

Annual Report on the Remuneration Policy and on fees paid

At 31 December 2021



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Pursuant to art. 123-ter of Italian Legislative Decree 58/1998
at 31 December 2021

*Report approved by the Board of Directors of Be Shaping the Future S.p.A.
at the meeting held on 15 March 2022 and available on the website www.be-tse.it*

Registered office:
Viale dell'Esperanto 71 - Rome
Share capital:
Euro 27,109,164.85, fully paid up
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Introduction

This report (the “**Report**”), approved by the board of directors (the “**Board of Directors**”) of Be Shaping the Future S.p.A. (“**Be**” or the “**Company**”) on 15 March 2022, on the proposal of the Company’s appointments and remuneration committee (the “**Appointments and Remuneration Committee**”) which met on the same date, has been drawn up in accordance with the provisions of art. 123-ter of Italian Legislative Decree 58/98 (the “**Consolidated Law on Finance**”) and of art. 84-quater of the regulation adopted by Consob with resolution no. 11971/99 (the “**Issuers’ Regulation**”) and in accordance with Attachment 3A, Diagrams 7-bis and 7-ter, to the Issuers’ Regulation.

The Report is organised into the following sections:

- (a) Section I, which illustrates the remuneration policy adopted by the Company for the remuneration of members of the Board of Directors and the Board of Statutory Auditors of Be (the “**Board of Statutory Auditors**”), of general managers and executives with strategic responsibilities (where existent) and the procedures used for the adoption and implementation of said policy; Section I also illustrates the way in which the remuneration policy contributes to the company strategy, to the pursuit of long-term interests and to the Company’s sustainability, determined taking into consideration the remuneration and working conditions of the Company’s employees;
- (b) Section II which, individually for the members of the Board of Directors and Board of Statutory Auditors and the general managers, and on an aggregate basis for the executives with strategic responsibilities (where existent):
 - provides an adequate description of the items that comprise the remuneration, including the amounts envisaged in the event that the office of the same is terminated or their employment with the company is terminated, highlighting its consistency with the Company’s remuneration policy with regard to the reference year;
 - analytically illustrates the fees paid in 2021 (the “**Financial Year**”), under any title and in any form, by the Company and by subsidiary and associated companies, which relate to activities performed in previous years to that of reference and also indicating the fees to be paid in one or more future years for activities performed in the Financial Year, if possible indicating an estimated amount for components that cannot objectively be quantified in said Financial Year;
 - reports - in accordance with the provisions of art. 84-quater, paragraph 4 of the Issuers’ Regulation - the data on equity investments held in the Company and in its subsidiaries by members of the Board of Directors and Board of Statutory Auditors and (where applicable) by executives with strategic responsibilities, as well as by spouses not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, as per the shareholders’ register, communications received and other information acquired by the same directors, statutory auditors and executives with strategic responsibilities;
 - illustrates how the Company has taken into account the vote expressed the prior year on the second section of the report on remuneration.

The remuneration policy was approved by the Board of Directors on 11 March 2021 and by the Shareholders’ Meeting on 22 April 2021 for the residual duration (i) of the current business plan and (ii) of the term of office of the current Board of Directors, and therefore for the years 2021 and 2022 (the “**Remuneration Policy**”), in compliance with the provisions set forth in the regulations on related party

transactions adopted by Consob with resolution no. 17221 of 2010 (the “**Consob RPT Regulations**”), as implemented in the procedure adopted in this regard by the Company, available on the Company’s website.

The Shareholders’ Meeting of 22 April 2021 approved Section I of the 2020 report on the remuneration policy and on fees paid with a binding vote, with a percentage of favourable votes of 99.23% of those voting.

This Report therefore contains the content of the first section of the 2020 remuneration report, with some limited updates (relating in particular to the new composition of the Board of Statutory Auditors, appointed on 22 April 2021). As there are no changes to the Remuneration Policy, Section I of this Report will not be submitted to the vote of the Shareholders’ Meeting called for 22/23 April 2022.

With regard to Section II, in compliance with the provisions of art. 123-ter, paragraph 6 of the Consolidated Law on Finance, it will be submitted to the non-binding vote of the Shareholders’ Meeting convened on first call for 22 April 2022, and on second call for 23 April 2022, which will resolve in favour or against.

This Report is made available to the public at the Company’s registered office, through the authorised transmission and storage mechanism SDIR-NIS/NIS-Storage and on the Company’s website at the following link: <https://www.be-tse.it>, “Investor Relations - Corporate Governance” section.

1. Section One

1.1. Process for the preparation, approval, possible revision and implementation of the Remuneration Policy

The following main parties/bodies are involved in the preparation, approval, possible revision and implementation of the Remuneration Policy:

- the Shareholders’ Meeting;
- the Board of Directors;
- the Appointments and Remuneration Committee;
- the Executive Directors;
- the Board of Statutory Auditors.

The Company has not engaged any independent experts to draw up the Remuneration Policy.

Shareholders' Meeting

As regards remuneration, the Shareholders’ Meeting:

- establishes the fee of each member of the Board of Directors; it may also establish, pursuant to the articles of association, a total amount for the remuneration of all Directors. Said fees

are established at a sufficient amount to attract, maintain and motivate people with the professional qualities required to successfully manage the Company. The Shareholders' Meeting also establishes the fee of each member of the Board of Statutory Auditors;

- votes on the annual report on the remuneration policy and fees paid, approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee;
- receives adequate information on the implementation of remuneration policies;
- resolves on any remuneration plans based on shares or other financial instruments addressed to Directors, employees and consultants, including therein any executives with strategic responsibilities, pursuant to art. 114-bis of the Consolidated Law on Finance.

Board of Directors

The Board of Directors:

- establishes an Appointments and Remuneration Committee within the Board. At least one committee member must possess adequate knowledge and experience in financial matters and pay policies; the assessment of the competences is made by the Board of Directors at the time of appointment;
- draws up, with the assistance of the Appointments and Remuneration Committee, the remuneration policy for members of the Board of Directors and Board of Statutory Auditors;
- approves the annual report on the remuneration policy and fees paid to be submitted to the Shareholders' Meeting;
- on the proposal of or following the opinion of the Appointments and Remuneration Committee, it establishes, in line with the remuneration policy and, in any event, following the opinion of the Board of Statutory Auditors, the remuneration of the executive Directors and of other Directors in specific positions, and sets the performance objectives for the variable component of said remuneration; it prepares, with the assistance of the Appointments and Remuneration Committee, any 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;
- implements any remuneration plans based on shares or other financial instruments on the mandate of the Shareholders' Meeting.

Appointments and Remuneration Committee

In accordance with the provisions of art. 2.2.3, paragraph 3, letter n) of the regulations for the markets organised and managed by Borsa Italiana S.p.A. ("**Borsa Italiana**"), applicable to issuers with shares traded on the electronic stock market organised and managed by Borsa Italiana, STAR Segment, as well as in compliance with the provisions of art. 6 of the previous code of self-regulation for listed companies, adopted by the corporate governance committee of Borsa Italiana in July 2018, the Board of Directors has established the internal Appointments and Remuneration Committee, which performs the committee functions (pursuant to art. 4 of the current code of self-regulation for listed companies adopted by the corporate governance committee of Borsa Italiana in January 2020, the "**Corporate Governance Code**"), and the

committee functions for remuneration (set forth in article 5 of the Corporate Governance Code).

Functions

The Appointments and Remuneration Committee:

- assists the Board of Directors in the preparation of the remuneration policy;
- submits proposals or provides opinions to the Board of Directors on the remuneration of the executive Directors and of other Directors in specific positions, as well as on setting performance objectives correlated to the variable component of their remuneration;
- monitors the application of the remuneration policy and verifies in particular whether the performance objectives have actually been achieved;
- assists the Board of Directors in preparing and implementing any remuneration plans based on shares or other financial instruments;
- periodically assesses the adequacy and the overall consistency of the remuneration policy for directors and top management, and uses information provided by executive Directors if the assessment regards the remuneration of executives with strategic responsibilities, where said exist;
- makes any manner of proposal on remuneration to the Board of Directors;
- reports to the shareholders on how it exercises its functions; to this end, the attendance of the Chairperson of the Appointments and Remuneration Committee or of another committee member at the Annual Shareholders' Meeting is required.

Composition and functioning

In a resolution dated 9 May 2013, the Board of Directors in office at that time, established that the Appointments and Remuneration Committee:

- i. was to be convened on the initiative of the Chairperson of the Committee:
 - a. when the same deemed it necessary or when the other two members requested a meeting;
 - b. with notice to be sent, also by fax or e-mail, to the individual members of the Committee, to the Chairman of the Board of Statutory Auditors, or to another Auditor designated by the same, and to the Chairman of the Board of Directors, at least 5 days before the meeting, containing a summary of the items to be discussed, it being understood however, that even if the notice is not sent, the Committee would be considered legally constituted with the presence of all of its members and of the Chairman of the Board of Statutory Auditors, or by the other Auditor designated by the same;
- ii. was to meet at the registered office or elsewhere, as long as in a European Union country, specifying that Committee meetings could be held also by video or teleconference, on condition that all attendees can be identified, are able to follow the discussion and to intervene in real time in the debate on the items on the agenda, and to receive, transmit and see documents, and that examining documents and passing resolutions is guaranteed to take place at the same time;

- iii. would be validly constituted with the presence of the majority of members in office and resolve on the basis of an absolute majority, but in any event, with the favourable vote of the Independent Director, if only one independent member has been appointed to the Committee;
- iv. draw up minutes on its activities and resolutions, signed by the Chairperson of the Committee and by another member in attendance;
- v. would approve on the basis of an absolute majority, but in any event, with the favourable vote of the Independent Director, if only one independent member has been appointed to the Committee, any further rules needed for its functioning.

These rules also apply to the current Appointments and Remuneration Committee, the work of which is coordinated by the Chairperson of the Committee itself.

Following the appointment of the Board of Directors currently in office, approved by the Shareholders' Meeting on 22 April 2020, on the same date the Board of Directors renewed the composition of the Appointments and Remuneration Committee, appointing the independent Director Cristina Spagna (who acts as the Chairperson of said Committee), the non-executive Director Claudio Berretti and independent Director Anna Maria Tarantola as members of the same.

During the Financial Year, the Appointments and Remuneration Committee met 4 times. The meetings lasted an average of 29 minutes and the attendance level was 91.66%. More specifically, the attendance level of Cristina Spagna was 100%, that of Claudio Berretti was 100% and that of Anna Maria Tarantola 75%. During said meetings, the Committee, *inter alia*: (a) established whether the objectives relating to the payment of the variable part of remuneration of executive Directors for 2020 had been achieved; (b) assessed the adequacy, the overall consistency and the effective implementation of the remuneration policy adopted by the Company; (c) expressed its opinion on the report on remuneration pursuant to art. 123-ter of the Consolidated Law on Finance and on the annual report on corporate governance and ownership structure pursuant to art. 123-bis of the Consolidated Law on Finance; (d) assessed the activities performed during the Financial Year and those planned for 2022 and lastly (e) acknowledged the recommendations for corporate governance by the Corporate Governance Committee; f) examined the changes to the incentive plan for certain key people. Minutes of meetings of the Committee in office must always be regularly drawn up. The Committee Chairperson informs the Board of Directors, at the first possible meeting, on the meetings of said committee and on the matters that were discussed (in accordance with the provisions of recommendation no. 17 of the Corporate Governance Code).

Non-members may also attend Committee meetings, without voting rights, on the invitation of the Committee and with regard to specific items on the agenda. The Statutory Auditors also attend these meetings, without voting rights, and the attendance rate was 100% for Giuseppe Leoni, Chairman of the Board of Statutory Auditors; 100% for Stefano De Angelis and 100% for Rosita Natta, Standing Auditors.

Directors must refrain from attending meetings of the Appointments and Remuneration Committee in which proposals are made to the Board of Directors regarding their remuneration.

Executive Directors

The executive Directors:

- provide the Appointments and Remuneration Committee with all useful information so that the same may assess the adequacy and effective application of the remuneration policy, with specific regard to the remuneration of executives with strategic responsibilities, where said exist;
- establish the remuneration of executives with strategic responsibilities, where said exist, in accordance with the remuneration policy.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors plays an advisory role insofar as it issues the opinions required by the law in force; specifically, the Board of Statutory Auditors issues an opinion on proposals for the remuneration of executive Directors and of other Directors in specific positions; when issuing its opinion, the Board of Statutory Auditors verifies the coherence of the proposals with the remuneration policy.

Management of conflicts of interest

At the date of this Report, the procedure adopted by the Company for regulating transactions with related parties ("**RPT Procedure**") exempts its application (i) to shareholders' resolutions pursuant to art. 2389, paragraph 1, of the Italian Civil Code, relating to the remuneration payable to the members of the board of directors of Be, (ii) to resolutions on the remuneration of Directors in specific positions included in the total amount determined in advance by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, of the Italian Civil Code and (iii) to resolutions of the shareholders' meeting pursuant to art. 2402 of the Italian Civil Code on the remuneration of members of the Board of Statutory Auditors of Be.

Moreover, the RPT Procedure is not applicable, without prejudice to the periodic reporting obligations envisaged by art. 5, paragraph 8 of the procedure:

- a) to transactions relative to remuneration plans based on financial instruments, approved by the Shareholders' Meeting of Be pursuant to art. 114-bis of the Consolidated Law on Finance and the relative implementing transactions; and
- b) to the resolutions, other than those indicated above, on remuneration of Directors of the Company in specific positions, as well as executives with strategic responsibilities (where present), provided that: (i) Be has adopted a remuneration policy; (ii) definition of the remuneration policy involved a committee comprising exclusively non-executive directors, the majority of which are independent; (iii) a report illustrating the remuneration policy has been submitted for approval or consultative vote by the Shareholders' Meeting of Be; and (iv) the assigned remuneration is consistent with said policy.

1.2. Purpose, principles and process for the definition and approval of the Remuneration Policy

The purpose of the Remuneration Policy is functional to the pursuit of sustainable success and designated to attract, motivate and retain resources who possess the professional qualities and expertise required for the role held in the Company, to successfully pursue the Company's objectives. Another purpose of the Remuneration Policy is to align the interests of management with those of its shareholders, pursuing a primary objective of creating value in the medium-long term, by establishing a strong link between pay and individual performance. Moreover, the Remuneration Policy contributes to the Company's strategy, its pursuit of long-term interests and its sustainability. This contribution is provided through greater and more informed involvement of the shareholders, called upon to express their binding vote on the Remuneration Policy, which describes each of the items comprising the remuneration of Directors and (where applicable) of other executives with strategic responsibilities and which therefore has a different and broader content with respect to the resolutions on remuneration pursuant to articles 2364, 2389 and 2402 of the Italian Civil Code.

The Remuneration Policy is submitted to the approval of the Board of Directors by the Appointments and Remuneration Committee. When drawing up said Policy, the Appointments and Remuneration Committee has the faculty to access information and to involve the company functions needed to perform its tasks. It involves the Company's Human Resources and Organisation Management and also uses the services of independent experts in this field, to the extent of that approved by the Board of Directors and that envisaged by the Corporate Governance Code.

On the proposal of the Appointments and Remuneration Committee, the Board of Directors draws up and adopts the Remuneration Policy within its organisation and as part of internal regulations, and specifically, establishes the content relating to the remuneration policy for members of management and control bodies and incentive plans. Furthermore, with regard to establishing the remuneration of Directors in specific positions, the Board of Directors takes the prior opinion of the Board of Statutory Auditors into consideration. Once the Board of Directors has examined and approved the Remuneration Policy, it submits it to the binding vote of the Shareholders' Meeting.

The Remuneration Policy is based on the following criteria and principles:

- balancing of the fixed and variable component, as a function of Be's strategic objectives and medium/long-term interests, also taking into account the sector in which it operates and the characteristics of the business it is actually engaged in, with a view to avoiding conduct that does not create long-term value for the Company and its shareholders. In particular, the variable part of remuneration of executive Directors accounts for a significant percentage of the total remuneration of the same, also with relation to the fixed component, specifically for a percentage of at least 70%;
- the measurability of the variable component of remuneration, a large share of which is linked to the achievement of specific objectives and to the Company's performance,

according to financial parameters that can be clearly perceived by the market, such as EBT. The pre-establishment and the measurability of the objectives play a key role in the payment of the variable component. In addition to being measurable, the performance objectives are (i) priorities, as they are directly linked to the Company's medium/long-term strategy, (ii) specific, in that they are clear and concrete in terms of expected results, (iii) realistic, in that they are considered achievable despite being challenging and ambitious and (iv) defined within a specific time frame. Achievement of these objectives is verified at least once a year by the Board of Directors, upon assessment by the Appointments and Remuneration Committee;

- coherence with the long-term objectives pursued by the Company, including non-financial ones, guaranteed by the manner in which the variable part of the remuneration of executive Directors is paid, based on defined thresholds and limits; contribution to the Company's strategy and sustainability;
- provision of graduated objectives, which enable the value of management to be assessed and rewarded. In fact, if all performance objectives are reached, the entire maximum amount of variable remuneration will be paid; on the contrary, if none of the performance objectives are achieved, no variable remuneration will be paid.

The gross annual fixed component of remuneration of non-executive Directors and Statutory Auditors, on the other hand, is not linked to the achievement of economic results and instead, reflects the commitment required of each of the same for the fulfilment of their role.

In the light of the specific characteristics of the pay packages envisaged, in particular for executive Directors as illustrated in Paragraph 1.4 of this Report, the Board of Directors has decided not to set in place any contractual arrangements whereby the Company could request the return of all or part of the variable components of remuneration paid, or withhold deferred amounts, established on the basis of figures that were later found to be incorrect.

To ensure that the Remuneration Policy is as competitive and in line with the market as possible, the remuneration procedures and best practices adopted in the reference market are constantly analysed and monitored, using specific remuneration benchmarks. The remuneration benchmark is performed based on a solid and proven method of valuation of the organisational positions that permits each role to be weighed, allowing consistent comparisons both internally, even at the global level, and externally, ensuring a competitive alignment with the reference market.

To define Be's remuneration policy, reference was not made to the remuneration policies of other companies.

This Remuneration Policy also takes into the account the remuneration and working conditions of the Company's employees. In particular, this Remuneration Policy consists of tools and principles, applied to the entire corporate population, aimed at attracting, motivating and retaining people with the professional qualities necessary to contribute to the Company's growth strategy and strengthening of its long-term interests and sustainability.

It is based on the principles of fairness, equal opportunity, meritocracy and competitiveness in relation to the market.

Definition of the remuneration of the corporate population takes into consideration specific criteria, including comparison with the external market and impartiality within the company, the characteristics of the role and the responsibilities assigned, as well as the distinctive skills of the people, always with a view to maximum objectivity, in order to avoid any discrimination.

Remuneration for almost all Company employees consists of a fixed component, valued according to the above-mentioned criteria, and a variable component, aimed at rewarding the achievement of specific economic-financial and qualitative objectives, assessed on the basis of a balance score card system and closely linked to the Company's strategic projects.

The Company also ensures:

- a) a safe, functional and pleasant working environment: in the company's premises, architectural criteria functional to the activities are applied, encouraging sharing and collaboration and respecting the fundamental health and safety criteria;
- b) work methods that facilitate effective and efficient collaboration, leveraging smart spaces and technologies, enabling greater global proximity and ensuring continued value for the company and individuals;
- c) a concrete possibility to orient one's own individual and professional development, thanks to periodic and structured performance evaluation; to a continuous learning ecosystem, which facilitates the evolution of knowledge and skills; to the global dimension, which provides continuous, complex and innovative challenges, opening great opportunities for growth.

The Remuneration Policy described in this Report does not differ significantly from the one implemented in the prior year.

1.3. The remuneration of Directors

Board in Office

At a session held on 22 April 2020, the Shareholders' Meeting appointed the following as Directors:

- Carlo Achermann - *Executive Chairman*;
- Stefano Achermann - *Chief Executive Officer*;
- Claudio Berretti - *Non-Executive Director*;
- Claudio Roberto Calabi - *Non-Executive Director, Independent Director*;
- Gianluca Antonio Ferrari - *Non-Executive Director, Independent Director*;
- Francesca Moretti - *Non-Executive Director, Independent Director*;
- Lucrezia Reichlin - *Non-Executive Director, Independent Director*;
- Cristina Spagna - *Non-Executive Director, Independent Director*;
- Anna Maria Tarantola - *Non-Executive Director, Independent Director*.

No specific fee in favour of Directors qualified as independent is envisaged for participation in Committees - with the exception of the Chairpersons of the Control and Risk Committee and

Appointments and Remuneration Committee - or for the performance of specific assignments not associated to operational mandates; the remuneration of Directors therefore already covers the commitment related to participation in the Committees established within the Board of Directors and reflects the commitment required.

A variable component of the fee linked to the economic results of the Company is not envisaged for non-executive Directors. An insurance policy is in place as regards the third-party liability of management bodies (in addition to general managers and executives with strategic responsibilities, where said exist) when exercising their functions, for the purpose of holding the beneficiaries and the Company harmless from charges resulting from the relative compensation, with the exclusion of malice and gross negligence.

1.4. The Remuneration of Executive Directors

From a legal and statutory perspective, the remuneration of the Company's executive Directors is established on the basis of the procedures set forth in art. 2389, paragraph 3 of the Italian Civil Code, which envisages that *"The remuneration of directors in specific positions in compliance with the articles of association is established by the board of directors, subject to the opinion of the board of statutory auditors"* as well as in compliance with following specific criteria applied:

- the coherence between the elements underlying the calculation of the fee and the objectives set;
- the correct balance between the fixed component and the variable component as a function of the strategic objectives and the risk management policy of the Company, also considering the business segment in which it operates and the characteristics of the business it is actually engaged in;
- the fixed component should be sufficient to remunerate the contribution of the executive Director if the variable component is not paid due to failure to reach the performance objectives set by the Board of Directors;
- the advance establishment of performance objectives, namely of economic results and of any other specific objectives to which the payment of the variable components is linked, measurable and related to the creation of value for the shareholders over a medium-long term horizon, in this specific case, 36 months;
- the link between the variation of the results achieved and the variation of the remuneration guaranteed through a remuneration scale which varies from a minimum (usually zero) and a maximum related to a scale of objectives;
- the delay in the payment of the annual variable component of remuneration of several months with respect to the time of accrual in order to allow proper company risk management to be carried out with regard to the Company's Remuneration Policy.

From a remuneration policy perspective, the remuneration of executive Directors is usually comprised by the following components:

- **an annual gross fixed component;**

- **a variable component** linked to pre-set, measurable objectives, related to the creation of value for the shareholders over a time horizon usually not less than 12 months and up to 36 months. Given the nature of the company's business, the Board of Directors, on one hand, decided that a time horizon of twelve months enables targets to be set that are sufficiently coherent with the trends of the market in which the Company operates and in line with a prudential risk management policy, and, on the other hand, it also decided that, in terms of a criterion that is less linked to the economic cycle and more to the sustainability and stability of performance, as well as in keeping with the recommendations on the variable remuneration of directors and top managers of listed companies, a significant part of the variable component should be linked to medium-long term objectives (thirty-six months). The payment of the variable component is delayed with respect to the time of accrual - as subject to the approval of the annual financial statements by the Shareholders' Meeting - in order to allow proper company risk management to be carried out with regard to the Company's Remuneration Policy.

When establishing the remuneration and the components of the same, the Board of Directors takes the following into account (i) the specific content of the delegations of power assigned to individual executive Directors and/or (ii) the functions and the role actually fulfilled by individual executive Directors within the Company, thus ensuring that the proportion of the variable component is consistent with the nature of the tasks assigned to the same and defined by the Board of Directors on the basis of the following criteria:

- establishment of the target profit margin (EBT), as defined at the time of approval of the annual budget, setting a minimum threshold for the result to be achieved below which the objective is not considered to have been reached, and a maximum threshold;
- establishment of any additional specific objectives for the executive Directors and/or the other Directors in specific positions, who hold specific roles within the organisation of the Be Group's operations (the "**Group**");
- quantification of the bonus up to a maximum set amount, dependent on to what extent the objective is achieved.

The policy on the variable component of remuneration contributes to the company's strategy and to the pursuit of long-term interests (including sustainability of the Company), in order to ensure fair and stable employment relationships based on respect and on the promotion of talent.

The policy on the variable component of remuneration is defined in such a way as to ensure an overall remuneration structure capable of recognising the professional value of the individuals involved and to allow for an adequate balance between fixed and variable components, aiming to create sustainable value in the medium and long term and guarantee a direct link between remuneration and specific performance objectives, for a working environment that is inclusive of all forms of diversity and capable of encouraging the expression of individual potential, and of attracting, retaining and motivating resources.

The Company has not yet incorporated into this Policy specific non-financial objectives to which the variable component of executive Directors' remuneration is linked. However, the Company is drawing up specific guidelines based on which a (variable) remuneration policy that specifically takes into account non-financial and, in particular, sustainability objectives can be more

consciously determined in the upcoming future. With regard to the variable components of remuneration of executive Directors, the Appointments and Remuneration Committee proposes the objectives to the Board of Directors and the following year checks performance to verify whether the objectives set the previous year were achieved.

No ex-post adjustment mechanisms are envisaged for the variable component.

From an accounting perspective, the remuneration of executive Directors is recognised in the financial statements of the year in which the Directors served, both as regards the annual gross fixed component and the variable component, unless there are conditions precedent which defer payment.

The Appointments and Remuneration Committee and the Board of Directors may respectively assess and approve the payment of any further fees to be awarded to executive Directors for other positions held by the same on the boards of directors of Group companies.

1.5. Non-monetary benefits

In line with market practice, certain benefits may be enjoyed by executive Directors, such as insurance cover, also for death and disablement, supplementary health plans, as well as the award of a company car for private and business use, under the conditions envisaged in individual contracts and in the applicable collective contracts.

1.6. Board of Statutory Auditors

Board of Statutory Auditors in office

The Meeting held on 22 April 2021 appointed:

- Stefano De Angelis - *Chairman of the Board of Statutory Auditors*;
- Giuseppe Leoni - *Standing Auditor*;
- Rosita Natta - *Standing Auditor*;
- Susanna Russo - *Alternate Auditor*;
- Roberta Pirola - *Alternate Auditor*.

The remuneration of the Company's Board of Statutory Auditors is resolved by the Shareholders' Meeting and is commensurate with the commitment required, with the importance of the position held as well as with the size of the Company and the industry it operates in, pursuant to the provisions of Recommendation no. 30 of the Corporate Governance Code.

An insurance policy is in place as regards the third-party liability of control bodies when exercising their functions, for the purpose of holding the beneficiaries and the Company harmless from charges resulting from the relative compensation, with the exclusion of malice and gross negligence.

1.7. General managers and executives with strategic responsibilities

At 15 March 2022, the Group had a General Manager, namely Stefano Achermann, who holds this position in the Group company Be Management Consulting S.p.A.

The remuneration of the executive Directors is generally comprised by a fixed component and a variable component. Executive Directors who are also executives with strategic responsibilities (where existent) relating to Be or to other Group companies by employment contracts, receive post-employment benefits pursuant to the law, under art. 2120 of the Italian Civil Code.

1.8. Indemnity for resignation, dismissal or termination of employment contract

At the date of this Report, Stefano Achermann holds the position of (i) Chief Executive Officer of Be and (ii) CEO and General Manager of Be Management Consulting S.p.A.; the employment contract for the role of general manager is a permanent contract, with notice of 10 months in the event of termination.

The remuneration recognised to Stefano Achermann for the aforementioned positions is broken down as follows:

- for Be Shaping the Future S.p.A., Euro 550,000.00 per year total, as established by the Company's Board of Directors;
- for Be Management Consulting S.p.A., Euro 950,000.00 per year total, also including the amount due under the employment contract.

This remuneration is not linked to the company's performance.

Stefano Achermann, as both Chief Executive Officer of Be and Chief Executive Officer and general manager of Be Management Consulting S.p.A., has entered into a non-competition agreement in the event that his directorship position ends, or his contract of employment is terminated, for whatever reason, unless the same is terminated for just cause and on the initiative of the Company.

In the event of the above-mentioned termination of his employment contract, the aforementioned companies (to the extent of their respective responsibilities) have undertaken to pay him an amount corresponding to one year of fixed salary. For a period of 12 months subsequent to the termination of employment, Stefano Achermann has undertaken not to personally, or indirectly, or through third parties (whether physical or legal persons) - throughout Italy and in a competitive segment or for a competitor - engage in any form of business activity, as employee or independently, that is identical to, similar to or, in any event, resembles the activities performed during his terms in office as a director and/or employee of the Group. In the event that this non-competition agreement is infringed, the beneficiary must return the above-mentioned amount as a penalty for said action, without prejudice to the Company's right to claim further damages.

In the event of termination of the directorship or employment relationship for any reason or cause, the companies shall be entitled, respectively, to terminate the employment relationship and/or to revoke the directorship.

Notwithstanding the above, as at the date of this Report, there are no agreements in place between Be and the members of its Board of Directors that envisage the payment of an indemnity in the event of resignation, dismissal and/or revocation without just cause or in any form of termination of the employment contract, nor any incentive plans based on financial instruments or to be paid in cash in relation to which termination of the relationship would have an effect.

There are no plans to grant or retain non-monetary benefits or to enter into consultancy agreements for a period following termination of the relationship.

1.9. Share-based incentive plans

At the date of this Report, no share-based incentive plans are envisaged for executive or non-executive Directors, or for the head of the internal audit function or the executive in charge of preparing the company's accounting documents.

1.10. Clause for the maintenance of financial instruments in the portfolio

At the date of this Report, the Company has not entered into agreements that envisage clauses for the maintenance of financial instruments in the portfolio after their acquisition.

1.11. Insurance cover, social security or pension arrangements other than mandatory ones

In line with the best market practices, as indicated in paragraphs 1.3 and 1.6 above, the Company has drawn up a Directors & Officers policy for the members of the Board of Directors and of the Board of Statutory Auditors.

1.12. Remuneration policy adopted with regard to independent directors, participation in committees and the performance of specific assignments. Deferred payment systems

At the date of this Report, the Company has not adopted any remuneration policy with regard to independent Directors. For deferred payment system relating to the variable part of the remuneration of executive Directors, refer to Paragraph 1.4.

For the remuneration policy relating to participation in committees, see Paragraph 1.3 above.

1.13. Executive in charge of preparing the company's accounting documents

The incentive mechanisms in place for the executive in charge of preparing the company's accounting documents reflect the tasks assigned.

1.14. Elements of the Remuneration Policy that can be waived in exceptional circumstances and procedural conditions under which the waiver can be applied

The Company is not in favour of exceptions to its Remuneration Policy, even under exceptional circumstances.

Consequently, no elements of the Remuneration Policy that can be waived, even temporarily, have been identified, nor have the procedural conditions for applying any such waivers been regulated.

2. Section Two

Section II, divided into two parts, illustrates the remuneration of members of the management and control bodies paid in 2021.

First Part: Items comprising remuneration

The first part of Section II provides a description of the items that comprise remuneration. The items that comprise remuneration are indicated in detail in Table 1, under Attachment 3A, Diagram 7-bis, of Consob Issuers' Regulation, included as an appendix to Part II of this Section.

2.1 Board of Directors

At the meeting held on 22 April 2020, the Shareholders' Meeting resolved to give a total annual fee of Euro 20,000.00 to each Director, to be calculated on a pro rata basis with relation to the period of the financial year for which each member of the Board of Directors held the relative office. Said fee does not take into account any further emoluments (for example, those relating to positions held within the Board of Directors, namely the positions of member or Chairperson of internal board committees), which have been approved by the Board of Directors, following consultation with the Board of Statutory Auditors, in addition to the total annual fee established for each Director by the Shareholders' Meeting, pursuant to art. 2389, paragraph 3 of the Italian Civil Code.

At the meeting held on 22 April 2020, the Board of Directors resolved to:

- pay Directors holding the position of Chairperson of the Appointments and Remuneration Committee (Cristina Spagna) and Chairperson of the Control and Risk Committee (Claudio Calabi) an annual amount of Euro 15,000.00 in addition to the above-mentioned fee;
- pay each Director holding the position of member of the Appointments and Remuneration Committee (Claudio Berretti and Anna Maria Tarantola) or member of the Control and Risk Committee (Francesca Moretti and Gianluca Ferrari), in addition to the fee assigned by the Shareholders' Meeting, an annual amount of Euro 5,000.00.

With regard to the remuneration resolved in favour of the executive Directors, at the meeting held on 22 April 2020, the Board of Directors resolved to confirm in favour of Carlo Achermann and Stefano Achermann adoption of the remuneration policy previously approved by the Board of Directors on 7 July 2016; namely, with regard to Carlo Achermann, including the emolument receivable as Chairman of the Board of Directors and, with reference to the Chief Executive Officer, including the emolument as Director, as follows:

- to Carlo Achermann, as Chairman of the Board of Directors of the Company, an annual total remuneration amount corresponding to a company cost equal to and not greater than Euro 350,000.00, plus reimbursement for travel expenses, as per company practice;
- to Stefano Achermann, as Chief Executive Officer of the Company, an annual total remuneration amount corresponding to a company cost equal to and not greater than Euro 550,000.00, plus reimbursement for travel expenses, as per company practice;
- to Carlo Achermann, as member of the Board of Directors with delegated powers of Be Management Consulting S.p.A., an annual total remuneration amount corresponding to a company cost equal to and not greater than Euro 250,000.00, plus reimbursement for travel expenses, as per company practice;
- to Stefano Achermann, as Chief Executive Officer and General Manager of Be Management Consulting S.p.A., an annual total remuneration amount corresponding to a company cost equal to and not greater than Euro 450,000.00, plus reimbursement for travel expenses, as per company practice.

The above fixed remuneration of Stefano Achermann, as Chief Executive Officer and General Manager of Be Management Consulting S.p.A., was increased by Euro 500,000 effective 1 January 2022, envisaging in particular an annual total remuneration amount corresponding to a company cost equal to and not greater than Euro 950,000, plus reimbursement for travel expenses, as per company practice.

This increase is due, inter alia, to (i) the greater complexity assumed by the Be Group over time, also with regard to issues of geographical spread and diversification, with a consequent increase in responsibilities relating to operational management and (ii) the sharp increase in total revenues recorded by the Be Group in the last six years, to which Be Management Consulting S.p.A. and the other investee companies contributed significantly.

The above remuneration assigned to Stefano and Carlo Achermann is inclusive of the amount assigned to each director of Be or other Be Group companies established or to be established, also as a result of accepting specific tasks or operational powers.

At the meeting held on 22 April 2020, the Board of Directors also resolved to:

- assign a mandate to the Chief Executive Officer to set up a Scientific Board to provide ongoing support in the assessments of the Chief Executive Officer with regard to drawing up the Group's strategic policies;
- acknowledge that Lucrezia Reichlin will be part of this Scientific Board and assigned an annual fee for her consulting services in this area of Euro 15,000.00.

Executive Directors

With resolution by the Board of Directors of 16 October 2019 (with favourable opinion of the Appointments and Remuneration Committee which met on the same date), the variable incentive plan was linked to the achievement of a predefined margin objective (annual or 3Y EBT target) by the entire Group, according to categories of predefined amounts and the remuneration divided equally into an annual portion - or short-term component - and a multi-year portion of equal amount - or medium-term component - allocated in a specific fund and released upon achievement of the target EBT of the 2020-2022 Business Plan.

In particular, no variable remuneration is recognised for the executive Directors (Carlo Achermann and Stefano Achermann) in the event of a cumulative 3Y EBT of less than Euro 30 million. Where the cumulative 3Y EBT is equal to or greater than Euro 30 million, a growing variable remuneration amount will be recognised as the EBT parameter increases. Where the cumulative 3Y EBT is equal to or greater than Euro 70 million, the variable remuneration will be a fixed amount, without additional increases proportional to the increase of the EBT parameter.

By resolution of the Board of Directors of 30 July 2021 (adopted with the prior favourable opinion of the Appointments and Remuneration Committee which met on the same date), some corrections were made to the target amounts to which access to the annual and multi-year variable component is linked, in light of the strong internationalisation process of the Be Group and the new governance structure of Central and Eastern Europe. Without prejudice to the EBT target amounts of the 2020-2022 Business Plan, some changes were made to the individual EBITDA targets.

Non-monetary benefits

The assignment of non-monetary benefits is envisaged, defined in line with market practice and in a manner consistent with the position and role held. Non-monetary benefits include use of a vehicle, life insurance, accident insurance and supplementary health coverage.

2.2 Board of Statutory Auditors

At the meeting held on 22 April 2021, the Shareholders' Meeting resolved to assign to each Standing Auditor a total annual remuneration of Euro 20,000.00, plus an additional 50% to the Chairman of the Board of Statutory Auditors.

Non-monetary benefits

The Directors and Officers Insurance Policy is in place for Standing Auditors, covering third-party liability and stipulated with the insurance company CHUBB, formerly Ace European Group.

2.3 Indemnity and/or other benefits for end of office or termination of employment during FY 2020

During FY 2021, no indemnity and/or other benefits were assigned for end of office or termination of employment.

2.4 Exceptions to the Remuneration Policy

During the course of 2021, the Company did not apply any exceptions to the Remuneration Policy.

2.5 Adjustment mechanisms for the variable component

No ex-post adjustment mechanisms for the variable component (*malus* or “*claw-back*” of variable remuneration) were applied in FY 2021.

2.6 Change in trends on remuneration and fees paid by the Company in the last five years

Illustrated below is the comparison between annual change:

- i) in total remuneration of members of the Board of Directors and Board of Statutory Auditors

	2021	2020	2019	2018	2017
Stefano Achermann	+2.54%	-34.62%	+98.38% ⁽¹⁾	+2.19%	-30.91%
Carlo Achermann	+4.04%	-46.30%	+97.66% ⁽¹⁾	+2.77%	-24.59%
Claudio Berretti	+6.47%	+17.40%	-	-	-
Cristina Spagna	+4.54%	+11.60%	-	-	-
Gianluca Antonio Ferrari^(*)	+6.47%	+17.40%	-	+49.03%	
Claudio Calabi	+14.98%	+52.20%	+49.03%		
Anna Maria Tarantola^(**)	+43.68%				
Lucrezia Reichlin^(**)	+43.68%				
Francesca Moretti^(**)	+43.68%				
Giuseppe Leoni	-7.73%	-	-	-	-
Stefano De Angelis	+68.59%	-	-	-	-
Rosita Francesca Natta	+23.20%	-	-	-	-

⁽¹⁾ The increase takes into account payment of the multi-year portion of the variable incentive plan (medium-term component)

^(*) Date of first adoption of the position 27/04/2017

^(**) Date of first adoption of the position 22/04/2020

The data presented take into account turnover and the term of office of the current directors and members of the board of statutory auditors.

- (ii) in the Company's results (% annual change);

	2021	2020	2019	2018	2017
Total revenues	-7.9%	-45.13%	-12.70%	+21.89%	+14.65%
Operating Profit (loss) (EBIT)	+38.6%	+28.42%	+1.59%	+57.29%	+11.32%
Shareholders' Equity	+6.00%	+1.64%	-0.09%	-7.29%	-1.42%

- (iii) in gross average annual remuneration, based on full-time employees, of employees other than those whose remuneration is indicated individually in this section of the Report.

	2021	2020(*)
Change	+29.50%	+50.33%

(*) Effective 01/01/2020, the Issuer is a pure holding for strategic management of the investment portfolio and holder of the Brand.

The average annual gross remuneration was calculated by dividing the total payroll at 31/12 of each year by the number of employees on the payroll at that date.

2.7 Information on the methods with which the Company took into account the vote by the Shareholders' Meeting on Section II of the 2021 Report on Remuneration

The Shareholders' Meeting held on 22 April 2021 expressed a favourable vote on Section II of the 2020 Report on Remuneration, and no comments from the Shareholders requiring consideration for the purposes of this Report were recorded.

Second Part: Tables

2.1. Fees in 2021 relating to members of management and control bodies, general managers and other executives with strategic responsibilities (*amounts in EUR/thousands*)

Name and Surname	Position in Be S.p.A.	End of term in office	Fixed fees	Fees for committee attendance	Variable non-equity fees	Non-monetary benefits	Other fees	Total	Fair value of equity fees	Indemnity at end of office or on termination of employment
Term in office					Bonus and other incentives	Profit-sharing				
Stefano Achermann	Chief Executive Officer	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	1,000.00 ⁽¹⁾	708,33	35,39		1.743,72		
Carlo Achermann	Executive Chairman	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	600.00 ⁽²⁾	266,66	41,11		907,77		
Claudio Beretti	Non-Executive Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	5.00 ⁽⁶⁾			25,00		
Cristina Spagna	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	15.00 ⁽⁴⁾			35,00		
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	5.00 ⁽⁵⁾			25,00		
Claudio Calabi	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	15.00 ⁽³⁾			35,00		
Anna Maria Tarantola	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	5.00 ⁽⁶⁾			25,00		
Lucrezia Reichlin	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00				20,00		
Francesca Moretti	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2022	20,00	5.00 ⁽⁵⁾			25,00		
Stefano De Angelis	Chairman of the Board of Statutory Auditors ⁽⁷⁾	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2023	25,44				25,44		
Giuseppe Leoni	Standing Auditor ⁽⁸⁾	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2023	20,76				20,76		
Rosita Francesca Natta	Standing Auditor	01/01/2021 - 31/12/2021	Approval of financial statements at 31/12/2023	18,48				18,48		

Note that, where not indicated, fees from subsidiaries of Be Shaping the Future S.p.A. are not received, namely the same are paid back, insofar as they are absorbed in fees allocated pursuant to art. 2389, paragraph 3 of the Italian Civil Code. The breakdown of the fees paid to individual directors is shown below, specifying that no consideration is due for 2021 for the office of member of the "Scientific Board":

(1) Gross remuneration for the position of Chief Executive Officer of which Euro 450,000.00 for the position of Chief Executive Officer and General Manager of subsidiaries

(2) Gross remuneration for the position of Executive Chairman of which Euro 250,000.00 for the position of Executive Director of subsidiaries

(3) Additional remuneration for the position of Chairman of the Control and Risk Committee

(4) Additional remuneration for the position of Chairman of the Appointments and Remuneration Committee

(5) Additional remuneration for the position of member of the Control and Risk Committee

(6) Additional remuneration for the position of member of the Appointments and Remuneration Committee

(7) Office held from 22/04/2021, Standing Auditor from 01/01/2021 to 21/04/2021

(8) Office held from 22/04/2021, Chairman of the Board of Statutory Auditors from 01/01/2021 to 21/04/2021

2.2 Monetary incentive plans for members of the management body, general managers and other executives with strategic responsibilities

Name and Surname	Position in Be	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			Payable/ Paid	Deferred	Defement period	No longer payable	Payable/Paid	Still deferred	
Carlo Achermann	Executive Chairman	Annual/Three-Yearly 2020-2022 BoD 16/10/2019 BoD 14/12/2020	266.66 Target-based incentive for Annual Quota - relating to 2021 - which may be paid in 2022 after verifying achievement of the results and approval of the 2021 consolidated financial statements of the Be Group	- 266.66 - Provision for Long-Term Quota, which may be paid in 2023 after verifying achievement of the results and approval of the 2022 consolidated financial statements of the Be Group	1 year		233.33 Target-based incentive for Annual Quota - relating to 2020 - paid in 2021 after verifying achievement of the results and approval of the 2020 consolidated financial statements of the Be Group	- 233.33- Provision for Long-Term Quota, which may be paid in 2023 after verifying achievement of the results and approval of the 2022 consolidated financial statements of the Be Group	
Stefano Achermann	Chief Executive Officer	Annual/Three-Yearly 2020-2022 BoD 16/10/2019 BoD 14/12/2020	-708.33 Target-based incentive for Annual Quota - relating to 2021 - which may be paid in 2022 after verifying achievement of the results and approval of the 2021 consolidated financial statements of the Be Group	- 708.33- Provision for Long-Term Quota, which may be paid in 2023 after verifying achievement of the results and approval of the 2022 consolidated financial statements of the Be Group	1 year		666.67 Target-based incentive for Annual Quota - relating to 2020 - paid in 2021 after verifying achievement of the results and approval of the 2020 consolidated financial statements of the Be Group	- 666.67- Provision for Long-Term Quota, which may be paid in 2023 after verifying achievement of the results and approval of the 2022 consolidated financial statements of the Be Group	
Total			974,99	974,99			900,00	900,00	

2.3 Equity investments held by members of management and control bodies, by general managers and by other executives with strategic responsibilities in companies with listed shares and in companies controlled by the same

Name and Surname	Position	Term in office	Company	No. of shares held at 31/12/2020	No. of shares purchased	No. of shares sold	No. of shares held at 31/12/2021
Stefano Achermann	Chief Executive Officer	01/01/2021 - 31/12/2021	Be S.p.A.	17,234,618 ⁽¹⁾			17,234,618 ⁽²⁾
Carlo Achermann	Executive Chairman	01/01/2021 - 31/12/2021	Be S.p.A.	4,055,779		1,155,000 ⁽³⁾	2,900,779 ⁽⁴⁾
Claudio Berretti ^(*)	Non-Executive Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Anna Maria Tarantola	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Lucrezia Reichlin	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Francesca Moretti	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Cristina Spagna	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Gianluca Antonio Ferrari	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.	104,166		7,300	96,866
Claudio Calabi	Non-Executive Director Independent Director	01/01/2021 - 31/12/2021	Be S.p.A.				
Stefano De Angelis	Chairman of the Board of Statutory Auditors	22/04/2021 - 31/12/2021	Be S.p.A.				
Giuseppe Leoni	Standing Auditor	22/04/2021 - 31/12/2021	Be S.p.A.				
Rosita Francesca Natta	Standing Auditor	01/01/2021 - 31/12/2021	Be S.p.A.				

(1) On 22 June 2021, Stefano Achermann sold to Innisbrieffin S.r.l., a company in which he has legal control, 207,039 shares of Be Shaping the Future S.p.A.

(2) Of which 6,386,826 directly and 10,847,792 through Innisbrieffin S.r.l.

(3) On 10 September 2021, Carma Consulting S.r.l. sold 85,000 shares of Be Shaping the Future S.p.A. Furthermore, on 27 September 2021 it sold to Tamburi Investment Partners S.p.A. 1,070,000 shares of Be Shaping the Future S.p.A.

(4) Indirectly, through Carma Consulting S.r.l., a company in which it has legal control.

(*) Claudio Beretti holds the position of General Manager and Director of Tamburi Investment Partners S.p.A., a company that at 31 December 2020 held 37,082,225 shares of Be Shaping the Future S.p.A., and at 31 December 2021 held 38,152,225 shares of Be Shaping the Future S.p.A.