



PURE POWER TO GROW

REPORT ON THE REMUNERATION POLICY AND COMPENSATION PAID 2020

Issuer: Falck Renewables SpA

Website: www.falckrenewables.eu

Date of approval of the Report: 11 March 2020, with integration on 30 March 2020

Foreword

The remunerations of Directors, in particular those who hold executive offices, Key Management Personnel and members of the Control Body represents a fundamental incentive and control mechanism to ensure the integrity and efficiency of corporate governance mechanisms. With the preparation of the Annual Report on the Policy on remuneration and amounts paid (the "**Report**"), the company Falck Renewables S.p.A. (the "**Company**") intends to increase the involvement of Shareholders in the definition of the remuneration policies and strengthen the transparency of contents on such policies and their effective implementation, allowing investors to access information on the current incentive scheme, promoting a more accurate evaluation of the Company and facilitating the exercise of the rights of the same Shareholders on the an informed basis.

With this document the Company intends to present to the Shareholders' Meeting a report that describes the general remuneration policy for the 2020 financial year and highlights the effective implementation of that relating to the 2019 financial year.

This Report is divided into the following sections:

❖ Remuneration Policy (Section I)

This contains information on the Annual Remuneration Policy (the "**Remuneration Policy**" or also simply the "**Policy**") with reference to the components of the Governing and Control Bodies and to Key Management Personnel for the year 2020. This section, therefore, has a prospective value.

In particular, the first section illustrates:

- the Company's policy relating to the remuneration of the components of the Governing and Control Bodies and Key Management Personnel in reference to the 2020 financial year;
- the procedures used for the adoption and implementation of such policy.

❖ Amounts paid (Section II)

This provides a representation of each of the items that make up the remuneration and analytically reports the amounts paid in the reference 2019 financial year, for any reason and in any form, by the Company and its subsidiaries and related companies.

Regulatory framework

This document is prepared pursuant to art. 123-ter of the Consolidated Law on Finance (TUF) which requires that "at least 21 days before the date of the Shareholders' Meeting [...] listed companies make available to the public a Report on the Policy on Remuneration and Amounts Paid, at their registered office, on their website and with other methods established by CONSOB in their regulation".

This Report has also been drawn up in accordance with the provisions of CONSOB Resolution no. 18049 of 23 December 2011 which amended art. 84-quater of the Issuers' Regulation issued by the same CONSOB in implementation of the above mentioned TUF.

Art. 123-ter, paragraph 3-bis of the TUF, requires companies to submit the Remuneration Policy to the vote of their shareholders with the same frequency required by the same Policy (or Section I of this document). This resolution is binding. If the Shareholders' Meeting does not approve the Remuneration Policy, the company continues to pay remunerations in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, in the absence of this, can continue to pay remunerations in accordance with the established practice.

In the definition of the Remuneration Policy included in this document, account has been taken of the application principles and criteria identified by art. 6 of the Code of Conduct issued by Borsa Italiana, to which the Company complies.

Furthermore, art. 123-ter, paragraph 6 of the TUF, requires companies to submit to the shareholders' vote the section of the Report indicating the amounts paid (or Section II of this document). This resolution has an advisory nature.

Glossary

Advisory Board: it is composed of the Chairman, the Chief Executive Officer and three non-executive and independent Directors. It has a consulting function on any issues arising from the energy markets as well as with regard to any aspect deemed to be relevant in the context of the corporate mission.

Executive Directors: this is the Chief Executive Officer and General Manager of Falck Renewables S.p.A. (hereinafter also “**Chief Executive Officer**”).

Annual Total Direct Compensation: this is the sum of the fixed gross annual remuneration and the amount of short-term and medium-long term variable remuneration corresponding to the achievement of the predetermined objectives (“a target”).

Shareholders' Meeting: this is the collegial deliberative body of the Company. All holders of voting rights are represented within this (directly or by proxy). It has the powers assigned to it by the Law and the articles of association: the main ones are the approval of the Financial Statements, the appointment and revocation of Directors, of the Board of Statutory Auditors and of its Chairman. In the context of the Remuneration Policy, it resolves in a binding way on Section I and in an advisory way on Section II of the Report.

Code of Conduct: as defined by Borsa Italiana, it is the “Code of Conduct of Listed Companies in relation to the Corporate Governance”. This document includes a series of indications on the “best practices” for the organisation and operation of Italian listed Companies. These recommendations are not binding, even though listed Companies must “advise both the market and its own Shareholders with regard to its governance structure and its degree of compliance with the Code”.

Board of Statutory Auditors: it is the internal control body to which the function of supervising the Company's administration is assigned. The Board expresses a (non-binding) opinion on the definition of the Remuneration Policy of the Directors with special duties that must be taken into consideration in the resolutions of the Board of Directors.

Risk, Control and Sustainability Committee: it is constituted within the Board of Directors on the basis of Article 7 of the Code of Conduct. It is composed of three independent Directors. It has

the task to "support with adequate preliminary activities the evaluations and the decisions of the Board of Directors relative to the internal control and risk management system, as well as those relative to the approval of the periodical financial reports".

Human Resources and Appointments Committee: it is constituted within the Board of Directors and has the task, among others, to present to the Board of Directors a general Policy for the remuneration of executive Directors, Directors with special duties and Key Management Personnel. The Committee in Falck Renewables S.p.A. is composed of three independent Directors.

Entry Gate Condition: this represents the minimum level to be achieved below which the incentive plans do not allow the payment of any bonus.

Permanence Condition: this is the condition on the basis of which on 31 January 2023, i) the Director is in service and not under notice following termination and/or after voluntary resignation, and/or is not subject to disciplinary provisions; ii) the Chief Executive Officer (a) is in office or (b) is no longer in office following: revocation by the Company without just cause and/or relinquishment of the office by the chief executive officer with just cause and/or resignation of the chief executive officer from employment with just cause and/or dismissal of the chief executive officer without just cause ("Good Leaver").

Board of Directors (BoD): this is the collegial body with the mandate to manage the Company. At the time of drafting this Report, the Board of Directors of Falck Renewables S.p.A. is composed of 12 Directors. It is the body with the task to approve the Remuneration Policy proposed by the Human Resources and Appointments Committee, to be then submitted for final approval to the Shareholders' Meetings.

Key Management Personnel: they are subjects who have, directly or indirectly, the power and responsibility to plan, manage and control the Company's business activities. For the definition of "Key Management Personnel" please refer to Annex 1 of the Regulation on transactions with related parties no. 17221 of 12 March 2010, derived from International accounting standard IAS 24 ("Related Party Disclosures") in the text adopted in accordance with the procedure pursuant to article 6 of the (EC) regulation no. 1606/2002 and applicable at the date the Regulation came into force.

Long Term Incentive Plan (LTIP): this is the long-term incentive plan that recognises the subjects involved a cash or shares bonus on the basis of objectives predefined at corporate level.

Management by Objectives (MBO): this is the short-term incentive plan that gives the right to the subjects involved to receive a cash bonus on the basis of objectives predefined and agreed with each subject participating in the same plan.

Objective to target: this is the level of achievement of the objective that gives the right to receive 100% of the incentive.

Supervisory Body (SB): organism of the Company, required by art. 6 of Italian Legislative Decree 231/2001, in charge of the supervision on the operation and on the compliance to the organisation and management Model required by the same Decree. It has autonomy, independence and competence in relation to the control of the risks linked to the specific activity carried out by the Company and the relevant legal features.

Gross Annual Remuneration (GAR): this is the gross annual remuneration, including only the fixed elements of the remuneration relative to the employment, excluding the benefits recognised with respect to the employment and of occasional payments, in respect of expenses, as well as of any bonus and variable component, even if guaranteed and/or paid on a one-off basis or in a continuous, repeated or deferred manner, the portion of employee severance payment and any indemnity required by the Law and the applicable collective contract.

Contents

PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY	2
SUBJECTS INVOLVED	2
PROCESS FOR THE DEFINITION AND APPROVAL OF THE POLICY.....	4
OBJECTIVE OF THE REMUNERATION POLICY	6
DISCLOSURES ON THE COMPANY'S REMUNERATION POLICY	7
CHAIRMAN OF THE BOARD OF DIRECTORS.....	8
NON-EXECUTIVE DIRECTORS	8
EXECUTIVE DIRECTORS.....	9
KEY MANAGEMENT PERSONNEL	14
COMPONENTS OF THE CONTROL BODY.....	17
DEROGATION PROCEDURE	17
PART ONE	20
Conversion of the 2017-2019 LTIP Plan from a share basis to a cash basis	21
PART TWO	24

**Falck
Renew
ables**

PURE POWER TO GROW

SECTION I (REMUNERATION POLICY)



Through the definition of the Remuneration Policy the Company identifies the principles and guidelines that allow it to determine and monitor the Remuneration Policy and its implementation within the Group, with regard to Directors, Key Management Personnel and Auditors.

PROCEDURES FOR THE ADOPTION AND IMPLEMENTATION OF THE REMUNERATION POLICY

SUBJECTS INVOLVED

The Company's Remuneration Policy is developed and implemented with the involvement of the following subjects.

Human Resources and Appointments Committee

In compliance with the provisions of the Code of Conduct of Borsa Italiana, to which Falck Renewables S.p.A. complies, the Company's Board of Directors has constituted within itself a "Human Resources and Appointments Committee" ("**HRAC**") formed of non-executive and independent Directors, defining its tasks and powers in accordance with the recommendations of the Code of Conduct.

The Human Resources and Appointments Committee has approved its Regulation which, in addition to regulating the terms and procedures for calling and directing meetings (also defining at this regard the competences of the Chairman of the HRAC), requires the Committee to have investigation, consultation and proposal functions on all aspects relating to the organisational structure, the remuneration policies and the development of Group's human resources.

At the date of this report, the members of the Human Resources and Appointments Committee are:

- ❖ Elisabetta Caldera, Chairman¹
- ❖ Libero Milone, Component
- ❖ Barbara Poggiali, Component.

¹ Independent in accordance with TUF and the Code of Conduct.

During 2019, the Human Resources and Appointments Committee met seven times (with a 100% participation rate); the Committee focused its activities on the preparation of the

Remuneration Report, the definition of the new MBO system, the definition of the new LTIP system, the definition of performance objectives, the Policy with regard to the succession of the Chairman and of the Chief Executive Officers and the improvement of practices relating to Diversity & Inclusion.

At the date of approval of this Report, five meetings had taken place in 2020, dedicated, among other things, to the finalisation of the new MBO system and of the new LTIP system, as well as the examination of this Report for the subsequent approval by the Board of Directors.

Board of Directors

At the time of drafting this Report, the Board of Directors of Falck Renewables S.p.A. is composed of 12 Directors.

Director	Office	Role	M/m	RCSC	HRAC	AB**
Enrico Falck	Chairman	Executive	M			Ch
Guido Corbetta	Deputy Chairman	Non-Executive	M			
Toni Volpe	Chief Executive and General Manager	Executive	M			C
Libero Milone	Director	Independent*	M	Ch	C	
Elisabetta Caldera	Director	Independent	M	C	Ch	
Barbara Poggiali	Director	Independent	M	C	C	
Georgina Grenon	Director	Independent	M			C
Marta Dassù	Director	Independent	M			C
Federico Falck	Director	Non-Executive	M			
Elisabetta Falck	Director	Non-Executive	M			
Paolo Pietrogrande	Director	Independent	M			C
Filippo Marchi	Director	Non-Executive	m			

*RCSC: Risk, Control and Sustainability Committee, HRAC: Human Resources and Appointments Committee, M: majority, m: minority, Ch: Chairman, C: Component, * Lead Independent Director, ** Advisory Board.*

The Board, among other tasks:

- ❖ on the proposal of the Human Resources and Appointments Committee, defines the Remuneration Policy for Key Management Personnel;
- ❖ having examined the proposals of the Human Resources and Appointments Committee and after hearing the opinion of the Board of Statutory Auditors, determines the remuneration of the Chief Executive Officer and of other Directors with special duties (in particular the Chairman and any Deputy Chairmen); it also determines, if the Shareholders' Meeting has not already done so, the allocation of the overall remuneration due to the members of the Board;

Shareholders' Meeting

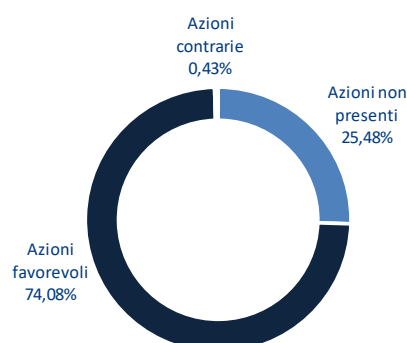
The role of the Shareholders' Meeting, pursuant to the Articles of Association (limited to the issues relevant to this Report), is to:

- ❖ appoint and revoke Directors, appoint Auditors and the Chairman of the Board of Statutory Auditors;
- ❖ determine the remuneration of Directors and Auditors;
- ❖ express an opinion on the Report itself.

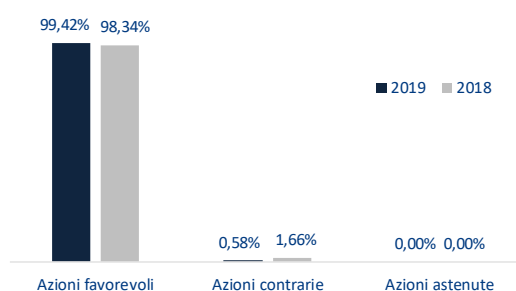
For completeness, the summary of the Shareholders' Meetings votes on 15 April 2019 on Section I of the 2019 Report on Remuneration is reported below:

	Number of shares	% of shares in the Shareholders' Meeting
Shares in Shareholders' Meeting	217,150,964	100%
Shares in favour	215,891,684	99.420%
Shares against	1,259,280	0.580%
Shares abstained	0	0%

Shares in favour, against and abstained and not present (% of share capital), 2019



Shares in favour, against and abstained (% of shares in the Shareholders' Meeting), 2019 vs. 2018



PROCESS FOR THE DEFINITION AND APPROVAL OF THE POLICY

The Remuneration Policy is subject to the approval of the Board of Directors of Falck Renewables on an annual basis, on proposal of the Human Resources and Appointments Committee, which, for the part relating to Key Management Personnel, in turn carries out preliminary work on the proposals of the Chief Executive Officer.

Furthermore, with regard to the Remuneration Policy for Chief Executive Officers, the Board of Directors takes into account the opinion of the Board of Statutory Auditors, in accordance with the Articles of Association. The Policy, once examined and approved by the Board of Directors, must be approved by the Shareholders' Meeting, making it available at least 21 days before the date of the Shareholders' Meeting through the publication of the Remuneration Report.

The full text of the Report has been preliminary examined by the Human Resources and Appointments Committee and then approved by the Board of Directors on 11 March 2020.

It is to be remembered that the Procedure for Transactions with Related Parties excludes from the application of the new procedures Shareholders' Meetings resolutions pursuant to article 2389, paragraph 1 of the Italian Civil Code, relative to remuneration due to components of the Board of Directors, the resolutions relating to the remuneration of the Chief Executive Officers included in the overall amount preliminarily determined by the Shareholders' Meeting pursuant to article 2389, paragraph 3 of the Italian Civil Code, and the Shareholders' Meeting resolution pursuant to article 2402 of the Italian Civil Code, relative to remuneration due to components of the Board of Statutory Auditors.

OBJECTIVE OF THE REMUNERATION POLICY

The Company's Remuneration Policy is defined in accordance with the recommendations formulated by the Code of Conduct and has the purpose to strengthen the values, resources and behaviours consistent with the company's culture and strategy through the recognition of the assigned responsibilities, the results achieved, the quality of the professional contribution and the development potential of the resource.

Therefore, the Remuneration Policy has the objective to:

- ❖ motivate Management to achieve the Company's strategic objectives;
- ❖ align Management's interests with those of Shareholders, pursuing the primary objective of the creation of sustainable value in the medium-long term through the realisation of a strong link between remuneration and performance;
- ❖ attract, retain and motivate individuals with the professional qualities required to pursue the corporate objectives;
- ❖ recognise merit in order to adequately reward the individual contribution of resources.

DISCLOSURES ON THE COMPANY'S REMUNERATION POLICY

The Policy, summarised in this Section of the Report, establishes in detail the overall remuneration packages of Directors, including executive Directors, and Key Management Personnel.

The lines of the 2020 Policy have been defined in coherence with the expressed aims and general principles and are considered to be consistent with the applicable reference markets by the Human Resources and Appointments Committee.

For directors who are to be assigned management powers or who carry out, also only in practice, functions relating to the management of the company as well as for Key Management Personnel, a significant part of remuneration is linked to the achievement of specific performance objectives, also of a non-economic nature, previously indicated and determined in accordance with the guidelines in the Remuneration Policy.

The remuneration of non-executive Directors is proportional to the commitment required of each of them, also taking into account the possible participation to one or more Committees.

The main characteristics of the Policy, in terms of the elements of the remuneration package and their determination, have been reported below for the following groups of subjects:

1. **Chairman of the Board of Directors:** holder of executive powers, in addition to the office of Chairman;
2. **Non-executive Directors:** members of the Board of Directors without special duties;
3. **Executive Directors:** members of the Board of Directors (other than the Chairman) with special duties and to whom specific powers may also be delegated;
4. **Key Management Personnel:** subjects with roles supervising Group key and strategic areas, as per the internal organisational structure;
5. **Components of the Control Body:** members of the Board of Statutory Auditors.

The assignment of powers to Directors only in case of emergency is not sufficient, in itself, to qualify them as executive Directors.

The following are identified in the current composition of the Board of Directors:

- ❖ Chairman of the Board of Directors: Mr Enrico Falck;
- ❖ Executive Directors: the Chief Executive Officer and General Manager, Mr Toni Volpe;

- ❖ Non-executive Directors: the Deputy Chairman, Prof. Guido Corbetta, and Directors Ms Elisabetta Falck, Mr Federico Falck, Ms Elisabetta Caldera, Mr Libero Milone, Ms Barbara Poggiali, Mr Filippo Marchi, Ms Georgina Grenon, Ms Marta Dassù, Mr Paolo Pietrogrande.

CHAIRMAN OF THE BOARD OF DIRECTORS

The remuneration of the Chairman of the Board of Directors is represented by a fixed component, determined on the basis of the commitment required for the performance the assigned activities.

For the current mandate, and therefore until its expiry, the gross annual remuneration of the Chairman of the Board of Directors was set by the Board of Directors of Falck Renewables on 27 April 2017 at €240,000.

The Chairman exclusively receives a fixed remuneration, as no type of incentive, bonus or other variable payment is anticipated for this role. The Company reiterates the adequacy of this choice and, therefore, the lack of a necessity to establish incentive mechanisms aimed at retaining and motivating the Chairman as long as this office is assigned to Enrico Falck because, in view of the ownership relationship with the Company, the interests of the latter are intrinsically aligned with the pursuit of the priority objective of creating value for all Shareholders.

NON-EXECUTIVE DIRECTORS

The remuneration of the non-executive Directors is represented by a fixed component, determined on the basis of the commitment required for the performance the assigned activities, taking into consideration the possible participation to one or more internal committees of the Board of Directors.

For the current mandate, and therefore until its expiry, the gross annual remuneration of Directors was set by the Shareholders' Meeting of Falck Renewables on 27 April 2017 and allocated on the same date by the Board of Directors as specified below:

- ❖ €35,000 for the Deputy Chairman;
- ❖ €25,000 to each Director.

The Board also established the remuneration of the Chairmen and components of the Committees and of the Supervisory Board:

- ❖ Risk, Control and Sustainability Committee: €35,000 for the Chairman and €25,000 for each of the two components;

- ❖ Human Resources and Appointments Committee: €35,000 for the Chairman and €25,000 for each of the two components;
- ❖ *Advisory Board*: €30,000 for each of the two components external to the Company, while the two components from within the Company do not receive any remuneration;
- ❖ Supervisory Board: €35,000 for the Chairman and €25,000 for the component external to the Company, while the component from within the Company does not receive any remuneration.

In line with best practices relating to remuneration systems, no variable component of remuneration linked to the economic results achieved by the Company and by the Group is envisaged for non-executive Directors (application Criterion 6.C.4). In any case, the remuneration itself is considered to be sufficient to attract, retain and motivate directors with the professional qualities required to successfully manage the Company.

Non-executive Directors are not included in share-based incentive plans (application Criterion 6.C.4). They are also entitled to the reimbursement of expenses incurred in the performance for their office.

EXECUTIVE DIRECTORS

The Board, in the definition of the Policy for the Chief Executive Officer, has taken in consideration the following principles and criteria (Application Criterion 6.C.1):

- ❖ the fixed component and the variable component are suitability balanced in function of the strategic objectives and the risk management policy of the issuer, also taking into account the business sector in which it operates and the characteristics of the business activity actually carried out;
- ❖ maximum limits are set for the variable components paid in cash and a maximum allocation of shares for the variable component of remuneration paid in financial instruments;
- ❖ the fixed component is sufficient to remunerate the services of the Director in case the variable component is not paid due to the failure to reach the performance objectives indicated by the Board of Directors;
- ❖ the performance objectives (or the economic results and the other specific objectives to which the payment of the variable components is linked) are predetermined, measurable and linked to the creation of value for Shareholders.

In the definition of the Policy for the Chief Executive Officer, the Board has established that one part of the remuneration is linked to the achievement of specific performance objectives, previously indicated and determined in coherence with the guidelines included in the general remuneration policy defined by the same Board of Directors (Principle 6.P.2.).

The Human Resources and Appointments Committee has proposed the Board of Directors the remuneration due to the Chief Executive Director. The Board of Directors has also requested the opinion of the Board of Statutory Auditors.

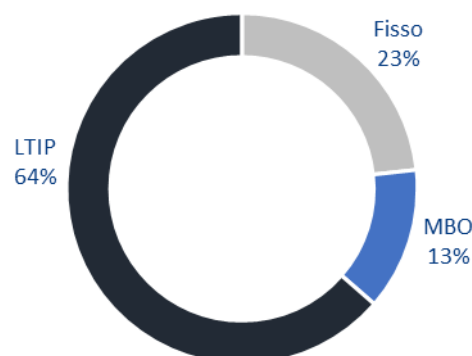
The remuneration of the Chief Executive Officer, for the current mandate, is composed of the following elements:

Component	Main characteristics
Fixed Annual	<ul style="list-style-type: none"> ❖ Payment as Director ❖ Payment as Chief Executive Officer ❖ Remuneration for the role of General Director
Short-term variable (annual)	<ul style="list-style-type: none"> ❖ MBO linked to the achievement of specific and predetermined corporate objectives
Long-term variable	<ul style="list-style-type: none"> ❖ LTIP linked to the achievement of specific and predetermined multi-annual corporate objectives
<i>Benefits</i>	<ul style="list-style-type: none"> ❖ Recognised by the applied CCNL and by corporate procedures; the allocation of a property for residential use is also included

The average annual remuneration for the Chief Executive Officer for the 2020-2022 three-year period is determined on the basis of the following criteria:

- ❖ the fixed component corresponds to 23% of the Annual Total Direct Compensation when the target performance is achieved. The fixed component of the payment as Director, as Chief Executive Officer and as compensation for the role of General Director is €500,000 (increased in January 2020);
- ❖ the short-term variable component (MBO) corresponds to 13% of the Annual Total Direct Compensation when the target performance is achieved;

- ❖ *the long-term variable component (LTIP), on an annual basis, corresponds to 64% of the Annual Total Direct Compensation when target performance achieved²;*
- ❖ the benefits package includes what is included in the applied national collective bargaining agreement (CCNL). The Director's contract also includes a mixed use vehicle, housing, the D&O policy, insurance and health policies.



Short-term variable remuneration (MBO)

The MBO system has the purpose of evaluating and rewarding annual performance.

The MBO objectives for the Chief Executive Officer are established by the Board of Directors of Falck Renewables, on proposal of the Human Resources and Appointments Committee, by 31 January of the reference year and on the basis of the Business Plan approved by the same Board of Directors. These objectives are linked to some economic and financial parameters considered to be relevant from a management point of view and essential for the Business Plan. In particular:

- ❖ Consolidated EBITDA (70% weighting);
- ❖ MW (30% weighting).

Three performance scenarios have been identified (threshold, intermediate and maximum) in correspondence of which steadily increasing bonuses accrue.

The system requires an Entry Gate Condition linked to the ratio between the Net Financial Position and EBITDA.

It is also a condition of the payment of the entire MBO to be in the employment of the Company at the end of the reference year (except in the case of "Good Leaver").

The verification of the achievement of the objectives will be carried out by the Board of Directors of

² The pay mix was valued using the average FKR share price in February 2020.

Falck Renewables, based on the preliminary work of the Human Resources and Appointments Committee.

Medium-long term variable remuneration (LTIP) 2020-2022

An LTIP system has been envisaged, characterised by a three-year time span (2020-2022), in accordance with the approved Business Plan. The main aims of the LTIP system are to ensure the maximum compliance with market practices in terms of aligning the interests of the beneficiaries with those of the shareholders in the medium-long term and motivating management to pursue the ambitious objectives of the Business Plan and retention.

The main characteristics of the LTIP system (which, as previously stated, accounts for around 64% in total of the Annual Total Direct Compensation) at the date of assignment, divided in two components, are reported below:

- ❖ 9.2% of the Annual Total Direct Compensation is a cash bonus ("**Cash Plan**") linked to the achievement of the cumulative EBITDA objective over the 2020-2022 period, in accordance with the approved Business Plan, with an Entry Gate tied to the Net Financial Position / EBITDA parameter. This component of the LTIP bonus requires an incentive strategy over the 2020-2022 time period as detailed below:
 - 100% of the target bonus is achieved on reaching the cumulative EBITDA of the Business Plan;
 - in case of a result of less than 90% of the cumulative EBITDA, no bonus is accrued;
 - 80% of the target bonus is achieved on reaching 90% of the cumulative EBITDA of the Business Plan;
 - when 105% of the cumulative EBITDA is reached, 110% of the target bonus is achieved (maximum bonus for this component);
 - in intermediate performance scenarios, the accrued bonus varies linearly.
- ❖ 54.4% of Annual Total Direct Compensation consists of the free allocation of a number of 600,000 FKR shares ("**Share Plan**"), subject to the Permanence Condition and two Entry Gate Conditions, one tied to a objective of 90% of cumulative EBITDA over the 2020-2022 period and another to the Net Financial Position / EBITDA parameter (measured at the end of each of the three years of the reference period).

The number of shares that can be allocated varies in function of the Share Price of the FKR

share at the end of the LTIP Plan (calculated as the quarterly average of the quarter from November 2022 to January 2023) and may increase up to a maximum of 900,000 shares, if the Outstanding Share Price is achieved.

The verification of the achievement of the objectives will be carried out by the Board of Directors of Falck Renewables, following preliminary work by the Human Resources and Appointments Committee.

Benefits

The remuneration of the Chief Executive Officer is supplemented by different types of benefits.. They mainly consists of social security, insurance and pension schemes that reflect and improve on the social security and pension provisions provided by the National Collective Labour Agreement (with reference to Executives in Companies providing goods and services). The assignment of a company car for mixed used is also included, in accordance with the provisions of the applicable car policy, and the assignment of a residential property.

Indemnity in case of resignation, dismissal or termination of working relationship

The indemnity that may be provided for the termination of the directorship is so defined that its overall sum is not higher than a determined amount or a determined number of years of remuneration;

The following are currently provided for the Chief Executive Officer:

- ❖ indemnity in case of early termination of the Office of Director and Chief Executive Officer;
- ❖ indemnity for the end of the Chief Executive Officer mandate, including the non-renewal by the Board of Directors.

The Company has agreed to pay the Chief Executive Officer two years of fixed remuneration as indemnity for the termination of the directorship in case the "Good Leaver" condition is met.

In the case the Chief Executive Officer's mandate for its office in Falck Renewables S.p.A. is not renewed, for any reason, at the end of the mandate, it is anticipated that the same will have the right to receive an end of mandate indemnity equal to two years of fixed remuneration. The end of mandate indemnity cannot in any case be added to the previously illustrated indemnity for the early termination of the office.

Both the indemnity relative to the termination of the Directorship and the end of mandate indemnity include the termination of the employment relative to the office of General Director.

The Company Falck Renewables S.p.A. has not stipulated a no-competition agreement with the Chief Executive Officer.

The Board of Directors, in the light of the provisions of the Code of Conduct, has introduced a contractual clause which allows the Company not to pay the indemnity provided for the termination of the directorship if the termination of the employment is attributable to specific predefined cases.

The Company has introduced a clause which expressly recognises the Company's right to request the reimbursement of the variable remuneration (or to retain sums subject to deferral) in determined circumstances such as, for example including but not limited to, the case of a sum paid on the basis of data which is later proven to be incorrect (clawback clause).

KEY MANAGEMENT PERSONNEL

The Board, in the definition of the Policy for Key Management Personnel, has considered the need to link part of the relative remuneration to the achievement of specific performance objectives, also of a non-economic nature, previously indicated and determined in coherence with the guidelines included in the general remuneration policy defined by the same Board of Directors (Principle 6.P.2.).

Criteria 6.C.1 and 6.C.2 apply, as they are compatible, also to the determination of the remuneration of Key Management Personnel (Criterion 6.C.3).

The remuneration of Key Management Personnel is composed, until further notice, of the following elements:

Component	Main characteristics
Fixed Annual	<ul style="list-style-type: none"> ❖ Gross annual remuneration (GAR) ❖ Fixed payments, where envisaged by the office
Short-term variable (annual)	<ul style="list-style-type: none"> ❖ MBO linked to the achievement of specific and predetermined corporate objectives
Long-term variable	<ul style="list-style-type: none"> ❖ LTIP linked to the achievement of specific and predetermined multi-annual corporate objectives
<i>Benefits</i>	<ul style="list-style-type: none"> ❖ Recognised by the applicable CCNL (or, for employees abroad, by the applicable regulations in the reference country) and by corporate procedures

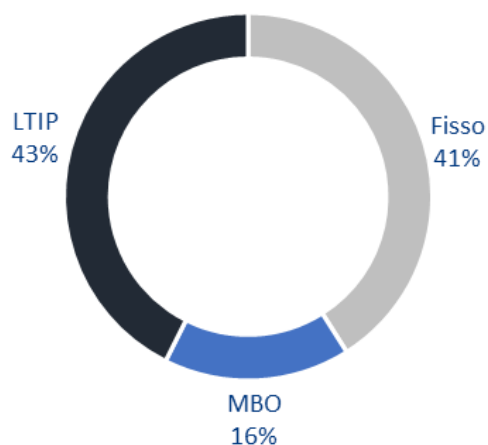
The gross annual remuneration includes the provision of the confidentiality requirement and of each and any payments subsequent to the possible appointment of Key Management Personnel in the Boards of Directors of the Subsidiaries of Falck Renewables and the assignment of any and each office, power, proxy or task in supervisory bodies; any payments conferred for the above reasons are paid by the employing Company.

At the date of this Report, the following are identified as Key Management Personnel:

- ❖ Paolo Rundeddu, *Group Chief Financial Officer*;
- ❖ Marco Cittadini, *Global Head of Energy Management & Downstream Services*;
- ❖ Carmelo Scalone, *Global Head of Business Development and M&A*;
- ❖ Scott Gilbert, *Global Head of Engineering & Construction*.

The annual remuneration (in correspondence of the maximum result scenario) for Key Management Personnel is determined on the basis of the following criteria:

- ❖ the fixed component corresponds to 41% of the Annual Total Direct Compensation when the target performance is achieved.
- ❖ the short-term variable component (MBO) corresponds to 16% of the Annual Total Direct Compensation when the target performance is achieved;
- ❖ the long-term variable component (LTIP), on an annual basis, corresponds to 43% of the Annual Total Direct Compensation when target performance achieved;³
- ❖ the benefits package includes the provisions of the applicable CCNL (or, for employees abroad, of the applicable regulations in the reference country); supplementary medical insurance and pension benefits are included. A car policy also applies.



³ The pay mix was valued using the average FKR share price in February 2020.

Short-term variable remuneration (MBO)

The 2020 policy assigning an annual variable incentive to Key Management Personnel is similar to the structure and calculation mechanisms already illustrated above for the Chief Executive Officer of Falck Renewables S.p.A., in particular with regard to the calculation method and the definition of entry gate conditions to be applied to the individual objectives assigned.

The MBO objectives for Key Management Personnel have been set by the Chief Executive Officer of Falck Renewables S.p.A.. They are defined in accordance with the strategic priorities of Falck Renewables and of the Group.

The objectives of the Key Management Personnel are represented by a minimum of four and a maximum of 6 objectives of a quantitative and/or project-based nature depending on the organisational role and the areas of responsibility of each Key Manager.

A percentage weighting of no less than 10% and no more than 40% is assigned to each individual performance objective, and in any case the set of objectives cannot exceed an overall score of 100%. Each individual performance objective will achieve a percentage score on the basis of an incentive curve which includes a minimum and a maximum value and a result obtained by linear interpolation on intermediate values.

For Key Management Personnel the total percentage of 100% of the MBO corresponds to the contractual MBO.

Medium-long term variable remuneration (LTIP)

The LTIP system for Key Management Personnel has characteristics similar to that for the Chief Executive Officer: one part of the target bonus consists of the free allocation of a certain number of shares ("**Share Plan**") and another part is a cash bonus ("**Cash Plan**") on achieving predetermined cumulative EBITDA objectives or, for Business Line Executives, of other possible parameters relevant to the activities carried out. The same Entry Gate, Permanence and Claw Back Conditions as those for the Chief Executive Officer apply.

Benefits

The remuneration of Key Management Personnel is supplemented with different types of benefits. They mainly consists of insurance and pension schemes that reflect and improve on the social security and pension provisions provided by the National Collective Labour Agreement for Executives in Companies providing goods and services

(or, for employees abroad, by the applicable regulations in the reference country).

The assignment of a company car for mixed use is also included, in accordance with the provisions of the applicable car policy.

Indemnity in case of resignation, dismissal or termination of working relationship

Generally, there are no agreements in place for Key Management Personnel regulating *ex ante* the economic aspects relating to the possible early resolution of the employment relationship on the initiative of the Company or of the individual. In such cases the following apply: (i) for Italian employees, the provisions of the National Collective Employment Contract for Executives of Companies providing goods and services in relation to termination of the employment without just cause by the company; (ii.) for employees abroad, the applicable regulations in the reference country or conditions similar to those applicable to Italian Executives.

COMPONENTS OF THE CONTROL BODY

At the date of this Report, the Control Body is composed as follows:

- ❖ Gianluca Pezzati, Chairman;
- ❖ Alberto Giussani, Standing Auditor;
- ❖ Giovanna Conca, Standing Auditor;
- ❖ Mara Caverni, Alternate Auditor.

The Shareholders' Meeting of Falck Renewables of 27 April 2017 has established the gross annual remuneration for the Board of Statutory Auditors at €175,000, broken down as follows:

- ❖ €75,000 for the Chairman of the Board of Statutory Auditors;
- ❖ €50,000 for each Standing Auditor.

These amounts are consistent with the professional commitment required by the office as well as its associated responsibilities.

DEROGATION PROCEDURE

In exceptional circumstances the Board of Directors may consider it necessary to temporarily derogate from the current Remuneration Policy in order to pursue long-term interests, guarantee the sustainable success of the company and ensure the alignment of the management's interests with those of the shareholders. Any such resolutions of the BoD will be fully subject to the

Procedure for Transactions with Related Parties and they will be disclosed to the market, in accordance with the regulations and the same Procedure.

The exceptional circumstances refer to the case in which, during the reference financial year, the recognition of particularly relevant achievements for the Company is considered to be opportune, or if there is a change in the Key Management Personnel or - during the mandate - of the Chief Executive Officer.

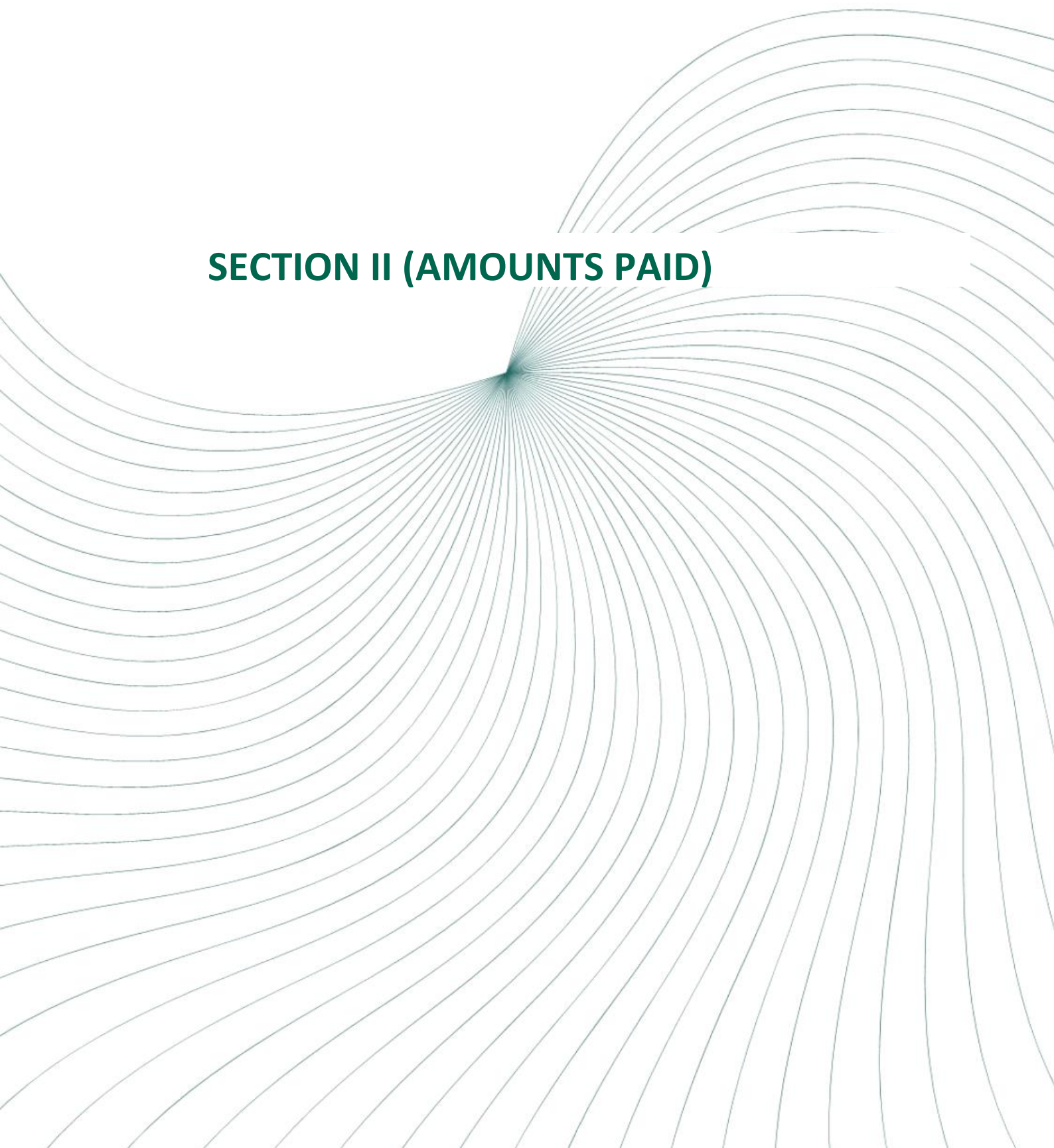
The elements on which the Company may derogate, in the presence of the above mentioned exceptional and temporary circumstances, relate to the mix of remuneration components.

In the case where, on achieving exceptional results, it is considered opportune to reward the Chief Executive Officer or Key Management Personnel, this recognition can not in any case exceed 100% of the beneficiary's Annual Total Direct Compensation.



PURE POWER TO GROW

SECTION II (AMOUNTS PAID)



This section is divided into two parts and illustrates with the tables annexed to Part II the remuneration of the Governing and Control Bodies by name, and of the Key Management Personnel, in aggregated form.

PART ONE

Information relating to the remunerations paid in the reference financial year (2019) is reported below. The illustration of the items and the addition information can be found in Section I of the 2019 Report.

Regarding its merits, the 2019 Remuneration Policy was subject to verification by the Human Resources and Appointments Committee on occasion of its periodical evaluation as required by the Code of Conduct, which confirmed that it is coherent and consistent with the decisions of the resolutions of the Board of Directors.

In particular, the 2019 Remuneration Policy was implemented through the payment of the components provided by the same, where applicable:

- ❖ payment as Director;
- ❖ component as Director with special duties;
- ❖ gross annual remuneration (GAR) component;
- ❖ component for the participation to Committees;
- ❖ an annual variable component achievable by reaching predetermined corporate and individual objectives (MBO plan);
- ❖ a multi-annual variable component achievable by reaching predetermined corporate objectives (LTIP plan);
- ❖ benefit recognised by the applicable CCNL (or, for employees abroad, by the applicable regulations in the reference Country) and by corporate procedures.

In 2019 non-executive Directors received the fixed remuneration deliberated by the Board of Directors on the basis of the overall remuneration for the Governing Body deliberated by the Shareholders' Meeting.

With regard to the Chairman and the Chief Executive Officer, the fixed remuneration was paid, deliberated by the Board of Directors on the basis of the overall remuneration for the Governing Body deliberated by the Shareholders' Meeting.

The amounts relative to above mentioned remuneration are specified at the respective item in Table 1, the additional amounts are specified in the item "Non-equity/bonus and other incentive variable remuneration" in the same Table 1, with relative indications of details in Table 3B.

Lastly, as provided also in the 2019 Report on Remuneration, Table 1 reports the value of the benefits recognised in 2019, according to a taxable income criterion. In particular, these values refer to the benefits included in the CCNL for Industrial companies executives (or, for employees abroad, by the regulations applicable in the reference country) supplemented by medical insurance and a car policy.

Conversion of the 2017-2019 LTIP Plan from a share basis to a cash basis

The 2017 - 2019 LTIP Plan, approved by the Shareholders' Meeting of the Company on 27 April 2017, included the free allocation to the Chief Executive Officer and Key Management Personnel of a predetermined number of the Company's ordinary shares, subject to the Permanence and Gate Conditions being met and linked to the Net Financial Position / EBITDA parameter.

In the light of the impact on the financial markets deriving from the worsening of the Covid-19 health emergency, the Company's Board of Directors has agreed the need to evaluate any amendments to the Plan, in order to ensure the achievement of the original aims of the LTIP plan to motivate and retain essential resources for the long-term success of the Company. Taking into account the exceptional situation due to the health emergency, the HRAC has expressed a favourable opinion with regard to the conversion of the payment due to beneficiaries of the Plan from a share basis to a cash basis (the "**Conversion**").

The Conversion determines the allocation to beneficiaries of the Plan of a sum of money corresponding to the monetary value of Falck shares accrued, calculated on the basis of the average market price of the Falck shares in the 90 calendar days prior to 30 March 2020, the date in which the Board of Directors approved the Conversion proposal.

As the Conversion is not subject to the procedural regulations provided for transactions of minor relevance with related parties referred to in the "Procedure for Transactions with Related Parties" adopted by the Board of Directors of Falck Renewables on 12 November 2010 ("TRP Procedure"), the Risk, Control and Sustainability Committee, with the support of an external and independent advisor, has issued a non-binding recommendation to the Board of Directors on the interest of the Company at the conclusion of this Conversion operation as well as on the essential

convenience and correctness of the relative conditions.

This recommendation took into consideration the fact that:

- ❖ the current situation caused by the Covid-19 health emergency and the relative impacts on the performance and on the volatility of financial markets and, in particular, on the Falck Renewables shares is considered to be absolutely exceptional;
- ❖ pursuant to the Plan regulation, the Board of Directors is called to evaluate the amendments that become necessary or opportune in order to maintain the contents of the Plan itself as unchanged as possible;
- ❖ the allocation of Company's shares to the beneficiaries, in accordance with the procedure envisaged by the Plan regulation, would appear to be particularly disadvantageous both from an economic and motivational point of view for all of the Plan's beneficiaries;
- ❖ it is in the interest of the Company to remunerate, retain and motivate the Plan's beneficiaries, whose contribution is considered to be of fundamental importance for the achievement of the objectives of Falck Renewables;
- ❖ the allocation of a commensurate bonus, in the light of the results achieved by the Plan's beneficiaries in the 2017-2019 three-year period represents the due recognition to the management team for the contribution given by the increase in the value of the Company;
- ❖ the Conversion represents the most suitable instrument for pursuing the aims indicated above;
- ❖ as indicated in the independent advisor's analysis, the 90 calendar day span before the date of the Board of Directors meeting that approved the Conversion proposal, identified in order to calculate the monetary value of the shares on the basis of the average market price of the Falck shares, allows to identify a commensurate value for the Falck shares from a financial point of view.

In the light of what is indicated above, the Board of Directors of the Company, on 30 March 2020 deliberated the Conversion of the payment envisaged by the 2017-2019 LTIP Plan from a share basis to a cash basis, using the average of the 90 calendar days prior to 30 March 2020, of €5.21 per share (the closing price of the Falck Renewables shares as at 27 March 2020 was of €4.24 per share) as the reference price.

Following the Conversion, taking into account that the Permanence and the Entry Gate Conditions had both been met, a cash bonus will be recognised with reference to the 2017-2019 period for a value of:

- €3,079,110 for the Chief Executive Officer (or 591,000 accrued shares times the reference price of €5.21 per share);
- €2,120,908 for Key Management Personnel (or 407,084 accrued shares times the reference price of €5.21 per share).

These amounts, for the part exceeding what had already been accrued in previous years and in the 2019 financial year, matured in 2020 and will therefore be included in the Report next year.

PART TWO

Table 1: Compensation paid to the components of the Governing and Control Bodies, General Manager and other Key Management Personnel;

TABLE 1												
Compensation paid to the components of the Governing and Control Bodies, General Manager and other Key Management Personnel;												
A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Office	Term of office	Expiry date of office	Fixed remuneration	Remuneration for the participation to Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity for termination of office or termination of employment
						Bonus and other incentives	Profit-sharing					
Enrico Falck	Chairman	01.01.2019 - 31.12.2019	approval of 2019	240,000				15,808		255,808		
Guido Corbetta	Deputy Chairman	01.01.2019 - 31.12.2019	approval of 2019	35,000						35,000		
Toni Volpe	Chief Executive Officer and General	01.01.2019 - 31.12.2019	approval of 2019	350,000 ⁽¹⁾		884,400 ⁽²⁾		20,269		1,254,669	191,062 ⁽³⁾	
Federico Falck	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000				17,539	105,000 ⁽⁴⁾	147,539		
Elisabetta Falck	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000						25,000		
Libero Milone	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	60,000 ⁽⁵⁾					85,000		
Barbara Poggiali	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	50,000 ⁽⁶⁾					75,000		
Elisabetta Caldera	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	60,000 ⁽⁷⁾					85,000		
Filippo Marchi	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000						25,000		

TABLE 1

Compensation paid to the components of the Governing and Control Bodies, General Manager and other Key Management Personnel;

A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Office	Term of office	Expiry date of office	Fixed remuneration	Remuneration for the participation to Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity for termination of office or termination of employment
						Bonus and other incentives	Profit-sharing					
Georgina Grenon	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	30,000 ⁽⁸⁾					55,000		
Paolo Pietrogrande	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	30,000 ⁽⁸⁾					55,000		
Marta Dassù	Director	01.01.2019 - 31.12.2019	approval of 2019	25,000	30,000 ⁽⁸⁾					55,000		
Bernardo Rucellai	HRAC Secretary	01.01.2019 - 31.12.2019	approval of 2019				10,000 ⁽⁹⁾			10,000		
Giovanni Maria Garegnani	Chairman SB	01.01.2019 - 31.12.2019	approval of 2019	35,000						35,000		
Luca Troyer	SB	01.01.2019 - 31.12.2019	approval of 2019	25,000						25,000		
Massimo Scarpelli	Chairman of the Board of Statutory	01.01.2019 - 07.12.2019	approval of 2019	70,068.49 ⁽¹¹⁾						70,068.49		
Gianluca Pezzati	Chairman of the Board of Statutory	07.12.2019 - 31.12.2019	approval of 2019	4,931.51 ⁽¹²⁾						4,931.51		
Alberto Giussani	Standing Auditor	01.01.2019 - 31.12.2019	approval of 2019	50,000						50,000		
Giovanna Conca	Standing Auditor	01.01.2019 - 31.12.2019	approval of 2019	50,000						50,000		
Key Management Personnel ⁽¹⁰⁾		01.01.2019 - 31.12.2019		777,165.85			725,816 ⁽¹³⁾		121,179	189,941 ⁽¹⁴⁾	1,814,102	297,460 ⁽¹⁵⁾

TABLE 1

Compensation paid to the components of the Governing and Control Bodies, General Manager and other Key Management Personnel;

A	B	C	D	1	2	3		4	5	6	7	8
Name and Surname	Office	Term of office	Expiry date of office	Fixed remuneration	Remuneration for the participation to Committees	Non-equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity for termination of office or termination of employment
						Bonus and other incentives	Profit-sharing					
Total				1,862,166	260,000	1,620,216	-	174,795	294,941	4,212,119	488,522	-

- (1) Remuneration as Director, Chief Executive Officer and General Manager.
- (2) Final balance of the amounts referred to the 2019 MBO Plan with payment in 2020 and Cash component of the LTI Plan (2017-2019).
- (3) Calculated in accordance with IFRS 2 with reference to the 2019 financial year. Fair Value as at 11 March 2020 of €895,168 calculated on a share price of €4.544.
- (4) Remuneration referred to "Special duties" as from deliberation of the Board of Directors of Falck Renewables S.p.a. of 27 April 2017.
- (5) Remuneration as Chairman of the Control and Risk Committee and component of the Human Resources Committee.
- (6) Remuneration as component of the Human Resources Committee and of the Control and Risk Committee.
- (7) Remuneration as Chairman of the Human Resources Committee and component of the Control and Risk Committee.
- (8) Remuneration as component of the Advisory Board.
- (9) Remuneration as Secretary of the HRAC.
- (10) Key Management Personnel for the period in question are:
- ❖ Paolo Rundeddu
 - ❖ Marco Cittadini
 - ❖ Scott Gilbert, employed by Falck Renewables Wind Ltd. The amounts referred to him were converted at the 2019 Sterling-Euro average exchange rate (0.87777€/£)
 - ❖ Carmelo Scalone, employed by Vector Cuatro S.L.U.
- (11) Massimo Scarpelli left on 07.12.2019 due to death.
- (12) Gianluca Pezzati replaced Massimo Scarpelli from 07.12.2019.
- (13) Final balance of the amounts referred to the 2019 MBO Plan with payment in 2020 and Cash component of the LTI Plan (2017-2019).
- (14) Lump Sum Bonus.
- (15) Calculated in accordance with IFRS 2 with reference to the 2019 financial year and referred to Key Managers Directors Paolo Rundeddu, Carmelo Scalone, Marco Cittadini, Scott Gilbert. Fair Value as at 11 March 2020 of €823,714 calculated on a share price of €4.544.

Table 3A - Incentive plans based on financial instruments other than stock options in favour of components of the governing body, general directors and other key management personnel.

A	B	-1	Financial instruments assigned in previous years non vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year non assigned	Financial instruments vested during the year that can be assigned		Financial instruments referred to the year
			-2	-3	-4	-5	-6	-7	-8		-9	-10	
Name and Surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value as of the date of assignment	Vesting period	Date of assignment	Market price as of the date of assignment	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value (2)
Toni Volpe	MD and GM	Share Plan 2017-2019	Common shares no. 591,000	3/9/2017 - 3/11/2020									191,061.59
Key Management Personnel		Share Plan 2017-2019	Common shares no. 353,986	8/8/2017 - 3/11/2020	Common shares no. 53,098	2.75	8/8/2017 - 3/11/2020	2/18/2019	2.81				297,460.08

(1) LTI Plan 2017-2019 deliberated on 27/04/2017 considers 2019 Key Management Personnel: Paolo Rundeddu, Scott Gilbert, Marco Cittadini, Carmelo Scalone.

(2) Values included in Table .1

On 30 March 2020, the Board of Directors of the Company, with the prior favourable opinion of the Human Resources and Appointments Committee, deliberated the conversion of the payment envisaged by the 2017-2019 LTIP Plan from a share basis to a cash basis, using as the reference price the average of the three months prior to 30 March 2020, equal to €5.21 per Falck share (for further information please see Section II, Part One, Paragraph "Conversion of the 2017-2019 LTIP Plan from a share basis to a cash basis")

Table 3b, Monetary incentive plans in favour of the components of the governing and control bodies, general managers and other Key Management Personnel;

TABLE 3B									
Monetary incentive plans in favour of components of the governing body, general managers, and other key management personnel									
A	B	1	2			3			4
Name and Surname	Office	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Toni Volpe	Chief Executive Officer		Payable/paid	Deferred	Reference	No longer	Payable/paid	Still	
(I) Remunerations in the company that prepares the financial statements	MBO Plan	234,400 ⁽¹⁾							
	LTIP Plan (2017-2019)	650,000 ⁽⁵⁾			Year 2017-2019				
(II) Remuneration from subsidiaries and related companies									
(III) Total			884,400						
Key management personnel									
(I) Remunerations in the company that prepares the financial statements	MBO Plan	161,850 ⁽²⁾							
	LTIP Plan (2017-2019)	267,000			Year 2017-2019				
(II) Remuneration from subsidiaries and related companies	MBO Plan	97,864 ⁽³⁾							
	LTIP Plan (2017-2019)	199,102 ⁽⁵⁾			Year 2017-2019				
Other executives	LTIP Plan (2017-2019)	72,000			Year 2017-2019				
(III) Total			797,816						
Total			1,682,216						

(1) Final balance of the amounts referred to the 2019 MBO Plan with payment in 2020.

(2) Final balance of the amounts referred to in the 2019 MBO Plan with payment in 2020 referred to Key Managers of FKR Paolo Rundeddu and Marco Cittadini.

- (3) Final balance of the amounts referred to in the 2019 MBO Plan with payment in 2020 referred to Key Managers of the subsidiaries VC SLU Carmelo Scalone and FRWL Scott Gilbert. In the case of S. Gilbert the 2019 Sterling-Euro average exchange rate was applied (0.87777€/£).
- (4) 2017-2019 LTIP System, Shareholders' Meeting resolution of 27/04/2017, considers the 2019 Key Managers Paolo Rundeddu, Scott Gilbert, Marco Cittadini and Carmelo Scalone.
- (5) Values already included in table 1