REPORT ON THE REMUNERATION POLICY AND ON THE COMPENSATION PAID

Drawn up pursuant to Article 123-*ter* of Legislative Decree no. 58/98 and subsequent amendments and additions.

FNM S.p.A. - REGISTERED OFFICE IN MILAN, PIAZZALE CADORNA, 14 - SHARE CAPITAL EUR 230,000,000.00 FULLY PAID-UP - REGISTERED IN THE COMPANIES REGISTER - TAX CODE AND VAT NO. 00776140154 - C.C.I.AA. (CHAMBER OF COMMERCE, INDUSTRY, CRAFT AND AGRICULTURE) OF MILAN - REA (economic and administrative index) 28331

Dear Shareholders,

this report on the remuneration policy and compensation paid (hereinafter, the "**Remuneration Report**" or the "**Report**") has been prepared by the Board of Directors of FNM S.p.A. (Hereinafter, "**FNM**" or the "**Company**" or the "**Issuer**") pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998, and subsequent amendments and additions (hereinafter, the "**Consolidated Law on Finance**") and Article 84-quater of the CONSOB regulations adopted with resolution no. 11971 of 14 May 1999 and subsequent amendments and additions (hereinafter, the "**Issuers' Regulation**"), and has been prepared in accordance with Annex 3A, Schedule 7-bis of the Issuers' Regulation, currently in force. The Remuneration Report consists of 2 (two) sections: *(i)* one dedicated to the clear and understandable illustration of the Remuneration Policy (as defined below) of the members of the Board of Directors, of the General Manager and of the Key Management Personnel ([1]) with reference to the financial year ending on 31 December 2022 (hereinafter, the "**FY 2022**") and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, for the members of the Control Body, as well as the procedures used for the adoption and implementation of such Policy; *(ii)* the other aimed at providing - in a clear and comprehensible manner - an adequate representation of each of the items that make up the remuneration, highlighting their consistency with the remuneration policy of the Company with reference to the financial year ending on 31 December 2021 (hereinafter, the "**FY 2021**") as well as describing the remuneration awarded for any reason and in any form, by FNM and its subsidiaries or associates, in FY 2021, to the members of the Administration and Control Bodies, to the General Manager and to the Key Management Personnel, organised according to the tables provided for by Annex 3A, Schedule 7-bis to the Issuers' Regulation.

Pursuant to Article 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the Consolidated Law on Finance, the Shareholders' Meeting - convened in ordinary session at the Company's registered office at Piazzale Cadorna 14, Milan on first call on 26 April 2022 at 10:00 a.m. and, if necessary, on second call on 29 April 2022, at the same place at 3:00 p.m. - will be called to resolve on the approval of the first section of the Remuneration Report required by Article 123-*ter*, paragraph 3, of the Consolidated Law on Finance, containing the description of the Policy; this resolution is binding.

Pursuant to Article 123-ter, paragraph 6, of the Consolidated Law on Finance, the Shareholders' Meeting will also be called upon to resolve, in favour or against, on the second section of the Remuneration Report provided for in Article 123-ter, paragraph 4, of the Consolidated Law on Finance; this resolution is not binding.

It remains understood that due to the epidemiological emergency caused by COVID-19, and

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[1] This means those who have the power and responsibility - directly or indirectly - for planning, managing and controlling the activities of the Company and the group it heads, in accordance with the definition contained in the regulation adopted by Consob Resolution no. 17221 of 12 March 2010, and subsequent amendments and additions, and also taking into account the definition of top management contained in the Corporate Governance Code (as defined below), as well as the "top" managers.

therefore in compliance with the fundamental principles of health protection for shareholders, employees, representatives and consultants of the Company, as well as, most recently, with Decree Law no. 18 of 17 March 2020 and subsequent amendments and additions, the effectiveness of which was most recently extended, pursuant to Art. 3, paragraph 1, of Decree Law no. 228 of 30 December 2021, as subsequently converted into law, to 31 July 2022 - the meeting will be attended, for directors, statutory auditors, designated representative and representatives of the auditing company, by conference call; the share capital may only attend through the Designated Representative pursuant to Art. 135-undecies of the Consolidated Law on Finance, excluding access to the meeting premises by shareholders or proxies other than the aforementioned Designated Representative.

It should be noted that this Remuneration Report was reviewed and approved by the Board of Directors of FNM on 18 March 2022, and is available, inter alia, at the Company's registered office and on the Company's website at www.fnmgroup.it, as well as on the authorised storage mechanism **eMarket STORAGE** at www.emarketstorage.com.

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SECTION I

This section of the Remuneration Report describes, in a clear and comprehensible manner, the remuneration policy and the procedures for the adoption and implementation of this policy, approved by the Board of Directors of FNM, upon the proposal of the Remuneration Committee meeting on 07 March 2022, at its meeting on 9 March 2022 (hereinafter, the "**Remuneration Policy**" or the "**Policy**").

The Policy gives due consideration to the principles and recommendations set forth in the Corporate Governance Code (hereinafter, the "**Corporate Governance Code**" or "**Code**") ([2]).

As outlined, the first section of the Remuneration Report, containing the description of the Policy, will be submitted - pursuant to Article 123-*ter*, paragraphs 3-*bis* and 3-*ter*, of the Consolidated Law on Finance - to the binding vote of the Shareholders' Meeting, convened in ordinary session at the Company's registered office in Piazzale Cadorna 14, Milan on first call for 26 April 2022 at 10:00 a.m. and, if necessary, on second call for 29 April 2022, at the same place at 3:00 p.m., with the limitations on attendance indicated above.

The Policy is aimed at defining the guidelines, criteria and rules, which all the Corporate Bodies involved must observe in order to determine the remuneration of the Directors - and in particular of the Executive Directors - of the General Manager, of the other Key Management Personnel and, in compliance with Article 2402 of the Italian Civil Code, of the members of the Control Body

[2] Approved in January 2020 by the Corporate Governance Committee.

of the Company.

Without prejudice to the foregoing regarding the binding vote of the Shareholders' Meeting of the Company, the Remuneration Policy adopted by the Company, and more in general any amendment thereto, is reserved to the competence of the Board of Directors, with the support of the Remuneration Committee.

(A) Persons/bodies involved in the preparation and approval of the Remuneration Policy

The main subjects and bodies involved - according to their respective competences as established in this document and in compliance with the provisions of the law and regulations in force from time to time as well as with the principles and recommendations of the Code - in the adoption, implementation, monitoring and possible revision of the Remuneration Policy and, more generally, of the remuneration procedures are:

1. the Shareholders' Meeting;
2. the Board of Directors;
3. the Remuneration Committee;
4. the Corporate Bodies;
5. the Board of Statutory Auditors;
6. the Manager of the Human Resources Function.

For the sake of completeness, it should be noted that, pursuant to art. 123-ter of the Consolidated Law on Finance, the entity appointed to perform the legal audit of the financial statements shall verify that the Directors have prepared the second section of the Remuneration Report.

Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting:

1. pursuant to, respectively, *(1)* Articles 2364, paragraph 1, no. 3) and 2389, paragraph 1, of the Italian Civil Code and Art. 18 of the Articles of Association and *(2)* Articles 2364, paragraph 1, no. 3) and 2402, of the Italian Civil Code and Art. 26 of the Articles of Association, as well as taking into account, in any case, the criteria established by the regulations applicable to FNM from time to time and the principles and recommendations of the Code, determines the remuneration of the members of the Board of Directors, of the Executive Committee (if constituted) and of the members of the Board of Statutory Auditors; without prejudice to what is described with reference to the Statutory Auditors, such remuneration is established to an extent sufficient to attract, retain and motivate persons with the skills and professionalism required by the role held in the Company;
2. *(1)* pursuant to Art. 123-ter, paragraph 3-ter, of the Consolidated Law on Finance, resolves,

in favour or against and with binding nature, on the remuneration policy defined by the Board of Directors (on the proposal of the Remuneration Committee) and described in the first section of the remuneration report; and *(2)* pursuant to Art. 123-ter, paragraph 6, of the Consolidated Law on Finance, resolves, in favour or against and by means of a non-binding advisory vote, on the second section of the Remuneration Report. The results of the vote must be disclosed to the market pursuant to Art. 125-quater, paragraph 2, of the Consolidated Law on Finance;

3. receives adequate information on the implementation of remuneration policies;
4. resolves on the remuneration plans based on financial instruments for Directors, employees and associates, including the General Manager and other Key Management Personnel, pursuant to Art. 114-bis of the Consolidated Law on Finance

Board of Directors

The Board of Directors:

1. in agreement with and with the support of the Remuneration Committee, which makes proposals on the subject, *(1)* draws up and approves the remuneration policy for Directors (and, in particular, Executive Directors and those holding particular offices), the General Manager and other Key Management Personnel, and without prejudice to the provisions of Art. 2402 of the Italian Civil Code, for the Statutory Auditors, in compliance with the regulations applicable to FNM from time to time and the principles and recommendations of the Code, *(2)* it submits it to the binding vote of the Shareholders' Meeting and *(3)* it handles its implementation.

   This policy defines the guidelines that all the corporate bodies involved must observe in order to determine the remuneration of the Directors (and, in particular, of the Executive Directors and those with special duties), of the General Manager and of the other Key Management Personnel, also taking into account the remuneration received at group level. Art. 2402 of the Italian Civil Code applies to the remuneration of the members of the Board of Statutory Auditors, it being understood that such remuneration, in line with the principles and recommendations of the Code, must be appropriate to the competence, professionalism and commitment required by the importance of the role covered and the size and sector characteristics of FNM;

2. determines the remuneration of Executive Directors and of Directors holding special offices, subject to the opinion of the Board of Statutory Auditors pursuant to Art. 2389, paragraph 3, of the Italian Civil Code, on the proposal of the Remuneration Committee, and in compliance with *(1)* the regulations applicable to FNM from time to time as well as *(2)* the principles and recommendations of the Code;

3. appoints, where appropriate, the General Manager and, on the proposal of the Remuneration Committee, sets his/her remuneration;
4. defines, subject to the opinion of the Control and Risk Committee and having consulted the Board of Statutory Auditors, the remuneration structure for the Manager of the Internal Audit Function;
5. subject to the opinion of the Remuneration Committee, approves the remuneration report, without prejudice to the shareholders' vote on the same;
6. prepares, with the assistance of the Remuneration Committee which makes proposals on the subject, the remuneration plans based on shares or other financial instruments and submits them to the approval of the Shareholders' Meeting pursuant to art. 114-bis of the Consolidated Law on Finance;
7. implements remuneration plans based on financial instruments, with the assistance of the Remuneration Committee, as delegated by the Shareholders' Meeting;
8. sets up an internal Remuneration Committee.

Remuneration Committee

The Remuneration Committee must be composed only of non-executive Directors, the majority of whom must be independent (in accordance with the law and the provisions of the Code).

The Chair of the Committee must meet the above-mentioned independence requirements and at least 1 (one) member of the Committee must have adequate knowledge and experience in financial matters or compensation policies.

The Remuneration Committee, in compliance with the principles established by the regulations applicable to FNM from time to time and in accordance with the principles and recommendations of the Code:

1. assists ([3]) the Board of Directors in the elaboration and preparation of the remuneration policy and the remuneration report of FNM for the subsequent presentation to the Shareholders' Meeting, formulating proposals and opinions. More specifically, the Remuneration Committee makes proposals to the Board of Directors on the remuneration policy and examines in advance the remuneration report with a view to submitting it to the vote of the Shareholders' Meeting;
2. makes proposals or expresses opinions to the Board of Directors on the structure and composition of the remuneration of Executive Directors and Directors holding particular offices, as well as the General Manager;

[3] See Recommendation no. 25 of the Code.

3. having consulted with the Delegated Bodies and the Head of the Human Resources Function, formulates proposals or expresses opinions to the Board of Directors on the general criteria for the remuneration of Key Management Personnel;
4. makes proposals or expresses opinions to the Board of Directors on the annual and medium/long-term incentive plans as well as on the correct identification and setting of adequate performance objectives correlated to the variable component of remuneration for Directors, the General Manager and other Key Management Personnel (after consulting, where appropriate, the Delegated Bodies and the Head of the Human Resources Function);
5. assists the Board of Directors in the preparation of any remuneration plans based on financial instruments, formulating proposals or expressing opinions, as well as in their implementation;
6. periodically assesses the adequacy, overall consistency and concrete application of the remuneration policy and the decisions adopted by the Board of Directors on the subject of remuneration, making use of the information provided by the Delegated Bodies and the Head of the Human Resources Function and assessing, among other things, the effective achievement of the performance targets;
7. assesses, where appropriate, the possible application of *malus* and *claw-back* mechanisms;
8. reports to the next Board of Directors, through the Chair of the Committee, on the most important issues examined by the Committee during its meetings;
9. if it deems it necessary or appropriate for the performance of the tasks assigned to it, makes use of external consultants who are experts in remuneration policies. These consultants must be independent and, therefore, by way of example, must not provide the FNM Human Resources Function or Directors, General Manager or Key Management Personnel with services of such significance as to actually compromise their independence of judgement. The independence of external consultants is verified by the Remuneration Committee prior to their appointment.

It is understood that none of the Directors participates in the meetings of the Remuneration Committee in which proposals are formulated regarding their remuneration and/or condition; the Head of the Human Resources Function, as well as the Chair of the Board of Statutory Auditors or another designated Statutory Auditor regularly participate in the work of the Remuneration Committee.

Delegated Bodies

The Delegated Bodies, in compliance with the relative delegations of power:

1. assist the Remuneration Committee in the preparation of proposals on the setting of performance objectives to which to link the payment of any variable component of

remuneration;

2. submit to the Remuneration Committee draft compensation plans based on financial instruments or, if appropriate, assist the Committee in preparing them;
3. provide the Remuneration Committee with all useful information so that the latter can assess the adequacy and practical application of the remuneration policy, with particular regard to the remuneration of Key Management Personnel;
4. implement the Company's remuneration policy in accordance with the relative implementation documents, defining in particular the remuneration of Key Management Personnel.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors plays an advisory role in the context of which:

1. it formulates the opinions required by law and, in particular, expresses its opinion with reference to the proposals for the remuneration of Directors holding particular offices, pursuant to art. 2389, paragraph 3, of the Italian Civil Code; in expressing its opinion, it verifies the consistency of the proposals formulated by the Remuneration Committee to the Board of Directors, with the remuneration policy;
2. the Chair of the Board of Statutory Auditors - or another Statutory Auditor designated by him/her - attends the meetings of the Remuneration Committee.

Head of the Human Resources Function

With regard to remuneration, the Head of the Human Resources Function *(i)* takes part in the process of defining the remuneration policy for Directors, the General Manager and other Key Management Personnel, assisting the other parties and bodies involved in this process and *(ii)* contributes to verifying the correct application of the remuneration policy.

(B) Remuneration Committee

By a resolution passed on 30 June 2016, the Company resolved to establish a Remuneration Committee.

In compliance with Recommendation 26 of the Code ([4]), the Remuneration Committee in office until the date of the Shareholders' Meeting of 30 April 2021 was composed of 3 members and precisely the Independent Directors Mirja Cartia d'Asero (who acted as Chairwoman), Gianantonio Arnoldi and Tiziana Bortot.

[4] This Recommendation incorporates the content of the previous Application Criterion 4.c.1, letter a) of the Corporate Governance Code for Listed Companies approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (the "**Corporate Governance Code**").

Following the appointment of the current Board of Directors, the Remuneration Committee is composed of 3 members and precisely by the Independent Directors Marcella Caradonna (who holds the position of Chairwoman), Gianantonio Arnoldi and Tiziana Bortot.

As required by Recommendation 26 of the Code ([5]), both the previous and the current Chairwomen of the Committee, Mirja Cartia d'Asero and Marcella Caradonna, respectively, had and have proven experience and expertise in financial matters and compensation policies, which was deemed adequate by the Board at the time of their appointment.

The meetings of the Committee are coordinated by the Chair of the Remuneration Committee; minutes are duly taken and are printed in a special numbered and stamped register kept at the Company's premises.

Pursuant to Recommendation 17 of the Code ([6]), in performing its functions the Remuneration Committee has the right to access the company information needed to perform its duties, as well as to make use of external consultants according to the terms established by the Board on each occasion.

It should be noted that the Remuneration Committee has its own specific annual budget of Euro 25,000.00 (twenty-five thousand/00), as set by resolution of the Company's Board of Directors on 13 May 2021.

During FY 2021, the Remuneration Committee carried out its proposal-making and advisory functions; in fact, the Remuneration Committee, among other things, carried out the periodic assessment of the adequacy, overall consistency and practical application of the remuneration policy adopted by the Issuer. In particular, the Remuneration Committee:

1. on 8 March 2021, submitted the proposal to the Board of Directors for the adoption of the remuneration policy for the 2021 Financial Year - with the support, to that end, (a) of the independent external advisor Mercer Italia S.r.l.("**Mercer**"), a company belonging to the Marsh & McLennan Companies Group ([7]), specialising, *inter alia*, in the design and management of personnel development tools, with a particular focus on the remuneration and enhancement of "executives" (whose independence of judgement was previously verified by the Remuneration Committee on 21 January 2021) ([8]) and (b) of Mr Claudio Morpurgo, attorney - also in order to (1) take into account the provisions of the Code and the

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[5] This Recommendation incorporates the content of Principle 6.P.3, letter a) of the Corporate Governance Code, previously in force.

[6] This Recommendation incorporates the content of Application Criterion 4.c.1, letter e) of the Corporate Governance Code, previously in force.

[7] Mercer's independence of judgment was reviewed in advance by the Remuneration Committee on 21 January 2021, pursuant to Application Criterion 6.C.7 of the Corporate Governance Code (incorporated in Recommendation no. 25 of the Corporate Governance Code).

[8] In accordance with Recommendation 25 of the Code.

implementing provisions of Art.123-*ter* of the Consolidated Law on Finance set forth in the Issuers' Regulation, as most recently amended by CONSOB Resolution No. 21623 of 10 December 2020, and (2) implement the recommendations set forth in the letter from the Chair of the Corporate Governance Committee dated 22 December 2020;

2. on 8 March 2021, carried out the periodic assessment on the consistency and actual implementation of the remuneration policy adopted by the Issuer for the 2021 Financial Year;
3. on 17 March 2021, assessed the actual application of the management by objectives performance incentive system relating to the 2020 financial year, particularly with reference to the actual achievement by the General Manager and the other Key Management Personnel of the performance targets assigned for the 2020 financial year and the resulting payment of the incentive components of remuneration;
4. on 26 April 2021, established the variable components of the General Manager's compensation for the 2021 Financial Year.

During 2022 - in compliance with the recommendations of the Code - the Remuneration Committee (i) formulated, on 7 March 2022, to the Board of Directors the proposal for the adoption of the Remuneration Policy for Financial Year 2022; (ii) carried out, on 7 March 2022, the periodic assessment on the consistency and actual application of the Remuneration Policy adopted by the Issuer for Financial Year 2022; and (iii) assessed, on 17 March 2022, the actual application of the management by objectives performance incentive system relating to the 2021 Financial Year, particularly with reference to the actual achievement by the General Manager and the other Key Management Personnel of the performance targets assigned for the 2021 Financial Year and the resulting payment of the incentive components of remuneration.

For further information on the functions and activities of the Remuneration Committee, reference should be made to the relevant information contained in the report on corporate governance and ownership structures for FY 2021, prepared pursuant to Art. 123-bis of the Consolidated Law on Finance.

(C) Working conditions of employees

The Policy states that the remuneration of employees other than Key Management Personnel shall be established by the Delegated Bodies and/or the corporate structure in line with the corporate values, the medium-long term strategies and the prudent risk management policies of FNM and the group and taking into account the principles of the Policy itself. The Delegated Bodies ensure that the remuneration systems are consistent with the interest in ensuring that all employees, at all levels, are adequately valued, according to their respective skills, experience and roles within the company.

(D) Independent experts

For the purpose of drawing up the Policy, the Company made use of the independent experts Mercer and Key2People S.r.l. ("**Key2People**").

Key2People's independence of judgment was verified in advance during the assignment of the engagement.

(E) Purpose, general principles and duration of the Remuneration Policy and any changes from the previous year

The Remuneration Policy contributes to the pursuit of the Company's strategy and is functional to the pursuit and achievement of the objective of creating value in the medium/long-term for the benefit of Shareholders, taking into account the interests of other stakeholders relevant to the Company and its group ("**Sustainable Success**").

In particular, the Remuneration Policy is aimed at:

1. guaranteeing a transparent remuneration and incentive system that is sufficient to attract, retain and motivate, also with a view to retention, people with the specific skills and professionalism required within the company, favouring management based on the achievement of the priority objective of Sustainable Success;
2. guaranteeing the correct preparation, implementation and possible revision, as well as the effective monitoring, of the remuneration and incentive systems, ensuring that the remuneration systems referred - in particular - to the Executive Directors, the General Manager and the other Key Management Personnel contribute *(a)* to the pursuit and achievement of the corporate strategy, of the medium/long-term corporate interests and of the objective of Sustainable Success and *(b)* to a prudent risk management, through:
    1. the promotion of actions and behaviours in line with the values and culture of the Company and the group, in compliance with the principles of plurality, equal opportunities, enhancement of people's knowledge and professionalism, fairness, non-discrimination and integrity;
    2. the promotion of actions and behaviours aimed at creating and guaranteeing sustainable working conditions and standards;
    3. recognition of the roles and responsibilities assigned, the results achieved and the quality of the professional contribution of individuals;
    4. the definition of remuneration and incentive systems linked to the achievement of *(a)* economic/financial, *(b)* non-financial objectives (including those of environmental and/or social sustainability and/or governance (the so-called **"ESG**") and *(c)* objectives relating to the development of operational and individual activities and responsibilities, defined with a view to pursuing results in the medium/long-term,

consistent with the guidelines of the strategic and/or business plans of the Company and the group and with the responsibilities assigned;

3. promoting the loyalty of key personnel of FNM and the group, providing incentives for them to stay;
4. ensuring proportionality, in terms of consistency, and the link between corporate strategy and remuneration instruments and the adequacy of remuneration and compensation with the role covered, taking into account the complexity of the functions assigned and the relative responsibilities, as well as assessing the skills and abilities demonstrated, without prejudice to compliance with the provisions of law applicable to FNM and the provisions of national and corporate collective agreements in force;
5. supporting competitiveness, in terms of balance and consistency of remuneration levels with respect to the reference market for similar positions and roles of a similar level of responsibility and complexity, all as resulting also from specific benchmark analyses;
6. avoiding variable components of remuneration (short and/or medium/long-term) being based on altered or manifestly incorrect results;
7. attesting to FNM's desire to share, with the professional figures within the Company, the increase in value of the Company itself and of the group.

FNM's Remuneration Policy has the aim of:

1. establishing the procedures for determining the remuneration of the Directors - and, in particular, of the Executive Directors and those holding particular offices (e.g. the members of the Committees set up within the Board of Directors and the Deputy Chair) - of the General Manager, of the other Key Management Personnel as well as the members of the Board of Statutory Auditors, in compliance with the applicable regulations and in accordance with national and international best practice, as also reflected in the principles and recommendations of the Code;
2. identifying, in particular, the persons and/or bodies involved in the preparation, approval, implementation, monitoring and review of the Policy and, more generally, of the remuneration procedures, which - according to their respective responsibilities - *(a)* propose, resolve and/or determine the remuneration of Directors, Statutory Auditors, the General Manager and other Key Management Personnel, *(b)* express opinions on the subject, or *(c)* are called upon to verify and monitor the correct implementation of what has been resolved and determined by the competent bodies;
3. ensuring adequate transparency in terms of remuneration towards current and potential investors, by fully formalising *(a)* the related decision-making processes and *(b)* the criteria underlying the Policy;

4. making the various bodies and competent persons involved in the definition of the remuneration of Directors, the General Manager and other Key Management Personnel as well as, within the limits set by Art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors, accountable.

The Policy has a duration of 3 (three) years from the date of its approval by the Shareholders' Meeting, except that, during the three-year period indicated, the Policy *(i)* may be submitted again to the vote of the Shareholders' Meeting and, in any case, *(ii)* will be submitted again in the event of any substantial change.

For the purposes of drawing up the Policy, the Company has been advised by Key2People, a specialised consulting firm, which, *inter alia*, (i) starting from what has already been drawn up by FNM, has carried out a benchmarking analysis - with reference to the remuneration paid to the top management of FNM with strategic responsibilities and the Chief Executive Officers and General Managers of the subsidiaries with a market benchmark prepared based on comparable companies in terms of size and nature, in order to propose a revision of the total compensation and the relative pay mix and (ii) helped the Company to develop the guidelines for a long-term incentive plan to support the business plan for the top management figures of the FNM Group.

The changes to the Policy adopted in FY 2022 compared to the one in force for FY 2021 were also introduced based on the results of the analysis conducted by Key2People, and concerned, *inter alia*, the determination of the principles, criteria and characteristics of the LTI Plan set forth starting from FY 2022. Specifically, the changes involved:

1. the identification of the types of objectives to which the possible payment of the LTI component of variable remuneration can be linked, specifying that such objectives (a) will amount to 2 (two); (b) will necessarily be different from those of the MBO plan; and (c) may be separated into 1 (one) economic-financial (corporate) objective and 1 (one) (individual or corporate) ESG objective, with a weighting of 50% (fifty percent);
2. the identification of the "minimum" thresholds for the achievement of the objectives linked to the LTI variable remuneration;
3. the determination of the four-year vesting period of the LTI Plan; and
4. the establishment of deferral mechanisms for the payment of a significant part of the variable component of remuneration subject to the LTI Plan.

The Policy currently in force replaces the one previously adopted by the Company by resolution of the Board of Directors on 9 March 2021 and takes into account the favourable vote cast by the Shareholders' Meeting on 30 April 2021.

(F) Description of the Policy on fixed and variable components of remuneration

Without prejudice to what is indicated below, FNM's Remuneration Policy is based, as a rule, *(i)* on a fixed component and *(ii)* on a variable incentive component, linked to the achievement of predetermined performance objectives of a financial and non-financial nature (including ESG objectives) which are objectively measurable, and which may consist of a cash remuneration (bonus or other monetary incentives) and/or the assignment of financial instruments and/or a share in profits for the year.

The balance between the fixed and variable components of remuneration must be appropriate and consistent with *(i)* the objective of Sustainable Success, *(ii)* the strategic objectives of the Company and the group and *(iii)* the risk management policy of FNM and the group, and is also determined in light of the characteristics of the Company's business and its reference sector.

The fixed component of remuneration enhances skills and experience and remunerates Directors, the General Manager and other Key Management Personnel in line with the characteristics of the role covered and the responsibilities associated with it. In addition, the fixed component - in compliance with the legal regulations applicable to FNM and in line with the principles and recommendations of the Code - is determined in such a way so as to adequately remunerate the activity performed even if the variable component of remuneration is not paid due to the failure to achieve the relevant objectives.

The above-mentioned variable remuneration, in turn, consists of *(i)* a short-term variable component ("Management by Objectives", in short "**MBO**"), linked to the achievement of predetermined short-term performance targets (financial and non-financial) in addition, if necessary, to *(ii)* (as specified in more detail below) a medium-long term variable remuneration component("Long Term Incentive", in short "**LTI**"), aimed both at orienting the actions of the recipients towards the achievement of pre-determined medium-long term objectives (financial and non-financial) while also allowing them to benefit from the creation of value for FNM and its group, and at retaining the key resources of FNM and the group.

In particular, *(i)* the MBO component is linked to pre-determined objectives - which are, as a rule, company and individual objectives as well as financial and non-financial objectives - and objectively measurable within a time-frame of 12 (twelve) months, while *(ii)* the LTI component is linked to pre-determined objectives - which are, as a rule, company and individual objectives as well as financial and non-financial objectives - other than those covered by the MBO, and objectively measurable within a time-frame of 48 (forty-eight) months.

The variable component of remuneration (whether short or medium/long-term) must, in any event, be established in compliance with the purposes of the Policy set forth in Section (E) above; more specifically, in the consistent implementation of the principle of providing incentives to Executive Directors, the General Manager and Key Management Personnel, the Board of Directors and the Delegated Bodies, with the support of the Remuneration Committee, must take into account, inter alia, *(i)* the specific content of the powers delegated to the individual recipients; *(ii)* the functions and roles actually carried out by the same within the Company, thereby ensuring that the provision of any variable components (MBO/LTI) is consistent with the nature of the tasks assigned to them and also adequately enhancing the professional skills of the persons involved; and *(iii)* the need to avoid that the variable incentive remuneration (MBO and/or LTI) is based on altered or manifestly incorrect results. With reference to this last point, malus and claw-back mechanisms are established, as set out in Paragraphs (K) and (L) below.

As indicated in more detail in the Policy, it should be noted that, also taking into account the approval of the strategic plan for the 2021-2025 period (which took place on 16 September 2021) (the "**Strategic Plan**"), it has been established that an LTI plan (the "**LTI Plan**") will be launched starting from FY 2022.

As specified in more detail below, the LTI Plan will have as its "initial" recipients the General Manager of the FNM and the Company's Key Management Personnel.

Given the above, in compliance with the provisions of Art. 2389, paragraphs 1 and 3, of the Italian Civil Code and Art. 18 of the Company's Articles of Association, *"members of the Board are entitled to reimbursement of expenses incurred by reason of their office and to remuneration in the amount established by the Shareholders' Meeting"* and *"the remuneration of Directors holding particular offices, including any end-of-term indemnity, is the responsibility of the Board of Directors, subject to the opinion of the Board of Statutory Auditors"*; furthermore, the remuneration of the Company's Directors (including Executive Directors and those holding particular offices) must be defined in compliance with the specific provisions of the laws and regulations, including those of a regional nature, applicable to FNM and taking into account, as far as compatible, the principles and recommendations of the Code.

Furthermore, the Board of Directors and the Remuneration Committee must take into account the fact that a Delegated Body may also be a significant shareholder of the Company; in these circumstances, the remuneration of such a Delegated Body may also disregard the provision of variable components, given the intrinsically incentive nature of the position of significant shareholder of FNM.

The Policy also provides that the remuneration of Non-Executive Directors (including Independent Directors) shall be established in a fixed amount appropriate to the competence, professionalism and commitment required by the tasks assigned to them within the Board of Directors and any internal Board Committees. In this regard, the "fixed" remuneration of Non-Executive Directors (including Independent Directors) must be identified as an "absolute" amount, without the provision of attendance "fees" in relation to the meetings - including those of Committees - in which such Directors take part.

General Manager and Executive Directors

The Policy establishes that the variable component of the General Manager's remuneration consists of the MBO system and the LTI Plan.

The Remuneration Policy, therefore, provides for a target pay-mix between MBO variable remuneration and the total gross annual fixed component of the remuneration (called the minimum guaranteed remuneration or "**TMG**") paid by FNM equal to a maximum of 50% (fifty percent) if the target objectives are achieved (see Paragraph (H)-(I) below), which can be further increased to a maximum of 110% (one hundred and ten percent) of the target objectives (and therefore 55% (fifty-five percent) of the total gross annual fixed component of the remuneration paid by FNM), in the event of overperformance.

The total variable component of remuneration paid to the General Manager, given by the sum of MBO and LTI targets, may reach a maximum of 87.5% (eighty-seven point five percent) of fixed remuneration, which may be raised to 92.5% (ninety-two point five percent) in the event of the above-mentioned overperformance on MBO targets.

The total target variable remuneration paid to the General Manager consists of 57% (fifty-seven percent) of the short-term component (MBO) and 43% (forty-three percent) of the medium/long-term component (LTI).

In addition, with reference to the MBO component, a multiplier of up to 20% (twenty percent) shall be applied to the bonus opportunity resulting from the above-mentioned final balance process, to be added on a linear basis to the MBO percentage resulting from said final reporting, in the event that a result is achieved, as measured by a company economic indicator other than the one(s) used as the MBO target(s), which is better than the threshold value established annually (the "**Multiplier**").

For the four-year period established by the LTI Plan for the General Manager, this medium to long-term variable remuneration component is determined to be 150% (one hundred and fifty percent) of the TMG. The total amount of this remuneration component includes the annual remuneration component called "extra-bonus" contractually established for the General Manager, which is absorbed by being fully included in the calculation basis of the medium-long term variable component (LTI).

As far as Executive Directors are concerned, the recognition of short-term variable components of remuneration is not currently envisaged, it being understood that FNM reserves the possibility of evaluating the introduction of an MBO system and the extension of the LTI Plan, which, if implemented, will in any case take into due consideration the principles and recommendations of the Code as well as, *mutatis mutandis*, the operating rules indicated above with reference to the General Manager.

Key Management Personnel

Also in determining the remuneration of Key Management Personnel, the Policy provides that the Delegated Bodies or the bodies and persons responsible from time to time for FNM shall adopt the "principle of adequate balancing" between fixed and variable components of remuneration, taking into account the purposes set forth in Paragraph (E). In particular, elements such as *(i)* the responsibilities, the management complexity and the content of any powers delegated to the individual Key Management Personnel and/or *(ii)* the functions and role actually carried out by the latter within the company, so that the variable component is consistent with the nature of the powers and duties assigned, and/or *(iii)* the competence and experience of the individual member of Key Management Personnel shall be taken into account.

The fixed component of the remuneration of Key Management Personnel is defined in accordance with the national collective bargaining agreement for industrial company executives in force from time to time ("**CCNL Dirigenti Industria**" - National Collective Labour Agreement for Managers in the Industrial Sector), which is based on the so-called minimum guaranteed remuneration ("**TMG**"), without prejudice to the possibility of improvements at corporate level, taking into account the responsibility, management complexity and the competence and experience of the individual member of Key Management Personnel.

Currently, like the General Manager, the variable component of the remuneration of the other Key Management Personnel is made up of the MBO system, which is joined by the LTI Plan starting from FY 2022.

Having said this, the Remuneration Policy establishes a target pay-mix between the MBO variable remuneration and the total gross annual fixed component of the remuneration (*i.e.* TMG) paid by FNM equal to a maximum of 40% (forty percent) if the target objectives are achieved (see Paragraph (H)-(I) below) ([9]), which may be further increased, at most, to 110% (one hundred and ten percent) of the target objectives (and, therefore, to 44% (forty-four percent) of the total gross annual fixed component of the remuneration paid by FNM), in the event of overperformance.

For Key Management Personnel, the total variable component, equal to the sum of the MBO and LTI targets, may reach a maximum of 55% (fifty-five percent) of the TMG, which may be increased to 60% (sixty percent) in the event of the above-mentioned overperformance on MBO targets.

The total target variable remuneration component consists for 73% (seventy-three percent) of the short-term component (MBO) and for 27% (twenty-seven percent) of the medium/long-term component (LTI).

For the four-year period under the LTI Plan for Key Management Personnel, this remuneration component is determined to be 60% (sixty percent) of the fixed remuneration component given

[9] The percentage is also defined taking into account the role, responsibilities assigned and professional experience gained with reference to each member of Key Management Personnel.

by the TMG.

(G) Non-monetary benefits

The Directors are granted insurance coverage, including the so-called "*Directors and Officers*" civil liability policy for acts committed in the exercise of their functions (excluding cases of fraud) and those regarding professional and extra-professional accidents.

As a rule, Managers (including Key Management Personnel) are granted *(i)* benefits, such as company vehicles and *(ii)* civil liability insurance cover for acts committed in the exercise of their functions, with the exception of cases of fraud (so-called "*Directors and Officers*"), life insurance coverage and permanent disability coverage due to illness and/or professional and extra-professional accidents and health funds, supplementary welfare and pension contributions, all in accordance with the National Collective Labour Agreement for Managers in the Industrial Sector.

(H)-(I) Performance objectives and related assessment criteria

The Policy provides that the MBO system and the LTI system are based on predetermined and objectively measurable objectives, as a rule, *(i)* of an economic-financial-income nature to be calculated on a consolidated basis and adjusted for extraordinary components; *(ii)* of an ESG nature; and *(iii)* connected with the implementation and execution of strategic projects of an individual or corporate nature.

MBO

As outlined, the performance objectives, on which the payment of the short-term variable component (MBO) to the General Manager and the other Key Management Personnel depends, are divided into annual objectives *(i)* of an economic-financial-income nature, of a corporate nature and to be calculated on a consolidated and adjusted basis ([10]); *(ii)* ESG, of an individual or corporate nature; and *(iii)* connected with the implementation and realisation of strategic projects, of an individual or corporate nature.

The Remuneration Policy provides, for the General Manager, that: *(i)* the weight of the corporate and individual objectives is equal to 50% (fifty percent) each; *(ii)* the weight of the corporate objectives is equal to 50% (fifty percent) of the total while that of the strategic and ESG objectives is, respectively, equal to 35% (thirty-five percent) and 15% (fifteen percent) of the total; and *(iii)* the overall objectives are set at a number not exceeding 5 (five). In particular, these objectives, as a general rule, should be composed as follows:

1. 1 (one) objective of an economic-financial-profit nature;
2. 1/2 (one/two) ESG objectives;

[10] Such objectives may relate to: (i) the EBITDA, EBIT, Net Financial Position and/or Free Cash Flow on a consolidated basis; and/or (ii) the so-called Return on Investment or Return on Equity.

3. 2/3 (two/three) objectives of a strategic nature, connected with the Strategic Plan.

Similar provisions apply with reference to other Key Management Personnel, for whom the objectives are set *(a)* in line with the National Collective Labour Agreement for Managers in the Industrial Sector and *(b)* taking into account elements such as *(i)* the responsibilities, management complexity and the content of any powers delegated to the individual member of Key Management Personnel and/or *(ii)* the functions and role actually performed within the company, so that the variable component is consistent with the nature of the powers and duties assigned and/or *(iii)* the competence and experience of the individual member of Key Management Personnel. In general:

1. the objectives of a strategic nature ([11]) must be set at 2/3 (two/three), taking into account the areas of responsibility of the individual member of Key Management Personnel, with a weight equal to 35% (thirty-five percent) of the total;
2. ESG objectives must be set at 1/2 (one/two), consistent with the areas of responsibility of each member of Key Management Personnel, with a weight equal to 15% (fifteen percent) of the total;
3. the remaining 50% (fifty percent) of the total is composed of n. 1 (one) objective of an economic-financial-profit nature similar to that set for the General Manager.

For the purposes of accruing the short-term variable component (MBO) of remuneration, a minimum percentage threshold is envisaged for the calculation of each indicator/objective, identified as 90% (ninety percent) of each individual company objective and 30% (thirty percent) of each individual objective.

Once the above minimum performance thresholds are met, the portion of short-term variable compensation attributable will be:

1. determined on the basis of the linear sum of the results achieved on the individual indicators/objectives;
2. determined on the basis of a performance curve, which envisages a target threshold of 100% (one hundred percent) and a maximum overperformance threshold of 110% (one hundred and ten percent) of the specific objective;
3. commensurate with the actual percentage of achievement or over-achievement of the objectives;
4. determined taking into account the specific weight assigned to each objective, subject to compliance with the maximum thresholds.

Lastly, in order to link the short-term variable component (MBO) of the compensation to the

[11] E.g. objectives linked to the individual "function" to which they belong, objectives linked to key performance indicators and objectives linked to the successful implementation of specific projects of interest to the company.

Company's actual net profitability, the Multiplier referred to in Paragraph (F) above may be applied.

On the other hand, with regard to the timing of the assessment and payment of short-term variable remuneration, it is generally envisaged:

1. the setting of annual targets;
2. an annual evaluation horizon and, in any case, no later than the approval of the budget for the relevant financial year, with regular monitoring; and
3. an annual disbursement, on the date of approval of the financial statements for the year in question, without application of deferral or retention mechanisms.

It is understood that if the Executive Directors should also receive MBO remuneration, the rules and operating principles indicated above shall apply *mutatis mutandis*.

LTI

As anticipated in Paragraph (F), the LTI Plan initially intended for the General Manager and Key Management Personnel of the Issuer is established in FY 2022.

The performance objectives, on which the payment of the medium/long-term variable component (LTI) to the General Manager and the other Key Management Personnel will depend, must be separate from those of the short-term variable remuneration (MBO), and will have a four-year duration based on the duration and objectives of the Group's Strategic Plan.

Both General Manager and Key Management Personnel are assigned 2 (two) objectives:

5. 1 (one) of an economic-financial nature, of a corporate nature, other than that referred to the MBO system and to be calculated on a consolidated basis with a weight equal to 50% (fifty percent);
6. 1 (one) ESG, of an individual or corporate nature, other than that referred to the MBO system, with a weight equal to 50% (fifty percent).

As anticipated, the LTI Plan scheduled to begin in FY 2022 has been identified for a four-year period, consistent with the timeframe of the Strategic Plan.

Due to the four-year duration of the LTI plan, there are disbursement deferral clauses in accordance with the timeframes set forth below.

The performance curve for each of the objectives set out in the LTI Plan is defined by identifying the threshold for the achievement of the objective at 100% (one hundred percent) of the target, without establishing increases for overperformance. The achievement of 100% (one hundred percent) of the target for both indicators constitutes a condition for disbursement of the LTI Plan, and therefore full achievement of both targets is a "gateway" condition for access to the disbursement of the medium/long-term variable remuneration (LTI).

On the other hand, with regard to the timing for the assessment and disbursement of LTI remuneration, there will be:

1. four-year targets established;
2. a four-year vesting period; in particular, the actual accrual of the right to receive the medium/long-term variable component (LTI) will be assessed on the date of approval, by the competent corporate bodies, of the consolidated financial statements for the last financial year ending on 31 December 2025;
3. intermediate monitoring of the trend of the indicators at the end of the first two-year period (2022-2023); in particular, the intermediate monitoring will be carried out at the date of approval, by the competent corporate bodies, of the consolidated financial statements relating to the second financial year ending on 31 December 2023. In particular, taking into account the duration of the Strategic Plan, there is the possibility of an advance payment, after a two-year period, to an extent not to exceed 40% (forty percent) of the total amount of the LTI Plan. To this end, 2 (two) intermediate target indicators will be set for the 2 (two) objectives identified above. The accrual of the right to the disbursement of the advance to the maximum extent of 40% (forty percent) will take place only on the condition that the target of the 2 (two) indicators set at the end of the first two years of the LTI Plan is reached to the extent of 100% (one hundred percent) of each intermediate indicator, thus constituting for each intermediate indicator the achievement of this threshold of 100% (one hundred percent) as a "gateway" condition for access to the advance;
4. a disbursement method at the end of the reference four-year period, applying the following deferral mechanism: (i) payment of 50% (fifty percent) of the amount accrued by the end of the month following the date of approval, by the competent corporate bodies, of the consolidated financial statements for the last financial year ending on 31 December 2025; (ii) payment of the remaining 50% (fifty percent) of the amount accrued 6 (six) months after the approval of the consolidated financial statements for the reference period;
5. a disbursement method for the intermediate component at the end of the reference two-year period, applying the following deferral mechanism: (i) payment of 50% (fifty percent) of the amount accrued by the end of the month following the date of approval, by the competent corporate bodies, of the consolidated financial statements for the second financial year of the LTI Plan, which will close on 31 December 2023; (ii) payment of the remaining 50% (fifty percent) of the amount accrued 6 (six) months after the approval of the consolidated financial statements for the reference period.

It is understood that if the LTI Plan were to be extended to Executive Directors, the operating principles set out above would apply *mutatis mutandis*.

(J) Contribution of the Policy to the pursuit of long-term interests, business strategy and sustainability

The FNM Board of Directors believes that FNM's Remuneration Policy contributes to the pursuit of *(a)* the priority objective of Sustainable Success, *(b)* interests in the medium to long-term and *(c)* corporate strategy.

In this respect, the following elements are recalled:

1. the inclusion of the priority objective of Sustainable Success among the stated aims of the Policy, as indicated in Paragraph (E) above;
2. predetermined and objectively measurable financial and non-financial targets for the payment of the variable component of short-term MBO remuneration and the medium/long-term LTI remuneration;
3. the specification, among the objectives of a non-financial nature to which the possible payment of the variable component of remuneration (MBO and/or LTI) is related, of ESG-sustainability objectives;
4. the provision of an adequate "balance" of the weight attributed to the economic-financial-income objectives, compared to those of sustainability-ESG and strategic nature, for the purposes of calculating the possible variable component of short-term remuneration (MBO) and medium-long term remuneration (LTI);
5. the provision for short-term variable remuneration components (MBO) of time horizons of 12 (twelve) months as a general rule (minimum term considered appropriate and consistent with the trend of the market in which the Company operates) and for any medium/long-term variable remuneration components (LTI) of time horizons of 36 (thirty-six) months as a general rule;
6. the provision of claw-back mechanisms and, with reference to the LTI component, malus, designed to prevent the variable incentive remuneration of executive Directors, the General Manager and Key Management Personnel from being based on altered or manifestly incorrect results.

(K)-(L) *"Vesting period"*, deferred payment systems, *"lock-up"*, *"ex-post correction mechanisms"*

Vesting period and deferred payment. Malus and claw-back

As anticipated in Paragraph (H)-(I) above, the LTI Plan, scheduled to begin in FY 2022, establishes a four-year vesting period, consistent with the time frame of the Strategic Plan.

Moreover, without prejudice to any other right or remedy provided by applicable legal or contractual provisions, the Policy provides, both for the MBO variable component and for the

LTI component, claw-back mechanisms consistent with the following principles:

1. the Company has the right to request the repayment, in whole or in part, within 60 (sixty) months of payment, of the variable remuneration (MBO and LTI) paid, if this has been paid: *(1)* on the basis of data or information which has subsequently proved to be manifestly incorrect and/or *(2)* on the basis of the wilful or grossly negligent conduct of the beneficiary, including conduct aimed at altering data or information used to measure the achievement of the objectives and/or without which said objectives would not have been achieved or would have been jeopardised;
2. for the purposes of the above, the assessment of the relevant prerequisites is left to the Remuneration Committee and the Board of Statutory Auditors;
3. the Company has the right to offset, up to a maximum, the sums involved in the request for reimbursement against any sums due for any reason to the beneficiary of the variable remuneration (MBO and/or LTI); in this case, the offset shall be effective, subject to verification of the relevant conditions pursuant to point *(b)* above, from the time of communication of the exercise of the offsetting power by the Company to the other party; this is without prejudice to any other action provided for by law to protect the Company's assets and interests, including in terms of its reputation and image.

Remuneration plans based on financial instruments

The Policy provides that any remuneration plans based on financial instruments may be prepared by the Board of Directors, on the proposal of the Remuneration Committee and approved by the Shareholders' Meeting.

Such plans, where provided, could, as a rule, be for:

1. Executive Directors of the Company or its subsidiaries or parent companies;
2. General Manager, Key Management Personnel, other employees and associates (not necessarily linked by employment relationships), of the Company or its subsidiaries or parent companies.

In any case, any remuneration plans based on financial instruments would not be intended for Non-Executive Directors, unless the Shareholders' Meeting decides otherwise and with justification.

Such share-based remuneration plans, where established, shall:

1. be designed and structured to align the interests of the beneficiaries with those of the Shareholders;
2. favour an increase in the market value of the shares and the creation of value in the medium-long term.

The Board of Directors, in the event of any preparation of such plans, again subject to the proposal of the Remuneration Committee, must comply with the following criteria:

(1) Shares, options and any other right to purchase shares or to be remunerated on the basis of share price performance shall have a multi-year vesting period. The term "vesting" refers to the set of conditions concerning the terms and timing of the vesting of the financial instrument itself; in assessing the adequacy of the vesting period, the remuneration plan as a whole must be taken into account (possible presence of several tranches and all the corresponding vesting periods, possible lock-ups, etc.);

(2) the accrual of the right at the end of the vesting period shall be subject to predetermined and measurable performance targets;

(3) a prevailing portion of the plan must provide for an overall vesting and retention period of at least 5 (five) years.

Any remuneration plans based on financial instruments could envisage the payment of cash bonuses linked to the performance of the shares/financial instruments (so-called "*Phantom Stock Option*"): also in these cases, they will have to be structured in such a way as to pursue the objective of increasing the loyalty of the recipients (for example, certain mechanisms could be envisaged, such as "share retention", obligations to reinvest a portion of bonuses granted in Company stock, etc.).

(M) Entitlements in the event of cessation of office or termination of employment

The Remuneration Policy adopted by the Company does not provide for specific entitlements in the event of cessation of office or termination of employment.

In particular, the remuneration paid in the event of termination of the employment relationship is regulated in compliance with the provisions of the applicable legislation and the national collective agreement for the category, in force from time to time, applicable to the existing employment relationship, with the possibility for the Company to recognise a higher conventional seniority to the employee. On this point, it should be noted that the employment contracts with the General Manager and the other Key Management Personnel are stipulated for an indefinite period and envisage a notice period in line with the provisions of the national collective contract for the category, in force from time to time, applicable to the employment relationship in place.

Furthermore, with reference to the cases of termination of employment with the General Manager and Key Management Personnel, the Policy does not provide for:

1. the application of so-called stability pacts, aimed at regulating minimum periods of permanence in office, accompanied by specific agreements, also of a financial nature, aimed at regulating cases of early termination of employment;

2. the granting of specific indemnities (such as, for example, voluntary redundancy indemnities) or the stipulation of specific consultancy contracts;
3. entering into and enforcing non-competition, non-solicitation and confidentiality agreements, subject to the provisions of Paragraph (Q);
4. the stipulation and application of post-contractual cooperation agreements.

Similarly, with reference to the office of director (so called "corporate relationship") no provision is made for the application of indemnities to be attributed to Directors in the event of early termination or non-renewal of the administration relationship, nor for the signing of consultancy contracts or the application of non-competition agreements as a result of termination of office.

It remains understood that the Company will disclose, by means of a specific press release, disseminated to the market in the manner provided for by the regulations in force from time to time, detailed information on the attribution or recognition of indemnities and benefits (monetary or non-monetary) or on the stipulation of non-competition and/or non-solicitation and/or non-discredit and/or confidentiality agreements on the occasion of the cessation of office and/or termination of the relationship with an Executive Director or a General Manager, in accordance with the provisions of the Consolidated Law on Finance and the Issuers' Regulation as well as the principles and recommendations of the Code.

(N) Any insurance, social security or pension coverage other than compulsory coverage

Please refer to what is described under Paragraph (G).

(O) Independent Directors, members of Committees and Directors holding special offices

The Policy also provides that the remuneration of Non-Executive Directors (including Independent Directors) shall be established in a fixed amount appropriate to the competence, professionalism and commitment required by the tasks assigned to them within the Board of Directors and any internal Board Committees. In this regard, the "fixed" remuneration of Non-Executive Directors (including Independent Directors) must be identified as an "absolute" amount, without the provision of attendance "fees" in relation to the meetings - including those of Committees - in which such Directors take part.

The remuneration of Directors holding particular offices (Chair, Deputy Chair(s), etc.) is determined by the Board of Directors on the proposal of the Remuneration Committee, in accordance with Article 2389, paragraph 3, of the Italian Civil Code, and is normally established as a fixed amount, unless these Directors also hold delegated powers.

(P) Indication of the use of other companies' remuneration policies as a reference

In preparing the Policy, the Company has not used remuneration policies of other companies as a reference.

(Q) Exceptions to the Policy

In the event of exceptional, objective and objectively justified circumstances, the Remuneration Policy may be temporarily waived.

By way of example, it is possible to depart from the provisions of the Policy in order to

1. attribute amounts relating to MBO (and LTI) variable remuneration in excess of the thresholds provided for under the Policy;
2. pay (in whole or in part) the components of the MBO (and LTI) variable remuneration even in the event of failure to achieve (in whole or in part) the performance objectives;
3. not to pay (in whole or in part) variable MBO (and LTI) remuneration components;
4. enter into non-competition and/or non-solicitation and/or confidentiality agreements with reference to Executive Directors, the General Manager and/or individual members of Key Management Personnel, the amount of which may not, in any event, exceed, for each year of the duration of the agreement, the total annual remuneration paid to the persons referred to above in office or in a relationship and, in any event, on an overall basis for the entire duration of the agreement, the total remuneration paid to them in office or in a relationship over a period of 24 (twenty-four) months;
5. waive, in the context of a settlement agreement with the person concerned, the application of malus or claw-back mechanisms.

The exceptional, objective and objectively motivated circumstances, on the occurrence of which temporary exceptions to the Remuneration Policy are allowed, are those in any case aimed, depending on the case, at *(i)* pursuing the long-term interests of the Company and/or the group and/or sustainability as a whole, *(ii)* ensuring the ability of FNM and/or the group to stay on the market or *(iii)* ensuring the continuity of "key" functions and personnel within the Company and/or the group. By way of example, such exceptional, objective and objectively justified circumstances include:

1. the need - arising from unforeseen events - to retain individuals with skills and professionalism considered strategic to the interests and/or sustainability and/or pursuit of the Company's and/or the Group's strategy, such as, for example, the need to retain an Executive Director and/or the General Manager and having to negotiate a remuneration package in a short time, where the constraints contained in the Policy could limit the possibilities of FNM and the Group to retain managers with the most appropriate professional skills to manage the Company and/or the Group;
2. the need to motivate individuals with skills and professionalism considered strategic to the interests and/or sustainability and/or pursuit of the strategy of the Company and/or the

group, where the failure to achieve the performance targets for the payment of variable MBO (and LTI) remuneration is linked to external circumstances and/or extraordinary and/or unforeseeable factors and/or in any case independent of the actions of the individual recipient of the incentive component;

3. the occurrence of significant changes in the perimeter of the activity of the Company and/or the group during the period of validity of the Policy, such as the disposal of a company/business unit on whose activity the performance objectives of the Policy were based, or the acquisition of a significant business not included in the Policy;
4. the interest of the Company and/or the group in settling a dispute that has already arisen or that may arise.

In cases of exemption, the procedure and the obligations provided by the procedure for regulating transactions with related parties of the FNM shall apply, even if an exemption hypothesis provided for therein should occur, without prejudice, in any case, to the prior opinion of the Remuneration Committee. With reference to the remuneration of Executive Directors and/or those holding particular offices, the provisions of Art. 2389, paragraph 3 of the Italian Civil Code shall apply.

***

The following is the proposed resolution that will be submitted to the Shareholders' Meeting in accordance with the applicable provisions of law:

"*The Shareholders' Meeting of FNM S.p.A.*,

- having regard to Articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of CONSOB Regulation no. 11971/99;

- having acknowledged the Report on the remuneration policy and on the compensation paid drawn up by the Board of Directors;

- considering that, pursuant to Article 123-ter, paragraphs 3-bis and 3-ter, of Legislative Decree no. 58 of 24 February 1998, this resolution shall be binding;

RESOLVES

to approve the first section of the Report on the remuneration policy and on the compensation paid, drafted by the Board of Directors in accordance with Article 123-ter of Legislative Decree no. 58 of 24 February 1998, with particular reference to the Remuneration Policy of FNM S.p.A.".

Section II

This section - by name for the members of the management and control bodies as well as for the General Manager and the Key Management Personnel who exceed the thresholds provided for under Annex 3A, Schedule 7-*bis* of the Issuers' Regulation, and in aggregate form for the other Key Management Personnel - (i) provides an adequate, clear and comprehensible representation of each of the items that make up their remuneration, highlighting their consistency with the remuneration policy of the Company with reference to FY 2021 (the "**2021 Policy**"); (ii) analytically illustrates the remuneration assigned to them in FY 2021 for any reason and in any form by the Company and its subsidiaries or associates, organised according to the tables provided for by Annex 3A, Schedule 7-bis of the Issuers' Regulation; and (iii) illustrates how the Company has taken into account the vote expressed in the previous year on this section of the Remuneration Report.

(i) **Part One**

Directors

Directors terminated as of 30 April 2021

With reference to the members of the Board of Directors who had left office as of the date of the Shareholders' Meeting of 30 April 2021, the remuneration for the position of Director of FNM had been determined, during the Shareholders' Meeting of 21 May 2018 and for the 2018-2020 three-year term of office, on the basis of the principles established by the special regulations in force at the time regarding the remuneration of Directors in companies controlled by Public Entities (Regional Government Decree VIII/4838 of 15 June 2007 of the Lombardy Region and Art. 23-*bis*, paragraphs 5-*quater* and 5-*quinquies*of Decree Law no. 201/2011, converted into Law no. 214/2011, in force *ratione temporis* and Art. 15 of Lombardy Regional Law no. 32/2008), taking into account the fact that FNM is controlled by the Lombardy Region, which holds 57.57% of its share capital.

More specifically, the Board's fee was determined by the Shareholders' Meeting pursuant to Articles 2364 and 2389, paragraph 1 of the Italian Civil Code. The other components consisted of fees for special assignments and for participation in Committees pursuant to Art. 2389, paragraph 3 of the Italian Civil Code.

The Shareholders' Meeting of 21 May 2018 set the remuneration for the entire Board of Directors at Euro 240,000.00 (two hundred and forty thousand/00), of which: a gross annual remuneration of Euro 90,000.00 (ninety thousand/00) to the Chair, a gross annual remuneration of Euro 45,000.00 (forty-five thousand/00) to the Deputy Chair, and a gross annual remuneration of Euro 35,000.00 (thirty-five thousand/00) to the individual Directors, as well as recommending (i) that the Board of Directors should not pay the members of the administrative body any attendance fees and (iii) that the Directors should not take on any other positions in companies controlled or invested in by FNM. It has also provided that the Board of Directors may determine, for the Chair, the attribution of particular powers and the relative remuneration.

At its meeting of 1 June 2018, when appointing the internal Board Committees, the Board of Directors of the Company determined, in accordance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Company's Articles of Association: (a) the fees payable to the various members of the Committees established within the Board (Control, Risks and Related Party Transactions Committee, Social Responsibility and Ethics Committee and Remuneration Committee), recognising an additional gross annual fee, with reference to each Committee, of Euro 15,000.00 (fifteen thousand/00) for the position of Chair of the Committee and Euro 10,000.00 (ten thousand/00) for the position of member, as well as (ii) the additional gross annual remuneration for the position of Lead Independent Director, equal to Euro 15,000.00 (fifteen thousand/00).

By means of a resolution passed on 3 July 2018, the Board - again in compliance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Articles of Association - on the proposal of the Remuneration Committee, resolved to grant the Chair, by reason of the powers granted to him, an additional emolument of Euro 170,000.00 (one hundred seventy thousand/00) gross per annum.

Finally, following the granting to the Director Giuseppe Bonomi, on 22 November 2018, of specific powers relating to the strategic planning of the FNM group, the Board, in the meeting of 4 December 2018 - again in compliance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Articles of Association - on the proposal of the Remuneration Committee, resolved to grant the same Director an additional emolument of Euro 150,000.00 (one hundred and fifty thousand/00) gross per annum.

In light of the above, the fixed annual remuneration of Directors holding special offices was as follows:

(i) to the Chair, an annual fee of Euro 260,000.00 (two hundred and sixty thousand/00), broken down as follows: (i) Euro 90,000.00 (ninety thousand/00) for his/her duties as Chair of FNM, in addition to (ii) Euro 170,000.00 (one hundred and seventy thousand/00) for his/her role as Chief Executive Officer;

(ii) to the Deputy Chair, an annual fee of Euro 45,000.00 (forty-five thousand/00);

(iii) to the directors called upon to participate in the following Committees established within the Board (Control, Risks and Related Party Transactions Committee, Remuneration Committee, Social Responsibility and Ethics Committee), an additional annual fee determined as follows: Euro 15,000.00 (fifteen thousand/00) for the position of Chair, in view of the higher commitment required, and Euro 10,000.00 (ten thousand/00) for the other members;

(iv) to the Lead Independent Director, an annual fee of Euro 15,000.00 (fifteen thousand/00).

The directors in office until 30 April 2021 were not beneficiaries of (i) monetary or share-based incentive plans and/or (ii) non-monetary benefits, with the exception of (a) "Directors and Officers" civil liability insurance coverage for acts committed in the exercise of their functions, excluding cases of fraud, and (b) insurance coverage for professional and extra-professional accidents.

Directors in office as of 30 April 2021

The Shareholders' Meeting of 30 April 2021 set the remuneration for the entire Board of Directors, in office as of the date of this Remuneration Report, at Euro 310,000.00 (three hundred and ten thousand/00), of which: a gross annual remuneration of Euro 90,000.00 (ninety thousand/00) to the Chair, a gross annual remuneration of Euro 45,000.00 (forty-five thousand/00) to the Deputy Chair, and a gross annual remuneration of Euro 35,000.00 (thirty-five thousand/00) to the individual Directors, as well as recommending (i) that the Board of Directors should not pay the members of the administrative body any attendance fees and (ii) that the Directors should not take on any other positions in companies controlled or invested in by FNM. It has also provided that the Board of Directors may determine, for the Chair, the attribution of particular powers and the relative remuneration.

At its meeting of 27 May 2021, at the proposal of the Remuneration Committee, the Board of Directors of the Company determined, in accordance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Company's Articles of Association: (a) the fees payable to the various members of the Committees established within the Board (Control, Risks and Related Party Transactions Committee, Social Responsibility and Ethics Committee, Remuneration Committee and Committee for the designation of the corporate bodies of the FNM Group), recognising an additional annual fee, net of social security charges and VAT, equal to (i) Euro 27,000.00 (twenty-seven thousand/00) for the office of Chair of the Social Responsibility and Ethics Committee, the Remuneration Committee and the Committee for the designation of the corporate bodies of the FNM Group; (ii) Euro 37,500.00 (thirty-seven thousand five hundred/00) for the office of Chair of the Control, Risks and Related Party Transactions Committee; (iii) Euro 18,000.00 (eighteen thousand/00) for the office of member of the Social Responsibility and Ethics Committee, the Remuneration Committee and the Committee for the designation of the corporate bodies of the FNM Group; (iv) Euro 25,000.00 (twenty-five thousand/00) for the position of member of the Control, Risks and Related Party Transactions Committee and (b) the additional gross annual remuneration for the position of Lead Independent Director equal to Euro 27,000.00 (twenty-seven thousand/00).

By means of a resolution passed on 27 May 2021, the Board - again in compliance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Articles of Association - on the proposal of the Remuneration Committee, resolved to grant the Chair, based on the powers granted to him/her and in continuity with the previous term of office, additional gross remuneration of Euro 170,000.00 (one hundred seventy thousand/00) per annum.

Finally, following the granting to the Director Ivo Roberto Cassetta, on 15 July 2021, of specific powers relating to 2 (two) areas of particular relevance for FNM (motorway sector and FILI Project), the Board, at the meeting of 30 July 2021 - again in compliance with Article 2389, paragraph 3, of the Italian Civil Code and Article 18 of the Articles of Association - at the proposal of the Remuneration Committee, resolved to grant the same Director additional gross remuneration of Euro 100,000.00 (one hundred thousand/00) per annum.

Directors are not beneficiaries of (i) monetary or share-based incentive plans and/or (ii) non-monetary benefits, with the exception of (a) "Directors and Officers" civil liability insurance coverage for acts committed in the exercise of their functions, excluding cases of fraud, and (b) insurance coverage for professional and extra-professional accidents.

Statutory Auditors

Statutory Auditors terminated as of 30 April 2021

The Shareholders' Meeting of 21 May 2018 appointed the Board of Statutory Auditors, providing for lower remuneration for the members of the Board compared to the previous term of office, namely, Euro 45,000.00 (forty-five thousand/00) per annum gross for the Chair and Euro 30,000.00 (thirty thousand/00) per annum gross for each standing auditor.

No monetary or non-monetary benefits were provided to Statutory Auditors other than "Directors and Officers" civil liability insurance coverage for acts committed in the exercise of their functions, excluding cases of fraud, and insurance coverage for professional and extra-professional accidents.

Statutory Auditors in office as of 30 April 2021

The Shareholders' Meeting of 30 April 2021 appointed the Board of Statutory Auditors, setting the compensation of the Board of Statutory Auditors at Euro 60,000.00 (sixty thousand/00) per annum for the Chair and Euro 45,000.00 (forty-five thousand/00) per annum for each Standing Auditor. Following the resignations submitted on 21 May 2021 by the Chairman of the Board of Statutory Auditors, Umberto La Commara, and by the Alternate Auditor, Valentina Lupi, on 19 July 2021, the Shareholders' Meeting, reconvened on 19 July 2021, replaced these members of the Board of Statutory Auditors by appointing Eugenio Pinto as Standing Auditor and Chairman of the Board of Statutory Auditors, and Marianna Tognoni as Alternate Auditor.

No monetary or non-monetary benefits are provided to Statutory Auditors other than "Directors and Officers" civil liability insurance coverage for acts committed in the exercise of their functions, excluding cases of fraud, and insurance coverage for professional and extra-professional accidents.

Key Management Personnel

In FY 2021, the following individuals, in addition to the Directors, were identified as Key Management Personnel:

- Mr. Marco Giovanni Piuri, in his capacity as General Manager. Mr. Piuri was also appointed Chief Executive Officer of the investee Trenord S.r.l. (hereinafter, "**Trenord**") as of 17 September 2018;
- Ms. Valentina Montanari, Executive in charge of financial reporting pursuant to Article 154-bis of the Consolidated Law on Finance; and
- Mr. Umberto Ruggerone and Mr. Massimo Stoppini, as Executives of the Company acting as Chief Executive Officers of FNM subsidiaries.

The compensation awarded to the Key Management Personnel indicated above in FY 2021 was determined in line with the 2021 Policy, which provided for the payment of a fixed component based on the TMG and a possible variable component represented by the MBO system.

General Manager

In accordance with the 2021 Policy, the General Manager's remuneration for FY 2021 consisted of (i) a fixed component and (ii) a short-term MBO variable component, linked to the achievement of financial and non-financial targets.

Consistent with the 2021 Policy and the short-term variable remuneration system provided for therein (MBO), the General Manager was assigned 1 (one) corporate objective, related to the achievement of a target value of consolidated EBITDA calculated on an adjusted basis, with a weight equal to 50% (fifty percent) of the MBO. A total of 4 (four) individual, project and sustainability objectives were added to this corporate objective, with an overall weight equal to 50% (fifty percent) of the MBO, identified as (a) the coordination of the corporate and Group structures supporting the FILI Project, (b) the completion of the Milano Serravalle - Milano Tangenziali S.p.A. integration process, (c) the completion of the process of revising the Welfare model of the FNM Group and Trenord, (d) the preparation and presentation to the Board of Directors of Trenord of the company's 2022-2031 business plan.

The General Manager has achieved the aforementioned objectives to an extent equal to 96% (of the target threshold set forth in the 2021 Policy); certification of this achievement was performed as part of the reporting and verification activities carried out with the Chair of the Board of Directors of FNM during February 2022 and at the meeting of the Remuneration Committee on 23 February 2022.

In accordance with the 2021 Policy, the General Manager accrued remuneration in FY 2021 as follows:

1. as a member of the Key Management Personnel of FNM, a fixed gross annual remuneration (*i.e.* gross of legal and contractual withholdings) equal to Euro 290,000.00 (two hundred and ninety thousand/00);
2. as Chief Executive Officer of Trenord and until the termination of this office, in addition to the aforementioned gross annual base salary, an *ad hoc* fixed gross annual remuneration item, called "*Indemnity for Staff Office*"(*i.e.* gross of legal and contractual withholdings) in the amount of Euro 50,000.00 (fifty thousand/00);
3. a variable component of MBO remuneration which, in accordance with the 2021 Policy, is 40% (forty percent);
4. on the basis of the offices and powers assigned, as provided for in the employment contract of the General Manager, an extra-bonus, of a gross total amount equal to Euro 70,000.00 (seventy thousand/00) for FY 2021, correlated with the achievement of objectives of an extraordinary nature linked to the establishment of the FNM Foundation and "smart" mobility. Specifically, with reference to the aforementioned Foundation, the General Manager has identified the mission and the possible governance and organisational structure models. With regard to "smart" mobility, under the guidance of the General Manager, the corporate acquisitions relating to Busforfun.com S.r.l. and Sportit S.r.l. were completed in FY 2021. In addition, the General Manager set up and coordinated a special permanent working group among the Group companies active in the field of "smart" mobility.

In light of the above, the total gross annual compensation awarded to Marco Giovanni Piuri for FY 2021 amounts to a total of Euro 568,366.52 (five hundred and sixty-eight thousand three hundred and sixty-six/52), all as specified in more detail in the attached Tables. In particular, the variable component of short-term MBO remuneration, plus the extra-bonus identified and described in point 4 above, represents 37.5% (thirty-seven point five percent) of total gross annual remuneration.

Key Management Personnel

In accordance with the 2021 Policy, the remuneration of Key Executives for FY 2021 was composed of (i) a fixed component and (ii) a short-term MBO variable component, linked to the achievement of financial and non-financial targets.

Consistent with the 2021 Policy and the short-term variable remuneration system it provides (MBO), the other Key Management Personnel were assigned 1 (one) corporate objective, related to the achievement of a target value of consolidated EBITDA calculated on an adjusted basis, with weight equal to 50% (fifty percent) of the MBO. To this corporate objective, 3-5 (three-five) individual, project and sustainability objectives were added identified as the preparation of the

Group's Strategic Plan, the preparation of the new sustainability plan, the activities aimed at expanding the FNM group's corporate scope and the specific operational objectives of the activity and business lines of the subsidiaries, with an overall weight equal to 50% (fifty percent) of the MBO. The achievement of the aforementioned objectives, with reference to the various Key Management Personnel, was ascertained during the reporting and verification activities carried out by each member of Key Management Personnel with his/her direct superior (Chair of FNM or General Manager of FNM), which took place during February 2022 and reported at the Remuneration Committee meeting on 17 March 2022.

The Key Management Personnel have all achieved the above-mentioned objectives to an extent greater than 80% (eighty percent) of the target threshold provided for in the 2021 Policy, accruing the right to the payment of the MBO short-term variable remuneration.

Having said this, the total gross annual remuneration assigned for FY 2021 to the Key Management Personnel amounts to a total of Euro 715,634.02 (seven hundred and fifteen thousand six hundred and thirty-four/02) all as specified in more detail in the attached Tables. In particular, the variable component of short-term MBO remuneration, which is the only variable component attributed to Key Management Personnel, represents a total of approximately 29% (twenty-nine percent) of the related total gross annual remuneration.

Common forecasts

The General Manager and Executives (including those with strategic responsibilities) are not recipients of incentive plans based on financial instruments.

The General Manager and Executives (including those with strategic responsibilities) benefit from (i) benefits, such as company vehicles and vouchers (amounting to Euro 200.00 (two hundred/00) per year), based on the 2021 Policy and (ii) insurance cover for civil liability for acts committed in the exercise of their functions, with the exception of cases of fraud (so-called "Directors and Officers"), life insurance coverage and permanent disability coverage due to illness and/or professional and extra-professional accidents and health policies, supplementary welfare and pension contributions, all in accordance with the National Collective Labour Agreement for Managers in the Industrial Sector.

Agreements providing for indemnities in the event of termination of the employment relationship

There were no such agreements in FY 2021.

Further agreements

It should be noted that:

1. there are no current compensation plans based on financial instruments pursuant to Article

114-bis of the Consolidated Law on Finance;

2. there are no specific additional agreements between the Issuer and the Directors and/or Key Management Personnel that provide for the payment of indemnities in the event of resignation, dismissal without just cause or termination of the relationship following a takeover bid;

3. with reference to the Directors and/or Key Management Personnel, there are no agreements that envisage the assignment or maintenance of non-monetary benefits in favour of the persons who have ceased to hold office (so-called "post retirement perks");

4. with reference to Directors and/or Key Management Personnel, there are no agreements providing for compensation for non-competition commitments.

Derogations from the 2021 Policy and correction mechanisms

It should be noted that no exceptions to the 2021 Policy were adopted during FY 2021 in relation to the occurrence of exceptional circumstances.

No *ex-post* correction mechanisms were applied to the variable component, as the related conditions and requirements were not met.

Comparison information

With respect to the years ended 31 December 2019, 31 December 2020 and 31 December 2021, respectively, it should be noted that the compensation levels of the Directors, the General Manager and, of course, the Statutory Auditors have not changed materially relative to the average gross annual compensation of full-time employees and the Company's performance.

In particular, in the face of a change, in FY 2020 compared to FY 2019, in (i) the Company's results which were negative by 0.1% (zero point one percent) and the consolidated results, which were negative by roughly 18% (eighteen percent) and (ii) the average gross annual remuneration, benchmarked to full-time employees, of employees other than the General Manager, which increased slightly by approximately 2% (two percent), the General Manager's total remuneration remained unchanged, except as indicated above with reference to the accrual and payment of the extra-bonus for the 2019-2020 biennium.

In addition, compared to a change in FY 2021 compared to FY 2020 (i) in the Company's results that were negative by 77.4% (seventy-seven point four percent) and positive at the consolidated level by 74.5% (seventy-four point five percent) and (ii) in the average gross annual remuneration, benchmarked to full-time employees, of the employees other than the General Manager, slightly increasing by approximately 1.5% (one point five percent), the total remuneration of the General Manager increased by approximately 1.8% (one point eight percent), without prejudice to what is indicated above with reference to the accrual and payment of the extra-bonus for the 2021 Financial

Year.

The following table shows the comparison for the last three years (in compliance with the provisions of Art. 2 of Consob Resolution no. 21623 of 10 December 2020) between the annual change:

i) in the total compensation of individuals who held the positions of General Manager during FY 2021 for which information is provided by name:

	2021	2020	2019
Marco Giovanni Piuri	+1.9%	+12.8%	N/A[12]

ii) in the results of the FNM Group:

	2021	2020	2019
Consolidated revenues	83.9%	-7.0%	3.4%
Consolidated EBITDA	125.7%	-3.9%	-0.7%
Consolidated EBIT	187.5%	-12.9%	-3.2%
Consolidated net profit/(loss)	74.5%	-20.1%	7.7%
Shareholders' equity attributable to the Group	-54.8%	5.6%	4.7%
NFP	-752.3%	-176.1%	846.5%

iii) in the average gross annual remuneration, benchmarked to full-time employees, of employees other than those whose remuneration is presented by name in this section of the Report:

	2021	2020	2019
Average gross annual remuneration	+6.4%	+2.8%	+4.2%

Shareholders' Meeting vote

Lastly, it should be noted that the Shareholders' Meeting held on 30 April 2021 resolved to express a favourable opinion on the second section of the report on the remuneration policy, without

[12] The percentage salary increase for 2019 compared to 2018 has not been included because the two years are not comparable. Indeed, FY 2019 is the first financial year in which Mr Piuri served as the Company's General Manager for the full year. In fact, the compensation comparison between the two financial years (2018 and 2019), which have different durations and feature different remuneration components, is not consistent with subsequent comparisons.

expressing any remarks in this regard, and the relative resolution was passed with 277,616,215 (two hundred seventy-seven million six hundred and sixteen thousand two hundred and fifteen) votes in favour, equal to 80.167% (eighty/167 percent) of those voting. The Board of Directors has therefore positively acknowledged this favourable opinion.

PART TWO

Table 1 attached hereto sets forth the emoluments due as of 31 December 2021 to the members of the management and control bodies and to the Key Management Personnel during FY 2021, in accordance with the criteria set forth in Annex 3A of the Issuers' Regulation.

Table 3B shows the monetary incentive plans in favour of Key Management Personnel in place in FY 2021 (i.e. MBO system).

Incentive plans based on stock options or other financial instruments

FNM does not have incentive plans based on stock options or financial instruments other than stock options in favour of members of the Board and other Key Management Personnel.

Shares owned by members of administration and control bodies, General Managers and Key Management Personnel

None of the Directors, Statutory Auditors and Key Management Personnel owns shares in FNM or in its subsidiaries.

***

The following is the proposed resolution that will be submitted to the Shareholders' Meeting in accordance with the applicable provisions of law:

"*The Shareholders' Meeting of FNM S.p.A.*,

- having regard to Articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of CONSOB Regulation no. 11971/99;

- having acknowledged the Report on the remuneration policy and on the compensation paid drawn up by the Board of Directors;

- taking into account that, pursuant to Article 123-bis, paragraph 6, of Legislative Decree no. 58 of 24 February 1998, this resolution shall not be binding;

RESOLVES

to express a favourable opinion on the second section of the Report on the remuneration policy and on the compensation paid, prepared by the Board of Directors in accordance with Article 123-ter of Legislative Decree no. 58 of 24 February 1998."

Milan, 18 March 2022

On behalf of the Board of Directors

The Chairman

Andrea Angelo Gibelli