

Immobiliare Grande Distribuzione  
Società di Investimento Immobiliare Quotata S.p.A.  
abbreviated IGD SIIQ SpA

# REPORT ON THE 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)

**FISCAL YEAR 2022**

**Approved by the Board of Directors on February 23<sup>rd</sup> 2023**

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





## // REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID

---

### SECTION I

Remuneration Policy

### SECTION II

Remuneration of the members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities for 2022

## // GLOSSARY

### // Budget 2023

The budget for the year 2023 approved by the Board of Directors on 23 February 2023.

### // Business Plan 2022-2024

The business plan for the years 2022-2024 approved by the Board of Directors on 14 December 2021.

### // 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.

### // EBITDA

Earnings Before Interests, Taxes, Depreciation and Amortization.

### // 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).

### // FFO

Funds from Operations.

### // Group

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

### // IGD/the Company/the Parent Company

Immobiliare Grande Distribuzione SIIQ S.p.A.

### // KPI

Key Performance Indicator.

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

A medium/long-term incentive plan tied to targets in the 2021-2024 Business Plan.

### // LTV

Loan To Value.

### // 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.

### // Recipients

Group Directors, the Chief Executive Officer and the Managers with Strategic Responsibilities.

### // Regulations for Issuers

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

### // Remuneration Policy

The remuneration policy approved by the Board of Directors on 23 February 2023, described in Part I of this Report, that the Company intends to adhere to this year.

### // Report: the Report on the Remuneration Policy and Compensation Paid

Comprising Section I, the Remuneration Policy, and Section II, which described the compensation paid (or to be paid) for the prior year, in accordance with the policy in effect at the time.

### // Top Management

The Managers with Strategic Responsibilities in IGD.

### // TSR

Total Shareholder Return (%) =  $[(CP-PP)+Div]/PP$ , where:

CP (Current Price) is calculated as IGD's average share price in 2024.

PP (Purchase Price) is calculated as IGD's average share price in 2021.

Div: Total dividends paid in the period 2022-2024.

### // TUF

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



## // RELAZIONE SULLA REMUNERAZIONE

### INDICE DETTAGLIATO

	<b>SECTION I: Remuneration Policy</b>	<b>8</b>	1.2	<b>Board of Statutory Auditors</b>	<b>22</b>
1	<b>Remuneration policy</b>	<b>8</b>	1.3	<b>Managers with Strategic Responsibilities</b>	<b>23</b>
2	<b>Pay policy for members of the Board of Statutory Auditors</b>	<b>19</b>	2	<b>Termination allowances</b>	<b>25</b>
	<b>SECTION II - Remuneration of the members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities for 2022</b>	<b>20</b>	3	<b>Exceptions to the Remuneration Policy</b>	<b>26</b>
1	<b>Remuneration paid to the members of the Board of Directors, the Board of Statutory Auditors as well as the aggregate amount paid to the Managers with Strategic Responsibilities</b>	<b>20</b>	4	<b>Adjustments of the variable compensation</b>	<b>26</b>
			5	<b>Comparison figures</b>	<b>27</b>
				<b>Tables</b>	<b>28</b>
1.1	<b>Board of Directors</b>	<b>20</b>			
1.1.1	Chief Executive Officer	20			
1.1.2	Chair of the Board of Directors	21			
1.1.3	Vice Chair of the Board of Directors	21			
1.1.4	Other members of the Board of Directors	22			
1.1.5	Members of the Board Committees	22			
1.1.5.1	Control and Risk Committee	22			
1.1.5.2	Related Party Transactions Committee	22			
1.1.5.3	Nominations and Compensation Committee	22			

## // Section I: Remuneration Policy

### 1. 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

The Remuneration Policy – Section I of the Report – pursuant to Art. 123-ter of TUF is subject to the binding approval of the shareholders as resolved during the Annual General Meeting held to approve the FY financial statements.

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), after having consulted with the Board of Statutory Auditors.

The Nominations and Compensation Committee is chiefly responsible for the correct implementation of the Remuneration Policy, along with 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

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 or compensation policies as assessed by the Board of Directors upon appointment.

On 20 April 2021, the Board of Directors appointed independent directors Timothy Guy Michele Santini (Chair), Rossella Schiavini and Silvia Benzi to the Nominations and Compensation Committee.

The Nominations and Compensation Committee submit-

ts 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 the Group.

The Nominations and Compensation Committee has the following functions:

> In relation to nominations, assists the Board of Directors with the following:

a) Self-assessment of the Board of Directors and its committees;

b) Determines the optimal composition of the Board of Directors and its committees;

c) Selects candidates to be co-opted to the Board;

d) Prepares, updates and implements succession plans for the Chief Executive Officer and any Executive Directors<sup>1</sup>;

> In relation to remuneration:

e) Assists the Board of Directors with the drafting of the Remuneration Policy;

f) Submits proposals or expresses opinions to the Board of Directors regarding remuneration of the Chief Executive Officer and other Directors holding special offices, as well as the performance targets linked to variable compensation that are predetermined, measurable and linked, to a significant extent, to long-term results<sup>2</sup>;

g) Monitors the application of the Remuneration Policy and, more specifically, verifies that the targets were actually reached;

h) Assesses periodically the adequacy and the overall coherence of the Remuneration Policy for the directors and top management<sup>3</sup>.

As well as,

i) Expresses opinions to the Board regarding the compensation of the Chair, Vice Chair and/or Chief Executive Officers and/or General Managers of the subsidiaries deemed strategic based on the proposals submitted by the Chair and the Parent Company's Chief Executive Officer;

j) Expresses opinions to the Board of Directors regarding temporary exceptions to the Remuneration Policy in light of exceptional circumstances after having complied with the Procedure for Related Party Transactions;

k) Expresses opinions on the proposals regarding the overall compensation to be paid to the Board members of the subsidiaries;

l) Reports 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 ensures adequate functional and operational ties with the relative corporate structures.

#### Activities of the Nominations and Compensation Committee

The Nominations and Compensation Committee generally carries out the following activities:

> Assists with the Board of Directors' self-assessment;

> Verifies the adequacy and overall coherence of the Remuneration Policy for directors and top management;

> Monitors the application of the Remuneration Policy and verifies that the performance targets were actually reached;

> Submits proposals relative to the implementation of the Remuneration Policy, particularly with regard to the performance targets set in the short-term and medium/long-term incentive plans;

> Expresses opinions to the Board regarding the compensation of the Chair, Vice Chair and/or Chief Executive Officers and/or General Managers of the subsidiaries deemed strategic based on the proposals submitted by the Chair and the Parent Company's Chief Executive Officer;

> In-depth analysis, including through benchmarking: i) of

the pay positioning of the recipients of the Remuneration Policy, ii) the effectiveness of the Remuneration Policy in terms of pay-for-performance and the contribution to achieving sustainable success, iii) the gender pay gap, iv) the policies relating to diversity and inclusion in the human resources management of all Group employees;

> Monitors the relative regulatory framework.

#### 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

The Board of Directors did not call upon any independent experts to assist with the preparation of the Remuneration Policy.

#### e) Purpose of the Remuneration Policy, underlying principles, duration and any changes in the Policy with respect to the last Policy approved by the shareholders

The Company's Remuneration Policy is key to 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 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 the performance of the Company and the Group.

For the other Directors, pursuant to Recommendation 29 of the Corporate Governance Code, the Remuneration Policy provides for compensation consistent with the exper-

(1). Recommendation n. 19 of the Corporate Governance Code.  
(2). Recommendation n. 27 of the Corporate Governance Code.  
(3). Recommendation n. 25 of the Corporate Governance Code.

tise, 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 23 February 2023, as proposed by the Nominations and Compensation Committee during the meetings held on 15 February 2023 and 21 February 2023.

The Remuneration Policy, which is reviewed each year, was updated to reflect the Group's three-year Business and Sustainability Plans as per the 2022-2024 Business Plan approved by the Board of Directors on 14 December 2021.

In light of the recommendations of the Corporate Governance Committee, the view expressed by the Proxy Advisor and the analysis of the compensation policies of a group European peer (Wereldhave, Carmila, EuroCommercial Properties, Klepierre and Mercialis), the Nominations and Compensation Committee proposed that the following changes be made to the Remuneration Policy which were approved during the Annual General Meeting (AGM) held on 14 April 2022:

> The weight of the **short-term variable component of the Chief Executive Officer's compensation, tied to reaching the following updated yearly performance targets, was reduced from 65% to 60%:**

> Consolidated core business EBITDA margin of 70.4% with a difference of plus or minus 100 bps with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

> Consolidated FFO of €53.5 million, with a difference of plus or minus 2%, with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

And is tied to reaching the following updated individual performance targets:

> Maintaining the unsolicited ESG ratings assigned by the independent agencies ISS, MSCI and Sustainalytics, Refinitiv in the prior year for 13.8% of the variable component;

> Overall improvement, with respect to the prior year, in the scores received for Section 6 (Involvement of the Board in risk strategies and governance) of the annual Board Review approved by

the Company's Board of Directors, for 4.6% of the variable component;

> The weight of the **variable component of the Chief Executive Officer's 3-year Long-Term Incentive Plan was increased from 35% to 40%** and is **subject to** reaching the economic-financial and ESG **targets referred to in the 2022-2024 Business Plan:**

> LTV of 43%, with a difference of plus or minus 2%, for 14.3% of the variable component;

> Minimum TSR of 50%, for 14.3% of the variable component;

> Average achievement of the 41 ESG targets in the 2022-2024 Business Plan above 85%, for 11.4% of the variable component.

> The weight of the **short-term variable component of the Managers with Strategic Responsibilities' compensation, tied to reaching the following updated yearly performance targets, was reduced from 65% to 60%:**

> Consolidated core business EBITDA margin of 70.4% with a difference of plus or minus 100 bps with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

> Consolidated FFO of €53.5 million, with a difference of plus or minus 2%, with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

And is tied to reaching two or more individual performance targets, defined yearly by the Chief Executive Officer, based on the Company's organizational structure, and in the light of the duties of each Manager, the strategic projects in which the manager is involved and the level of responsibility, for 18.5% of the variable component.

> The weight of the variable component of the **Managers with Strategic Responsibilities' 3-year Long-Term Incentive Plan was increased from 35% to 40%** and is subject to reaching the economic-financial and ESG targets referred to in the 2022-2024 Business Plan:

> LTV of 43%, with a difference of plus or minus 2%, for 14.3% of the variable component;

> Minimum TSR of 50%, for 14.3% of the variable component;

> Average achievement of the 41 ESG targets

in the 2022-2024 Business Plan above 85%, for 11.4% 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, with respect to the Chief Executive Officer, the Directors holding special offices, and the Managers with Strategic Responsibilities, the Remuneration Policy should provide for fixed and the variable compensation that is commensurate with the strategic goals, in the best long-term interest and sustainability of the Company, as well as the risk management policies, taking into account the characteristics of the business and the sector of operation.

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

> The fixed and variable components should be fairly balanced;

> The variable components should be a significant part of the total remuneration;

> 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.

In accordance with Recommendation 27, lett. a) of the Code and in light of the above, it is confirmed that the ratio of fixed to variable compensation of the Chief Executive Officer and the Managers with Strategic Responsibilities was determined based on the Company's strategic goals and in the best long-term interest and sustainability of the Company, as well as the risk management policies, taking into account the characteristics of the business and the sector of operation. The balance between the fixed

and the variable compensation is adequate and consistent with the Remuneration Policy.

With regard to the remuneration of the Executive Directors and/or the Directors holding special offices, the Board of Directors, as proposed by the Nominations and Compensation Committee, resolved that the Chief Executive Officer alone should receive variable compensation as the per the terms described below.

The remuneration of the other Directors comprises solely a fixed component, commensurate with the commitment asked of each director, including in light of the participation in Board committees. Given the nature of these assignments, no agreements relating to indemnities at the end of the mandate are envisaged.

Without prejudice to the rules for variable compensation outlined in this report, the employment relationship with Managers with Strategic Responsibilities is governed by the national labor contract for managers of cooperative businesses ("CCNL"), particularly with regard to non-cash benefits:

> For transfers which imply a change of residency, the following are paid:

> Moving costs;

> Additional cost for housing similar to the housing in the place of origin, for a period to be agreed upon between the parties and, at any rate, not less than 18 months (rent for proprietary homes in the place of origin will be established based on market rates);

> An indemnity of one month's pay or three month's pay if the manager has dependents.

> If the employment relationship is terminated, the employee severance (TFR) will be settled in accordance with the law;

> A notice of termination will be sent by the company 7 months in advance to employees who have been with the company for less than two years, an additional 15 days will be added for each extra year of service, for up to a maximum of 5 months. If the Manager does not receive a notice, the Manager is entitled to an indemnity equal to the compensation that would have been received;

> In the event of termination without just cause, the Manager is entitled to an indemnity of between 12 and 24 months of compensation. This indemnity is automatically increased to 8 months of pay in the event the Manager

has been with the company for more than 5 years or is between the age of 49 and 62 years old, with the exception of the Manager who is eligible for retirement.

> The Manager is entitled to the following forms of additional assistance:

> For on and off the job accidents. In the case of death or permanent disabilities, the indemnity will reach 5 or 6 times the FAR, respectively, for up to the maximum allowed under CCNL;

> Death for any reason. The indemnity decreases based on the age bracket as defined in the CCNL;

> Permanent disability due to sickness. If the disability exceeds the percentage defined in the CCNL, an indemnity defined in the CCNL will be paid;

> Supplementary health insurance for the Manager and close family members as defined in the CCNL which will be paid out of a specific provision.

> The Manager benefits from supplementary pension plans to which the amounts accrued are transferred as follows:

> By depositing all the TFR or 50% of the TFR (in the case of supplementary pension plans dated before 28/04/1993);

> Making additional voluntary contributions, based on the regulations of the pension fund selected.

Toward this end, the employer and the managers are responsible for making a total contribution of 7% of the annual compensation used to calculate the TFR, for up to a maximum €100,000.00 per annum, of which the employer is responsible for 6% and the manager 1%.

The Remuneration Policy, the **Chief Executive Officer's** remuneration comprises:

1) A **fixed portion** composed of:

> The compensation for each director approved during the Ordinary Shareholders' Meeting held when the Board of Directors was appointed; 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;

2) A variable portion to be established by the Board of Directors based on the proposal submitted by the Nominations and Compensation Committee, after having consulted with the Board of Statutory Auditors, linked to achieving certain performance targets, which follow:

(i) **for 60%, a short-term variable component**, tied to reaching yearly performance targets:

> Consolidated core business EBITDA margin of 70.4% with a difference of plus or minus 100 bps with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

> Consolidated FFO of €53.5 million, with a difference of plus or minus 2%, with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

and individual performance targets:

> Maintaining the unsolicited ESG ratings assigned by the independent agencies ISS, MSCI and Sustainalytics, Refinitiv in the prior year for 13.8% of the variable component;

> Overall improvement, with respect to the prior year, in the scores received for Section 6 (Involvement of the Board in risk strategies and governance) of the annual Board Review approved by the Company's Board of Directors, for 4.6% of the variable component;

The amount of the variable compensation will be determined based on the performance targets as follows:

> If the target is achieved 100% of the variable compensation owed will be paid, while;

> If the target fails to be reached, no variable compensation will be owed.

The KPI and targets for the short-term variable compensation of the Chief Executive Officer are shown below:

KPI - CEO			TARGET	
Short term variable remuneration portions	% change	% Gross Annual Earnings	Achieved	Not achieved
<b>Yearly performance targets</b>				
Core business consolidated EBITDA margin	20,8%	10,4%	> -100bp vs budget	< -100bp vs budget
<b>Yearly performance targets</b>				
Consolidated FFO	20,8%	10,4%	> -2% vs budget	< -2% vs budget
<b>Individual performance targets</b>				
Rating ESG unsolicited (ISS, MSCI, Sustainalytics, Refinitiv)	13,8%	6,9%	maintenance vs previous year	deterioration vs previous year
<b>Individual performance targets</b>				
Score of section 6 of the Board Review	4,6%	2,3%	improvement vs previous year	deterioration vs previous year
<b>Total</b>	<b>60,0%</b>	<b>30,0%</b>		

Based on the Compensation Policy, the **total short-term variable compensation payable to the Chief Executive Officer may not exceed 30% of the fixed salary** determined by the Board of Directors.

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not by 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 resolved upon by the Board of Directors during the next meeting held.

(ii) **For 40%, a three-year Long-Term Incentive Plan**, subject to achieving the updated economic-financial and ESG targets included in the 2022-2024 Business Plan, namely:

> LTV of 43%, with a difference of plus or minus 2%, for 14.3% of the variable component;

> Minimum TSR of 50%, for 14.3% of the variable component;

> Average achievement of the 41 ESG targets in the 2022-2024 Business Plan above 85%, for 11.4% of the variable component.

The amount of the variable compensation will be determined based on the economic-financial and ESG targets in the 2022-2024 Business Plan, as follows:

> If the target is achieved, 100% of the variable compensation owed will be paid, while;

> If the target fails to be reached, no variable compensation will be owed.

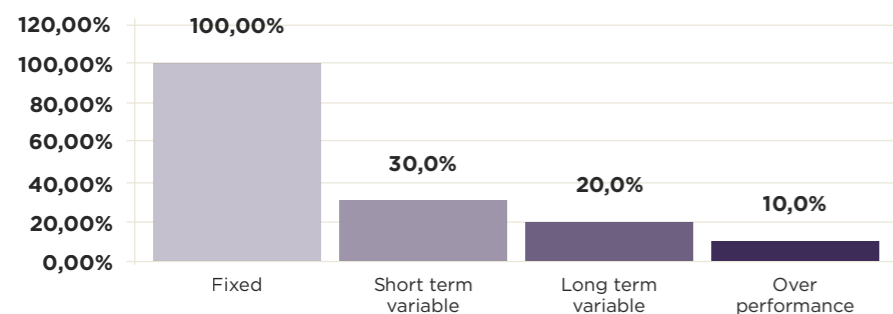
The KPI and targets for the variable compensation under the LTI Plan for the Chief Executive Officer are shown below:

KPI - CEO			TARGET	
Medium-long term variable remuneration portions	% change	% Gross Annual Earnings	Achieved	Not achieved
LTV (43%)	14,3%	7,1%	< +2%	> +2%
TSR	14,3%	7,1%	> 50%	< 50%
Average degree of achievement of the ESG targets of the 2022-2024 Business Plan	11,4%	5,7%	> 85%	< 85%
<b>Total</b>	<b>40,0%</b>	<b>20,0%</b>		

Based on the Remuneration Policy, the **variable compensation payable under the LTI Plan to the Chief Executive Officer may not exceed 20.0% of the fixed compensation approved by the Board of Directors** for the relative three-year period.

**3) Another variable component**, determined by the Board of Directors, as proposed by the Nominations and Remuneration Committee after having consulted with the Board of Statutory Auditors, **in the event of over-performance which amounts to 10.0% of the fixed compensation** approved by the Board of Directors in the three-year period. The over-performance incentive will be paid if the

> COMPONENTS OF THE REMUNERATION OF THE CEO



**Deferred payment**

The payment of the variable component to the Chief Executive Officer 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 **Managers with Strategic Responsibilities** comprises:

**1) A fixed component** which consists in the FAR (Fixed Annual Remuneration) called for in the individual contract signed by the Company and the Managers with Strategic Responsibilities which is 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;

**2) A variable component** tied to the achievement of the following performance goals:

(i) **For 60%, a short-term variable component, tied to**

Loan to Value called for at the end of the 2022 - 2024 Business Plan is below 40%, with a margin of +-2%.

The Nominations and Compensation Committee must previously verify if the medium/long-term and overperformance targets have been reached by the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2024, 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 resolved upon by the Board of Directors during the next meeting held.

**reaching yearly performance targets:**

> Consolidated core business EBITDA margin of 70.4% with a difference of plus or minus 100 bps with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

> Consolidated FFO of €53.5 million, with a difference of plus or minus 2%, with respect to the budget 2023, approved by the Board of Directors on 23 February 2023, for 20.8% of the variable component;

> Reaching two or more individual performance targets, defined by the Chief Executive Officer, based on the Company's organizational structure, in the light of the duties of each Manager, the strategic projects in which the manager is involved and the level of responsibility, for 18.5% of the variable component.

The amount of the variable compensation will be determined based on the performance targets as follows:

> If the target is exceeded, 100% of the variable compensation will be paid;

> If the target is achieved, 60% of the variable compensation will be owed;

> If the target fails to be reached, no variable compensation will be owed.

The KPIs and targets for the short-term variable compensation of the Managers with Strategic Responsibilities are shown below:

KPI - MANAGERS			TARGET		
Short term variable remuneration portions	% change	% Gross Annual Earnings	Exceeded	Achieved	Not achieved
<b>Yearly performance targets</b> Core business consolidated EBITDA margin	<b>20,8%</b>	<b>10,4%</b>	<b>&gt; +100bp vs budget</b>	<b>between -100bp and +100bp vs budget</b>	<b>&lt; -100bp vs budget</b>
<b>Yearly performance targets</b> Consolidated FFO	<b>20,8%</b>	<b>10,4%</b>	<b>&gt; +2% vs budget</b>	<b>between -2% and +2% vs budget</b>	<b>&lt; -2% vs budget</b>
<b>Individual performance targets</b>	<b>18,5%</b>	<b>9,2%</b>			
<b>Total</b>	<b>60,0%</b>	<b>30,0%</b>			

Based on the Compensation Policy, **the maximum short-term variable compensation payable to the Managers with Strategic Responsibilities may not exceed 30.0% of the FAR** paid to the manager at 31 December of the year prior to the one in which the variable compensation is paid.

Each year the Nominations and Compensation Committee must verify if the annual performance targets have been reached or not by 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.

Achievement of the individual performance targets will first be verified by the Chief Executive Officer, within the same timeframe - taking into account the Company's organizational structure, 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 resolved upon by the Board of Directors during the next meeting held.

(ii) **For 40%**, a three-year **Long-Term Incentive Plan** based on which payment of the bonus is tied to achieving the economic-financial and ESG targets found in the 2022-2024 Business Plan, namely:

> LTV of 43%, with a difference of plus or minus 2%, for 14.3% of the variable component;

> Minimum TSR of 50%, for 14.3% of the variable component;

> Average achievement of the 41 ESG targets in the 2022-2024 Business Plan above 85%, for 11.4% of the variable component.

The amount of the variable compensation will be determined based on the economic-financial and ESG targets in the 2022-2024 Business Plan, as follows:

> If the target is achieved, 100% of the variable compensation owed will be paid, while;

> If the target fails to be reached, no variable compensation will be owed.

The KPI and targets for the variable compensation under the LTI Plan for the Managers with Strategic Responsibilities are shown below:

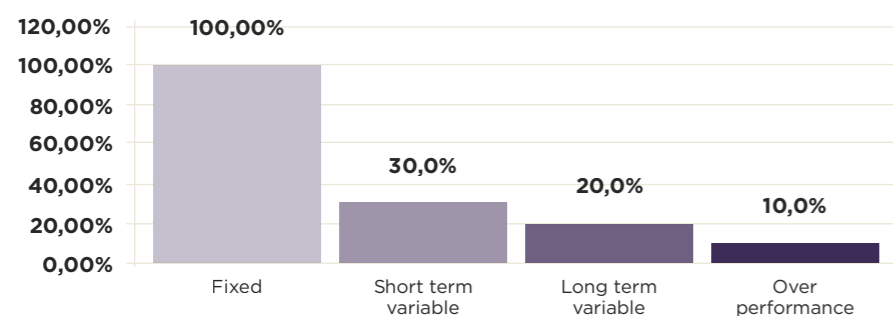
KPI - MANAGERS			TARGET	
Medium-long term variable remuneration portions	% change	% Gross Annual Earnings	Achieved	Not achieved
LTV (43%)	<b>14,3%</b>	<b>7,1%</b>	<b>&lt; +2%</b>	<b>&gt; +2%</b>
TSR	<b>14,3%</b>	<b>7,1%</b>	<b>&gt; 50%</b>	<b>&lt; 50%</b>
Average degree of achievement of the ESG targets of the 2022-2024 Business Plan	<b>11,4%</b>	<b>5,7%</b>	<b>&gt; 85%</b>	<b>&lt; 85%</b>
<b>Totale</b>	<b>40,0%</b>	<b>20,0%</b>		



Based on the Remuneration Policy, the **variable compensation payable under the LTI Plan to the Managers with Strategic Responsibilities may not exceed 20.0% of the Manager's FAR** for the relative three-year period.

**3)** Another **variable component in the event of over-performance which amounts to 10.0% of the FAR** received by the manager in the reference three-year period. The over-performance incentive will be paid if the Loan to Value called for at the end of the 2022 - 2024 Business Plan is below 40%, with a margin of +2%.

> COMPONENTS OF THE REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES



**Payment deferral**

The payment of the variable component to the Managers with Strategic Responsibilities 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.

**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 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 per-**

The Nominations and Compensation Committee must previously verify if the medium/long-term and overperformance targets have been reached by the date on which the Company's Board of Directors has approved the draft separate and consolidated financial statements for 2024, 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 resolved upon by the Board of Directors during the next meeting held.

**formance 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 economic-financial and ESG targets, as well as the creation of medium/long-term value for shareholders.

The targets were identified in the documents to be approved by the Board of Directors (2022-2024 Business Plan, separate financial statements, consolidated financial statements, annual board review), or in reports prepared by third parties, which allows for transparency in the calculations and various reports.

**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 goals, the numerical targets and the payment of the variable compensation have to be in line with the Company's risk management policy. The Remuneration Policy is key to the sustainable success of the Company.

The Company found the LTIP 2022-2024 (tied to the 2022-2024 Business Plan) to be the most effective way to focus management on the long-term creation of value for shareholders. Under the LTIP 2022-2024, in fact, the medium-long term compensation is payable only if the targets established have been reached at the end of the three-year period.

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

**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 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.

> As for the Managers with Strategic Responsibilities, in the instance of a consensual termination of employment,

without prejudice to the national labor contract for managers of cooperatives (specifically the part about severance payments), no termination allowances are provided for. 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.

With regard to the Managers with Strategic Responsibilities, in the event the work carried out or the position held within the Company should change and, as a result, the Manager is no longer counted among the recipients of the Remuneration Policy, an adjusted parameter will be used to calculate the incentive or redefine the performance targets based on the amount of time the Manager was a Remuneration Policy recipient for the purposes of the LTI Plan, without prejudice to the verification needed to determine if the targets set were achieved and actually pay the incentive.

More in detail:

> In the event of termination by mutual consent, with the written agreement of IGD, or termination without cause or just cause as per Art. 2119 of the Italian Civil Code or just cause resignation as per Art. 2119 of the Italian Civil Code, or termination of a directorship without just cause or just cause resignation by the director, the provisions of this Remuneration Policy will be applied, unless more favorable conditions were adopted by the Company;

> Termination with just cause pursuant to and in accordance with Art. 2119 of the Italian Civil Code and termination with cause or resignation without just cause of a Recipient pursuant to Art. 2119 of the Italian Civil Code or termination with just cause or resignation without just cause of a director, will result in the automatic exclusion from the Incentive Plan and, consequently, incentives not yet paid will be cancelled immediately and will, therefore, have no effect.

> A similar exclusion will be applied to Recipients who are in a period of notice following resignation or termination or subject to disciplinary proceedings pursuant to Art. 7 of Law n. 300/70

on the date of the Nominations and Remuneration Committee's target verification.

> Unless more favorable conditions have been adopted by the Company, a similar exclusion will be applied when, on the date of the Nominations and Remuneration Committee's target verification, the Recipient is on leave and/or suspended from the employment relationship for a period equal to or more than 3 months from said date, with the exception of maternity, paternity or parental leave.

The provisions of this section will be applied in the event the employment relationship, or the directorship, is terminated as a result of death, permanent disability or retirement.

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

The Chief Executive Officer, some directors, and the Managers with Strategic Responsibilities are not covered under insurance and pension plans, other than what is provided under the national labor contract for managers of cooperatives.

Please refer to letter *f*).

#### **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 Corporative Governance Code, considers all directors non executive with the exception of the Chief Executive Officer.

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 Chair 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 Chair of the Board of Directors and the Vice Chair 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**

Please refer to letter *e*).

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

The events that could impact the incentive system, to be evaluated case-by-case, may include: i) extraordinary transactions or capital transactions involving the Company and/or the Group, ii) regulatory changes which could impact the Group's business, or iii) any extreme market turbulence (including, for example, material changes in the national and international global market conditions or monetary policy) without prejudice to regulatory and legal constraints.

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 the Procedure for related party transactions adopted by the Company.

As a result of the Board of Directors' approval process, all the parties involved must abstain from participating in any Board discussions in this regard and voting on any subsequent resolutions.

Without prejudice to the above, 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.

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 15 April 2021,

shareholders set the annual gross compensation for the Chair 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.

## // Section II – Remuneration of the members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities for 2022

This part of the Remuneration Report contains the compensation owed the members of the Board of Directors, the Board of Statutory Auditors, as well as the Managers with Strategic Responsibilities for 2022.

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, as well as the aggregate amount paid to the Managers with Strategic Responsibilities in 2022, is provided in this section of Part II.

## 1. Remuneration paid to the members of the Board of Directors, the Board of Statutory Auditors 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 2022 the Chief Executive Officer was Director Claudio Albertini.

Mr. Albertini was appointed Chief Executive Officer by IGD's Board of Directors on 20 April 2021, after the renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

Below is a description of the items comprising the Chief Executive Officer's remuneration in 2022.

> **Fixed component**, comprising:

> A yearly gross salary of €20,000.00 for acting as a member of the Board of Directors, as resolved during the AGM held on 15 April 2021 and consistent with the resolution approved during the AGM held on 1 June 2018;

> A yearly gross salary of €300,000.00 for acting as Chief Executive Officer, as resolved during the Board of Directors meeting held on 20 April 2021 and consistent with the resolution approved during the meeting held on 6 June 2018. The amount of the fixed compensation

The remuneration of the Chief Executive 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;

> 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.

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.

#### Short-term variable compensation

With reference to FY 2022, the short-term variable compensation comprised 65% of the total variable compensation (compared to 75% in 2021), for up to a maximum of 32.5% (compared to 37.5% in 2021) of the fixed compensation determined by the Board of Directors.

Consistent with the Remuneration Policy approved by the AGM held on 14 April 2022, payment of this bonus is subject to achieving predetermined performance targets:

> Consolidated core business EBITDA margin with a difference of plus or minus 100 bps with respect to the budget approved by the Board of Directors on 14 December 2021

for 22.5% of the short-term variable compensation;

> Consolidated FFO with a difference of plus or minus 2% with respect to the budget approved by the Board of Directors on 14 December 2021 for 22.5% of the variable compensation;

and other qualitative objectives, such as:

> Improvement in at least 2 of the unsolicited ESG ratings assigned by the independent agencies with respect to the prior year, for 15% of the variable component;

> Overall improvement, with respect to the prior year, in the scores received by sections 7 (Strategy and goals) and 8 (Risk control and management) of the annual Board Review approved by the Company's Board of Directors, for 5% of the variable component.

Each year the Nominations and Compensation Committee must previously verify if the annual 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 resolved upon by the Board of Directors during the next meeting held.

#### Medium/long-term variable compensation

Based on the LTI Plan 2022-2024 medium/long-term variable compensation accounts for 35% (compared to 25% in 2021), of the total variable compensation and may not exceed 17.5% (compared to 12.5% in 2021) of the fixed compensation set by the Board of Directors.

Consistent with the Remuneration Policy approved during the AGM held on 14 April 2022, payment of this bonus is subject to achieving the three-year economic-financial targets found in the 2022-2024 Business Plan:

> LTV of 43%, with a maximum difference of plus or minus 2%, for 12.5% of the variable component;

> Minimum TSR of 50%, for 12.5% of the variable component;

> Average achievement of the 41 ESG targets in the 2022-2024 Business Plan above 85%, for 10% of the variable component.

Another variable component, determined by the Board of Directors, as proposed by the Nominations and Remune-

ration Committee after having consulted with the Board of Statutory Auditors, is paid in the event of over-performance and amounts to 10.0% of the fixed compensation (compared to 5% in 2021). This over-performance occurs when the Loan to Value called for at the end of the Business Plan is below 40%, with a margin of +-2%.

Each year the Nominations and Compensation Committee must previously verify if the three-year medium/long-term and the overperformance 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 2024, 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 resolved upon by the Board of Directors during the next meeting held.

Please refer to Art. 2 below for information on termination allowances.

#### 1.1.2. // Chair of the Board of Directors

In 2022 the Chair of the Board of Directors was Rossella Saoncella.

Ms. Saoncella was appointed Chair of the Board of Directors by IGD's Board of Directors on 20 April 2021, after the renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

The Chair'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, as resolved during the AGM held on 21 April 2021, as well as

> A yearly gross compensation of €75,000.00 for acting as Chair, as resolved during the Board of Directors meeting held on 20 April 2021.

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

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

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

In 2022 the Vice Chair of the Board of Directors was di-

rector Stefano Dall'Ara, appointed by IGD's Board of Directors on 20 April 2021, after the renewal of the Board of Directors was approved by shareholders during the AGM held on 15 April 2021.

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

- > A yearly gross salary of €20,000.00 for acting as a member of the Board of Directors as resolved during the AGM held on 15 April 2021, as well as
- > Compensation of €25,000.00 for acting as Vice Chair paid for the period, as resolved during the Board of Directors held on 20 April 2021.

No termination allowances will be recognized in the event the Vice Chairship 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.

During the AGM held on 15 April 2021 shareholders appointed IGD's Board of Directors comprised of the following directors: Claudio Albertini (Chief Executive Officer, appointed by the Board of Directors on 20 April 2021), Rossella Saoncella (Chair, appointed by the Board of Directors on 20 April 2021), Stefano Dall'Ara (Vice Chair appointed by the Board of Directors on 20 April 2021), Edy Gambetti, Antonio Rizzi, Silvia Benzi, Rossella Schiavini, Alessia Savino, Timothy Santini, Rosa Cipriotti, Robert-Ambroix Gery.

During IGD's AGM, held in ordinary session on 15 April 2021, shareholders 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

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

In 2022 the IGD's Control and Risk Committee comprised the independent directors Rossella Schiavini (Chair), Rosa Cipriotti and Antonio Rizzi were appointed members of the Control and Risk Committee by the Board on 21 April 2021.

On 20 April 2021 the Board of Directors approved a gross compensation of €12,000.00 for the Chair and €8,000.00 for each of the Committee members.

##### 1.1.5.2 Related Party Transactions Committee

The directors who are members of the Related Party Transactions Committee receive a gross attendance fee of €750.00 for each Committee meeting attended as determined by the Board of Directors on 20 April 2021.

In 2022 IGD's Related Party Transactions Committee comprised independent directors Antonio Rizzi (Chair) Silvia Benzi and Robert-Ambroix Gery.

More in detail, the Related Party Transactions Committee met 4 times in 2022: on 12 April 2022, 3 May 2022, 25 July 2022 and on 13 December 2022. In 2022, therefore, the members of the Related Party Transactions Committee, Antonio Rizzi and Robert-Ambroix Gery received gross compensation of €3,000.00 (for attending 4 meetings) and the member Silvia Benzi received a gross compensation of €2,250.00 (for attending 3 meetings).

##### 1.1.5.3 Nominations and Compensation Committee

The directors who are members of the Nominations and Compensation Committee receive a gross attendance fee of €750.00 for each Committee meeting attended as determined by the Board of Directors on 20 April 2021.

In 2022 IGD's Nominations and Compensation Committee comprised independent directors Timothy Santini (Chair), Rossella Schiavini and Silvia Benzi.

More in detail, the Nominations and Compensation Committee met 5 times in 2022, on 31 January, 18 February, 28 April, 29 July, 15 December.

In 2022, therefore, all the members of the Nominations and Compensation Committee received 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 2022 IGD's Board of Statutory Auditors comprised Gian Marco Committeri (Chair), Daniela Preite and Massimo Scarafuggi (Standing Auditors) and during the same meeting set the annual gross compensation at €30,000.00

for the Chair and €20,000.00 for the other Standing Auditors.

#### 1.3 // Managers with Strategic Responsibilities

The Managers with Strategic Responsibilities have been identified from among members of the Company's Operating Division; namely the director of Administration, Legal and Corporate Affairs, Contracts, HR and IT Carlo Barban, the director of the Asset Management, Development and Network Management, Roberto Zola, and the director of the Finance and Treasury Division, Andrea Bonvicini, the director of Planning, Control and Investor Relations, Raffaele Nardi and the Director of Commercial Department, Marketing and CSR, Laura Poggi.

In accordance with current law governing individual disclosure, the components of the compensation paid to the Managers with Strategic Responsibilities in 2022 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 and the Board of Statutory Auditors.

- > Gross fixed compensation: € 724,691.89 <sup>(4)</sup>;
- > Gross non-cash benefits: € 75,935.71;
- > Variable component: as indicated below.

With reference to FY 2022, the Managers with Strategic Responsibilities' short-term variable compensation represented 65% (compared to 75% in 2021) of the total variable compensation and could not exceed 32.5% of the FAR (compared to 30% in 2021).

Consistent with the Remuneration Policy approved during AGM held on 14 April 2022, payment of this incentive was subject to reaching the following performance objectives:

- > Consolidated core business EBITDA margin with a difference of plus or minus 100 bps with respect to the budget, approved by the Board of Directors on 14 December 2021, for 22.5% of the variable component;
- > Consolidated FFO with a margin of plus or minus 2%, with respect to the budget, approved by the Board of Directors on 14 December 2021, for

22.5% of the variable component;

- > Two or more individual performance targets, defined yearly by the Chief Executive Officer, based on the Company's organizational structure, in the light of the duties of each Manager, the strategic projects in which the manager is involved and the level of responsibility, for 20% of the variable component.

Each year the Nominations and Compensation Committee must verify if the annual 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 resolved upon by the Board of Directors during the next meeting held.

The Managers with Strategic Responsibilities are also beneficiaries under the LTI Plan 2022-2024 which accounts for 35% (compared to 25% in 2021) of the total variable compensation and may not exceed 17.5% (compared to 15% in 2021) of the FAR received in the three years prior to payment - subject to achieving the three-year economic-financial targets found in the 2022-2024 Business Plan:

- > LTV of 43%, with a maximum difference of plus or minus 2%, for 12.5% of the variable component;
- > Minimum TSR of 50%, for 12.5% of the variable component;
- > Average achievement of the 41 ESG targets in the 2022-2024 Business Plan above 85%, for 10% of the variable component.

Another variable component will be paid in the event of over-performance which amounts to 10.0% of the fixed compensation (compared to 5% in 2021). This over-performance occurs when the Loan to Value called for at the end of the Business Plan is below 40%, with a maximum margin of +-2%.

Each year the Nominations and Compensation Committee must verify if the three-year medium/long-term and

<sup>(4)</sup>. This is all encompassing; any compensation owed for assignments in companies controlled by IGD will be waived and are paid back to the company in full.

the overperformance 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 2024, 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 resolved upon by the Board of Directors during the next meeting held.

For more information about the termination allowances,

please refer to section 2 below.

No specific agreements are in place which call for the payment of an indemnity if the event of early termination of the employment relationships, with the exception of what is provided for in Art. 2 below.

## 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, this Policy governs the termination or resolution of the employment contract.

More in detail, 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)** Resignation 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. 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 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

At the approval date of this Report, no unusual circumstances emerged such that exceptions needed to be made to the Remuneration Policy approved during the Shareholders' Meeting held on 14 April 2022.

### 4. Adjustments of the variable compensation

In 2022 no corrections were made to the variable components of compensation, after the fact.

### 5. Comparison figures

The following information relative to 2020, 2021 and 2022 is detailed in the following table:

a) The Company's results;

b) Total remuneration of the Directors, Standing Auditors, the Company's Chief Operating Officer (for the term of

office held), and the managers with strategic responsibilities;

c) Total average annual gross compensation for full-time Group personnel employed full-time at 31.12.2022, other than those listed in b) above

€mln	2020	2021	2022
Core business EBITDA	99,4	107,0	103,4
Core business EBITDA MARGIN	65,4%	70,8%	71,6%
FFO	59,3	64,7	67,2
LTV	49,9%	44,8%	45,7%
EPS (€/share)	-0,67	0,48	-0,20
EPRA NAV NRV (€/share)	10,38	10,85	10,28

	2020	2021	2022
Chief Executive Officer (1)	338.750	451.250	436.250
Chief Operating Officer (2)	219.812	230.774	0
Managers with strategic responsibilities (3)	160.155	183.651	186.079
Rossella Saoncella (Vice-Chairman until 15.04.2021 and Chairman since 20-04.2021)	48.750	82.452	95.000
Vice -Chairman Stefano Dall'Ara	NA	31.836	45.000
Independent Director Silvia Benzi	NA	18.051	26.000
Independent Director Rosa Cipriotti	NA	19.912	28.000
Non-executive Director Edy Gambetti	NA	14.301	20.000
Independent Director Antonio Rizzi	NA	21.412	31.000
Independent Director Gery Robert-Ambroix	NA	15.801	23.000
Independent Director Guy Michele Santini	23.750	25.250	23.750
Non-executive Director Alessia Savino	20.000	20.000	20.000
Independent Director Rossella Schiavini	NA	24.968	35.750
Chairman of Board of Statutory Auditors Gian Marco Committeri	NA	21.452	30.000
Standing Auditor Daniela Preite	20.000	20.000	20.000
Standing Auditor Massimo Scarafuggi	NA	14.301	20.000
Employees (average Gross Annual Earnings) (4)	42.376	45.648	44.748

(1). The figure includes the short-term compensation and the long term compensation for the reference year.

(2). Starting from January 2022 the role of Chief Operating Officer has been deleted.

(3). The 2022 figure includes the short-term compensation and the long term compensation for the reference year, splitted for 5 executives. The 2021 figure includes the short-term compensation and the long term compensation for the reference year, splitted for 4 executives. The 2020 figure includes the short-term compensation and the long term compensation for the reference year, splitted for 4 executives.

(4). The figure comprises the contractual FAR (which includes all the fixed elements of compensation) of the personnel employed at 31.12.2022 (excluding the Executives) as well as the variable compensation foreseen for the reference year.

> Part Two - Tables

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

The compensation paid in 2022 to the Board of Directors, the Board of Statutory Auditors 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 of time during the year.

BOARD OF DIRECTORS						BOARD OF DIRECTORS							
First and last name	Office	Dates in office	End of term		Fixed compensation	Compensation for Committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowances
							Bonus and other incentives	Profit sharing					
Rossella Saoncella	Director and Chairman	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 95.000,00 <sup>(1)</sup>						€ 95.000,00		
				<b>Total</b>	<b>€ 95.000,00</b>					<b>€ 95.000,00</b>			
Claudio Albertini	Chief Executive Officer	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 320.000,00 <sup>(2)</sup>		€ 116.250,00 <sup>(3)</sup>				€ 436.250,00		
				Compensation from subsidiaries and affiliates									
<b>Total</b>				<b>Total</b>	<b>€ 320.000,00</b>		<b>€ 116.250,00</b>				<b>€ 436.250,00</b>		
Stefano Dall'Ara	Director and Vice-Chairman	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 45.000,00 <sup>(4)</sup>						€ 45.000,00		
				Compensation from subsidiaries and affiliates									
<b>Total</b>				<b>Total</b>	<b>€ 45.000,00</b>						<b>€ 45.000,00</b>		
Silvia Benzi	Director, Member of the NRC and Member of the RPC	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 6.000,00					€ 26.000,00		
				Compensation from subsidiaries and affiliates									
<b>Total</b>				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 6.000,00</b>					<b>€ 26.000,00</b>		
Rosa Cipriotti	Director, Member of the CCR	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 8.000,00					€ 28.000,00		
				Compensation from subsidiaries and affiliates									
<b>Total</b>				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 8.000,00</b>					<b>€ 28.000,00</b>		
Edy Gambetti	Director	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00						€ 20.000,00		
				Compensation from subsidiaries and affiliates									
<b>Total</b>				<b>Total</b>	<b>€ 20.000,00</b>						<b>€ 20.000,00</b>		

(1). Fixed emolument comprising (i) compensation for acting as a director, as resolved during the AGM held on 15 April 2021 (ii) the compensation paid for acting as Chair, as resolved by the Board of Directors on 20 April 2021.

(2). Fixed emolument comprising (i) compensation for acting as a director, as resolved during the AGM held on 15 April 2021 (ii) the compensation paid for acting as CEO, as resolved by the Board of Directors on 20 April 2021.

(3). This is the estimated amount of the variable component for 2022, both the short-term portion and the portion relative to the 2022-2024 LTI Plan.

(4). Fixed emolument comprising (i) the compensation for acting as a director, as resolved during the AGM held on 15 April 2021 and (ii) the compensation for acting as a Vice-Chair, as resolved during the Board of Directors held on 20 April 2021.

BOARD OF DIRECTORS

BOARD OF DIRECTORS

First and last name	Office	Dates in office	End of term		Fixed compensation	Compensation for Committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowances
							Bonus and other incentives	Profit sharing					
Antonio Rizzi	Director, Member of the RPC and Member of the CRC	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 11.000,00					€ 31.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 11.000,00</b>				<b>€ 31.000,00</b>			
Gery Xavier Didier Robert-Ambroix	Director, Member of the RPC	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 3.000,00					€ 23.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 3.000,00</b>				<b>€ 23.000,00</b>			
Timothy Guy Michele Santini	Director, Member of the NRC	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 3.750,00					€ 23.750,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 3.750,00</b>				<b>€ 23.750,00</b>			
Alessia Savino	Director	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00						€ 20.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>					<b>€ 20.000,00</b>			
Rossella Schiavini	Director, Member of the NRC and Member of the CRC	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00	€ 15.750,00					€ 35.750,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>	<b>€ 15.750,00</b>				<b>€ 35.750,00</b>			



BOARD OF STATUTORY AUDITORS

BOARD OF STATUTORY AUDITORS

First and last name	Office	Dates in office	End of term		Fixed compensation	Compensation for Committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowances
							Bonus and other incentives	Profit sharing					
Gian Marco Committeri	Chairman	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 30.000,00						€ 30.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 30.000,00</b>					<b>€ 30.000,00</b>			
Daniela Preite	Standing Auditor	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00						€ 20.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>					<b>€ 20.000,00</b>			
Massimo Scarafuggi	Standing Auditor	01/01/2022 31/12/2022	Approval of the Annual Report 2023	Compensation from IGD	€ 20.000,00						€ 20.000,00		
				Compensation from subsidiaries and affiliates									
				<b>Total</b>	<b>€ 20.000,00</b>					<b>€ 20.000,00</b>			

MANAGERS WITH STRATEGIC RESPONSIBILITIES

MANAGERS WITH STRATEGIC RESPONSIBILITIES

First and last name	Office	Dates in office	End of term		Fixed compensation	Compensation for Committee membership	Non share based compensation		Non-cash benefits	Other compensation	Total	Fair Value of the compensation	Termination allowances
							Bonus and other incentives	Profit sharing					
Managers with strategic responsibilities (n. 5)		01/01/2022 31/12/2022		Compensation from IGD	€ 724.691,89						€ 1.006.334,06		
				Compensation from subsidiaries and affiliates				€ 205.706,46 <sup>(5)</sup>		€ 75.935,71 <sup>(6)</sup>			
				<b>Total</b>	<b>€ 724.691,89</b>			<b>€ 205.706,46</b>		<b>€ 75.935,71</b>		<b>€ 1.006.334,06</b>	

(5). This is the estimated amount of the variable component for 2022, both the short-term portion and the portion relative to the 2022-2024 LTI Plan.

(6). 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.

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

The compensation paid to the Chief Executive Officer and the Managers with Strategic Responsibilities stemming from incentive plans is shown in the following table.

First and last name	Office	Plan	Bonus for the year		Bonus for previous years			Other bonus
			Payable/Paid	Deferred	Period of defermen	No longer payable	Payable/paid	
Claudio Albertini	CEO	Variable short-term compensation for 2022	€ 63.750,00 <sup>(7)</sup>					
		Compensati on from IGD	LTI Plan 2022 - 2024	€ 52.500,00 <sup>(8)</sup>	2025			
			Variable short-term compensation for 2021 and LTI Plan 2019-2021				€ 168.750,00 <sup>(9)</sup>	
		Compensati on from subsidiaries and affiliates						
		<b>Total</b>		€ 63.750,00	€ 52.500,00		€ 168.750,00	
Managers with strategic responsibilities (n. 5)		Variable short-term compensation for 2022	€ 94.530,95 <sup>(10)</sup>					
		Compensati on from IGD	LTI Plan 2022 - 2024	€ 111.175,51 <sup>(11)</sup>	2025			
			Variable short-term compensation for 2021 and LTI Plan 2019-2021				€ 224.495,15 <sup>(12)</sup>	
		Compensati on from subsidiaries and affiliates						
		<b>Total</b>		€ 94.530,95	€ 111.175,51		€ 224.495,15	

(7). The final verification of the achievement of the performance objectives for 2022 will be carried out following the approval of the draft financial statements for the 2022 financial year. The payment of the incentive will take place during 2023.

(8). This amount refers to the estimated medium-long term variable remuneration and referred to the 2022 financial year relating to the 2022-2024 LTI plan, subject to the achievement of economic-financial objectives referred to in the 2022-2024 Strategic Plan. The achievement of these objectives must be verified by the NRC by the date of approval, by the Board of Directors, of the draft financial statements and the consolidated financial statements for the 2024 financial year. The incentive will be paid during 2025.

(9). It refers to the short-term variable remuneration for the 2021 financial year and the 2019-2021 LTI portion, paid during 2022.

(10). This amount corresponds to the estimated short-term variable remuneration referred to the 2022 financial year. The definitive verification of the achievement of the performance objectives for 2022 will be carried out following the approval of the draft financial statements for the 2022 financial year. The incentive will be paid during 2023.

(11). This amount refers to the estimated medium-long term variable remuneration and referred to the 2022 financial year relating to the 2022-2024 LTI plan, subject to the achievement of economic-financial objectives referred to in the 2022-2024 Strategic Plan. The achievement of these objectives must be verified by the NRC by the date of approval, by the Board of Directors, of the draft financial statements and the consolidated financial statements for the 2024 financial year. The incentive will be paid during 2025.

(12). It refers to the short-term variable remuneration for the 2021 financial year and the 2019-2021 LTI portion, paid during 2022.

**// Section III: Information on the interests held by the members of the Board of Directors, the Board of Statutory Auditors 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 IN OFFICE AT 31/12/2022

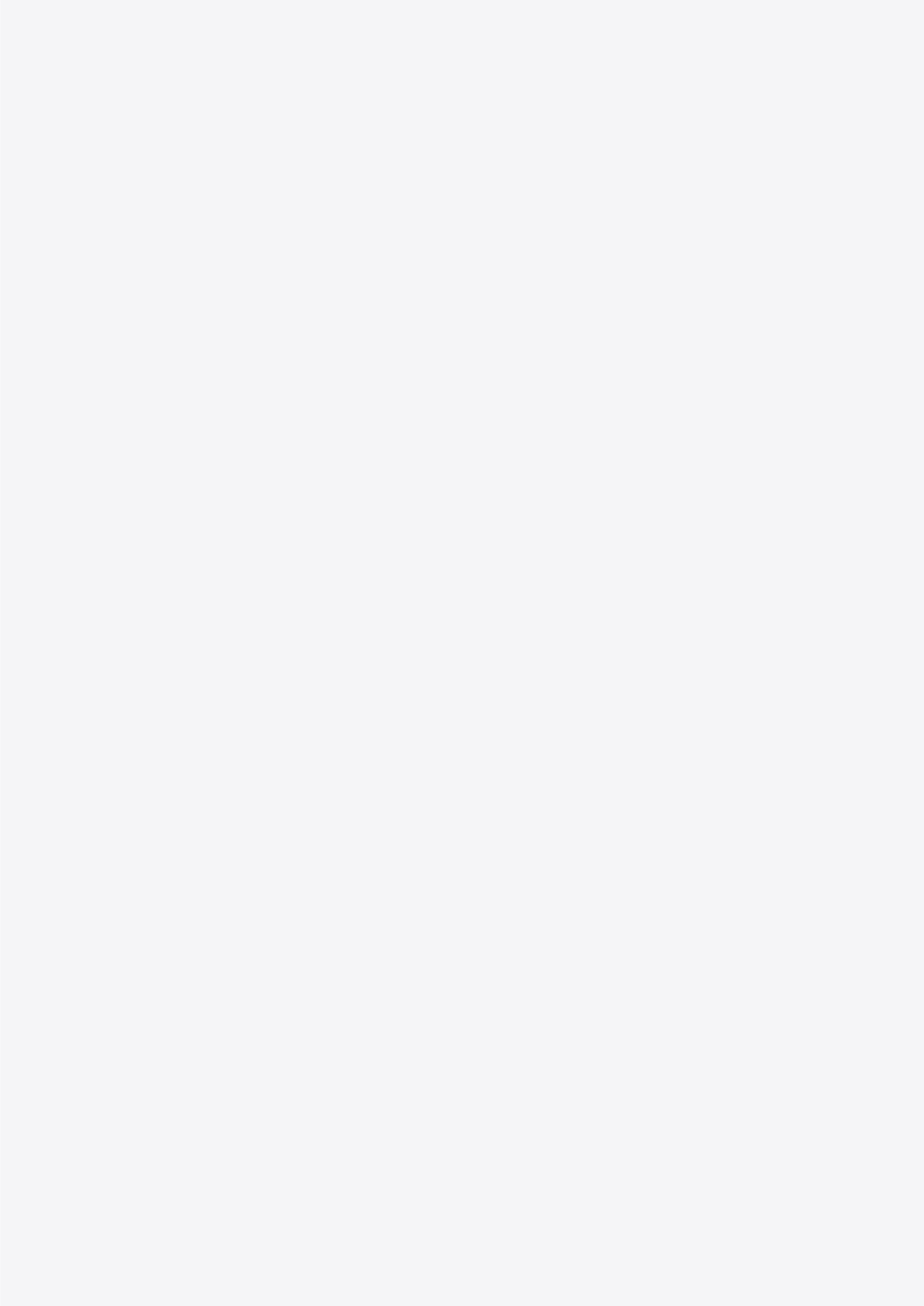
First and last name	Office	Company in which interest is held	N. of shares held at the end of 2021	N. of shares purchased	N. of shares sold	N. of shares held at the end of 2022
Rossella Saoncella	Chair of the BoD					
Claudio Albertini	CEO	<b>IGD</b>	<b>20.355</b>			<b>20.355</b>
Stefano Dall'Ara	Vice-Chair of the BoD					
Silvia Benzi	Director					
Rosa Cipriotti	Director					
Edy Gambetti	Director					
Antonio Rizzi	Director					
Gery Xavier Didier Robert-Ambroix	Director					
Timothy Guy Michele Santini	Director					
Alessia Savino	Director					
Rossella Schiavini	Director					

> BOARD OF STATUTORY AUDITORS IN OFFICE AT 31/12/2022

First and last name	Office	Company in which interest is held	N. of shares held at the end of 2021	N. of shares purchased	N. of shares sold	N. of shares held at the end of 2022
Gian Marco Comitteri	Chair of the Board of Statutory Auditors					
Daniela Preite	Standing Auditor					
Massimo Scarafuggi	Standing Auditor					

The following table shows the interests held by managers with strategic responsibilities in IGD and its subsidiaries.

Number of managers with strategic responsibilities	Company in which interest is held	N. of shares held at the end of 2021	N. of shares purchased	N. of shares sold	N. of shares held at the end of 2022
<b>5</b>	<b>IGD</b>	<b>33.568</b>			<b>33.649</b>





info@gruppoigd.it  
+39 051 509111

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



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