variable remuneration components.**

In relation to the criteria used to assess the performance targets underlying the allocation of shares, options, other financial instruments or other variable remuneration components, please refer to the indications in paragraph E) above.

**J) Information highlighting the contribution of the Remuneration Policy, and in particular policy regarding variable components of the remuneration, to the Company's strategy, to the pursuit of the company's long-term interests and to the sustainability.**

Please refer to the description provided in paragraphs E) and F) above.

**K) Vesting period for rights, deferred payment systems, with indication of the deferment periods, the criteria used to set these periods and the *ex post* correction mechanisms.**

With reference to the incentive plan based on financial instruments pursuant to Article 114 *bis* of the CFA, approved by Shareholders' Meeting held on May 26, 2015, named "Stock Option Plan 2015-2020", the policy stated an adequate vesting periods for the right to exercise the allocated options.

Also with reference to the incentive plan based on financial instruments pursuant to Article 114 *bis* of the CFA, approved by the Shareholders' Meeting held on May 31, 2017 named "Stock Option Plan 2017-2022", the policy stated an adequate vesting periods for the right to exercise the allocated options.

Also for the incentive plan based on financial instruments pursuant to art. 114-bis of the TUF, approved by the Shareholders' Meeting on 31 May 2019 called "Stock Option Plan 2019 - 2022", the Policy provides that it contemplates an adequate vesting period for the right to exercise the assigned options (vesting period).

Please refer in general to the indications in paragraph F), above.

**L) Information on the clauses for holding the financial instruments in the portfolio after their acquisition, with indication of the holding periods and the criteria used to set these periods.**

The Stock Option Plan 2015-2020 approved by the Shareholders' Meeting held on May 26, 2015, includes forecasts for holding the financial instruments in the portfolio after their acquisition.

The Stock Option Plan 2017-2022 approved by the Shareholders' Meeting held on May 31, 2017, includes forecasts for holding the financial instruments in the portfolio after their acquisition.

The Stock Option Plan 2019 - 2022, approved by the Shareholders' Meeting on 31 May 2019, includes the approval the maintenance of the financial instruments in the portfolio after their acquisition.

As stated in paragraph F), above, both Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022 provide for:

- for the Chief Executive Officer to establish a lock up period of 12 months applicable to 20% of the shares related to the option and pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate;
- for the Managers with Strategic Responsibilities to establish a lock up period of 12 months applicable to 20% of the shares related to the option.

Stock Option Plan 2019-2022 provides for:

- for the Chief Executive Officer to establish a lock up period of 12 months applicable to 30% of the shares related to the option and pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 30% of the shares under the lock-up, until the end of the mandate;
- for the Managers with Strategic Responsibilities to establish a lock up period of 12 months applicable to 30% of the shares related to the option.

**M) Policy on the treatment contemplated in case of discontinuance of the office or termination of the employment relationship.**

***Chief Executive Officer and General Manager***

Please note the existence of a contract between the Company and Stefano Beraldo, Chief Executive Officer and General Manager of the Company, which provides for the payment of a lump-sum severance indemnity in favour of the Chief Executive Officer in specific cases of early discontinuance of the salaried employment relationship, due to withdrawal from the employment relationship or revocation of the office without just cause, or in certain cases of resignation for just cause. Should one of these events take place, the Issuer is held to pay a lump-sum severance indemnity for a gross amount of EUR 5,050,000 in addition to the end-of-employment

severance entitlements (which essentially consist of the accrued severance indemnity, the residual holidays and permits, the residual thirteenth and fourteenth month accruals) related to the position as General Manager of the Company.

It is specified that the amount indicated above would be paid only if Stefano Beraldo waived the payment of the amounts due to him by CCNL executives for these types of interruptions, and which would entail a similar cost for the company. For the sake of clarity this amount would be equal to 24 monthly salary of remuneration (fix and short-term component)<sup>4</sup>.

This contract also includes a non competition commitment that provides a lump-sum indemnity of EUR 350,000 payable in the event of termination of the salaried employment relationship.

#### **Managers with Strategic Responsibilities**

There are no agreements between the Company and a Manager with Strategic Responsibilities that contemplate the payment of an indemnity in case of anticipated termination of the employment relationship .

Non-compete covenants and agreements may be concluded in compliance with the provisions and limitations of the laws in force.

#### **N) Information on the existence of insurance, social security or pension coverage, other than the mandatory coverage.**

As indicated in paragraph G) above, the non-monetary benefits may include life insurance policies, accident insurance policies and supplementary health insurance policies other than the mandatory policies.

#### **O) Remuneration policy followed with reference: (i) to the Independent Directors; (ii) to the participation in committees; and (iii) to the execution of particular assignments.**

From a general point of view, the remuneration of the Independent Directors is commensurate with the commitment requested, also in relation to participation in the committees and is not linked to either the economic results or specific objectives of the Company and they are not recipients of remuneration plans based on shares, unless motivated by the Shareholders' Meeting.

For the remuneration paid to independent directors during the 2020 financial year, please refer to what is indicated in Section II of the Remuneration Report.

#### **P) Indications on the possible use, as reference, of remuneration policies of other companies as a reference, criteria utilized for choosing and indication of such companies.**

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<sup>4</sup> This amount also includes the so-called indemnity in lieu of notice.

In identifying the remuneration for the directors and members of the internal board committees as well as in order to propose to the shareholders guidelines on the remuneration of the Board of Statutory Auditors during the renewal of the administrative and control body, remuneration benchmarking activities were carried out. To this end, companies comparable to OVS were considered as the reference market, according to various evaluation criteria, including, for example, dimensional and / or business elements and / or of particular interest with reference to the labor market as well as the number of meetings held by the individual bodies in order to also evaluate the relation with the commitment required by the assignment.

The details relating to the remuneration references used:

Selection criteria	Peer group
<p>Selection of a panel of 10 listed Italian companies deemed comparable to OVS following a careful selection which considered:</p> <ol style="list-style-type: none"> <li>1. dimensional elements (Market capitalization, Turnover, Number of Employees and analysis of the growth of the value of the stock in the last three years);</li> <li>2. elements related to the business context in which OVS operates (eg selection of companies operating in the fashion retail sector, Consumer Goods and E-Commerce).</li> </ol>	<p>Autogrill S.p.A.            Davide Campari- Milano S.p.A.            De Longhi Group S.p.A.            Moncler S.p.A.            Piaggio &amp; C. S.p.A.            Salvatore Ferragamo S.p.A.            Technogym S.p.A.            Tod's S.p.A.            Geox S.p.A.            Fila S.p.A.</p>

Furthermore, in order to assess any increases in the remuneration of Manager with Strategic Responsibilities, the Company made use of the "Mercer Executive Remuneration Guide Western Europe 2019" - Peer group composed of Italian and international companies operating specifically in the Retail and Apparel sectors.

**Q) Any exceptions to the Remuneration policy and procedural conditions under which the waiver can be applied**

As required by article 123-ter of the TUF, the Company attributes compensation in accordance with the Remuneration Policy; however, in the presence of exceptional circumstances - as defined also in light of the applicable reference regulations, i.e. those situations in which the derogation from the remuneration policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or for ensure its ability to stay on the market - the Company may temporarily derogate from the Policy.

In accordance with the applicable legislation, the identification of such exceptional circumstances is left to the Company which will have to verify, in case of occurrence, the suitability of a given situation to fall within the definition of exceptional circumstances indicated by the Directive and by art. 123-ter, paragraph 3-bis, of the TUF.

The Company identifies ex ante, purely by way of example and not exhaustively, cases that can be qualified as exceptional pursuant to the aforementioned article of the TUF: the need to attract and / or retain key managerial figures in a competitive market, the need to incentivize these figures with respect to specific objectives as well

as to exceptional and unforeseeable circumstances that may impact on the Company's reference market, changes in the perimeter of the business during the policy validity.

These changes may affect, among other things and for example, the granting of a one-off entry bonus to a new key managerial figure or the revision of the remuneration of a key managerial figure for the purpose of retention; the introduction or modification of the reward system, always with a view to the entry of a new managerial or retention figure.

To proceed with these exceptions, the Procedure for Transactions with Related Parties adopted by the Company and in force from time to time will apply, where the Remuneration Committee will have a proactive role and without prejudice to the decision-making competence of the Board of Directors.

## **2. Remuneration Policy of the Board of Statutory Auditors**

The remuneration of the Company's Board of Statutory Auditors is commensurate with the commitment required, the relevance of the role held as well as the dimensional and sectoral characteristics of the Company, consistently with what is indicated in art. 8.C.4 of the Corporate Governance Code.

Since the ordinary Shareholders' Meeting held on 9 July 2020, was called to resolve on the renewal of the control body as well as, pursuant to art. 2402 of the Italian Civil Code, the remuneration for the entire duration of the assignment, in accordance with the recommendations of the Chairman of the Corporate Governance Committee of 19 December 2019 - which asked "*to the governing bodies and the relevant committees responsible for remuneration to verify that the amount of the remuneration paid to [...] the members of the control body is adequate to the competence, professionalism and commitment required by their role*" - the Remuneration Committee and the Board of Directors have analyzed the remuneration benchmark of the Boards of Statutory Auditors of companies comparable to OVS and, also considering the time commitment required to carry out the role, they have expressed their suggestions to the Shareholders, for the next three years, regarding an increase in the fixed annual remuneration of the President of the Board of Statutory Auditors to € 75,000 and effective Auditors to € 50,000 each, to make them more aligned with the averages resulting from the benchmark analysis.

In addition, the Board of Statutory Auditors sent the Company a summary document of Guidelines on the characteristics relevant to the new Board of Statutory Auditors and on the activities carried out during the assignment useful for the assessment by the Company's Shareholders and the candidates for Statutory Auditors of the adequacy of the remuneration of the members of the Board of Statutory Auditors.

The Company's Shareholders that were called, among other things, to determine the compensation of the members of the Board of Statutory Auditors took into account the recommendations contained in art. 8 of the Corporate Governance Code, applicable to the Company at the moment of the appointment, without prejudice to the limits of art. 2402 of the Civil Code.

## **3. Indications given for the new mandate and concrete application**

The ordinary Shareholders' Meeting held on 9 July 2020, called to resolve on the renewal of the Board of Directors, in accordance with the recommendations of the Chairman of the Corporate Governance Committee

of 19 December 2019 - which asked "*the administrative bodies and the relevant remuneration committees to verify that the amount of the remuneration paid to non-executive directors [...] is adequate for the competence, professionalism and commitment required by their position*" - the Remuneration Committee, on 18 March 2020, and the Board of Directors, on 26 May 2020, analyzed the benchmark remuneration of non-executive directors, including remuneration for participation in intra-board committees, of companies comparable to OVS; they verified the adequacy of the current fixed remuneration of EUR 50,000 for each member of the Board of Directors, and expressed their suggestions for the next three years, and in particular:

- i) remuneration for the performance of particular tasks, equal to EUR 50,000 per year for the Chairman of the Board of Directors;
- ii) a realignment of the fixed annual remuneration for the Chairman of the Committees and the members of the same in relation to the number of average meetings held by the committees during a financial year, suggesting EUR 30,000 for the Chairman and EUR 25,000 for the members of the Risk Control Committee and Sustainability, and EUR 25,000 for the Chairman and EUR € 20,000 for the members of the Appointments and Remuneration Committee;
- iii) the inclusion of a attendance fee (EUR 1,500 for the Chairman and EUR € 1,000 per member) at the meeting, replacing the fixed remuneration for the Chairman of the Related Party Transactions Committee and the members of the Committee - given the fact that the meetings are called ad hoc for individual operations.

Further suggestions regarding the annual remuneration of the members of the Board of Directors on which the Shareholders' Meeting of 9 July 2020 resolved on were detailed in the specific explanatory report of the Board of Directors drawn up pursuant to art. 125-ter of the TUF.

In defining the remuneration by the Board of Directors, after consulting the Remuneration Committee, following the appointment meeting, the guidelines formulated were taken into account and the same were fully confirmed.

## SECTION II

### **REPRESENTATION OF THE ITEMS COMPRISING THE REMUNERATION AND COMPENSATION RECEIVED IN THE FINANCIAL YEAR ENDING ON 31 JANUARY 2021 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND BY THE MANAGERS WITH STRATEGIC RESPONSIBILITIES.**

This Section II, structured in two parts, provides an adequate representation of each item comprising the remuneration and indicates the compensation of the administrative and audit bodies by name, and, in aggregate, the compensation of the Managers with Strategic Responsibilities disbursed in the financial year ending on 31 January 2021.

In compliance with Annex 3A, Scheme 7 *bis* of the Issuers' Regulations, the compensation of the Managers with Strategic Responsibilities is reported in aggregate since none of them has received a total compensation greater than the total compensation allocated to the Directors in the year ending on 31 January 2021.

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

During the 2020 financial year, the Chief Executive Officer reduced the remuneration due to him as Director and Chief Executive Officer by 10%, relating to the semester following the COVID 19 emergency. Part of this figure contributed to the creation of an internal fund for solidarity with the aim of responding to extraordinary situations that have affected, or could affect, collaborators of OVS S.p.A. non-executives and their families, as a consequence of the COVID19 health risk. In addition, the CEO has reduced the amount of the 2020 MBO by 20%.

The Directors, following what was done by the Chief Executive Officer, have in turn decided to adopt a similar initiative to reduce emoluments, including those due to them for participating in board committees, until 31 December 2020; the Company has undertaken to donate an amount equal to the amount of the reduction in compensation to support the needs of employees related to the emergency situation caused by the Covid - 19 pandemic.

The Managers with Strategic Responsibilities and other Executive Directors of OVS also reduced their remuneration in a manner similar to those decided by the Chief Executive Officer, including the reduction of MBO2020 for Managers with Strategic Responsibilities.

## **PART I – ITEMS COMPRISING THE REMUNERATION**

### **1) Directors**

The Shareholders' Meeting held on 9 July 2020 determined, with reference to the three-year term of office of the Board, the remuneration to be paid to each director for each of the financial years of the three-year term of office of the Board of Euro 50,000 annually, it being understood that the remuneration of the directors vested with particular offices (i.e., by way of example, the Chairman of the Board of Directors, executive directors, and chairmen of the Committees), in accordance with the statutory provisions, will be established by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

With reference to the member of the Board of Directors, who terminated his office during the 2020 financial year, for natural end of their mandate, it is specified that they received the pro rata for the year 2020 based on the remuneration determined for their mandate.

### **2) Remuneration of Executive Directors and Managers with Strategic Responsibilities; monetary and non-monetary benefits in favour of the same.**

From a general point of view, as stated in Section I, the remuneration of the Chief Executive Officer and of the Managers with Strategic Responsibilities is properly balanced in order to ensure consistency between short-term development targets and sustainable value creation for Shareholders over the medium-to-long term. Specifically, the remuneration structure consists of:

- a fixed component set to reflect appropriately the particular delegations and offices, and the position and strategic responsibilities assigned;
- a variable component set within maximum limits and with the purpose of remunerating the expected performance over the short-term (MBO) and over the medium-to-long term (Stock Option Plans).

The fixed annual component and the variable remuneration are structured differently in relation to the nature of the position held in the company and to the responsibilities assigned in order to ensure the sustainability of the corporate results and the creation of value for Shareholders over the medium-to-long term.

The targets linked to the variable remuneration are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance both over the short and medium-to-long term.

The Chief Executive Officer and Managers with Strategic Responsibilities are beneficiaries of short-term monetary incentive plans (MBO Plan) and of a Long Term Monetary Incentive Plan that at present have not been end, yet, and any sum not has been already paid.

The Chief Executive Officer and Managers with Strategic Responsibilities are also included among the beneficiaries of financial instruments in the form of Stock Options pursuant to Article 114 *bis* of the CFA.

The Nomination and Remuneration Committee entitled to submit to the Board of Directors proposal regarding the granting of an additional “one-off” amount based on the occurrence of facts justifying such kind of awards.

### **Chief Executive Officer**

The structure of the remuneration of the Chief Executive Officer Stefano Beraldo is designed as follows.

A. With reference to the fixed component it includes:

- (i) the annual gross remuneration - resolved by the Board of Directors, upon proposal by the Remuneration Committee, in compliance and in accordance with the resolution of the Shareholders' Meeting held on 9 July 2020 as a member of the Board of Directors, equal to EUR 50,000;
- (ii) the annual gross remuneration - resolved by the Board of Directors, on the proposal of the Remuneration Committee, in relation to the office of Chief Executive Officer, equal to EUR 450,000, in total continuity with previous mandates.

It should also be noted that Stefano Beraldo has as General Manager of the Company, a remuneration provided for by the related employment contract signed between him and the Company, and this remuneration amounts to EUR 500,000.

In addition, the Chief Executive Officer, as General Manager and in force of the employment agreement signed with the Company, receives an amount of EUR 200,000, having “guaranteed nature”, i.e. determined *ex ante* in a fixed amount, no discretionary and due regardless of the achievement of annual targets or other results, as the annual fee due at the time of approval of the financial statements by the Board of Directors.

The above-said data are indicated in the charts under Part II of the present section.

B. A short-term variable remuneration (MBO), linked to achieving targets, measurable and set in order to ensure the remuneration of the performance over the short term.

This short-term variable remuneration were been set by the Board of Directors, upon proposal of the Committee, during the meetings held on 26 May 2020 as follow: Economic and Financial Objectives (EBITDA OVS S.p.A. - 40%, Net Financial Position - 20%.) for a total weight of 60% and Non-Financial Strategic Objectives linked to sustainability (20%) and to the positive overcoming of the emergency linked to COVID- 19 (20%) for a total weight of 40%.

The actual value of the variable remuneration to be paid out was set based on the degree of achievement of these targets. In particular, in accordance with the Policy adopted for 2020 to achieve the target performance (performance objective), the amount of the annual MBO to be paid would be equal to EUR 1,300,000.

For the Company's economic, financial and operational performance objectives, a predetermined minimum performance threshold has been established with respect to the target performance, which allows the disbursement of 40% of the annual MBO (corresponding to the achievement of the specific reference performance objective). A predetermined maximum threshold has also been established, upon reaching which the payment of 130% of the annual MBO is allowed (corresponding to the achievement of the specific reference performance target).

With reference to the non-financial strategic objectives, the achievement of the same at 100% gives rise to a disbursement equal to 100%. If the level of achievement of the same is lower than the target, no disbursement is envisaged; if the level of achievement is higher than the target, the disbursement would still be 100%.

During the verification of the targets for the 2020 MBO, carried out by the Board of Directors on 15 April 2021, it was considered that the targets set by the Board itself during its meeting of 26 May 2020, with reference to the economic, financial and operational performance objectives they have been reached at 91,38% and 117,4%.

With reference to the so called strategic and non financial objectives, they have been reached at 100%.

<i>KPI</i>	<i>Minimum threshold</i>	<i>Target</i>	<i>Maximum threshold</i>
EBITDA OVS S.p.A.	√		
NFP			√
Strategic and non financial objectives	NA	√	NA

According to the applicable system, and taking into consideration the reduction describe at page 33, amount shall be given in this regard is equal to EUR 966,080.

With reference to the indication of the objectives achieved in comparison with those expected, the Company, in line with the disclosure provided so far, illustrates the percentage achieved of the objectives with respect to the target and does not provide a precise indication of the targets themselves for each KPI. This with a view to confidentiality of information; in particular, in consideration of the fact that due to the Company's internal policy and practices, budget or strategic plan data are not provided to the market, which are analyzed in order to define the targets.

The above-said data are indicated in the charts under Part II of the present section.

In the 2020 policy it was stated that the Remuneration Committee also had the right to submit proposals to the Board of Directors regarding the granting of additional "*una tantum*" amounts in the presence of circumstances such as to justify such measures. During the 2020 financial year, no *una tantum* amount was paid.

C. Long-Term Variable Composition - Stock Option Plans, as described in paragraph F) Section I.

With reference to the Stock Option Plan 2015-2020, the Chief Executive Officer was assigned no. 2,291,375 options, which will vest and can be exercised in compliance with the Stock Option Plan 2015-2020.

At the date of such report the Chief Executive Officer has accrued altogether 70% of the options granted, that may be exercised in compliance with and within the limits set by the regulation of the aforementioned plan.

With reference to the Stock Option Plan 2017-2022, the Chief Executive Officer was assigned no. 1,500,000 options, which will vest and can be exercised in compliance with the 2017-2022 Plan.

Verifying the performance targets 2020, carried out by the Board of Directors on 15 April 2021, it was found that the target set by the aforementioned Board during the meeting of 26 May 2020, was achieved at 91.38%. In accordance with the regulation of the plan, 5% of options has matured.

At the date of this report the Chief Executive Officer has accrued 20% of the options granted. The options may be exercised in accordance with and within the limits set by the regulation of the aforementioned Plan.

It should be noted that, in accordance with the regulation of the 2017-2022 Stock Option Plan, in 2021 the so-called Second Vesting Period will be opened.

With reference to the 2019-2022 Stock Option Plan, the Chief Executive Officer was assigned no. 1,900,000 options, which will mature and can be exercised in accordance with the provisions of the 2019-2022 Stock Option Plan itself.

The details of these plans are illustrated in the information documents published in accordance with the law on the company's website ([www.ovscorporate.it](http://www.ovscorporate.it)).

Benefits

As stated in paragraph G) Section I, the Chief Executive Officer is entitled to non-monetary benefits set in line with market practices. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and additional health insurance policies other than the mandatory ones.

Treatment contemplated in case of discontinuance of the office

As stated in paragraph L) Section I,

Please note the existence of a contract between the Company and Stefano Beraldo, Chief Executive Officer and General Manager of the Company, which provides for the payment of a lump-sum severance indemnity in favour of the Chief Executive Officer in specific cases of early discontinuance of the salaried employment relationship, due to withdrawal from the employment relationship or revocation of the office without just cause,

or in certain cases of resignation for just cause. Should one of these events take place, the Issuer is held to pay a lump-sum severance indemnity for a gross amount of EUR 5,050,000 in addition to the end-of-employment severance entitlements (which essentially consist of the accrued severance indemnity, the residual holidays and permits, the residual thirteenth and fourteenth month accruals) related to the position as General Manager.

It is specified that the amount indicated above would be paid only if Stefano Beraldo waived the payment of the amounts due to him by CCNL executives for these types of interruptions, and which would entail a similar cost for the company. For the sake of clarity this amount would be equal to 24 monthly salary of remuneration (fix and short-term component).

This contract also includes a non competition commitment that provides a lump-sum indemnity of EUR 350,000 payable in the event of termination of the salaried employment relationship.

### **Managers with Strategic Responsibilities**

The remuneration package for Managers with Strategic Responsibilities is divided into a fixed component, a short-term variable component, and a medium-to-long term variable component.

- A. The fixed remuneration component is linked to the significance of the position, the organisational role held and its responsibilities. The Company continuously monitors the market practices as regards the fixed remuneration components in order to align itself with the best practices in the field.

The Policy does not contemplate the allocation to Managers with Strategic Responsibilities of any additional remuneration for any activities as directors of a subsidiary.

- B. The variable remuneration component is linked to achieving targets that are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance over the short term.

The targets assigned by the Board of Directors, upon proposal of the Remuneration Committee, during the meeting held on 26 May 2020 with reference the MBO 2020, were selected for the Managers with Strategic Responsibilities from the following depending on the position and responsibilities assigned:

- ✓ Company and/or business line EBITDA - relative weight not less than 30%
- ✓ Other economic-financial objectives (for example sales, market shares, margins, cash flow, Net financial position) - relative weight not lower than 10%
- ✓ Strategic non financial objectives related to individual business areas and to objectively measurable specific projects - relative weight not exceeding 60%. With reference to this strategic objective, if the level of achievement is lower than the Target, no related disbursement is envisaged.

The general structure of the MBO 2020 Plan for Managers with Strategic Responsibilities is based on the following criteria:

- to achieve the target performance a contribution is given equal to 100% of the bonus target, that is equal to 40% or 60% of the fixed remuneration, in relation to the responsibility attributed to the Manager with Strategic Responsibilities in the organization;
- a predetermined minimum performance threshold is envisaged with respect to the target performance for which an incentive equal to 40% of the target bonus is paid, which in turn is equal to 40% or 60% of the fixed remuneration, below which the annual monetary incentive is not paid;
- is also envisaged that upon reaching a predetermined maximum performance with respect to the target performance, a value (maximum incentive limit) equal to 130% of the target bonus is paid, which is equal to 40% or 60% of the remuneration fixed, in relation to the responsibility attributed to the individual Executive with Strategic Responsibilities in the organization..

In the 2020 policy it was stated that the Remuneration Committee also had the right to submit proposals to the Board of Directors regarding the granting of additional "*una tantum*" amounts in the presence of circumstances such as to justify such measures. Also for 2020 financial year, no *una tantum* amount was paid.

When verifying the targets for the MBO 2020, performed by the Board of Directors on 15 April 2021, it was found that targets set by the aforementioned Board during the meeting of 26 May 2020 were achieved from 90,16% to 117,4% for the economic – financial goals and at 100% for the non financial strategic goals.

<i>KPI</i>	<i>Minimum threshold</i>	<i>Target</i>	<i>Maximum threshold</i>
EBITDA	√		
Other economic-financial objectives			√
Strategic and non financial objectives	NA	√	NA

In application of the principles of the MBO 2020 system and taking into consideration the reduction describe at page 33, therefore, an amount equal, in aggregate, to EUR 436,159 will be paid.

These data are indicated in the tables in Part II of this section.

- C. With reference to the Long-Term Variable Remuneration reference is made to paragraph F) section I.

With reference to the Stock Option Plan 2015-2020, Managers with Strategic Responsibilities have been allocated overall and in aggregate no. 730,000 options, which will vest and can be exercised in compliance with the Stock Option Plan 2015-2020.

At the date of this report, each above-mentioned beneficiary have been accrued altogether 70% of his options granted. The options may be exercised in accordance with and within the limits set by the

regulation of the aforementioned plan.

With reference to the Stock Option Plan 2017-2022, the Managers with Strategic Responsibilities have been allocated overall and in aggregate no. 440,000 options, which will vest and can be exercised in compliance with the Stock Option Plan 2017-2022.

Verifying the performance targets 2020 carried out by the Board of Directors on 15 April 2021, it was found that the target established by the aforementioned Board during the meeting of 26 May 2020, was reached at 91.38%. In accordance with the regulation of the plan, 5% percentage of options have matured. At the date of this report, each above-mentioned beneficiary each aforementioned beneficiary accrued 20% of his rights granted. The options may be exercised in accordance with and within the limits set by the regulation of the aforementioned plan.

It should be noted that, in accordance with the regulation of the 2015-2020 Stock Option Plan, in 2021 the so-called Second Vesting Period will be opened.

With reference to the 2019-2022 Stock Option Plan, Executives with Strategic Responsibilities were assigned overall and in aggregate n. 940,000 options, which will mature and can be exercised in accordance with the provisions of the 2019-2022 Stock Option Plan.

For more details, please refer to the prospectus relating to the plans Stock Option Plan 2015-2020 Stock Option Plan 2017-2022 and Stock Option Plan 2019-2022, available on the company's website [www.ovscorporate.it](http://www.ovscorporate.it).

#### Benefits

As stated in is paragraph G) section I, the Managers with Strategic Responsibilities are entitled to non-monetary benefits set in line with market practices and in application of the National Collective Labour Agreement. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and additional health insurance policies other than the mandatory ones.

#### Policy on the treatment contemplated in case of discontinuance of the office or termination of the employment relationship and Non-Compete Covenant.

There are not agreement between the Company and Managers with Strategic Responsibilities that provided for the payment of a lump-sum indemnity in the event of early termination of the employment relationship.

Non-compete covenants and agreements may be concluded in compliance with the provisions and limitations of the laws in force.

### **3) Treatment contemplated for Non-Executive Directors**

The Shareholders' Meeting held on 9 July 2020 determined, determined the remuneration to be paid to each director for each of the years of the three-year term in office of the Board at EUR 50,000 per annum, it being understood that the remuneration of directors vested with particular offices (i.e., by way of example, Chairman of the Board of Directors, executive directors, members and chairmen of the Committees), in accordance with the statutory provisions, will be established by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

In accordance with the resolutions of the Shareholders' Meeting, relating to the remuneration to be paid to each director, taking into account the recommendations that emerged in view of the renewal of the Board of Directors, the Board of Directors, upon the proposal of the Remuneration Committee, resolved to pay annually, inter alia, for each of the years for the three-year term of office of the Board:

- i) remuneration for the performance of particular tasks, equal to EUR 50,000 per year for the Chairman of the Board of Directors;
- ii) a realignment of the fixed annual remuneration for the Chairman of the Committees and the members of the same in relation to the number of average meetings held by the committees during a financial year, suggesting EUR 30,000 for the Chairman and EUR 25,000 for the members of the Risk Control Committee and Sustainability, and EUR 25,000 for the President and EUR 20,000 for the members of the Appointments and Remuneration Committee;
- iii) the inclusion of an attendance fee (EUR 1,500 for the Chairman and EUR 1,000 per member) at the meeting, replacing the fixed remuneration for the Chairman of the Related Party Transactions Committee and the members of the Committee - given the fact that the meetings are called ad hoc for individual operations.

No additional fees were conferred for the performance of particular assignment.

#### **4) Remuneration of the Auditors and monetary and non-monetary benefits in favour of the same.**

The Company's Shareholders' Meeting of 9 July 2020, appointing the new Board of Statutory Auditors, resolved to attribute the following gross annual remuneration to the members of the Board of Statutory Auditors: EUR 75,000 to the Chairman of the Board of Statutory Auditors and Euro 50,000 to each of the Statutory Auditors, acknowledging the recommendations made by the outgoing Board and Remuneration Committee as well as the recommendations contained in art. 8 of the Corporate Governance Code, adopted by the Company at the time of appointment, without prejudice to the limits of art. 2402 of the Civil Code..

#### **5) Information on remuneration until the Shareholders' Meeting of 9 July 2020, which appointed the current Board of Directors and the current Board of Statutory Auditors**

For the sake of completeness, it is recalled that the Board of Directors, which terminated in 2020 due to the natural expiry of its mandate, was appointed by the Shareholders' Meeting of 31 May 2017 which had determined, with reference to the three-year term of office of the Board, as total annual remuneration for the members of the Board of Directors, an amount equal to EUR 1,100,000; this total amount was also to be considered inclusive of the remuneration for directors with particular duties, as it is up to the Board of Directors, having heard the opinion of the Remuneration Committee and the Board of Statutory Auditors, each to the extent of its own competence, to establish the remuneration and / or the remuneration due to each Director, within the limit set by the aforementioned Shareholders' Meeting.

In accordance with the resolutions passed at the shareholders' meeting, the Board of Directors, on the proposal of the Remuneration Committee, had resolved to pay annually, among other things, for each of the financial years for the three-year term of office of the Board itself:

- EUR 50,000 to each Director;
- EUR 20,000 to each of the members of the committees;
- EUR 25,000 to each chairman of the committees.

The Board of Statutory Auditors, which terminated in 2020 due to the natural expiry of its mandate, was appointed by the Shareholders' Meeting of the Company on 31 May 2017 which resolved to attribute the following gross annual remuneration to the members of the Board of Statutory Auditors: EUR 62,000 to the Chairman of the Board of Statutory Auditors and EUR 42,000 to each of the Standing Auditors.

#### **6) Comparison information with reference to the 2019 financial year and the 2020 financial year of remuneration and performance**

The following table compares, for the last two financial years, the annual change in the remuneration of the persons for whom the information is provided in this Report by name, the results of the company and the average gross annual remuneration, calculated on a full-time equivalent basis and indeterminate, of employees (excluding the Chief Executive Officer).

*Considering that (i) some directors were appointed during the 2019 financial year and/or during the 2020 financial year with the appointment of the new Board of Directors, (ii) during the aforementioned financial years the composition of the committees is been updated/ modified (in particular, during the 2020 financial year, following the appointment of the new Board of Directors), (iii) during the 2020 financial year the new Board of Statutory Auditors was appointed, in the following table, in order to highlight the actual change in remuneration, the amounts entered are those that the director and/ or the statutory auditor would have received if he had been in office for the entire year of reference, calculated on the basis of what would be applicable to each role for each year.*

*In round brackets and in italics the amounts accrued during the reference financial years in consideration of the date of appointment (or termination) to the individual office; with reference to the 2020 financial year, these amounts do not take into account of the initiative of reductions carried on by the Directors as referred to in page 33 of this Report.*

<b>OVS S.p.A.</b>	<b>2020 <sup>(5)</sup></b>	<b>%</b>	<b>2019</b>
<i>Euro</i>			
<b>Franco Moschetti <sup>(4)</sup></b>	50,000	0	50,000
<i>Director compensation <sup>(1)</sup></i>	<i>(50,000)</i>		<i>(33,333)</i>
<i>Chairman Compensation <sup>(3)</sup></i>	50,000	NA	NA
	<i>(20,833)</i>		
<i>Member Control and Risk and Sustainability Committee</i>	25,000	+25	20,000
<i>From 11.12.2019</i>	<i>(22,916)</i>		<i>(2,500)</i>
<b>Stefano Beraldo<sup>4</sup></b>	50,000	0	50,000
<i>Director compensation</i>	<i>(50,000)</i>		<i>(50,000)</i>
<i>Fixed compensation as Chief Executive Officer</i>	450,000	0	450,000
	<i>(450,000)</i>		<i>(450,000)</i>
<i>Fixed Compensation as General manager</i>	500,000	0	500,000
	<i>(500,000)</i>		<i>(500,000)</i>
<i>Guarantee bonus</i>	200,000	0	200,000
	<i>(200,000)</i>		<i>(200,000)</i>
MBO	<i>(1,212,400)</i>		841,831
<b>Directors compensation</b>			
<b>Giovanni Tamburi <sup>(3) (4)</sup></b>	50,000	0	50,000
<i>Director compensation</i>	<i>(50,000)</i>		<i>(41,666)</i>
<i>Member Nomination and Remuneration Committee</i>	20,000	0	20,000
	<i>(20,000)</i>		<i>(16,666)</i>
<b>Carlo Achermann <sup>(2)</sup></b>	50,000	-	-
<i>Director compensation</i>	<i>(29,166)</i>		
<i>Member Nomination and Remuneration Committee</i>	20,000	-	-
	<i>(11,000)</i>		
<i>Member of TRP Committee</i>	0		-
<i>[attendance € 1,000 per meeting/ transaction]</i>	<i>(0)</i>		
<b>Elena Garavaglia <sup>(4)</sup></b>	50,000	0	50,000
<i>Compensa Director compensation</i>	<i>(50,000)</i>		<i>(50,000)</i>
<i>Member Control and Risk and Sustainability Committee</i>	-	-	20,000
<i>Until 09.07.2020</i>	<i>(8,333)</i>		<i>(20,000)</i>
<i>Member Nomination and Remuneration Committee</i>	-	-	20,000
<i>Until al 09.07.2020</i>	<i>(8,333)</i>		
<i>Member of TRP Committee</i>	-	-	20,000
<i>Until 09.07.2020</i>	<i>(8,333)</i>		
<i>Chairman of TRP Committee</i>	0	-	-
<i>From 04.08.2020</i>	<i>(0)</i>		
<i>[attendance € 1,500 per meeting/ transaction]</i>			
<b>Vittoria Giustiniani <sup>(2)</sup></b>	50,000	-	-
<i>Compensa Director compensation</i>	<i>(29,166)</i>		
<b>Alessandra Gritti <sup>(3) (4)</sup></b>	50,000	0	50,000
<i>Director compensation</i>	<i>(50,000)</i>		<i>(41,666)</i>
<b>Massimiliano Magrini <sup>(3) (4)</sup></b>	50,000	0	50,000
<i>Director compensation</i>	<i>(50,000)</i>		<i>(41,666)</i>
<i>Compensa Presidente Comitato OPC</i>	0	-	25,000
<i>Until 09.07.2020</i>	<i>(10,416)</i>		<i>(3,472)</i>
<i>Member Control and Risk and Sustainability Committee</i>	20,000		-
<i>From 04.08.2020</i>	<i>(14,583)</i>		
<b>Chiara Mio <sup>(6)</sup></b>	50,000	0	50,000
<i>Director compensation</i>	<i>(50,000)</i>		<i>(50,000)</i>
<i>Chairman Control and Risk and Sustainability Committee</i>	30,000	+20	25,000
	<i>(27,916)</i>		<i>(25,000)</i>
<i>Chairman Nomination and Remuneration Committee</i>	25,000	0	25,000
<i>From 11.12.2019</i>	<i>(25,000)</i>		<i>(3,472)</i>
<i>Member of TRP Committee [attendance € 1,000 per meeting/ transaction]</i>	0	- 100	20,000
	<i>(8,333)</i>		<i>(20,000)</i>
<b>Director ceased from office due to term of office</b>			
<b>Gabriele Del Torchio</b>	-	-	50,000
<i>Director compensation</i>	<i>(20,833)</i>		<i>(50,000)</i>
<i>Until 09.07.2020</i>			
<i>Member Control and Risk and Sustainability Committee</i>	-	-	20,000
<i>Until 11.12.2020</i>			<i>(16,666)</i>
<i>Chairman Nomination and Remuneration Committee</i>	-	-	25,000
<i>Until 11.12.2019</i>			<i>(20,833)</i>
<i>Compensa Presidente Comitato OPC</i>	-	-	25,000
<i>Until 11.12.2019</i>			<i>(20,833)</i>
<b>Heinz Krogner</b>	-	-	50,000
<i>Director compensation</i>	<i>(20,833)</i>		<i>(50,000)</i>
<i>Until 09.07.2020</i>			
<i>Member Nomination and Remuneration Committee</i>	-	-	20,000
<i>Until 09.07.2020</i>	<i>(8,333)</i>		<i>(20,000)</i>
<i>Member of TRP Committee</i>	-	-	20,000
<i>Until 09.07.2020</i>	<i>(8,333)</i>		<i>(20,000)</i>
<b>Statutory Auditors Compensation</b>			
<b>Stefano Poggi Longostrevi <sup>(4)</sup></b>	75,000	+21	62,000
<i>Chairman of the Board of Statutory Auditors</i>	<i>(69,583)</i>		
<b>Paola Tagliavini <sup>(2)</sup></b>	50,000	-	-
<i>Statutory Auditors</i>	<i>(29,166)</i>		
<b>Roberto Cortellazzo Wiel <sup>(4)</sup></b>	50,000	+19	42,000
<i>Statutory Auditors</i>	<i>(46,666)</i>		<i>(42,000)</i>
<b>Statutory Auditor ceased from office due to term of office</b>			
<b>Eleonora Guerriero</b>	-	-	42,000
<i>Statutory Auditors</i>	<i>(17,500)</i>		<i>(42,000)</i>
<i>Until 09.07.2020</i>			

OVS S.p.A. Euro	2020 <sup>(5)</sup>	%	2019
<b>Employees</b>			
No of Employees	6,297		6,451
Average gross remuneration of employees	29,590	+0.6	29,426

(1) Franco Moscetti was appointed Director and has held the office of Chairman since 31 May 2019. A specific remuneration for the office of President was approved only for the Board elected by the Shareholders' Meeting of 09.07.2020

(2) Director / Statutory Auditors appointed by the Shareholders' Meeting of 09.07.2020

(3) Director appointed from 13.03.2019

(4) Renewal of office during 2020

(5) The indicated value is the theoretical one and does not take into account the reduction referred to on page 33

The table below summarizes for each office the remuneration approved and applicable to the reference year

Compensation	FY 2020	%	FY 2019
	From 09.07.2020		Until 09.07.2020
<i>Directors</i>	50,000	0	50,000
<i>Chairman</i>	50,000	-	NA
<i>Chief Executive Officer</i>	450,000	0	450,000
<i>General Manager</i>	500,000	0	500,000
<i>Chairman Control and Risk and Sustainability Committee</i>	30,000	+20	25,000
<i>Member Control and Risk and Sustainability Committee</i>	25,000	+25	20,000
<i>Chairman Nomination and Remuneration Committee</i>	25,000	0	25,000
<i>Chairman Nomination and Remuneration Committee</i>	20,000	0	20,000
<i>Chairman TRP Committee</i>	0	NA	25,000
<i>Attendance fee for meeting/ transaction € 1,500</i>			
<i>Member TRP Committee</i>	0	NA	20,000
<i>Attendance fee for meeting/ transaction € 1,000</i>			
<i>Chairman of the Board of Statutory Auditors</i>	75,000	+21	62,000
<i>Statutory Auditors</i>	50,000	+19	42,000

Any changes made to the remuneration and proposals made to shareholders regarding the remuneration of the members of the Board of Statutory Auditors were the subject of an analysis by the Nomination and Remuneration Committee and by the Board of Directors, which was based on a peer group, the number of meetings held and their duration as well as the activity in which these bodies have been involved over the last few years.

## Company's Results

PERFORMANCE OVS S.p.A. € mln	2020 31.01.2021	%	2019 31.01.2020
<b>Net Sales</b>	<b>1,018.5</b>	(25.7)	<b>1,370.1</b>
<b>Gross Margin</b>	<b>565.3</b>	(17.4)	<b>778.2</b>
<i>GM%</i>	<i>55.5%</i>	<i>130ppt</i>	<i>56.8%</i>
<b>EBITDA</b>	<b>72.9</b>	(53.3)	<b>156.3</b>
<i>EBITDA%</i>	<i>7.2%</i>		<i>11.4%</i>
<b>EBIT</b>	<b>14.0</b>	(85.6)	<b>97.4</b>
<i>EBIT%</i>	<i>1.4%</i>		<i>7.1%</i>
<b>PBT</b>	<b>(8.0)</b>	n.s.	<b>77.9</b>
<b>Net Income</b>	<b>(4.8)</b>	n.s.	<b>57.7</b>
<b>Net Financial Position</b>	<b>401.1</b>	29.4	<b>309.9</b>
<b>Market Share</b>	<b>8.4%</b>	+33ppt	<b>8.1%</b>

## PART II

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

This Report also includes Table no. 1 and Table no. 2, which are required by Annex 3A, Scheme 7 *ter* of the Issuers' Regulations and which set out the shareholdings held in the Company and its subsidiaries by the Directors, Statutory Auditors and Managers with Strategic Responsibilities, in compliance with Article 84 *quater*, paragraph 4, of the Issuers' Regulations.

**TABLE 1 – required by Annex 3A, Scheme 7 *bis* of the Issuers’ Regulations – Compensation paid in 2020 to members of administrative and audit bodies and to manager with strategic responsibilities (from 01.02.2020 to 31.01.2021 – Fiscal Year 2020).**

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%.

The amounts indicated in the table therefore take these reductions into account.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
<b>Franco Moscetti</b>	<b>Chairman of the BoD</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				68,542	19,791 CCRS					88,333		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				68,542	19,791					88,333		
<b>Stefano Beraldo</b>	<b>CEO and Managing Director</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				475.000 as Director and CEO 500.000 as GM		966,080		29,294	200,000 <sup>5</sup>	2,170,374	1,018,554	
(II) Compensation paid by the subsidiaries and associates												
(III) Total				975,000		966,080		29,294	200,000	2,170,374	1,018,554	
<b>Giovanni Tamburi</b>	<b>Director Vice – Chairman</b>	FY 31.01.2021	31.01.2023									

<sup>5</sup> In addition, the Chief Executive Officer, in the capacity of General Manager and pursuant to the employment contract signed by him with the Company, receives an amount equal to € 200,000 with "guaranteed nature", in the sense of identified expense in a fixed and non-fixed measure discretionary and due regardless of the achievement of annual targets or other results, as the annual fee due at the time of approval of the financial statements by the Board of Directors.

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%. The amounts indicated in the table therefore take these reductions into account.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(I) Compensation paid by the company that prepares the financial statements				43,125	17,250 CNR					60,375		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,125	17,250					60,375		
<b>Carlo Achermann</b>	<b>Director</b> <b>(From 09.07.2020)</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				25,417	10,167 CNR and COPC from 04.08.2020					35,584		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				25,417	10,167					35,584		
<b>Elena Garavaglia</b>	<b>Director</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				43,125	21,250 CCRS CNR COPC until 09.07.2020 then Chairman COPC					64,375		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,125	21,250					64,375		
<b>Vittoria Giustiniani</b>	<b>Director</b> <b>(From 09.07.2020)</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				25,417						25,417		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				25,417						25,417		
<b>Alessandra Gritti</b>	<b>Director</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				43,125						43,125		

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%. The amounts indicated in the table therefore take these reductions into account.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,125						43,125		
<b>Massimiliano Magrini</b>	<b>Director</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				43,125	21,562 <i>Chairman COPC until 09.07.2020 CCRS from 04.08.2020</i>					64,687		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,125	21,562					64,687		
<b>Chiara Mio</b>	<b>Director</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				43,125	52,749 <i>Chairman CCRS and CNR member COPC</i>					95,874		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,125	52,749					95,874		
<b>DIRECTORS TERMINATED DURING THE 2020 FINANCIAL YEAR DUE TO NATURAL TERM OF OFFICE - SHAREHOLDERS' MEETING 09.07.2020</b>												
<b>Gabriele Del Torchio</b>	<b>Director</b>	FY 31.01.2021	Approval 31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				17,708						17,708		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				17,708						17,708		
<b>Heinz Krogner</b>	<b>Director</b>	FY 31.01.2021	Approval 31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				17,708	14,875 <i>CNR and COPC</i>					32,583		

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%. The amounts indicated in the table therefore take these reductions into account.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(II) Compensation paid by the subsidiaries and associates												
(III) Total				17,708	14,875					32,583		
<b>3*</b>	<b>Managers with Strategic Responsibilities</b>	FY 31.01.2021	NA									
(I) Compensation paid by the company that prepares the financial statements				1,160,417		436,159		91,356		1,687,932	349,555	
(II) Compensation paid by the subsidiaries and associates												
(III) Total				1,160,417		436,159		91,356		1,687,932	349,555	1
<b>Stefano Poggi Longostrevi</b>	<b>Chairman of the BSA</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				65,429						65,429		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				65,429						65,429		
<b>Paola Tagliavini</b>	<b>Standing Statutory Auditor</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				28,142						28,142		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				28,142						28,142		
<b>Roberto Cortellazzo Wiel</b>	<b>Standing Statutory Auditor</b>	FY 31.01.2021	31.01.2023									
(I) Compensation paid by the company that prepares the financial statements				43,749	15,000 OdV					58,749		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				43,749	15,000					58,749		

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%. The amounts indicated in the table therefore take these reductions into account.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
<b>STATUTORY AUDITORS TERMINATED DURING THE 2020 FINANCIAL YEAR DUE TO NATURAL TERM OF OFFICE - SHAREHOLDERS' MEETING 09.07.2020</b>												
<b>Eleonora Guerriero</b>	<b>Standing Statutory Auditor</b>	FY 31.01.2021	Approval 31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				15,607						15,607		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				15,607						15,607		

Legenda:

CCRS = member of Control and Risk and Sustainability (until 20.09.2017 Control and Risk Committee)

CNR = member of Nomination and Remuneration Committee

COPC = member of Transaction with Related Parties Committee

OdV = Organismo di Vigilanza – Supervisory Board

NOTE:

- (-) Please note that the Shareholders' Meeting of 9 July 2020 appointed the new members of the Board of Directors and the Board of Statutory Auditors. With reference to the incoming and outgoing members of the administrative and control bodies, the remuneration is indicated pro rata and refers to what has been resolved for their reference mandate. With reference to the members of the administrative and control bodies who are instead in continuity, the total amount pertaining to the year 2020 is indicated.
- (-) \* Please note that information relating to Stefano Beraldo as General Manager is included in the name part of the table.
- (-) As required by Annex 3 - Scheme 7-bis - of the Issuers' Regulation, fixed salaries as employees are indicated gross of social security and tax charges payable by the employee, excluding the mandatory collective social security charges payable by the company and severance indemnity (TFR).

**TABLE 2: Stock options allocated to members of the management body, general manager and directors with strategic responsibilities as at 31.01.2020**

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
Stefano Beraldo	CEO and GM																
(1) Compensation paid by the company that prepares the financial statements		Plan 2015-2020	2,291,375 Matured 70%	€ 4.88	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2018)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2019)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2020)  Until 08.06.2025							0			0	2,291,375	442,587

			Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
A	B	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
		Plan 2017-2022 Matured 15%	1.500.000	€ 6,39	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2020)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2021)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2022)  Until 30.06.2027										0	1,500,000	379,336
		2019-2022 Plan	1.900.000	€ 1,85	Period between starting date of Exercise (1 July 2022) and the Expiring Date (30 June 2026)											1.900.00	196,631

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
(II) Compensation paid by the subsidiaries and associates																	
(III) Totale			5,691,375									0			0	5,691,375	1,018,554
(3)*	Directors with strategic responsibilities																
(I) Compensation paid by the company that prepares the financial statements		Plan 2015-2020	730,000	€ 4.88	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2018) 1/3 of the Exercisable Option after 48 months from the Date of Attribution (2019) The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2020) Until 08.06.2025	0						0			0	730,000	(106,262)

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
		Plan 2017-2022	440,000	€ 6,39	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2020)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2021)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2022)  Until 30.06.2027											440,000	141,002
		Piano 2019-2022	940,000	€ 1.85	Period between starting date of Exercise (1.07.2022) and the Expiring Date (30 June 2026)											940,000	111,272

A	B	Options held at the beginning of the financial year (FY)			Option allocated during the FY							Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
II) Compensation paid by the subsidiaries and associates																	97,281
(II) Total			2,110,000									0			0	2,110,000	349,555

**TABLE 3B: Monetary incentive plans for members of the management body, general manager and directors with strategic responsibilities**

As previously indicated on page 33 of this Report, during the year 2020 both the Chief Executive Officer and the Directors as well as the Managers with Strategic Responsibilities have reduced their remuneration in consideration of the COVID-19 pandemic event; in addition, the Chief Executive Officer and the Executives with Strategic Responsibilities also reduced the 2020 MBOs by 20%. The amounts indicated in the table therefore take these reductions into account.

A Name and Surname	B Position	(1) Plan	(2)			(3)			(4) Other bonus
			Bonus for year			Bonus for previous years			
			(A) Payable/Paid	(B) Deferred	(C) Deferred period	(A) No longer payable	(B) Payable/Paid	(C) Deferred again	
<b>Beraldo Stefano</b>	<b>Chief Executive Officer and General Manager</b>								
(I) Compensation paid by the company that prepares the financial statements			966,080						
(II) Compensation paid by the subsidiaries and associates									
(III) Total			966,080						
<b>3*</b>	<b>Directors with – strategic responsibilities</b>								
(I) Compensation paid by the company that prepares the financial statements			436,159						
(II) Compensation paid by the subsidiaries and associates									
(III) Total			436,159						

\* It is specified that all the information regarding Stefano Beraldo, as General Manager, is included in the nominative part of the table.

For the sake of completeness, as indicated in paragraph F) of Section I, during the 2020 financial year the Board of Directors, upon the favorable opinion of the Remuneration Committee and having heard the Board of Statutory Auditors, adopted an LTMIP which will be paid in a single tranche if in June 2023, after the approval of the financial statements for the financial year 2022, the beneficiary is still part of OVS as Chief Executive Officer or Manager with Strategic Responsibilities; for further details on the structure, please refer to the aforementioned paragraph F) of Section I.

**TABLE 1 – required by Annex 3A, Scheme 7 *ter* of the Issuers’ Regulations – Information on the shareholdings of members of the administrative and control bodies from 01.02.2020 to 31.01.2021 (Fiscal Year 2020).**

Name and Surname	Position	Investee Company	No. of shares owned at end of previous FY	No. of shares purchased	No. of shares sold	No. Of shares owned at end of FY in progress
Franco Moschetti	Chairman of the Board of Directors	OVS S.p.A.	-	-	-	-
Stefano Beraldo	Chief Executive Officer and General Manager	OVS S.p.A.	2,129,856	280,000	0	2,384,856
	Person closely associated [spouse]					
	Person closely associated [controlled company]					
Giovanni Tamburi	Director	OVS S.p.A.	-	-	-	-
Carlo Achermann	Director	OVS S.p.A.	-	-	-	-
Elena Garavaglia	Director	OVS S.p.A.	-	-	-	-
Vittoria Giustiniani	Director	OVS S.p.A.	-	-	-	-
Alessandra Gritti	Director	OVS S.p.A.	-	-	-	-
Massimiliano Magrini	Director	OVS S.p.A.	NA	After the appointment 0	-	30,000
Chiara Mio	Director	OVS S.p.A.	-	-	-	-
Stefano Poggi Longostrevi	Chairman of the Board of Statutory Auditors	OVS S.p.A.	-	-	-	-
Paola Tagliavini	Statutory Auditors	OVS S.p.A.	-	-	-	-
Roberto Cortellazzo Wiel	Statutory Auditors	OVS S.p.A.	-	-	-	-
<b>Directors Resigned during the FY due to the natural term of office</b>						
Gabriele Del Torchio	Director	OVS S.p.A.	-	-	-	-
Heinz Krogner	Director	OVS S.p.A.	-	-	-	-
<b>Statutory Auditors Resigned during the FY due to the natural term of office</b>						
Eleonora Guerriero						

**TABLE 2 – required by Annex 3A, Scheme 7 *ter* of the Issuers’ Regulations – Information on the shareholdings of Manager with Strategic Responsibilities.**

No. Of Directors with Strategic responsibilities	Investee Company	No. of shares owned at end of previous FY	No. of shares purchased	No. of shares sold	No. Of shares owned at end of FY in progress
3*	OVS S.p.A.	401,450	40,000	0	441,450

\* It is specified that all the information regarding Stefano Beraldo, as General Manager, is included in the nominative part of the table.

Venice – Mestre, 15 April 2021

The Chairman of the Board of Directors  
Franco Moschetti