

Immobiliare Grande Distribuzione  
Società di investimento Immobiliare Quotata S.p.A.  
abbreviated IGD SIQ SpA

# REPORT ON REMUNERATION POLICY AND COMPENSATION PAID

---

pursuant to art.123 *ter* para 3-ter and 6 of Legislative Decree 24 February 1998, n. 58 (Testo Unico della Finanza - TUF)

**Approved by the Board of Directors of 25 February 2021**

Available on the website [www.gruppoigd.it](http://www.gruppoigd.it)





## // GLOSSARY

---

**2019-2021 Strategic Plan**

**Board of Directors**

**Code/Corporate Governance Code**

**Remuneration Policy**

**FAR**

**Group**

**IGD/The Company**

***Long Term Incentive Plan (LTIP)***

**Managers with Strategic Responsibilities**

**Regulations for Issuers**

**TUF**

## // GLOSSARY

### // 2019-2021 Strategic Plan

The strategic plan referred to years 2019-2021 approved by the Board of Directors on 7th November 2018.

### // Board of Directors

IGD's Board of Directors.

### // Code/Corporate Governance Code

The Corporate Governance Code for listed companies, as approved by the Corporate Governance Committee constituted by Borsa Italiana S.p.A. (the Italian Stock Exchange), ABI, ANIA, Assogestioni, Assonime and Confindustria, in effect at the time of this Report.

### // Remuneration Policy

The remuneration policy approved by the Board of Directors on 25 February 2021, described in Part I of this Report.

### // FAR

Fixed annual remuneration, calculated for the full year based on the gross monthly salary paid in December of the prior year, comprised of basic salary plus management bonuses (the calculation relative to variable compensation is, therefore, made net of any increases/adjustments made for seniority, any ad personam allowances and any and all other items or indemnities).

### // Group

IGD and the companies its controls pursuant to Art. 93 of TUF.

### // IGD/The Company

Immobiliare Grande Distribuzione SIIQ S.p.A.

### // Long Term Incentive Plan (LTIP)

A medium/long-term incentive plan based on which beneficiaries receive a cash bonus if certain objectives, predetermined and approved by the Board of Directors, are achieved.

### // Managers with Strategic Responsibilities

The managers identified by the Board of Directors in accordance with Art. 65, paragraph 1-quater, of the Regulations for Issuers.

### // Regulations for Issuers

The regulations for issuers issued by CONSOB in Resolution n. 11971 of 14 May 1999, as amended.

### // TUF

Legislative Decree n. 58 dated 24 February 1998, as amended.



## // REPORT ON REMUNERATION

### DETAILED INDEX

	<b>Sector I - Remuneration Policy</b>	<b>1.2</b>	<b>Board of Statutory Auditors</b>
	<b>Sector II - Remuneration of the Board of Directors, the Board of Statutory Auditors, the General Manager and the Managers with Strategic Responsibilities in 2020</b>	<b>1.3</b>	<b>Chief Operating Officer</b>
		<b>1.4</b>	<b>Managers with Strategic Responsibilities</b>
		<b>2</b>	<b>Termination allowances</b>
<b>1</b>	<b>Remuneration paid</b>	<b>3</b>	<b>Exceptions to the Remuneration Policy</b>
<b>1.1</b>	<b>Board of Directors</b>	<b>4</b>	<b>Adjustments of the variable component</b>
1.1.1	Chief Executive Officer	<b>5</b>	<b>Comparison figures</b>
1.1.2	Chairman of the Board of Directors		<b>Tables</b>
1.1.3	Vice Chairman of the Board of Directors		
1.1.4	Other members of the Board of Directors		
1.1.5	Members of the Board Committees		
1.1.5.1	<i>Control and Risk Committee</i>		
1.1.5.2	<i>Committee for Related Party Transactions</i>		
1.1.5.3	<i>Nominations and Compensation Committee</i>		

**// Sector I - Remuneration Policy****a) Bodies or parties involved in the preparation, approval and possible review of the Remuneration Policy, respective roles, as well as the bodies or parties responsible for the correct implementation of the Policy**

Each year the Board of Directors defines and reviews the Remuneration Policy, along with any amendments, as proposed by the Nominations and Compensation Committee (see letter b) below).

Pursuant to Art. 123-ter of TUF the Remuneration Policy is submitted to the ordinary Shareholders' Meeting convened to approve the annual report for binding approval.

The Nominations and Compensation Committee is chiefly responsible for the correct implementation of the Remuneration Policy, as well as the Chief Executive Officer and the Board of Directors.

**b) Scope, composition (distinguishing between non-executive and independent directors), skills and functions and any further measures aimed at avoiding or managing conflicts of interest of the Compensation Committee**

The Nominations and Compensation Committee, which presented the Board of Directors with the proposed Remuneration Policy, is comprised of the number of directors set by the Board of Directors upon appointment. The Nominations and Compensation Committee members are all non executive, independent members and at least one member possesses adequate understanding of and experience in finance as assessed by the Board of Directors upon appointment.

On 6 June 2018, the Board of Directors appointed independent directors Rossella Saoncella (Chairman), Livia Salvini and Timothy Guy Michele Santini to the Nominations and Compensation Committee.

The Nominations and Compensation Committee submits proposals and provides recommendations relating to remuneration in order to ensure that the compensation of the Company's directors, the Managers with Strategic Responsibilities and directors of subsidiaries are determined in such a way as to retain and motivate the individuals with the professional characteristics needed to successfully manage the Company and its subsidiaries.

The Nominations and Compensation Committee has the following functions:

**a)** To submit proposals to the Board of Directors regarding the general policy for the remuneration of Directors and Managers with Strategic Responsibilities;

**b)** Periodically assess the adequacy, the overall consistency and application of the remuneration policy, referred to letter d below, availing itself, in the case of the Managers with Strategic Responsibilities, of the information provided by the Chief Executive Officer;

**c)** To submit proposals or express opinions to the Board of Directors regarding remuneration of Executive Directors and other Directors holding special offices, as well as the performance targets linked to variable compensation and to ensure that the Board's decisions are complied with and verifying whether or not the performance targets are reached;

**d)** To submit opinions to the Board regarding the compensation of the Chairmen, Vice Chairmen and General Managers (and/or Chief Executive Officers) of the subsidiaries deemed strategic based on the proposals submitted by the Chairman and the Parent Company's Chief Executive Officer;

**e)** To submit opinions to the Board regarding the overall compensation to be granted the Board members of the subsidiaries and affiliates;

**f)** Report to the Company's shareholders on how the Committee is fulfilling its duties.

In accordance with Recommendation 26 of the Corporate Governance Code, directors do not attend meetings of the Nominations and Compensation Committee during which their remuneration is being discussed.

In carrying out its duties, the Nominations and Compensation Committee collaborates with the relative corporate structures.

**c) Compensation and working conditions of Gruppo IGD's employees taken into account when preparing the Policy**

When preparing the Remuneration Policy, the company took the compensation and working conditions of its employees into account.

**d) Name of any independent experts called upon to assist with the drafting of the Remuneration Policy**

No independent experts were involved by the Board of Directors in the preparation of the Remuneration Policy.

**e) Purpose of the Remuneration Policy principles, duration and any changes in the Policy with respect to the last Policy approved by the Shareholders' Meeting**

The Company's Remuneration Policy is a function of the Company's sustainable success and takes into account the need to attract, retain and motivate the people who possess the expertise and professional standing that the role held requires.

More in detail, the remuneration of the Chief Executive Officer, Directors holding special offices, the Chief Operating Officer and the Managers with Strategic Responsibilities aims to:

- > Attract, motivate and retain highly qualified professional managers;
- > To involve and incentivize the management deemed key to achieving the Company's and the Group targets;
- > To promote the medium/long term creation of value for shareholders taking into account the interest of all the Company's relevant stakeholders;
- > To create a strong link between remuneration and performance of the Company and the Group.

Pursuant to Recommendation 29 of the Corporate Governance Code, the Remuneration Policy provides for compensation consistent with the expertise, professional standing and commitment required to fulfil the duties assigned by the Board of Directors and the Board committees, but remuneration is not linked to the Company's results (see the following paragraph o).

The Company's Board of Directors approved the Remuneration Policy on 25 February 2021, based on the proposal submitted by the Nominations and Compensation Committee which met on 16 February 2021.

The Remuneration Policy has an annual duration and refers to the remuneration for 2021 of the Chief Executive Officer, the Directors holding special offices, the non-executive Directors, the Chief Operating Officer and the Managers with Strategic Responsibilities and, without prejudice to Art. 2402 of the Italian Civil Code, to members of the Board of Statutory Auditors.

With respect to the Policy approved by the Shareholders' Meeting held on 11 June 2020, the Nominations and Compensation Committee made the following changes to the 2021 Remuneration Policy.

More in detail:

> With regard to the 75% of the Chief Executive Officer's short-term variable component, tied to reaching yearly performance targets, the targets are specified as follows:

> Consolidated core business EBITDA margin with a difference of plus or minus 1% with respect to the budget, approved by the Board of Directors on 28 January 2021, for 25% of the variable component;

> Earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 25% of the variable component;

> With regard to the remaining 25% of the Chief Executive Officer's short-term variable compensation, tied to reaching individual performance targets, the following targets were added:

> The drafting of a training and coaching program, to be implemented as from 2022, focused on implementing the recommendations made in the succession plan recently approved for 12.5% of the variable component;

> Improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agencies, for 12.5% of the variable component.

> With regard to the 75% of the short-term variable component of the Chief Operating Officer and the Managers with Strategic Responsibilities, tied to reaching yearly performance targets, the targets are specified as follows:

> Consolidated core business EBITDA margin with a difference of plus or minus 1% with respect to the budget, approved by the Board of Directors on 28 January 2021, for 20% of the variable component;

> Earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5%, for 5% of the variable component;



> With regard to the remaining 50% of the Chief Operating Officer's short-term variable compensation, tied to reaching individual performance targets, the targets are specified as follows:

- > Total core business revenue equal to the budget, approved by the Board of Directors on 28 January 2021, for 15% of the variable component;
- > FFO equal to the budget, approved by the Board of Directors on 28 January 2021, for 20% of the variable component;

and the following was also added:

- > Improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agencies, for 15% of the variable component.

**f) Description of the policies pertaining to fixed and variable compensation, the proportion of the variable component with regard to total compensation, the difference between short- and long-term variable compensation**

The Corporate Governance Code recommends that the Remuneration Policy of the Chief Executive Officer, the Directors holding special offices, the Chief Operating Officer and the Managers with Strategic Responsibilities provide a balance between the fixed and the variable compensation that is appropriate and commensurate with the Company's strategic goals and risk management policies, taking into account the characteristics of the business and the sector of operation, specifying, however, that the variable component should represent a significant part of total remuneration.

With regard to variable compensation, the Corporate Governance Code recommends that the remuneration for the Chief Executive Officer, the Directors holding special offices, the Chief Operating Officer and the Managers with Strategic Responsibilities be defined based on the following criteria:

- > The fixed and variable components should be fairly balanced;
- > Limits should be set for the variable components;
- > The performance targets should be determined in advance, measurable and tied, to a large extent, to the long-term;
- > The performance targets should be consistent with the

Company's strategic goals and aimed at promoting sustainable success including, where applicable, non-financial parameters;

- > The payment of a significant portion of the variable component must be deferred for an adequate period of time with respect to its vesting.

With regard to the remuneration of the Executive Directors and the Directors holding special offices, the Board of Directors, as proposed by the Nominations and Compensation Committee resolved that the variable component of the Chief Executive Officer's compensation, insofar as he has operating responsibilities, should be linked to the results achieved with a view to creating medium/long term value for shareholders.

The remuneration of the other Directors comprises solely a fixed component commensurate with the commitment asked of each director. These Directors will not be awarded any form of variable compensation as the activities carried out by these directors does not have a direct impact on the Company's economic results, particularly those that variable components are typically linked to.

The Remuneration Policy also provides that the employment relationship of the Chief Operating Officer and the Managers with Strategic Responsibilities will continue to be governed by the national labor contract for managers of cooperative businesses.

In line with the above, based on the Remuneration Policy, the **Chief Executive Office** remuneration is comprised of:

- > A **fixed portion** composed of:
  - > The compensation for each director approved by the Ordinary Shareholders' Meeting in the appointment for the office of Board of Directors' member; and
  - > The compensation approved by the Board of Directors, based on the Nominations and Compensation Committee's proposal and indications of the Board of Statutory Auditors, pursuant to Articles 25.1 of the bylaws and 2389, par. 3, of the Italian Civil Code, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions;
- > A **variable portion** to be established by the Board of Directors based on the proposal submitted by the Nominations and Compensation Committee upon indications

of the Board of Statutory Auditors, linked to achieving certain performance targets, which follow:

(i) **for 75%, a short-term variable component**, tied to reaching yearly performance targets which include:

- > Core business consolidated EBITDA margin with a margin of plus or minus 1% with respect to the budget approved by the Board of Directors held on 28 January 2021 (25% of the variable component);
- > Earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, between 5% and plus 5% (25% of the variable component);

> The drafting of a training and coaching plan, to be implemented as from 2022, focused on implementing the recommendations made in the succession plan recently approved (12.5% of the variable component);

> Improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agencies, for 12.5% of the variable component.

Variable compensation will be paid for each of the above three-year performance targets if 100% of the target is achieved, while no variable compensation will be owed if the target fails to be reached.

The main characteristics of the Chief Executive Officer's short-term variable compensation are summarized below:

and other individual performance targets, such as:

YEARLY PERFORMANCE TARGETS - Chief Executive Officer		TARGET STATUS	
Short term components of the variable remuneration	Weight	Reached	Not reached
Core business consolidated EBITDA margin	25,0%	higher than -1 vs budget	lower than -1 vs budget
Earning per share	25,0%	higher than -5% vs previous year	lower than -5% vs previous year
Further individual targets			
Drafting of a training and coaching plan	12,5%	within 31.12.2021	after 31.12.2021
Improvement in the ESG rating	12,5%	>2 agencies vs previous year	<2 agencies vs previous year
<b>Total variable compensation</b>	<b>75%</b>		

Based on the Remuneration Policy, **the short-term variable compensation payable to the Chief Executive Officer may not exceed 37.5% of the fixed compensation** approved by the Board of Directors.

Each year the Nominations and Compensation Committee must verify if the performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification, which is typically carried out in April of the following year, will be resolved upon by the Board of Directors during the next meeting held.

(ii) **for 25%, a three-year Long-Term Incentive Plan**, included in the LTIP 2019 - 2021, based on which payment of the bonus is tied to achieving the three-year economic-financial targets found in the Business Plan 2019-2021 (each of which accounts for 50% of the bonus), namely:

- > The Loan to Value must be maintained below 45%; and
- > Cumulative FFO must amount to €258 million.

Lastly an over-performance incentive, **equal to 5% of the fixed compensation**, will be paid if the Loan to Value called for in the Business Plan 2019 - 2021 is below 43% at the end of 2021.

Variable compensation will be paid for each of the above performance targets if 100% of the target is achieved, while no variable compensation will be owed if the target fails to be reached.

The main characteristics of the Chief Executive Officer's medium/long-term variable compensation are summarized below:

**THREE-YEAR PERFORMANCE TARGETS - Chief Executive Officer**

**TARGET STATUS**

Medium/ long - term components of the variable remuneration	Weight	Reached	Not reached
Loan to Value	12.5%	< 45%	> 45%
Cumulative FFO	12.5%	> Euro 258 mn	< Euro 258 mn
<b>Total variable component</b>	<b>25%</b>		
Loan to Value (over-performance)	5.0% fixed portion	< 43%	> 43%

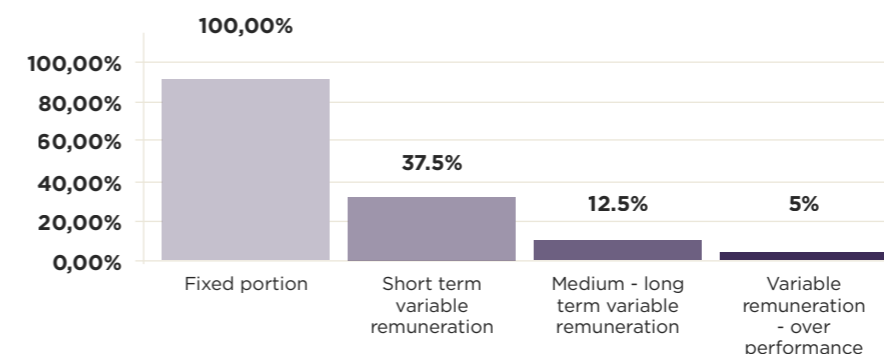
Based on the Remuneration Policy, **the medium/long-term variable compensation payable to the Chief Executive Officer may not exceed 12.5% of the fixed compensation approved by the Board of Directors** received in the relative three-year period.

Each year the Nominations and Compensation Committee must verify if the performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions. The results of this verification will be approved by the Board of Directors during the next meeting held.

As shown below, the Chief Executive Officer's remuneration, therefore, includes, (i) a fixed component, (ii) a short-term variable component which may not exceed 37.50%

of the yearly fixed compensation approved by the Board of Directors, (iii) a medium/long-term variable component which may not exceed 12.50% of the fixed compensation approved by the Board of Directors in the relative three-year period, and (iv) a medium/long-term variable component for over-performance which may not exceed 5.00% of the fixed compensation approved by the Board of Directors in the relative three-year period.

**> VARIABLE COMPONENTS OF THE CHIEF EXECUTIVE OFFICER'S REMUNERATION**



**Deferred payment**

The payment of the variable component will be deferred for an appropriate period of time with respect to its vesting. The Company's practice is to pay the variable compensation at the end of the first six month period subsequent to the end of the vesting period.

Based on the Remuneration Policy, the compensation of the **Chief Operating Officer and the Managers with Strategic Responsibilities** comprises:

> A **fixed component** which comprises the FAR (Fixed Annual Remuneration) called for in the individual contract signed by the Company and the Chief Operating Officer and the Managers with Strategic Responsibilities which is in line with the national labor contract for managers of cooperative businesses that governs the employment relationship. The FAR aims to adequately remunerate the unique expertise needed to fulfill the duties assigned, the breadth of the responsibilities, as well as the overall contribution made to achieving business results;

> A **variable component**, tied to the achievement of the following performance goals:

(i) **for 75%, a short term variable component**, tied to reaching yearly performance targets which include:

- > Core business consolidated EBITDA margin with a margin of plus or minus 1% with respect to the budget approved by the Board of Directors held on 28 January 2021 (20% of the variable component);
- > Earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, of plus or minus 5% (5% of the variable component);

> For up to a maximum of 50% of the variable component, to two or more individual performance targets, to be defined annually by the Chief Executive Officer and/or the Chief Operating Officer, on the basis of the Company's organizational structure, the work done by each manager, the strategic projects in which he/she is involved and the level of responsibility, the difference in which must, at any rate, be linked to the results achieved.

With regard specifically to the **Chief Operating Officer**, the individual performance targets - for the remaining 50% of the short-term variable component are predetermined in the following way:

- > Total core business revenue equal to the budget, approved by the Board of Directors on 28 January 2021, for 15% of the variable component;
- > FFO equal to the budget, approved by the Board of Directors on 28 January 2021, for 20% of the variable component;
- > Improvement, with respect to the prior year, in the ESG rating provided by at least 2 independent agencies, for 15% of the variable component.

Variable compensation will be paid for each of the above yearly performance targets which will amount to 100% if the target is exceeded, to 60% if the target is achieved, while no variable compensation will be owed if the target fails to be reached.

The main characteristics of the Chief Operating Officer's short-term variable compensation are summarized below:

**YEARLY PERFORMANCE TARGETS - Chief Operating Officer**

Short term components of the variable remuneration	Weight	Passed	Reached	Not reached
Core business consolidated EBITDA margin	20.0%	higher than +1 vs budget	between -1 and +1 vs budget	lower than -1 vs budget
Earning per share	5.0%	higher than +5% vs previous year	between -5% and +5% vs previous year	lower than a -5% vs previous year
<b>Individual targets:</b>				
Total core business revenue target reached	15.0%	higher than +2% vs budget	between -3% e +2% vs budget	lower than -3% vs budget
FFO target reached	20.0%	higher than +2% vs budget	between -3% e +2% vs budget	lower than -3% vs budget
Improvement in the ESG rating	15.0%	>2 agencies vs previous year	2 agencies vs previous year	<2 agencies vs previous year
<b>Total variable compensation</b>	<b>75%</b>			

Based on the Compensation Policy, **the total short-term variable compensation payable to the Chief Operating Officer and the Managers with Strategic Responsibilities may not exceed 30% of the FAR** received by the executive at 31 December of the year prior to the one in which the variable compensation is to be paid.

Each year the Nominations and Compensation Committee must verify if the performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

Each year the Nominations and Compensation Committee must verify if the Chief Operating Officer's individual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

Each year the Nominations and Compensation Committee must verify if the Managers with Strategic Responsibilities' individual performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for the year, without prejudice to compliance, when applicable, with CONSOB

**TARGETS CHECK**

Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

The verifications referred to above are typically carried out in April of the following year.

The results of these verifications will be resolved upon by the Board of Directors during the next meeting held.

(ii) **for 25%, a three-year Long-Term Incentive Plan**, included in the LTIP 2019 - 2021, based on which payment of the bonus is tied to achieving the three-year economic-financial targets found in the Business Plan 2019-2021 (each of which accounts for 50% of the bonus), namely:

- > The Loan to Value must be maintained below 45%; and
- > Cumulative FFO must amount to €258 million.

Lastly an over-performance incentive, **equal to 5% of the fixed compensation**, will be paid if the Loan to Value called for in the Business Plan 2019 - 2021 is below 43% at the end of 2021.

Variable compensation will be paid for each of the above performance targets if 100% of the target is achieved, while no variable compensation will be owed if the target fails to be reached.

The main characteristics of the Chief Operating Officer's and the Managers with Strategic Responsibilities' medium/long-term variable compensation are summarized below:

**THREE YEAR PERFORMANCE TARGETS - Chief Operating Officer and Directors with Strategic Responsibilities**

Medium - long term components of the variable remuneration	Weight	Reached	Not reached
Loan to value	12.5%	< 45%	> 45%
Cumulative FFO	12.5%	> Euro 258 mn	< Euro 258 mn
<b>Total variable compensation</b>	<b>25.0%</b>		
Loan to Value (over-performance)	5% FAR	< 43%	> 43%

**TARGET STATUS**

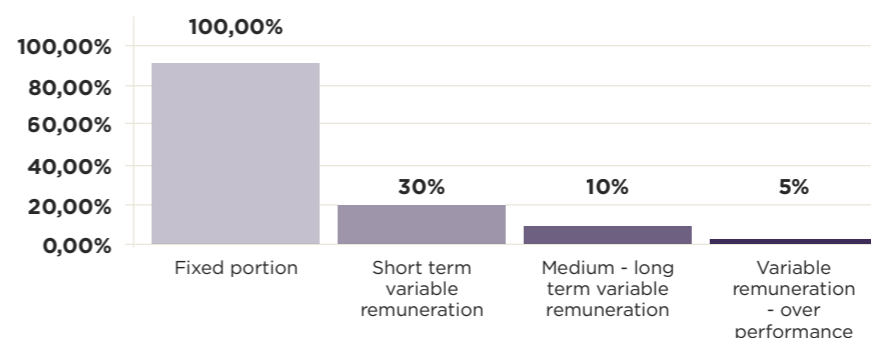
Based on the Remuneration Policy **the medium/long-term variable compensation payable to the Chief Operating Officer and the Managers with Strategic Responsibilities may not exceed 10.0% of the FAR** received by the executive in the three-year period prior to receiving the bonus.

Each year the Nominations and Compensation Committee must verify if the three-year performance targets have been reached or not subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the

Company's Procedure for Related Party Transactions. The results of these verifications will be approved by the Board of Directors during the next meeting held.

As shown below, the Chief Operating Officer's and the Managers with Strategic Responsibilities remuneration, therefore, includes, (i) a fixed component, (ii) a short-term variable component which may not exceed 30% of the FAR, (iii) a medium/long-term variable component which may not exceed 10% of the FAR received in the three-year period prior to receiving the bonus, and (iv) a medium/long-term variable component for over-performance which may not exceed 5.00% of the FAR received in the three-year period prior to receiving the bonus.

**> VARIABLE COMPONENTS OF THE REMUNERATION FOR THE CHIEF OPERATING OFFICER AND MANAGERS WITH STRATEGIC RESPONSABILITIES**





**Deferred payment**

The payment of the variable component will be deferred for an appropriate period of time with respect to its vesting. The Company's practice is to pay the variable compensation at the end of the first six month period subsequent to the end of the vesting period.

The fixed and variable components as a percentage of total compensation to be paid the Chief Executive Officer, the Chief Operating Officer and the Managers with Strategic Responsibilities will be determined, pursuant to Recommendation 27 letter a) of the Corporate Governance Code, on the basis of the Company's strategic objectives, in light of the sector in which IGD is active and the characteristics of its business. The two components must be balanced and in line with the goals of the Remuneration Policy.

As of the date of this Report, the Company does not have any share based incentive plans.

**g) Policy regarding non-cash benefits**

As of the date of this Report, the Company has yet to adopt a policy regarding non-cash benefits. With regard to the Chief Operating Officer and the Managers with Strategic Responsibilities, the provisions relative to supplementary assistance (i.e. life insurance policies and insurance for permanent disabilities) found in the national labor contract for managers of cooperative businesses apply.

**h) Variable components: description of the underlying Financial and non-financial performance targets, distinction between short and medium/long term variables, and information on the connection between any change in results and remuneration**

Please refer to letter f) above.

**i) Criteria used to establish the achievement of performance targets used to assign shares, options, other financial instruments and other components of variable compensation**

The individual performance targets used in the Remuneration Policy to calculate the payment of variable compensation were defined largely based on business, economic and financial objectives, as well as the creation of value for shareholders in the medium/long-term.

More specifically, in order to better direct and align managerial action with the objectives defined in the Company's 2019-2021 strategic plan, the medium-long term variable

compensation is typically tied to the achievement of the economic-financial targets referred to in the 2019-2021 strategic plan.

The objectives and the targets are, generally, calculated on the basis of the Company's specific business activities and are indicators of the business's performance and profitability.

**j) Information about the impact that the Remuneration Policy and variable compensation, more specifically, have on the business strategy and protecting the company's long-term interests**

Based on the Remuneration Policy the performance targets described above and payment of variable compensation have to be in line with the Company's risk management policy and take into account the risks assumed by IGD, the capital and the liquidity needed to meet the Company's business needs.

More in detail, the Company found the LTIP 2019-2021 to be the most effective way to focus management on the long term creation of value for shareholders. Under the LTIP 2019-2021, in fact, the medium-long term compensation is payable only if the targets established herein have been reached at the end of the two-year period.

As shown in letter j) above, the above mentioned parameters are in line with the Company's mid-long term interests.

**k) The vesting period, any deferred payment mechanisms, deferment periods, the criteria used to determine these periods and, if provided for, corrective measures of the variable component**

As of the date of this Report, the Company does not have any share based incentive plans.

Provisions have been introduced which allow the Company to include clawback clauses in employment contracts based on which all or part of the variable compensation paid (including deferred amounts) to the Chief Executive Officer, the Chief Operating Officer and the Managers with Strategic Responsibilities, shall be refunded within three years of payment (or withheld) if the relative corporate functions prove that the same was made on the basis of data that were manifestly incorrect.

With regard to deferred payment mechanisms and the criteria used, please refer to letter f) above.

**l) Information relating to holding financial instruments after their acquisition, holding periods and****the criteria used to determine the length of these periods**

As indicated in letter f) e k), no share based incentive plans are contemplated in the Remuneration Policy.

**m) Termination allowance**

The Remuneration Policy does not provide for any indemnities for the directors in the event of advance termination of the directorship or if it is not renewed, with the exception of what is described below.

In the event the mandate is terminated or is not renewed, the Chief Executive Officers will be paid: (i) a termination allowance equal to 15 months of the fixed salary for the office determined by the Board of Directors; (ii) another payment, after a non-compete agreement between the Company and the Chief Executive Officer has been signed, equal to 15 months of the fixed salary for the office determined by the Board of Directors. These amounts will be paid only in the event of (i) termination without just cause or if the mandate is not renewed; (ii) the CEO tenders just cause resignation.

With regard to the Chief Operating Officer and the Managers with Strategic Responsibilities, if the working relationship is terminated the national labour contract for managers of cooperatives will be applied, without prejudice to any prior individual agreements which are still in effect at the date upon which this report is presented. In the event the working relationship with the Chief Operating Officer and the Managers with Strategic Responsibilities is terminated, any settlements and/or indemnities other than those expressly provided for in this Policy, will be the subject of a prior opinion and/or proposal of the Nominations and Compensation Committee and the Committee for Related Party Transactions, as well as resolved upon by the Board of Directors, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

Without prejudice to the above, the regulations for the LTI Plan, approved by Board of Directors on 27 February 2020, based on the proposal of the Nominations and Compensation Committee and the favorable opinion of the Board of Statutory Auditors, relative to the Chief Executive Officer, the Chief Operating Office and the Managers with Strategic Responsibilities, governs termination or resolution of employment.

More in detail, the LTI Plan rules govern situations involving:

**(i)** Termination by mutual consent, with the written agreement of IGD

**(ii)** Termination with or without just cause pursuant to Art. 2119 of the Italian Civil Code

**(iii)** Termination of one of the Plan beneficiaries with just cause pursuant to art. 2119 of the Italian Civil Code

**(iv)** Termination without just cause or just cause resignation tendered by the Chief Executive Officer.

In the above instances, the amount of the bonus will be recalculated and the performance targets will be redefined on the basis of the amount of time the party was part of the Company. No indemnity will be paid in the event of termination for just cause pursuant to and in accordance with Art. 2119 of the Italian Civil Code and termination with cause or unjustified resignation pursuant to Art. 2119 of the Italian Civil Code of one of the Plan beneficiaries, or in the event of termination with cause or resignation without cause of a director.

**n) Additional insurance coverage and pension plans**

The Chief Executive Officer, the non executive directors, the Chief Operating Officer and the Managers with Strategic Responsibilities are covered under mandatory insurance and pension plans, in addition to what is provided under the national labour contract for managers of cooperatives.

**o) Pay policy for: (i) independent directors, (ii) committee members and (iii) carrying out special assignments**

The Company, in light of the definition of executive directors found in the Corporate Governance Code, considers all directors non executive with the exception of the Chief Executive Officer and the Chairman of the Board of Directors, given the assignment granted the latter to act as head of the Internal Control and Risk Management System.

As indicated in letter f) above, the Company resolved to award the Chief Executive Officer variable compensation as per the terms and conditions indicated. The remuneration of the non executive Directors and the Chairman of the Board of Directors is not linked to the Company's and/or the Group's economic results.

The remuneration of the non executive directors as indicated in item f) above, consists solely in the fixed emolument set by the shareholders.

The directors, members of the Control and Risk Committee receive additional compensation as resolved by the Board of Directors, while the directors, members of the Nominations and Compensation Committee and the Committee for Related Party Transactions receive an attendance fee for each meeting attended as resolved by the Board of Directors, subject to approval by the Nominations and Compensation Committee.

The Chairman of the Board of Directors and the Vice Chairman are paid an additional annual fixed salary for their respective offices as determined by the Board of Directors based on the Nominations and Compensation Committee's proposal.

**p) Compensation policies of other companies**

The Remuneration Policy was drawn up by the Company without referring to the policies adopted by other companies.

**q) Elements and conditions of the Remuneration Policy which may be overridden in the presence of exceptional circumstances**

Pursuant to Art. 123-ter, paragraph 3-bis of TUF, the Company may temporarily override the Remuneration Policy in the presence of exceptional circumstances, namely situations in which it is necessary to override the Policy in order to pursue the long-term interests and overall sustain-

ability of the Company or ensure its ability to remain on the market.

The following elements of the Policy may be overridden:

- > The fixed and variable components of the compensation paid to the recipients of the Policy including, for example, the weight of these components as a percentage of total compensation, the performance targets to which payment of the variable components is linked, the vesting terms, as well as any share-based incentives;
- > Provisions relating to bonuses or one-off emoluments;
- > Provisions relating to possible severance and/or the amount of severance payable upon termination of office or the working relationship.

Any temporary waivers of the Remuneration Policy must be approved by the Board of Directors, after having consulted with the Nominations and Compensation Committee, without prejudice to Regulation n. 17221 of 12 March 2010 and Procedure for related party transactions adopted by the Company.

The Board of Directors' will determine the duration of the waiver and the specific elements of the Policy to be overridden as per the above.

**2. Pay policy for members of the Board of Statutory Auditors**

The remuneration of the Board of Statutory Auditors is not linked to the Company's economic results and, therefore, consists solely in the fixed emolument.

Pursuant to Art. 2402 of the Italian Civil Code and Art. 26.11 of the bylaws, the compensation of the Board of Statutory Auditors is determined by IGD's shareholders.

During the Annual General Meeting held on 1st June 2018, shareholders set the annual gross compensation for the Chairman of the Board of Statutory Auditors at €30,000.00 and the annual gross compensation of the Standing Auditors at €20,000.00.

The relative expenses incurred by the Statutory Auditors will also be reimbursed.

## // Sector II – Remuneration of the Board of Directors, the Board of Statutory Auditors, the General Manager and the Managers with Strategic Responsibilities in 2020

This part of the Remuneration Report contains the compensation owed the members of the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer, as well as the Managers with Strategic Responsibilities on aggregate, for 2020.

Pursuant to Art. 123-ter, paragraph 6, of TUF, the shareholders will pass a non-binding resolution for or against this part of the Compensation Report.

### Part One – Items comprising remuneration

A clear and comprehensive description of the items comprising the remuneration of the members of the Board of Directors, the Board of Statutory Auditors, and the Chief Operating Officer, as well as the aggregate amount paid to the Managers with Strategic Responsibilities in 2020, is provided in this section of Part II.

The compensation paid in 2020 is consistent with the remuneration policy approved during the Shareholders' Meeting held on 11 June 2020.

The remuneration of the Chief Executive Officer, the Chief Operating Officer, as well as the Managers with Strategic Responsibilities, is structured in such a way as to ensure that management's actions are aligned with the achievement of long-term results insofar as:

> The medium/long-term variable compensation incentivizes management to reach the goals of the Business Plan 2019-2021;

> The long-term variable component of remuneration accounts for a significant part of the total remuneration of the Company's management, and intends to strengthen the alignment of management's interest in achieving the most important goal, creating sustainable value for shareholders over the medium/long-term, as well as attract, motivate and retain highly skilled professionals, capable of successfully managing the Company and the Group.

# 1. REMUNERATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER, AS WELL AS THE AGGREGATE AMOUNT PAID TO THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

## 1.1 // Board of Directors

### 1.1.1 // Chief Executive Officer

In 2020 the Chief Executive Officer was Director Claudio Albertini.

Mr. Albertini was appointed Chief Executive Officer by IGD's Board of Directors on 6 June 2018 after the renewal of the Board of Directors was approved by shareholders during the AGM held on 1 June 2018.

Below is a description of the items comprising the Chief Executive Officer's remuneration in 2020:

> Fixed component, comprising:

> A yearly gross salary of €20,000.00 for acting as a member of the Board of Directors for the period 1 January 2020 and 31 December 2020, as resolved during the Shareholders' Meeting held on 1 June 2018;

> A yearly gross salary of €300,000.00 for acting as Chief Executive Officer for the period 1 January 2020 and 31 December 2020, as resolved during the Board of Directors meeting held on 6 June 2018. The amount of the fixed compensation was approved by the Board of Directors, as per the recommendations of the Nominations and Compensation Committee and after having consulted with the Board of Statutory Auditors in accordance with articles 25.1 of the corporate bylaws and 2389, paragraph 3, of the Italian Civil Code.

> Variable component: a significant part of the Chief Executive Officer's remuneration is linked to specific Company performance targets.

For 2020, the variable component of the remuneration was approved by the Board of Directors of 7 July 2020 based on the Nominations and Compensation Committee's proposal and following approval from the Board of Statutory Auditors, met on 16 June 2020.

More in detail, in 2020 the Chief Executive Officer received variable compensation comprising the components

described below.

#### Short term variable compensation

The short term variable compensation is equal to 75% of the total variable compensation - set at a maximum of 37.5% of the fixed remuneration determined by the Board of Directors.

In line with the Remuneration Policy approved by the Shareholders' Meeting held on 11 June 2020, payment of this bonus is subject to achieving predetermined performance targets: 25% of the short term variable compensation is linked to the consolidated EBITDA margin with a margin of plus or minus 1% with respect to the budget and 25% to the earnings per share with an increase versus the prior year, like-for-like excluding treasury shares, between 5% and plus 5%, in addition to further qualitative objectives, identified by the Board of Directors upon indications of the Nominations and Compensation Committee (for a percentage of the short term variable compensation equal to 25%).

Whether or not the targets have been reached will be verified by the Nominations and Remuneration Committee after IGD's draft separate and consolidated financial statements for 2020 have been approved by the Board of Directors. The verification referred to above is typically carried out in April of the following year.

Any bonus owed, for up to a maximum of 37.5% of the fixed compensation set by the Board of Directors, will be quantified and paid in 2021.

#### Medium-long term variable compensation

The medium-long term variable compensation as set by the previous plan LTIP 2019-2021 represents 25% of the total variable compensation and cannot exceed 12.5% of the fixed compensation set by the Board of Directors.

In line with the Remuneration Policy approved by the the Shareholders' Meeting held on 11 June 2020, payment of this bonus is subject to achieving the three-years economic-financial targets found in the 2019-2021 Strategic Plan (each of which represents 50% of the bonus), namely:

> The Loan to Value must be maintained below 45%;

> Cumulative FFO must amount to €258 million.

The Nominations and Compensation Committee must verify if the three-year targets above have been reached subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021.

For more information about the termination allowance payable in the event of early termination or if the mandate is not renewed, please refer to section 2 below.

Please note, lastly, that in 2020 the Chief Executive Officer received €75,000.00 gross in variable short-term compensation for 2019, after the Nominations and Compensation Committee verified that the performance targets provided in the Remuneration Policy for 2019 approved by the Shareholders' Meeting held on 10 April 2019, had been achieved.

### 1.1.2 // Chairman of the Board of Directors

The Chairman of the Board of Directors in 2020 was Elio Gasperoni.

Mr. Gasperoni was appointed Chairman of the Board of Directors by IGD's Board of Directors on 6 June 2018 after the renewal of the Board of Directors was approved by shareholders during the AGM held on 1 June 2018.

The Chairman's remuneration is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

The Chairman's total compensation comprises:

> A yearly gross salary of €20,000.00 for acting as a member of the Board of Directors for the period 1 January 2020 and 31 December 2020, as resolved during the Shareholders' Meeting held on 1 June 2018, as well as

> A yearly gross compensation of €75,000.00 for acting as Chairman during the period 1 January 2020 - 31 December 2020, as resolved during the Board of Directors meetings held on 6 June 2018.

No termination allowances will be recognized in the event the Chairmanship is terminated.

### 1.1.3 // Vice Chairman of the Board of Directors

The Vice Chairman's remuneration is not tied to the Company's economic results and, therefore, is comprised so-

lely of a fixed component.

The Vice Chairman of the Board of Directors in 2020 was the director Rossella Saoncella, appointed during the Board of Directors meeting held on 6 June 2018, after the renewal of the Board of Directors was approved by shareholders during the AGM held on 1 June 2018.

The total remuneration of the Vice Chairman is broken down as follows:

> A yearly gross salary of €20,000.00 for acting as a member of the Board of Directors for the period 1 January 2020 and 31 December 2020, as resolved during the Shareholders' Meeting held on 1 June 2018;

> Compensation of €25,000.00 for acting as Vice Chairman paid for the period 1 January 2020 and 31 December 2020, as resolved during the Board of Directors meeting held on 6 June 2018.

No termination allowances will be recognized in the event the Chairmanship is terminated.

### 1.1.4 // Other members of the Board of Directors

The remuneration of the members of the Board of Directors is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

IGD's Shareholders' Meeting on 1 June 2018 appointed IGD's Board of Directors comprised of the following directors: Claudio Albertini (Chief Executive Officer), Elio Gasperoni (Chairman), Rossella Saoncella (Vice Chairman), Luca Dondi Dall'Orologio, Elisabetta Gualandri, Sergio Lugaresi, Gian Maria Menabò, Livia Salvini, Timothy Guy Michele Santini, Alessia Savino and Eric Jean Véron.

On 5 November 2020 the Board of Directors coopted Isabella Landi to act as an independent, non-executive director in substitution of the director Sergio Lugaresi who tendered his resignation on 28 September 2020.

The Ordinary Shareholders' Meeting also set the annual gross compensation for each member of the Board of Directors at €20,000.00.

No termination allowances will be recognized in the event the Directorships are terminated.



## 1.1.5 // Members of the Board Committees

### 1.1.5.1 Control and Risk Committee

On 6 June 2018, the Board of Directors appointed Elisabetta Gualandri (Chairman), Luca Dondi Dall'Orologio and Sergio Lugaresi to serve as members of the Control and Risk Committee.

On 5 November 2020 the Board of Directors coopted Isabella Landi to act as an independent, non-executive director, as well as a member of the Control and Risk Committee, in substitution of the director Sergio Lugaresi who tendered his resignation on 28 September 2020.

The directors, members of the Control and Risk Committee, receive additional fixed compensation as resolved by the Board of Directors.

On 6 June 2018 the Board of Directors approved a gross compensation of €12,000.00 for the Chairman and €8,000.00 for each of the Committee members;

### 1.1.5.2 Committee for Related Party Transactions

The directors who are members of the Committee for Related Party Transactions receive an attendance fee for each Committee meeting attended.

In 2020 IGD's Committee for Related Party Transactions comprised directors Luca Dondi Dall'Orologio, Livia Salvini and Eric Jean Véron. During the meeting held on 26 July 2018 Committee for Related Party Transactions, appointed Luca Dondi Dall'Orologio Chairman of the Committee. On 6 June 2018 the Board of Directors set a gross attendance fee for each Committee meeting attended of €750.00.

More in detail, the Committee for Related Party Transactions met 2 times in 2020: on 30 October 2020 and on 17 December 2020. In 2020, therefore, all the members of the Committee for Related Party Transactions (Luca Dondi Dall'Orologio, Livia Salvini and Eric Jean Véron) received a gross compensation of €1,500.00 (for attending 2 meetings).

### 1.1.5.3 Nominations and Compensation Committee

The directors who are members of the Nominations and Compensation Committee receive an attendance fee for each Committee meeting attended.

In 2020 IGD's Nominations and Compensation Committee

comprised directors Rossella Saoncella (Chairman), Livia Salvini and Timothy Guy Michele Santini. On 6 June 2018 the Board of Directors set a gross attendance fee for each Committee meeting attended of €750.00.

More in detail, the Nominations and Compensation Committee met 5 times in 2020 on: 12 February 2020, 21 February 2020, 13 March 2020, 16 June 2020 and 30 October 2020. In 2020, therefore, all the members of the Nominations and Compensation Committee (Rossella Saoncella, Timothy Guy Michele Santini and Livia Salvini) received a gross compensation of €3,750.00 (for attending 5 meetings).

## 1.2 // Board of Statutory Auditors

The remuneration of the members of the Board of Statutory Auditors is not tied to the Company's economic results and, therefore, is comprised solely of a fixed component.

In 2020 IGD's Board of Statutory Auditors comprised: Anna Maria Allievi (Chairman), Daniela Preite and Roberto Chiusoli (Standing Auditors). During the Shareholders' Meeting held on 1 June 2018 shareholders set the annual gross compensation at €30,000.00 for the Chairman and €20,000.00 for the other Standing Auditors.

## 1.3 // Chief Operating Officer

In 2020 the Chief Operating Officer was Daniele Cabuli.

The compensation received by the Chief Operating Officer in 2020 can be broken down as follows:

- > Gross fixed salary: €190,522.00;
- > Gross non-cash benefits: €20,529.06;
- > Gross Variable compensation: €28,035.59 including the short-term portion and the portion stemming from the LTI 2019-2021 relative to 2020.

More in detail, in line with the Remuneration Policy approved by the the Shareholders' Meeting held on 11 June 2020, in 2020 the Chief Operating Officer's short term variable compensation –which represents 75% of the total variable compensation and cannot exceed 30% of the gross annual salary received in the previous year – was subject to reaching the following performance objectives: core business consolidated EBITDA margin with a deviation of plus or minus 1% with respect to the budget, for a percentage equal to 20% of the short term variable component; earnings per share levels, with an increase versus the prior year, like-for-like excluding treasury shares, of

plus or minus 5%, for a percentage equal to 5% of the short term variable component; and for 50% of the short term variable compensation, further two or more individual performance goals:

- > Total core business revenue must be in line with the budget,
- > FFO must be in line with budget.

Whether or not the targets have been reached will be verified by the Nominations and Compensation Committee after IGD's draft separate and consolidated financial statements for 2020 have been approved by the Board of Directors. The verification referred to above is typically carried out in April of the following year.

The Chief Operating Officer is also entitled to a bonus under the LTIP 2019-2021 – which represents 25% of the total variable compensation and may not exceed 10% of the FAR received for the three years prior to disbursement – subject to achieving the economic-financial targets found in the 3-years 2019-2021 Strategic Plan (each of which represents 50% of the bonus), namely:

- > The Loan to Value must be maintained below 45%; and
- > Cumulative FFO must amount to €258 million.

The Nominations and Compensation Committee must verify if the two-year targets above have been reached subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021.

There are no specific agreements in place which provide for a termination allowance in the event of termination, with the exception of the provisions found in section 2.

Please note, lastly, that in 2020 the Chief Operating Officer received €29,437.37 gross in variable short-term compensation for 2019, after the Nominations and Compensation Committee verified that the 2019 performance targets had been achieved.

## 1.4 // Managers with Strategic Responsibilities

In 2020 the Managers with Strategic Responsibilities have been identified among the members of the Company's

Operating Division; namely the director of Administration and Legal And Corporate Affairs, the director of the Asset Management, Development and Network Management, the director of Finance Division, and the director of Planning, Control and Investor Relations.

In accordance with current law governing individual disclosure, the components of the compensation paid to the Managers with Strategic Responsibilities are shown below in aggregate amounts as none of the Managers with Strategic Responsibilities received total compensation that was higher than the highest total compensation received by the members of the Board of Directors, the Board of Statutory Auditors or the Chief Operating Officer.

- > Gross fixed compensation: €559,764.39 (1);
- > Gross non-cash benefits: €64,069.59;
- > Gross variable compensation: €80,854.05 including the short-term portion and the portion stemming from the LTI 2019-2021 relative to 2020.

More in detail, in line with the Remuneration Policy approved by the the Shareholders' Meeting held on 11 June 2020, in 2020, the Managers with Strategic Responsibilities received variable short term compensation – which represents 75% of the variable compensation and may not exceed 30% of the FAR received for the year prior to disbursement – subject to achieving the following performance goals:

Core business consolidated EBITDA margin had to be in a range of between 1% higher or lower than the budgeted amount, for 20% of the variable component.

Short term: earnings per share had to be in a range of between 5% higher or lower than the prior year, like-for-like excluding treasury shares, for 5% of the variable component.

Short term: further two or more individual performance goals defined on the basis of the role of each Manager with Strategic Responsibilities, the strategic projects in which he/she was involved and the level of responsibility, for up to a maximum of the residual 50% of the variable component.

Whether or not the targets have been reached will be verified by the Nominations and Compensation Committee

(1). This component is all-inclusive: the possible compensation due for positions held in IGD's subsidiaries are subject to formal waiver and are fully repaid to the Company.

after IGD's draft separate and consolidated financial statements for 2020 have been approved by the Board of Directors. The verification referred to above is typically carried out in April of the following year.

The Managers with Strategic Responsibilities are also entitled to a bonus under the LTIP 2019-2021 – which represents 25% of the total variable compensation and may not exceed 10% of the FAR received for the three years prior to disbursement – subject to achieving the economic-financial targets found in the 2019-2021 Strategic Plan (each of which represents 50% of the bonus), namely:

- > The Loan to Value must be maintained below 45%;
- > Cumulative FFO must amount to €258 million.

The Nominations and Compensation Committee must verify if the two-year targets above have been reached subsequent to the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2021. The bonus payable, therefore, under the LTIP 2019 – 2021 will be paid in 2022.

There are no specific agreements in place which provide for a termination allowance in the event of termination, with the exception of the provisions found in section 2.

Please note, lastly, that in 2020 Managers with Strategic Responsibilities received €84,028.98 gross in variable short-term compensation for 2020, after the Nominations and Compensation Committee verified that the 2019 performance targets had been achieved.

## 2. TERMINATION ALLOWANCES

On 26 February 2019 the Board of Directors, in accordance with the recommendations of the Nominations and Compensation Committee, approved the following indemnities for the Chief Executive Officer in the event of termination: (i) a termination allowance equal to 15 months of the fixed salary paid to the Chief Executive Officer; (ii) another payment, after a non-compete agreement between the Company and the Chief Executive Officer has been signed, equal to 15 months of the fixed salary paid to the Chief Executive Officer. These amounts will be paid only if the event of (i) termination without just cause or if the mandate is not renewed; (ii) the CEO tenders just cause resignation.

Without prejudice to the above, the regulations for the LTIP, approved by Board of Directors on 27 February 2020, based on the proposal of the Nominations and Compensation Committee and the favorable opinion of the Board of Statutory Auditors, relative to the Chief Executive Officer, the Chief Operating Office and the Managers with Strategic Responsibilities, governs the impact of termination or resolution of the employment contract.

More in detail, the LTIP governs situations involving:

- (i)** Termination by mutual consent, with the written agreement of IGD
- (ii)** Termination of one of the Plan beneficiaries without just cause pursuant to art. 2119 of the Italian Civil Code
- (iii)** Termination of one of the Plan beneficiaries for just cause pursuant to art. 2119 of the Italian Civil Code
- (iv)** Termination without just cause or just cause resignation tendered by the Chief Executive Officer.

In the above instances, the indemnity will be recalculated and the performance targets will be redefined on the basis of the amount of time the party was part of the Company or among the scope of the beneficiaries considered over the lifetime of the 2016-2018 Business Plan. No indemnity will be paid in the event of termination for just cause pursuant to and in accordance with art. 2119 of the Italian Civil Code and termination with cause or unjustified resignation pursuant to art. 2119 of the Italian Civil Code of one of the Plan beneficiaries, or in the event of termination with cause or resignation without cause of a director.

With regard to the Chief Operating Officer and the Managers with Strategic Responsibilities, if the working relationship is terminated – for whatever reason – any severance will be paid in accordance with the national labor contract for managers of cooperatives, without prejudice to any prior individual agreements still in effect at the date upon which this report was presented. In the event the working relationship with the Chief Operating Officer and the Managers with Strategic Responsibilities is terminated, any settlements and/or indemnities other than those expressly provided for in this Policy, will be the subject of a prior opinion and/or proposal of the Nominations and Compensation Committee and the Committee for Related Party Transactions, as well as resolved upon by the Board of Directors, without prejudice to compliance, when applicable, with CONSOB Regulation n. 17221 of 12 March 2010 and the Company's Procedure for Related Party Transactions.

## 3. EXCEPTIONS TO THE REMUNERATION POLICY

In 2020 no unusual circumstances emerged such that exceptions needed to be made to the Remuneration Policy approved during the Shareholders' Meeting held on 11 June 2020.

## 4. ADJUSTMENTS OF THE VARIABLE COMPONENT

In 2020 no corrections were made to the variable components of compensation after the fact.

## 5. COMPARISON FIGURES

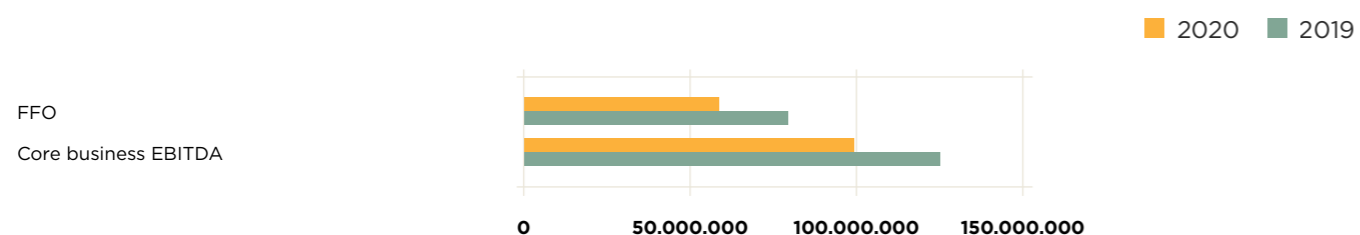
The following information relative to 2019 and 2020 is detailed in the following table:

**a)** Total remuneration of the Directors, Standing Auditors and the Company's Chief Operating Officer;

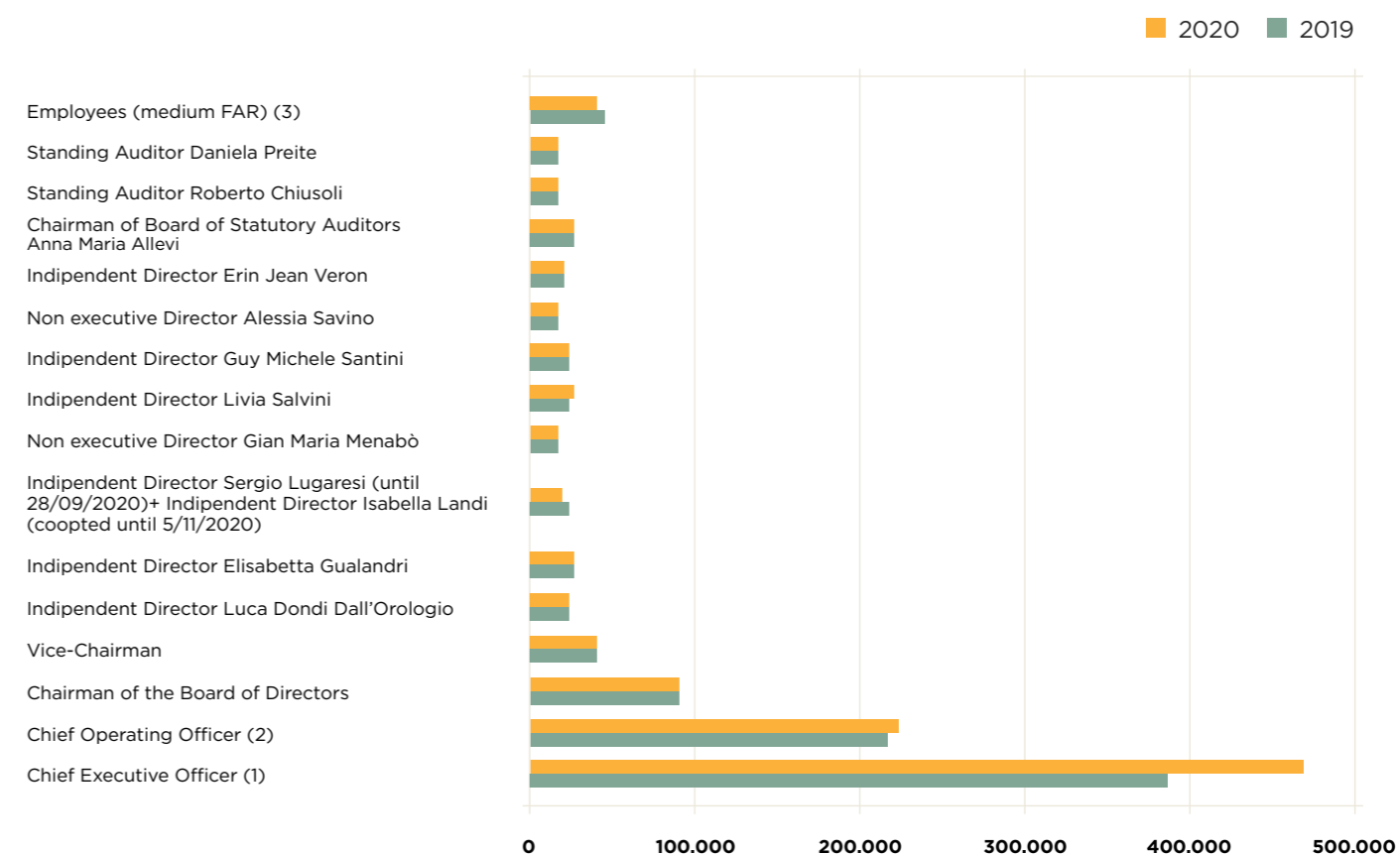
**b)** The Company's results (core business EBITDA, FFO);

**c)** Total average annual gross compensation for full-time Group personnel employed at I 31.12.2020, other than those listed in a) above.

### > COMPARISON INFORMATION



### > COMPARISON INFORMATION



**(2).** The Chief Executive Officer's total remuneration for 2020 includes an estimate of (a) the maximum amount payable as short term variable compensation, for up to a maximum of 37.5% of the 2020 fixed compensation (the annual compensation of € 300,000.00 payable to the Chief Executive Officer approved by the BoD) and (b) the maximum amount payable in 2020 under the LTIP 2019-2021 to the Chief Executive Officer, for up to a maximum of 12.50% of the fixed compensation, subject to reaching certain economic-financial targets indicated in the Strategic Plan 2019-2021 (each of which comprises 50% of the bonus), namely: (i) the Loan to Value must be maintained below 45%, and (ii) cumulated FFO equal to € 258 million must be achieved. Whether or not the targets of the LTIP 2019-2021 have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved by the Board of Directors. The bonus will be paid in 2022.

> Part Two - Tables

The compensation paid to the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer and the Managers with Strategic Responsibilities is shown in the following tables, including the amounts paid to parties who held these positions even for just a short period during the year.

> TABLE 1: COMPENSATION PAID TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE CHIEF OPERATING OFFICER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

IGD'S BOARD OF DIRECTORS													
Name	Office	Dates in office	End of term		Fixed compensation in €	Compensation for committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowance
							Bonuses and other incentives	Profit sharing					
Elio Gasperoni	Director and Chairman BoD	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 95,000						€ 95,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 95,000</b>					<b>€ 95,000</b>			
Claudio Albertini	Chief's Executive Officer	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 320,000		€ 150,000 <sup>(3)</sup>				€ 470,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 320,000</b>		<b>€ 150,000</b>			<b>€ 470,000</b>			
Rossella Saoncella	Vice Chairman and Chairman of NCC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 45,000	€ 3,750					€ 48,750		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 45,000</b>	<b>€ 3,750</b>				<b>€ 48,750</b>			
Luca Dondi Dall'Orologio	Director and member of CRC and Chairman of RPC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000	€ 9,500					€ 29,500		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>	<b>€ 9,500</b>				<b>€ 29,500</b>			
Elisabetta Gualandri	Director and Chairman RCC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000	€ 12,000					€ 32,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>	<b>€ 12,000</b>				<b>€ 32,000</b>			

(3). This item includes an estimate of (a) maximum amount payable as short term variable compensation, for up to a maximum of 37.5% of the 2020 fixed compensation (the annual compensation of € 300,000.00 payable to the Chief Executive Officer approved by the BoD) and (b) the maximum amount payable in 2020 under the LTIP 2019-2021 to the Chief Executive Officer; for up to a maximum of 12.50% of the fixed compensation, subject to reaching certain economic-financial targets indicated in the Strategic Plan 2019-2021 (each of which comprises 50% of the bonus), namely: (i) the Loan to Value must be maintained below 45%, and (ii) cumulated FFO equal to € 258 million must be achieved. Whether or not the targets of the LTIP 2019-2021 have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved by the Board of Directors. The bonus will be paid in 2022.



IGD'S BOARD OF DIRECTORS

Name	Office	Dates in office	End of term		Fixed compensation in €	Compensation for committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowance
							Bonuses and other incentives	Profit sharing					
Sergio Lugaesi	Director and member of RCC	01/01/2020 28/09/2020	Approval of 2020 financial statements	Compensation from IGD	€ 14,972.68 <sup>(4)</sup>	€ 5,989.07 <sup>(5)</sup>					€ 20,961.75		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 14,972.68</b>	<b>€ 5,989.07</b>				<b>€ 20,961.75</b>			
Gian Maria Menabò	Director	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000						€ 20,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>				<b>€ 20,000</b>				
Livia Salvini	Director and member of RNC and RPC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000	€ 5,250					€ 25,250		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>	<b>€ 5,250</b>			<b>€ 25,250</b>				
Timothy Guy Michele Santini	Director and member of RNC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000	€ 3,750					€ 23,750		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>	<b>€ 3,750</b>			<b>€ 23,750</b>				
Alessia Savino	Director	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000						€ 20,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>				<b>€ 20,000</b>				
Eric Jean Véron	Director and member of RPC	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000	€ 1,500					€ 21,500		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>	<b>€ 1,500</b>			<b>€ 21,500</b>				
Isabella Landi	Director and member of RCC	05/11/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 3,114.75 <sup>(6)</sup>	€ 1,245.90 <sup>(7)</sup>					€ 4,360.65		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 3,114.75</b>	<b>€ 1,245.90</b>			<b>€ 4,360.65</b>				

(4). This is the remuneration received pro rata temporis for the office of director until 28 September 2020, the date of his resignation.  
(5). This is the remuneration received pro rata temporis for the office of member of the RCC until 28 September 2020, the date of his resignation.

(6). This is the remuneration received pro rata temporis for the office of director from 5 November 2020, the date of her appointment by IGD's Board of Directors.

(7). This is the remuneration received pro rata temporis for the office of member of the RCC from 5 November 2020, the date of her appointment by IGD's Board of Directors.

BOARD OF STATUTORY AUDITORS IN OFFICE

Name	Office	Dates in office	End of term		Fixed compensation in €	Compensation for committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowance
							Bonuses and other incentives	Profit sharing					
Anna Maria Allievi	Chairman	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 30,000						€ 30,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 30,000</b>					<b>€ 30,000</b>			
Roberto Chiusoli	Statutory Auditor	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000						€ 20,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>					<b>€ 20,000</b>			
Daniela Preite	Statutory Auditor	01/01/2020 31/12/2020	Approval of 2020 financial statements	Compensation from IGD	€ 20,000						€ 20,000		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20,000</b>					<b>€ 20,000</b>			

CHIEF OPERATING OFFICER AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

Name	Office	Dates in office	End of term		Fixed compensation in €	Compensation for committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowance
							Bonuses and other incentives	Profit sharing					
Daniele Cabuli	Chief Operating Officer			Compensation from IGD	€ 190,522.00			€ 28,035.59 <sup>(8)</sup>		€ 20,529.06 <sup>(9)</sup>	€ 239,086.65		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 190,522.00</b>					<b>€ 28,035.59</b>		<b>€ 20,529.06</b>	<b>€ 239,086.65</b>
Managers with Strategic Responsibilities (n 4)				Compensation from IGD	€ 559,764.39			€ 80,854.05 <sup>(10)</sup>		€ 64,069.59 <sup>(11)</sup>	€ 704,688.03		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 559,764.39</b>					<b>€ 80,854.05</b>		<b>€ 64,069.59</b>	<b>€ 704,688.03</b>

(8). This is an estimate of the variable compensation for 2020, including both the short term portion and the portion relating to the LTIP 2019-2021 for 2020.

(9). This refers to the insurance premiums paid yearly for supplementary assistance (life insurance policies and insurance for permanent disabilities) called for in the national labor contract for managers of cooperative businesses and subsequent agreements.

(10). This is an estimate of the variable compensation for 2020, including both the short term portion and the portion relating to the LTIP 2019-2021 for 2020.

(11). This refers to the insurance premiums paid yearly for supplementary assistance (life insurance policies and insurance for permanent disabilities) called for in the national labor contract for managers of cooperative businesses and subsequent agreements.

The compensation paid to the Chief Executive Officer, the Chief Operating Officer and the Managers with Strategic Responsibilities is detailed in the following table.

> TABLE 2: MONETARY INCENTIVE PLANS FOR THE CHIEF EXECUTIVE OFFICER, THE CHIEF OPERATING OFFICER AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

Name and Surname	Office	Plan	Yearly bonus		Bonus of previous years			Other bonus
			Payable/Paid	Deferred	Deferment period	No longer payable	Payable/Paid	
Claudio Albertini	CEO	2020 short term variable compensation	€ 120,000.00 <sup>(12)</sup>					
		Compensation from IGD	LTIP Plan 2019-2021	€ 30,000 <sup>(13)</sup>				€ 30,000 <sup>(14)</sup>
			2019 short term variable compensation			€ 75,000 <sup>(15)</sup>		
		Compensation from subsidiaries and affiliates						
		<b>Total</b>	€ 150,000			€ 75,000	€ 30,000	
Daniele Cabuli	COO	2020 short term variable compensation	€ 28,035.59 <sup>(16)</sup>					
		Compensation from IGD	LTIP Plan 2019-2021	€ 0 <sup>(17)</sup>				€ 14,017.80 <sup>(18)</sup>
			2019 short term variable compensation			€ 29,437.37 <sup>(19)</sup>		
		Compensation from subsidiaries and affiliates						
		<b>Total</b>	€ 28,035.59			€ 29,437.37	€ 14,017.80	
Managers with Strategic Responsibilities (n. 4)		2020 short term variable compensation	€ 80,854.05 <sup>(20)</sup>					
		Compensation from IGD	LTIP Plan 2019-2021	€ 0 <sup>(21)</sup>				€ 39,740.70 <sup>(22)</sup>
			2019 short term variable compensation			€ 84,028.98 <sup>(23)</sup>		
		Compensation from subsidiaries and affiliates						
		<b>Total</b>	€ 80,854.05			€ 84,028.98	€ 39,740.70	

(12). Whether or not the performance targets for 2020 have been reached will be verified after IGD's draft separate and consolidated financial statements for 2020 have been approved. The bonus will be paid in 2021. In 2020 the Chief Executive Officer received € 75,000.00 gross in short term variable compensation for 2019, as reported in the table.

(13). This amount refers to the medium-long term variable compensation estimated and referred to 2020 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(14). This amount refers to the medium-long term variable compensation estimated and referred to 2019 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(15). This amount refers to the short term variable compensation for 2019 paid in 2020.

(16). This amount refers to the estimated short term variable compensation payable to the Chief Operating Officer for 2020. Whether or not the performance goals for 2020 have been reached will be verified after IGD's draft separate and consolidated financial statements for 2020 have been approved. The bonus will be paid in 2021.

(17). This amount refers to the medium-long term variable compensation estimated and referred to 2020 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(18). This amount refers to the medium-long term variable compensation estimated and referred to 2019 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(18). This amount refers to the short term variable compensation for 2019 paid in 2020.

(20). This amount refers to the estimated short term variable compensation payable to the Managers with Strategic Responsibilities for 2020. Whether or not the performance goals for 2020 have been reached will be verified after IGD's draft separate and consolidated financial statements for 2020 have been approved. The bonus will be paid in 2021.

(21). This amount refers to the medium-long term variable compensation estimated and referred to 2020 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(22). This amount refers to the medium-long term variable compensation estimated and referred to 2019 following the LTIP 2019-2021, subject to the achievement of economic-financial targets of the Strategic Plan 2019-2021. Whether or not the targets have been reached will be verified by the NCC after IGD's draft separate and consolidated financial statements for 2021 have been approved. The bonus will be paid in 2022.

(23). This amount refers to the short term variable compensation for 2019 paid in 2020.

**// Sector III: Information on the interests held by the members of the Board of Directors, the Board of Statutory Auditors, the Chief Operating Officer and the Managers with Strategic Responsibilities**

The following table shows the interests held by the members of the Board of Directors and the Board of Statutory Auditors in IGD and its subsidiaries.

**> BOARD OF DIRECTORS CURRENTLY IN OFFICE AT 31/12/2020**

Name	Office	Company in which interest is held	N. of shares held at the end of 2019	No. of shares purchased	No. of shares sold	No. of shares held at the end of 2020
Elio Gasperoni	Chairman					
Claudio Albertini	Chief Executive Officer		<b>20,355</b>			<b>20,355</b>
Rossella Saoncella	Vice Chairman					
Luca Dondi Dall'Orologio	Director					
Elisabetta Gualandri	Director		<b>950</b>			<b>950</b>
Sergio Lugaresi <sup>(24)</sup>	Director					
Gian Maria Menabò	Director					
Livia Salvini	Director					
Timothy Santini	Director					
Alessia Savino	Director					
Eric Jean Véron	Director					

**> BOARD OF STATUTORY AUDITORS CURRENTLY IN OFFICE AT 31/12/2020**

Name	Office	Company in which interest is held	N. of shares held at the end of 2019	No. of shares purchased	No. of shares sold	No. of shares held at the end of 2020
Anna Maria Allievi	Chairman					
Roberto Chiusoli	Statutory Auditors					
Daniela Preite	Statutory Auditors					

<sup>(24)</sup>. Sergio Lugaresi held the office of Director until 28 September 2020.

The following table shows the interests held by the Chief Operating Officer in IGD and its subsidiaries.

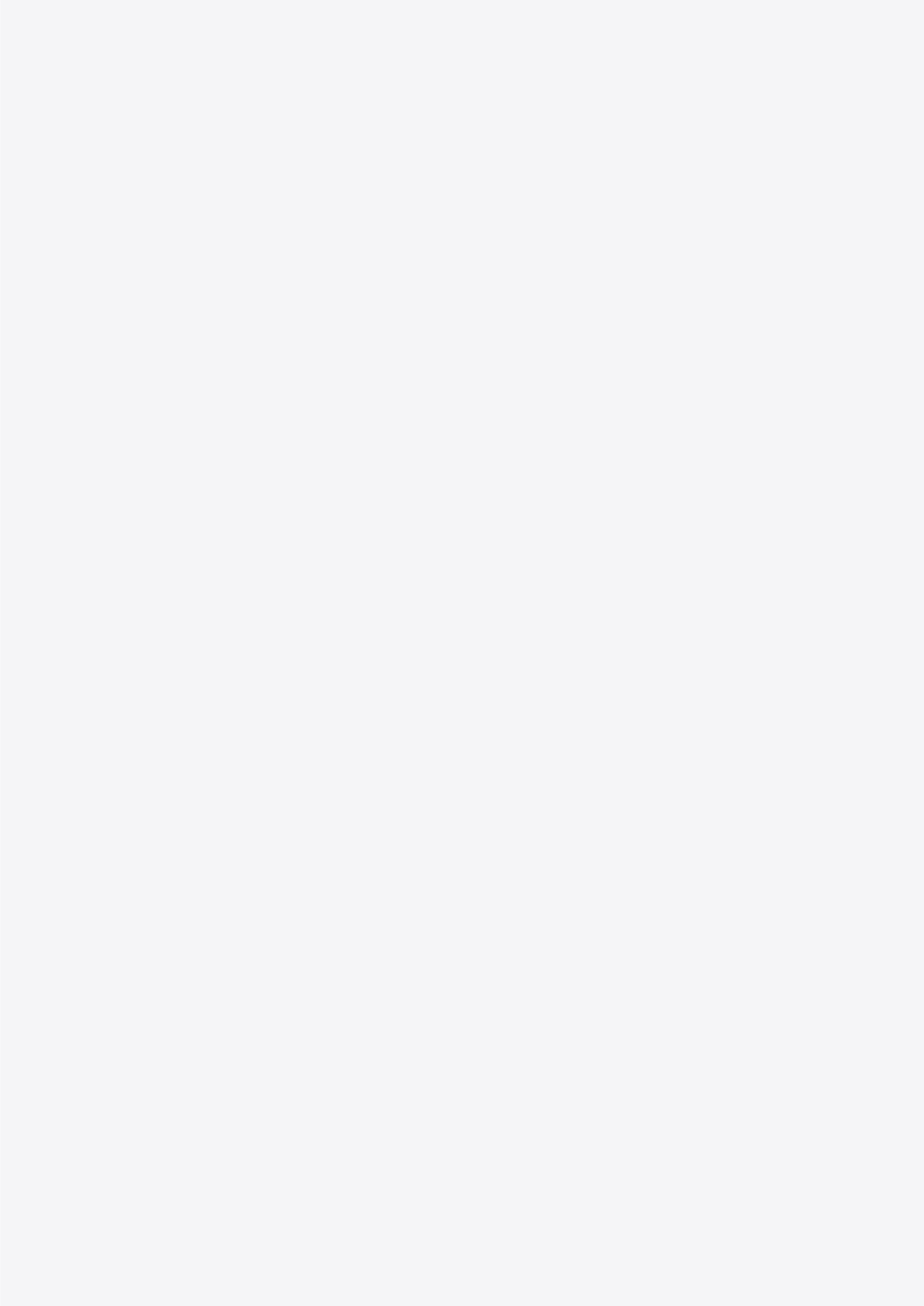
Name	Office	Company in which interest is held	N. of shares held at the end of 2019	No. of shares purchased	No. of shares sold	No. of shares held at the end of 2020
Daniele Cabuli	Chief Operating Officer	IGD	<b>17,640</b>			<b>17,640</b>

The following table shows the interests held by Managers with Strategic Responsibilities in IGD and its subsidiaries.

N. of Managers with Strategic Responsibilities	Office	N. of shares held at the end of 2019	No. of shares purchased	No. of shares sold	No. of shares held at the end of 2020
<b>4</b>	IGD	<b>29,268 <sup>(25)</sup></b>	<b>4.300</b>		<b>33,568</b>

<sup>(25)</sup>. This number includes the IGD's shares held at 31 December 2019 by the current Managers with Strategic Responsibilities.







info@gruppoigd.it  
+39 051 509111

Via Trattati Comunitari Europei  
1957-2007, n. 13 40127 Bologna



[www.gruppoigd.it](http://www.gruppoigd.it)