

REPORT ON REMUNERATION POLICY AND COMPENSATION PAID



*Prepared in accordance with Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 and 84-quater of the Issuers' Regulation
Approved by the Board of Directors on 21 March 2023*

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Table of Contents

INTRODUCTION	4
LETTER FROM THE CHAIR OF THE APPOINTMENTS AND REMUNERATION COMMITTEE	6
OVERVIEW OF THE REMUNERATION POLICY 2023	8
SECTION I - Remuneration Policy for Directors and Key Managers	14
<div> <div>(A)</div> <div>Governance of the Remuneration process - Bodies and persons involved in the preparation, approval and possible revision of the Remuneration Policy, roles and bodies and persons responsible for the correct implementation of such Policy</div> <div>14</div> </div> <div> <div>(B)</div> <div>Appointments and Remuneration Committee</div> <div>15</div> </div> <div> <div>(C)</div> <div>Remuneration Policy in relation to employee compensation and working conditions</div> <div>16</div> </div> <div> <div>(D)</div> <div>Independent experts involved in the preparation of the Remuneration Policy</div> <div>17</div> </div> <div> <div>(E)</div> <div>Duration, purpose and general principles of the Remuneration Policy</div> <div>17</div> </div> <div> <div>(F)</div> <div>Companies used as reference for the definition of the remuneration policy</div> <div>17</div> </div> <div> <div>(G)</div> <div>Remuneration Policy of the Chair and Non-Executive Directors</div> <div>20</div> </div> <div> <div>(H)</div> <div>The Short-Term Variable Incentive Plan - 2023 STI Plan</div> <div>21</div> </div> <div> <div>(I)</div> <div>The medium-long term variable Incentive Plan - 2023-2025 LTI Plan</div> <div>25</div> </div> <div> <div>(J)</div> <div>Other forms of remuneration</div> <div>27</div> </div> <div> <div>(K)</div> <div>Remuneration Policy of the CEO</div> <div>28</div> </div> <div> <div>(L)</div> <div>Remuneration Policy of Executive Directors</div> <div>30</div> </div> <div> <div>(M)</div> <div>KM Remuneration Policy</div> <div>32</div> </div> <div> <div>(N)</div> <div>Policy on non-monetary benefits</div> <div>35</div> </div> <div> <div>(O)</div> <div>Vesting periods and deferred payment systems and ex post correction mechanisms of the variable component</div> <div>35</div> </div> <div> <div>(P)</div> <div>Information on clauses for holding financial instruments in the portfolio after their acquisition</div> <div>35</div> </div> <div> <div>(Q)</div> <div>Payments established in the case of termination of office or termination of the employment contract</div> <div>36</div> </div> <div> <div>(R)</div> <div>Information on the existence of additional, non-mandatory insurance, welfare or pension provisions</div> <div>37</div> </div> <div> <div>(S)</div> <div>Exceptions to the Remuneration Policy</div> <div>37</div> </div> <div> <div>(T)</div> <div>Remuneration Policy of the Board of Statutory Auditors</div> <div>37</div> </div>	
SECTION II - Fees paid in the financial year 2022	38
<div>Company performance in the reporting year</div> <div>Actual 2022 STI Plan</div> <div>Actual 2020-2022 LTI Plan</div> <div>Fees paid in 2022</div>	<div>39</div> <div>39</div> <div>42</div> <div>43</div>
PART TWO - analytical representation of the compensation paid during the year	52



INTRODUCTION

The Board of Directors of GVS SpA (the "Board" or the "BoD"), in its meeting of 21 March 2023, on the proposal of the Appointments and Remuneration Committee¹ (the "Committee"), which met on 20 March 2023, examined and approved this report on the Remuneration Policy and compensation paid by the Company for the year to 31 December 2022 in compliance with the combined provisions of Articles 123-*ter* of the Consolidated Law on Finance ("TUF")² and 84-*quater* of the Issuers' Regulation and Scheme 7-*bis* of Annex 3A to the Issuers' Regulation in force on the date of the Report.

This report will be submitted to a vote at the Ordinary Shareholders' Meeting (the "Shareholders' Meeting" or, simply, the "Meeting") of GVS SpA (the "Company" or "GVS") convened on 3 May 2023.

In order to allow GVS shareholders to acquire adequate information on the contents of the Report and to express their vote in a sufficiently informed manner, the Report is filed at the registered office of GVS and published on the Company's website (www.gvs.com), in compliance with the terms of Article 123-*ter*, paragraph 1, CFA, as well as at the centralized storage mechanism "eMarket STORAGE", by the twenty-first day prior to the date of the Shareholders' Meeting.

¹ The Appointments and Remuneration Committee set up within the Board of Directors of GVS in accordance with Principle XI of the Corporate Governance Code and integrating the functions outlined by Recommendations no. 19 and no. 25 of said Code.

² Consolidated Finance Act (Testo Unico della Finanza, or TUF) Legislative Decree no. 58 of 24 February 1998.



LETTER FROM THE CHAIR OF THE APPOINTMENTS AND REMUNERATION COMMITTEE

Shareholders,

It is with great pleasure that we submit for your attention the document on the Remuneration Policy and Compensation Paid of GVS SpA (the "**Report**"), which will be submitted for approval to the Shareholders' Meeting of 3 May 2023.

The document was prepared with the aim of clearly illustrating to all stakeholders the elements that make up the remuneration policy for the year 2023 and the remuneration paid to Key Managers³ for the year 2022.

With this introductory letter, I would like to summarise the main changes introduced and the improvements made for the benefit of shareholders and, more generally, stakeholders relevant to the Company.

In defining the Remuneration Policy for 2023, in fact, the Committee took into account the outcomes of the Shareholders' Meeting, as well as the indications shared with the independent advisor that supported the Company.

The activities implemented have the perspective of supporting the pursuit of the long-term growth objectives of the Company and the entire Group it heads, which are substantiated by the creation of long-term value for the benefit of the shareholders.

The Policy is therefore aimed at equipping the Company with the necessary tools to make it competitive towards the market and to attract, retain and motivate professionals with the necessary skills and aptitudes to guarantee the achievement of the strategic objectives set forth in the new business plan that will be presented to the market during the year.

With regard to the 2023 Remuneration Policy, described in Section I of the Report, the main changes concern:

- the definition of the Remuneration Policy on an annual basis, instead of every three years as applied in the past, in order to be able to respond more flexibly to a particularly volatile macroeconomic and business environment and to submit an up-to-date situation to the annual shareholders' meeting vote;
- reference to a rigorous and up-to-date market benchmark for the remuneration of the members of the Board of Directors, supervisory bodies and top management: Chair of the Board of Directors, Chief Executive Officer, executive and non-executive directors, members of committees and the Board of Statutory Auditors, Key Managers;
- the presentation in greater detail of the Short Term Incentive system, which sees an increase in the weight of the economic-financial KPIs in order to ensure a strong link with the Company's results, as well as an increase in the weight of the ESG objective, testifying to the Company's growing commitment in this area;
- an illustration of the Long Term Incentive scheme for the three-year period 2023 - 2025.

The main novelties in terms of disclosure concern:

- a more streamlined and effective drafting of this Report so as to make it easier for professional users to find key information (by including a summary table and more graphs and tables to display relevant information at a glance);

- greater level of detail concerning the activities carried out by the Appointments and Remuneration Committee during the reporting year;

- greater transparency in particular regarding the link between company performance and bonus payout in both Section I and Section II.

We believe that the information provided in this Report will make it possible to better assess the appropriateness of the targets assigned to management and to verify the consistency between the achievement of results and the awards granted. The Appointments and Remuneration Committee, also availing itself of the support of qualified external advisors with expertise in executive compensation, has in recent years developed incentive systems with a clear link to company performance.

Finally, at the end of our three-year term of office, I would like to take this opportunity to express my special thanks to the directors Alessandro Nasi and Grazia Valentini, as well as the members of the Board of Statutory Auditors, for their significant contribution and commitment to endowing the Company with the appropriate tools and organisation to make it increasingly competitive on the market, in the hope that the results achieved will be positively appreciated by investors.

Michela
Schizzi
President



³ Individuals who have the power and responsibility - directly or indirectly - for planning, directing and controlling the Company's activities, including the directors (executive or otherwise) of the Company, as defined in Annex 1 of the Consob Regulation on related party transactions.

OVERVIEW OF THE REMUNERATION POLICY 2023

The Policy for the 2023 financial year was defined in substantial continuity with the previous policy and in compliance with the Board of Directors' decision for the 2020-2022 term.

With reference to the 2023-2025 term of office, the Shareholders' Meeting will determine the remuneration for the non-executive members of the Board of Directors and for the Board of Statutory Auditors. The new Board of Directors appointed for the 2023-2025 term of office will determine, upon the proposal of the Appointments and Remuneration Committee, the remuneration to be paid to the Chair, Chief Executive Officer and any other Executive Directors, in accordance with the Remuneration Policy guidelines and pay mix structures contained in this Report, as well as the remuneration provided for participation in the Board Committees (the "Board Committees" or the "Committees").

The following table summarises the main elements that make up the remuneration of top management pursuant to this Remuneration Policy, while the amounts indicated therein correspond to those applied in the Board's current term of office, and are therefore shown for illustrative purposes only.

The Board of Directors, in determining the remuneration for the next term of office (as indicated above), may in fact vary the remuneration with respect to what was resolved for the expiring term of office, also taking into account specific market benchmarking and in keeping with the general orientation towards a market positioning between the middle and third quartile.

Chair of the Board of Directors (non-executive)	<p>Fixed compensation: €250,000 (or such other fixed compensation as may be determined by the new Board of Directors).⁴</p> <p>There is no variable remuneration for the Chairperson.</p>
Chief Executive Officer	<p>Fixed compensation: Euro 20,000 as Director and Euro 620,000 as CEO</p> <p>(or such other fixed compensation as may be determined by the new Board of Directors).</p> <p>TFM: between 18% and 20% of the fixed compensation as CEO.</p> <p>Short-term variable incentive - 2023 STI Plan⁶: includes the following indicators:</p> <ul style="list-style-type: none">- <u>Group economic and financial performance targets</u> (EBITDA Adj⁵ with relative weight of 45% and Free Cash Flow with relative weight of 45%)- <u>Group strategic objective</u> (weight: 10% based on ESG KPIs as defined in paragraph H). <p>The achievement of targets determines by linear interpolation the percentage of target attainment.</p>

	<p>The payout of the award in the case of target performance can reach 150% of the fixed remuneration as CEO and in the case of over performance has a maximum cap of 165% of the fixed remuneration as CEO.</p> <p>Medium- to long-term variable incentive - 2023-2025 LTI Plan⁶: Closed three-year plan of Performance Shares. Objectives: EBITDA margin (relative weight 30%); NFP (relative weight 30%), ESG indicator (relative weight 20%); relative TRS (relative weight 20%).</p> <p>The payout curve varies from 0% to 150% in the case of over performance. The number of target shares will be determined by the Board of Directors following the shareholders' approval of the plan in a percentage of between 70% and 80%⁷ of the fixed base remuneration.</p>
Executive Directors	<p>Fixed compensation: Euro 20,000 as a director and additional compensation⁸ determined according to the reference benchmarks and always positioning between median and third quartile by virtue of the specific role held and the resulting responsibilities (or such other fixed compensation as may be determined by the new Board of Directors).</p> <p>Short-term variable incentive - 2023 STI Plan: as shown in the overview below for the Key Managers and detailed in section H.</p> <p>In the case of target performance the premium can reach 100% of the fixed compensation, while in the case of over performance the premium can reach 150% of the fixed compensation (cap).</p> <p>Medium- to long-term variable incentive - 2023-2025 LTI Plan⁶: as shown in the overview below for Key Managers and detailed in Section I.</p>

⁴ In particular, the benchmark showed a ranking above the 3rd quartile. The Board of Directors may vary the remuneration with respect to what was resolved for the expiring term of office, consistent with the suggested positioning between median and third quartile (Euro 110,000 and Euro 120,000 per annum, respectively).

⁵ EBITDA for the period calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment of financial assets, net of extraordinary and/or non-recurring income and expenses, consistent with the values reported in the Company's consolidated financial statements.

⁶ It should be noted that the medium- to long-term variable incentive plan 2020-2022 has been concluded and the final values are shown in Section II of this Report. The Company intends to propose to the Shareholders' Meeting of 3 May 2023 the approval of a new medium-long term variable incentive plan (called the 2023-2025 Performance Shares Plan), whose information document was approved by the Company's Board of Directors on 21 March 2023 and whose estimated values are already presented within this Remuneration Policy. For further information, please refer to the Information Document of the aforementioned plan, which is published on the Company's website in the governance section <https://www.gvs.com>

⁷ The target number of shares for each Beneficiary is established by the Board of Directors, which will define, following the approval of the Plan by the Shareholders' Meeting, a predetermined target number of shares divided into categories of Beneficiaries that are homogeneous according to the criteria set forth in the Information Document. In order to determine the percentage value, the average value of the Company's shares during the 30 days preceding the approval of this Remuneration Policy and the LTI Plan information document by the Board of Directors is used.

Key Managers (KMs⁹)

Fixed remuneration: determined for each Key Manager according to role and responsibilities in line with market benchmarks and positioning between median and third quartile

Short-term variable incentive - 2023 STI Plan: includes the following indicators:

- Group economic and financial performance targets (overall weight of 60% for the Key Managers responsible for staff functions and 40% for the Key Managers responsible for commercial functions) based on two equally weighted KPIs: EBITDA Adj and Free Cash Flow;
- Group strategic objectives (weight: 10% based on ESG KPIs as better defined in paragraph H);
- Individual performance objective (overall weight of 30% for Key Managers in charge of staff functions and 50% for Key Managers in charge of commercial functions) based on individual measurable KPIs as further specified in section H.

The achievement of targets determines by linear interpolation the percentage of target attainment.

Depending on the individual KM concerned (and the related role), the payout of the premium in the case of target performance can reach 50% to 100% of the RAL, while in the case of over performance the premium can reach 75% to 150% of the RAL (cap).

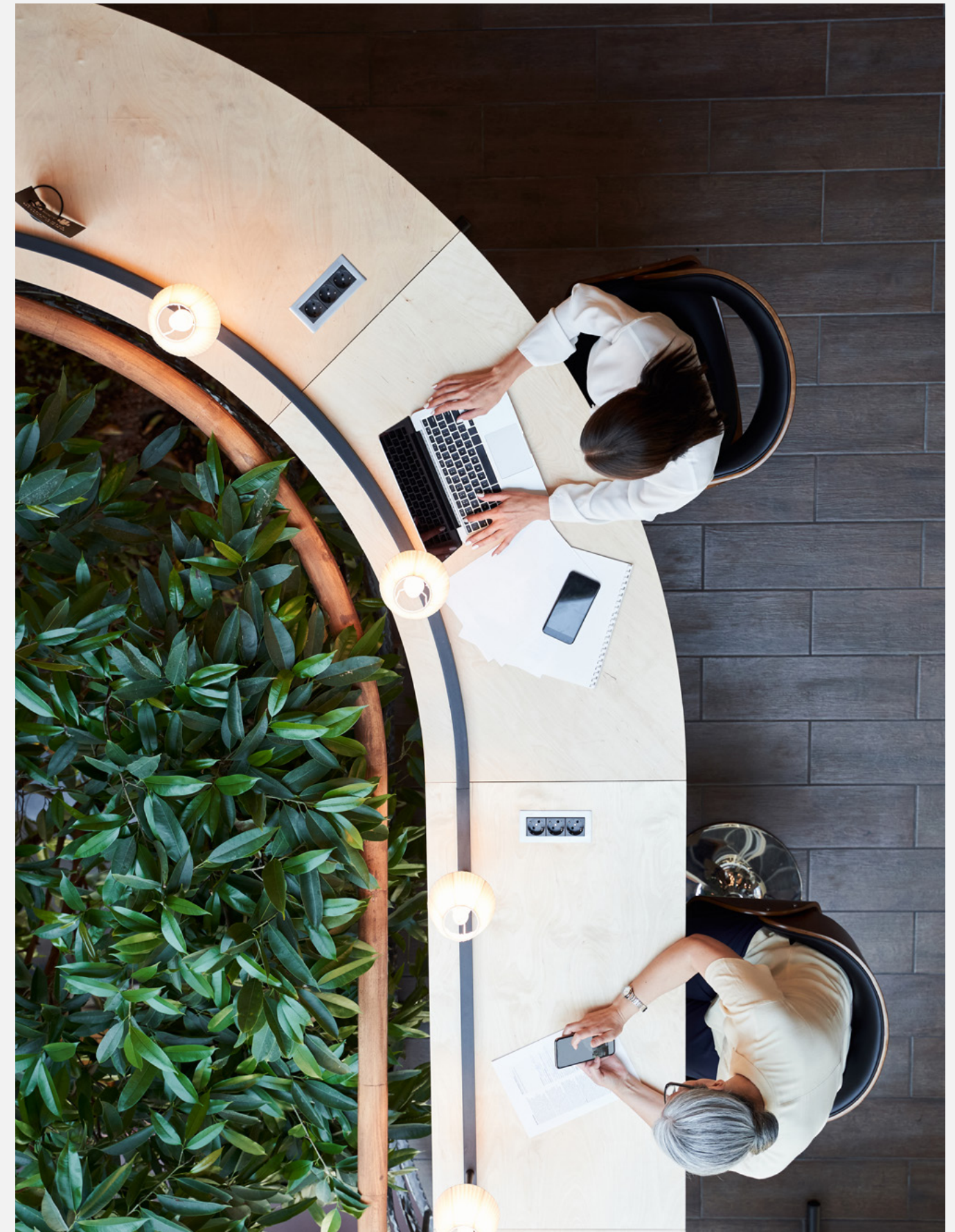
Medium- to long-term variable incentive - 2023-2025 LTI Plan⁶: Closed three-year plan of Performance Shares. Objectives: EBITDA margin (relative weight 30%); NFP (relative weight 30%), ESG indicator (relative weight 20%); Relative TSR (relative weight 20%).

The payout curve varies from 0% to 150% in the case of over performance. Number of target shares defined for homogeneous clusters of beneficiaries in a range of 35% to 65%¹⁰ of the RAL.

⁸ Where an executive director simultaneously has a contract of employment with the Company, it is possible that this additional fixed compensation may be paid (in whole or in part) as remuneration within this executive relationship (as it is, at the time of publication of this report, for the Chief Operating Officer).

⁹ The Key Managers of GVS, at the date of approval of this Report, are as follows: Chief Financial Officer; Chief Operating Officer; Vice President Science & Development; Human Resources & Organization Director, Legal Counselor, Vice President HC&LS Division, Vice President H&S division; VP Energy & Mobility Division

¹⁰ For this purpose, the average value of the Company's shares in the 30 days prior to the approval of this Remuneration Policy and the LTI Plan information document by the Board of Directors is used

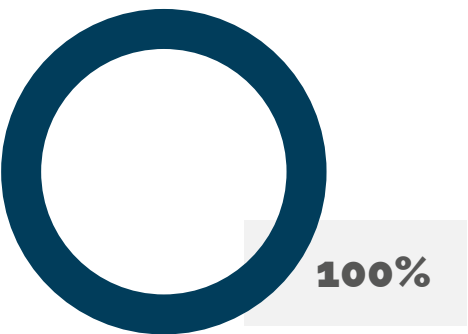


Pay Mix

The following graph represents the theoretical pay mix with reference to the level of achievement of the target performance objectives.

In particular, the average weight of the following components is highlighted: fixed compensation¹¹, 2023 STI Plan and 2023-2025 LTI Plan¹².

Chair



CEO



KM



Executive Directors



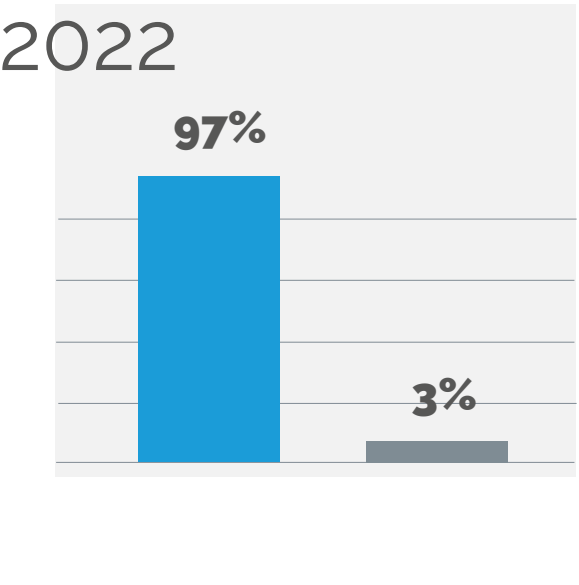
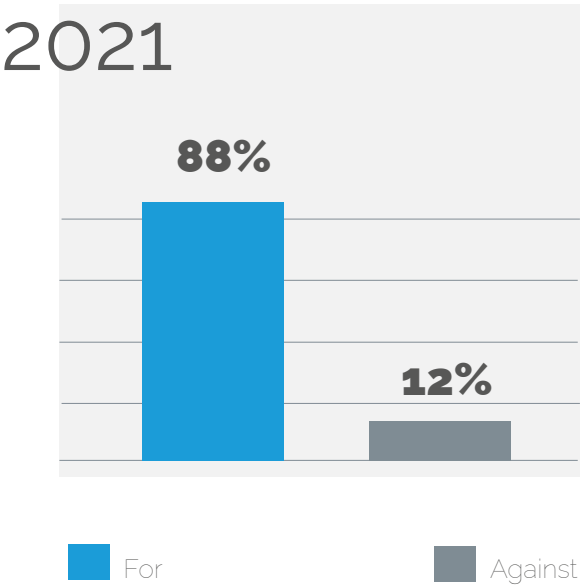
■ Fixed ■ Target TSI ■ LTI annual target 23-25

¹¹ The fixed remuneration includes the components of the TFM currently amounting to Euro 119,000 per annum for the CEO and the director's fee for CEO and Executive Directors amounting to Euro 20,000 per annum in line with the previous term.

¹² With reference to the target values for the 2023-2025 LTI plan, the estimated Grant value equal to the average share value over the last 30 days was used.

Meeting vote results

The results of the voting over the last two years on the Remuneration Report (Section I) are shown below.



■ For ■ Against

SECTION I - Remuneration Policy for Directors and Key Managers

This Section I of the Remuneration Report illustrates the Remuneration Policy of the Company in force until the date of approval of the financial statements for the year ending 31 December 2023.

This Policy for the year 2023 is defined in continuity with the previous one and in compliance with as was decided by the Board of Directors for the 2020-2022 term of office.

With reference to the 2023-2025 term of office, the Shareholders' Meeting will determine the remuneration for the non-executive members of the Board of Directors and for the Board of Statutory Auditors. The new Board of Directors appointed for the 2023-2025 term of office will determine, on the proposal of the Appointments and Remuneration Committee, the remuneration for the Chairperson and Chief Executive Officer in accordance with the Remuneration Policy guidelines and pay mix structures contained in this Report, as well as the remuneration provided for participation in the Board Committees.

(A) Governance of the Remuneration process - Bodies and persons involved in the preparation, approval and possible revision of the Remuneration Policy, roles and bodies and persons responsible for the correct implementation of such Policy

Administrative Body

The Company shall be managed by a Board of Directors consisting of 9 members.

The GVS Board of Directors in office at the date of the Report was appointed by the Issuer's Ordinary Shareholders' Meeting on 13 March 2020 and will remain in office until the approval of the financial statements for the year ending 31 December 2022.

On 13 March 2020, the GVS Board of Directors established:

(a) the Appointments and Remuneration

Committee, numbering three non-executive directors, the majority of whom are independent pursuant to the Corporate Governance Code¹³.

- i) Michela Schizzi, Chair - independent;
- ii) Alessandro Nasi, Director - independent;
- iii) Grazia Valentini, Director.

Controlling Body

At the date of this Report, the Board of Statutory Auditors consisted of 3 regular members and 2 alternate members. The preparation, approval and possible revision of the Remuneration Policy involves the Board of Directors, the Board of Statutory Auditors, the Ordinary Shareholders' Meeting and the Appointments and Remuneration Committee.

The Board of Directors has the exclusive and non-delegable power to define and approve the Remuneration Policy, on the basis of the proposal made by the Appointments and Remuneration Committee.

The Remuneration Policy as described in this Report will be effective (unless amended) until the approval of the financial statements for the year ended 31 December 2023, and will remain in force until a new policy is approved for the subsequent period.

The Board of Directors and the Appointments and Remuneration Committee are responsible for the correct implementation of the Remuneration Policy, in the exercise of the tasks described below.

The remuneration of directors assigned specific duties is determined by the Board of Directors, in line with the Remuneration Policy, after consulting the Board of Statutory Auditors, on the proposal of the Appointments and Remuneration Committee and within the limits of the total remuneration that may be determined by the Shareholders' Meeting pursuant to Article 2389, paragraph 3, of the Italian Civil Code and Article 22 of the articles of association.

(B) Appointments and Remuneration Committee

The Appointments and Remuneration Committee is entrusted with the following tasks:

- (a) assist the Board of Directors in drawing up the remuneration policy;
- (b) periodically assess the adequacy, the overall consistency and concrete application of the Remuneration Policy of Directors and Key Managers, evaluating itself in this latter context, of the information provided by the Chief Executive Officer and the functions assigned; and
- (c) submit proposals or express opinions to the Board on the remuneration of Executive Directors and the other directors who carry out specific roles and establish the performance targets related to the variable component of said remuneration; monitor application of the decisions adopted by the Board of Directors, specifying, in particular, the actual achievement of said performance targets.

The Chair of the Appointments and Remuneration Committee (i) informs the Board of Directors, at the first useful meeting, of its meetings and reports annually on the activities carried out, and (ii) reports to the Shareholders' Meeting, on an annual basis, at the time of approval of the financial statements on the procedures for the exercise of its functions.

Activities carried out by the Committee

In 2022, the Appointments and Remuneration Committee met a total of 7 times. At least one regular auditor attended the Committee meetings.

The activities carried out with reference to the remuneration issues addressed during the year were, in summary, as follows:

A. First half of 2022: finalisation of the 2021 corporate targets and the annual monetary incentive for the CEO and Key Managers; benchmarking KPIs in the Short Term Incentive plans with external advisor; definition of the structure of the new STI

plan for 2022; definition of the 2022 corporate targets; benchmarking on the Key Managers Remuneration; disclosure on the Key Managers Remuneration Review; Committee report to the Board of Directors on the activities in the financial year 2021; report on the 2022 Remuneration Policy and compensation paid.

B. Second half of 2022: definition of the purpose of the assignment entrusted to Willis Towers Watson; definition of panel for Board, Board and Committee benchmarks; update of Key Managers remuneration benchmark; analysis of the results of the shareholders' meeting vote on the Report on remuneration policy and compensation paid; preliminary indications for the revision of the 2023 Remuneration Policy.

As far as 2023 is concerned, 8 meetings have been scheduled. The activities already carried out or scheduled on the calendar related to the topics of Remuneration are only the following:

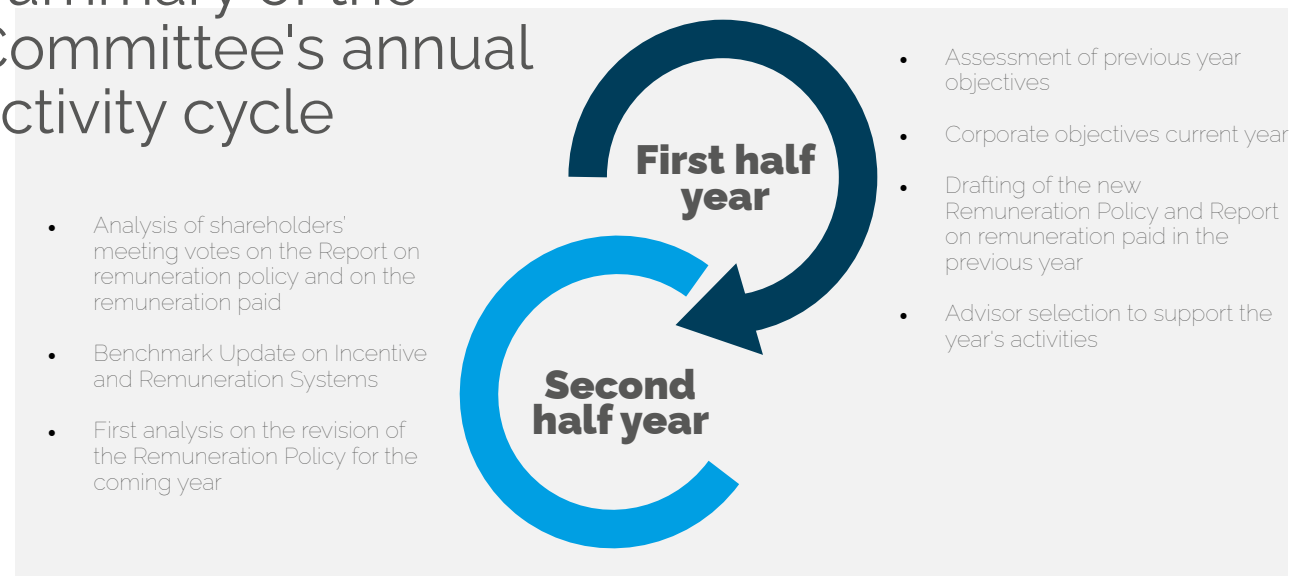
A. First half of 2023: benchmarking of remuneration for members of the Board of Directors, Committees and Board of Statutory Auditors; benchmarking of LTI systems; finalisation of the 2022 STI targets and annual monetary incentive for the CEO and Key Managers; reporting on Key Managers remuneration changes; finalisation of 2020 / 2022 LTI targets; definition of the 2023 STI Plan; proposal of the 2023 / 2025 LTI Plan; drafting of the new Remuneration Policy and Report on compensation paid.

B. Second half of 2023: analysis of the results of the shareholders' meeting vote on the Report on remuneration policy and compensation paid; update of remuneration benchmarks; preliminary indications for the revision of the Remuneration Policy 2024.

¹³ The Corporate Governance Code of Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria, applicable by issuers from the first financial year starting after 31 December 2020 and accessible to the public on Borsa Italiana's website (www.borsaitaliana.it).

The expected cycle of activities during each year is illustrated below

Summary of the Committee's annual activity cycle



Management of conflicts of interest

The Company amended its procedure for regulating related party transactions ("RPT Procedure") on 23 June 2021. At the date of this Report the RPT Procedure itself exempts its application (i) to resolutions of the Shareholders' Meeting relating to the remuneration due to the members of the Board of Directors of GVS (ii) to resolutions relating to the remuneration of directors holding particular offices falling within the total amount which may be determined by the Shareholders' Meeting and (iii) to resolutions of the Shareholders' Meeting relating to the remuneration due to the members of the Board of Statutory Auditors of GVS.

In addition, the RPT Procedure does not apply, without prejudice to the periodic accounting disclosure requirements, in the following cases referred to in Article 6, paragraph 6.2 of the RPT Procedure:

- (a) compensation plans based on financial instruments approved by the GVS Shareholders' Meeting and related executive transactions; and
- (b) resolutions, other than those indicated above, regarding the remuneration of the directors of GVS vested with particular offices as well as Key Managers, provided that: (i) GVS has adopted a Remuneration Policy approved by the Shareholders' Meeting; (ii) a committee consisting exclusively of non-executive directors, the majority of whom are independent, has been involved in the definition of the Remuneration Policy; and (iii) the remuneration awarded is identified in accordance with such policy

and quantified on the basis of criteria that do not involve discretionary assessments.

(C) Remuneration Policy in relation to employee compensation and working conditions

The Remuneration Policy for the generality of employees is defined with the aim of attracting, motivating, rewarding and retaining the best talents, both technical and managerial, and is assessed on the basis of specific criteria that consider in particular: the comparison with the external market, the internal equity of the Company, the characteristics of the role and responsibilities assigned, as well as the distinctive skills of the people and their performance and motivation.

This special attention is reflected in some characteristic elements of the Remuneration Policy for the generality of GVS SpA employees:

- a) presence of collective incentive forms, such as production bonuses, to link the remuneration of all employees to company performance;
- b) presence of forms of individual incentive whereby all employees are considered eligible for an annual bonus established on the basis of objectives shared with function managers and which allow for constant dialogue and feedback on expected performance and the progress of planned activities;
- c) welfare policy that provides for the possibility of converting production bonuses into welfare credits with an additional 10% contribution from the company;

d) presence of second-level supplementary company agreements that recognise conditions that are overall higher than the provisions of the relevant CCNL; and

e) possibility of working remotely (smart working) and flexible entry and exit times to support employees in better organising their work-life balance.

The total remuneration of the generality of employees includes several benefits, including health insurance and membership of non-statutory bilateral bodies that guarantee contributions in various areas (contribution to kindergarten, schools, books, childbirth, etc.).

The policy implemented in GVS SpA follows the guidelines also applied at international level, with possible variations depending on local policy and the needs and working and social conditions of the country of reference.

(D) Independent experts involved in the preparation of the Remuneration Policy

When defining the Remuneration Policy, the Company engaged the services of the independent expert Willis Towers Watson to conduct a market benchmarking analysis on the remuneration paid to members of the Board of Directors, control bodies and key management personnel. The Company also used the support of this independent expert in the review of the incentive system.

(E) Duration, purpose and general principles of the Remuneration Policy

The Remuneration Policy has been designed with the intention of pursuing the constant need to:

- (a) ensure an overall remuneration structure capable of recognising the managerial value of the individuals involved and the contribution made to the growth of the company in relation to their respective skills;
- (b) reward the achievement of performance objectives, linked to economic and financial indicators of company growth and non-financial objectives, as well as their sustainability over time;
- (c) attract, retain and motivate resources with the professional qualities required by the growth prospects of the GVS Group's business¹⁴, with particular attention to positions considered key to

the development and management of the business;

(d) align the company's and management's interests with those of the shareholders; and

(e) support the creation of value for shareholders in the medium-long term.

The Remuneration Policy is based on the following principles:

(a) the fixed and variable components of remuneration are adequately balanced according to GVS's strategic objectives and risk management policy, also taking into account the sector in which it operates and the characteristics of the business activity actually carried out, in line with the objective of promoting the creation of long-term value for all shareholders and sustainable growth while rewarding the commitment to achieving results year on year;

(b) the variable component, divided into a short-term component (Directors MBO Plan and KM STI Plan) and a medium/long-term component (2023-2025 Performance Share Plan), is designed to remunerate results that exceed targets, decreasing in value when they are not achieved. It shall be paid up to limits established. See in this respect paragraphs H and I and

(c) other forms of remuneration such as welcome bonuses, retention payments or extraordinary bonuses linked to projects or achievements not already included in the other variable forms, in order to attract, retain or motivate key figures and as an incentive to join the company, thus possibly also linked to the loss of incentives by the previous employer. See in this respect paragraph J.

The Remuneration Policy presented is defined for one year and will therefore remain in force until the date of approval of the financial statements for the year ending 31 December 2023.

(F) Companies used as reference for the definition of the remuneration policy

The Company regularly monitors the main market practices, including through the performance of benchmarking remuneration analyses, carried out by the independent international consultancy firm Willis Towers Watson, in order to verify the competitiveness of the remuneration offer.

¹⁴Jointly the Issuer and the companies directly or indirectly controlled by it pursuant to art. 93 of the TUF.

In 2022 in particular, the peer group was chosen by selecting companies with size comparable to those of GVS in terms of turnover, total assets, number of employees, market cap.

The sectors they belong to are predominantly industrial companies, often BTB, excluding companies in the financial and service sectors. Additional characteristics such as the degree of internationalisation (non-European revenues) and ownership structure (insider shareholders) were also considered.

For the purposes of the market analysis carried out for the role of Chair of the Company, the following panel was identified:

Company	
Webuild	Wiiit
Marr	Garofalo HC
B.F.	Biesse
OVS	Avio
Safilo Group	Unieuro

In addition to the previous criteria, a peer group consisting only of companies with a non-executive chair was selected for the Chairperson. The selected peer group appears comparable to GVS in terms of the size of the organisations represented (Turnover, Total Assets, Number of employees, Market cap).

A peer group comparable to GVS in terms of the size of the organisations represented and the degree of internationalisation and ownership structure was adopted.

Compared to the general peer group, companies where the majority shareholder CEO has a remuneration package that is not in line with market standards or the Corporate Governance Code (e.g. lack of short- and long-term incentives) were excluded. This exclusion is consistent with the GVS policy of providing the CEO with a package consisting of the 3 classic components fixed, short-term variable, long-term variable.

Company	
De Longhi	Intercos
De Nora	Piaggio
Carel	PharmaNutra
Zignago	Datalogic
El. En	Saes Getter
Salcef	Piovan
Biesse	

The following peer group comparable to GVS in terms of size of organisations represented and degree of internationalisation and ownership structure was adopted for Non-Executive Directors and Board of Statutory Auditors:

Company	
De Longhi	Intercos
De Nora	Piaggio
Carel	PharmaNutra
Zignago	Datalogic
El. En	Saes Getter
Salcef	Piovan
Biesse	Technogym
Sol	Tod's
Cementir	Antares

The Global Grading System methodology certified internationally by Willis Towers Watson was used to review KMs compensation. The values contained in Willis Towers Watson's "2022 General Industry Total Rewards Survey - Italy", which includes a panel of over 330 industrial companies, were used as market references.



(G) Remuneration Policy of the Chair and Non-Executive Directors

The remuneration of directors and Key Managers is detailed below in accordance with the Board of Directors' resolution for the 2020-2022 term of office.

With reference to the 2023-2025 term of office, the Shareholders' Meeting will determine the remuneration for the non-executive members of the Board of Directors and for the Board of Statutory Auditors. The new Board of Directors appointed for the 2023-2025 term of office will determine, on the proposal of the Remuneration Committee, the remuneration for the Chair and Chief Executive Officer in accordance with the remuneration policy guidelines and pay mix structures contained in this Report, as well as the remuneration provided for participation in the Board Committees.

Chairperson of the Board

According to the policy of the previous three-year period, a fixed remuneration of (during the mandate approaching expiry) Euro 250,000.00 - on an annual basis - plus reimbursement of expenses is envisaged.

The benchmark showed a ranking above the 3rd quartile.

The Board of Directors may vary the remuneration with respect to what was resolved for the expiring term of office, also taking into account the appropriate market benchmarking and consistent with the suggested positioning between median and third quartile (Euro 110,000 and Euro 120,000 per annum, respectively).

Non-Executive Directors

The remuneration payable to the Non-Executive Directors of the Company in office is determined as a fixed amount and is commensurate with the commitment required, also in relation to participation in Board Committees.

The remuneration of these Non-Executive Directors is not linked either to economic results or to specific objectives of the Company and they are not recipients of any incentive plan.

The fixed remuneration payable to the Non-Executive Directors of the Company in office was determined by the Shareholders and the Board of Directors on 13 March 2020 and consists of the amounts (which may be aggregated) set out below:

Fixed compensation	
Non-Executive Directors	Euro 20,000
Chair of the Audit, Risk and Sustainability Committee and Chair of the Appointments and Remuneration Committee	Euro 20,000
Members of the Audit, Risk and Sustainability Committee and members of the Appointments and Remuneration Committee	Euro 10,000

The benchmark showed an overall positioning in line with that of the market.

(H) The Short-Term Variable Incentive Plan - 2023 STI Plan

The Board of Directors approved a short-term incentive plan (the "2023 STI Plan") for the Chief Executive Officer and the other Executive Directors and Key Managers, under which these Executive Directors and Key Managers are entitled to receive an annual incentive whose amount is commensurate with the achievement of annual (individual and group) performance targets and Group Strategic Annual Objectives. These objectives include objectives of a non-financial nature, such as those related to ESG and sustainability.

The weight of these objectives is specified in the table below and is different for the CEO, Key Managers with responsibility for staff functions (CFO, COO, Group HR & Organization Director, Group General Counsel e VP Science & Development) and Key Managers with commercial responsibility (the VPs of the business divisions).

Summary of targets and weights in the 2023 STI Plan

		CEO	Key Managers	
			Key Managers Functions	Key Managers Commercial
A	GROUP Performance Objective	✓ 90%	✓ 60%	✓ 40%
B	GROUP Strategic Objective	✓ 10%	✓ 10%	✓ 10%
C	INDIVIDUAL Performance Objective		✓ 30%	✓ 50%

The 2023 STI Plan was drafted on the basis of evidence emerging from a specific external benchmarking activity carried out by the independent company Willis Towers Watson in relation to the practices adopted in the Italian and foreign markets of the sector.

The objectives contained in the 2023 STI Plan were identified in alignment with the Company's work priorities, which generally relate to cash generation, control of working capital and improved performance with respect to the second half of 2022.

The Group performance target is linked to the achievement of two performance targets related to economic and financial indicators:

- Adjusted EBITDA (Organic), which indicates EBITDA for the period calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment of financial assets, net of extraordinary and/or non-recurring expenses and income, in line with the values reported in the Company's consolidated financial statements, net of any M&A transactions concluded during the year and not included in the Company's approved budget;
- Free Cash Flow, which indicates the Company's ability to generate cash from operations net of interest (not including all foreign exchange differences), taxes and investments in tangible and intangible assets recognised in the period. The relative weight of the indicators is specified in the following summary table.

Summary of the indicators and weights in the 2023 STI Plan for the Group performance objective

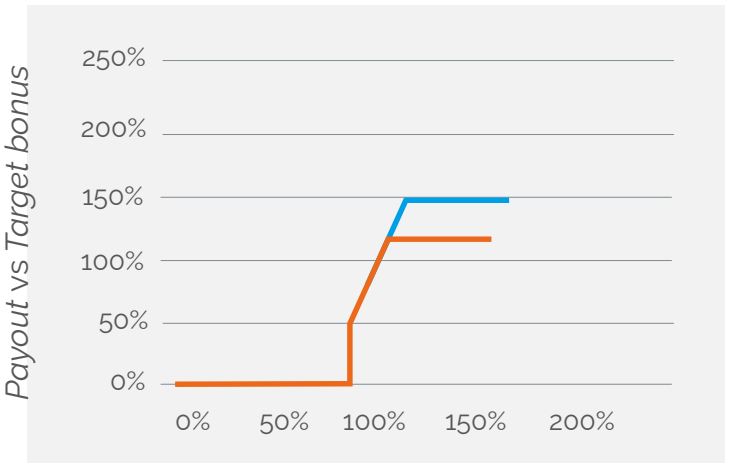
		CEO	Key Managers	
			Key Managers Functions	Key Managers Commercial
A	GROUP Performance Objective	90%	60%	40%
	• Indicator 1: EBITDA Adjusted	45%	30%	20%
	• Indicator 2: Free Cash Flow	45%	30%	20%

Each objective is independent and each contributes to the premium according to its relative weight.

The achievement of these indicators determines the actual percentage of target achievement calculated by linear interpolation with a cap at 110% for the CEO and 150% for the Key Managers and Executive Directors.

The following table illustrates the incentive curve:

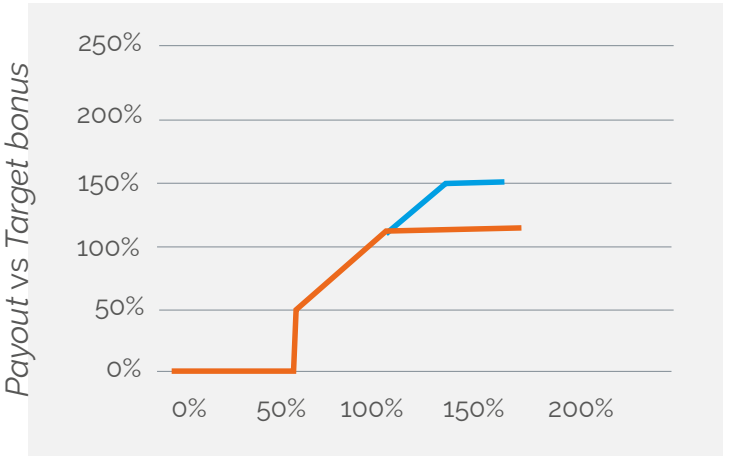
EBITDA Adj Payout vs Result Achieved



% Achievement of EBITDA Adj target	Payout vs Target bonus KMs	Payout vs Target bonus CEO
< 85%	0%	0%
85%	50%	50%
100%	100%	100%
110%	150%	110%

Achievement of EBITA Adj target

FCF Payout vs Result Achieved



% Achievement of FCF target	Payout vs Target bonus KMs	Payout vs Target bonus CEO
< 59%	0%	0%
59%	50%	50%
100%	100%	100%
132%	150%	110%

Achievement of FCF target

■ % Payout KM ■ % Payout CEO

The Group's Strategic Objective relates to the ESG area, reflecting the Company's increasing commitment in this direction. In particular, a target is set for the reduction, compared to the previous year's figure (as described in the Non-Financial Statement), of total waste generation (the sum of hazardous and non-hazardous waste, including waste delivered and waste not delivered to landfills) in relation to the Company's total turnover. The target weight is 10% and is the same for both the CEO and the Key Managers as shown in the table below.

Indicator and weight in the 2023 STI Plan for the Group's strategic objective

		CEO	Key Managers	
			Key Managers Functions	Key Managers Commercial
B	GROUP Strategic Objective	10%	10%	10%
	• Indicator 1: ESG: Waste	10%	10%	10%

The target is measured in Tonnes of Waste Generated / Total Group Turnover (sterilising any growth due to price increases and the exchange rate effect).

The ESG objective is independent and contributes to determining the bonus according to its relative weight.

The achievement of this indicator determines the actual percentage of target achievement calculated by linear interpolation with a cap at 110% for the CEO and 150% for the Key Managers and executive directors.

Individual performance objectives have a weight of 30% for Key Managers with responsibility for staff functions and 50% for Key Managers with commercial responsibilities, while there are no individual targets for the CEO.

For Key Managers with commercial responsibilities, the individual objectives are uniformly defined, and in particular relate to:

- Division turnover (with 20% weight);
- ROC% (Operating Income = Gross Margin - Trade Costs / Turnover of own division) (weighted at 20%);
- Receivables and Inventories calculated in absolute value (with a weight of 10%).

For Key Managers with responsibility for staff functions, the individual objectives are, on the other hand, both project-related and economic/financial in nature and, in particular, concern:

- Trade Working Capital;
- Net financial expenses;
- Incidence of costs (industrial variables, labour costs, ...);
- Completion of strategic projects specific to own function;
- Product development and innovation (number of patents filed, development time and costs, ...);

Each objective is independent and each contributes to the premium according to its relative weight.

The achievement of these indicators determines the actual percentage of achievement of the target calculated by linear interpolation in relation to numerical targets or in relation to the objective degree of achievement for targets of a project-related nature (with a scale of 0% - 50% - 100% - 150%). GVS has exercised its right to protect the confidentiality of further information considered commercially sensitive, and has not provided disclosure of forecast data whose disclosure could cause prejudice to the Group.

(I) The medium-long term variable Incentive Plan - 2023-2025 LTI Plan

It should be noted that the Company intends to submit to the Shareholders' Meeting of 3 May 2023 the approval of the new medium-long term variable incentive plan called "GVS Performance Shares Plan 2023-2025" (the "2023-2025 Performance Shares Plan" or also the "Plan"), aimed at incentivising and retaining the Group's key resources.

On 21 March 2023, the Board of Directors approved the Information Document on the Plan, the values of which are presented in this Remuneration Policy.

For further information, please refer to the Information Document of the aforementioned plan, which is published on the Company's website in the Governance section (<https://www.gvs.com>).

The beneficiaries (the "Beneficiaries" or each individually a "Beneficiary") of the Plan will be identified, following approval by the Shareholders' Meeting, by the Board of Directors (which will also determine the number of potential target shares reserved for each). Such Beneficiaries may include the Chief Executive Officer of the Company and any additional Executive Directors of the Company, as they will be appointed by the competent bodies following the renewal of the Board of Directors by the Ordinary Shareholders' Meeting of the Company convened for 3 May 2023 on single call.

The Plan is also reserved to the Key Managers and to the Managerial Figures, including those to be appointed in the future, as they will also be identified on several occasions, by the Board of Directors,

after hearing the opinion of the Appointments and Remuneration Committee, following the resolution of the Shareholders' Meeting.

The Board of Directors shall have the power to propose, after hearing the opinion of the Appointments and Remuneration Committee, additional Beneficiaries in the event of changes to the Group's organisational structure or the hiring of new Key Managers or managerial figures during the Plan period, without prejudice to the maximum number of shares attributable to the Beneficiaries.

The 2023-2025 Performance Shares Plan provides for the free assignment (the "Assignment") to the beneficiaries of the conditional, free and non-transferable right by deed inter vivos to receive, at the end of a vesting period fixed on 31 December 2025, up to a maximum total of 1,400,000 ordinary shares of the Company (extendible up to a maximum of 2,300,000 shares in the event of the inclusion of additional Beneficiaries), as per the relationship with the companies of the Group and in relation to the achievement of certain performance objectives at a consolidated level.

Following the approval of the Plan by the Shareholders' Meeting, the Board of Directors will establish a predetermined number of target shares to be granted, broken down by categories of Beneficiaries who are homogeneous (in terms of the strategic nature of the role held, the Beneficiary's responsibilities, the degree of exposure to the market, the impact of their respective activities on the entire Group and their remuneration levels) within the percentage ranges, in terms of the ratio to fixed remuneration, indicated in this Remuneration Policy.

The KPIs defined in the Plan are as follows:

- Adjusted EBITDA margin¹⁵ (with 30% weighting in determining the total number of shares to be granted), to monitor the return to historical margins following the recent effort in acquisitions and integrations;
- Period-end Net Financial Position¹⁶ (with 30% weighting), to monitor the achievement of NFP levels to allow for a new step of inorganic growth;

¹⁵ Ratio of Adjusted EBITDA to Adjusted Turnover, calculated as the sum of operating income and depreciation, amortisation and write-downs, net impairment losses on financial assets, net of extraordinary and/or non-recurring income and expenses, in line with the values reported in the Company's consolidated financial statements report; and (ii) Adjusted Turnover calculated in line with the values reported in the Company's consolidated financial statements report.

¹⁶ Net Financial Position as determined in accordance with the CONSOB Communication of 28 July 2006, consistent with the values reported in the Company's consolidated financial statements.

- Relative Total Shareholder Return (TSR) (with a weight of 20% in the determination of the total number of shares that can be granted): represents the total return for the shareholder given by the increase in the share price during a reference period and by any dividends paid during the same period, compared to the performance of the FTSE Italia Mid Cap index;

- ESG indicator linked to the quality and safety of products placed on the market (with a weight of 20%) to demonstrate the company's strong focus on an aspect of sustainability that is material to key stakeholders. The indicator is measured in terms of the ratio of the number of products recognised as non-compliant to the total number of products placed on the market (Parts per million sold).

The targets - to be achieved by the Company at the consolidated level at the end of the vesting period - will be independently evaluated. The allotment of shares to each Beneficiary of the Plan is subject to the achievement by the Company of at least one of the performance objectives.

The targets underlying the performance objectives of the Plan are closely interlinked with those of the business plan, the drafting of which is currently being completed and is expected to be approved in 2023. Therefore, without prejudice to the so-called KPIs mentioned above, the specific numerical targets associated with each performance objective will be defined after the final approval of the business plan.

The number of shares to be granted to each Beneficiary under the terms and conditions set forth in the Plan regulation shall be determined by the Board of Directors on the basis of the target number of shares of each Beneficiary, reduced or increased according to the level of achievement of the targets, it being understood that in any case, regardless of

the level of over-performance that may have been achieved, the total number of shares granted to each Beneficiary may not exceed 150% of the related target number of shares.

The specific over-performance curve will be defined by the Board of Directors following the setting of the targets relating to each KPI and included in the Plan regulations. The shares to service the 2023-2025 Performance Shares Plan will be partly derived from treasury shares held from time to time in the Company's portfolio, partly from one or more free share capital increases pursuant to article 2349, paragraph 1 of the Italian Civil Code.

The 2023-2025 Performance Share Plan provides that the shares granted to each Beneficiary are subject to a restriction on their availability from the date of their actual delivery. In particular, consistently with the recommendations of the Corporate Governance Code, the Chief Executive Officer, the Executive Directors and the Key Managers will be obliged to continuously hold a number of shares equal to 50% of those subject to allocation until the expiration of 24 months from the Grant Date, net of the shares transferable for the payment of applicable legal fees.

With regard to the destination of the rights connected to the Plan in the event of termination of the Beneficiary's existing employment relationship, the 2023-2025 Performance Shares Plan provides, as a general rule, for the loss of all rights in the event of termination of the relationship prior to the allocation of the shares, except for certain cases of so-called "good leaver", which provides for the retention of rights on a pro rata temporis basis, as more fully described in the disclosure document (published on the Company's website in the "Governance" section <https://www.gvs.com>), to which reference is made.

(J) Other forms of remuneration

Also with a view to attracting, retaining or motivating key figures, specific tools may be used, including, but not limited to:

- Welcome bonuses, which may be granted at the time of the establishment of the relationship and only once for each person, as they serve as an incentive for the establishment of the relationship and may also be linked to the loss of incentives by the previous employer. Its disbursement may, where appropriate, be made conditional on continued employment for a specified period;

- Retention payments, linked to the stability of the relationship over time, (i.e. amounts accrued conditional on continued employment until the end of a certain period or the conclusion of some project or operation) or stability pacts (i.e. commitments by the manager not to terminate the relationship, for a consideration and with potential penalties in the event of termination);

- any exceptional bonuses, in addition to that deriving from the STI and LTI, in relation to operations and/or projects of strategic importance and/or extraordinary results, of such significance as to have a substantial impact on the Company's business and/or on its profitability and as such unable to be adequately addressed by ordinary variable remuneration systems. The amount of any such latter payments is linked to the fixed remuneration of the beneficiary and is determined taking into account the amounts of variable remuneration already paid to the latter under ordinary incentive schemes.

(K) Remuneration Policy of the CEO

The remuneration of the CEO consists of a fixed component and a short-term and long-term variable component.

The new Board of Directors appointed for the 2023-2025 term of office will determine, upon the proposal of the Appointments and Remuneration Committee, the remuneration to be paid to the Chief Executive Officer, in accordance with the Remuneration Policy guidelines and pay mix structures contained in this Report, as well as the remuneration provided for participation in the Board Committees.

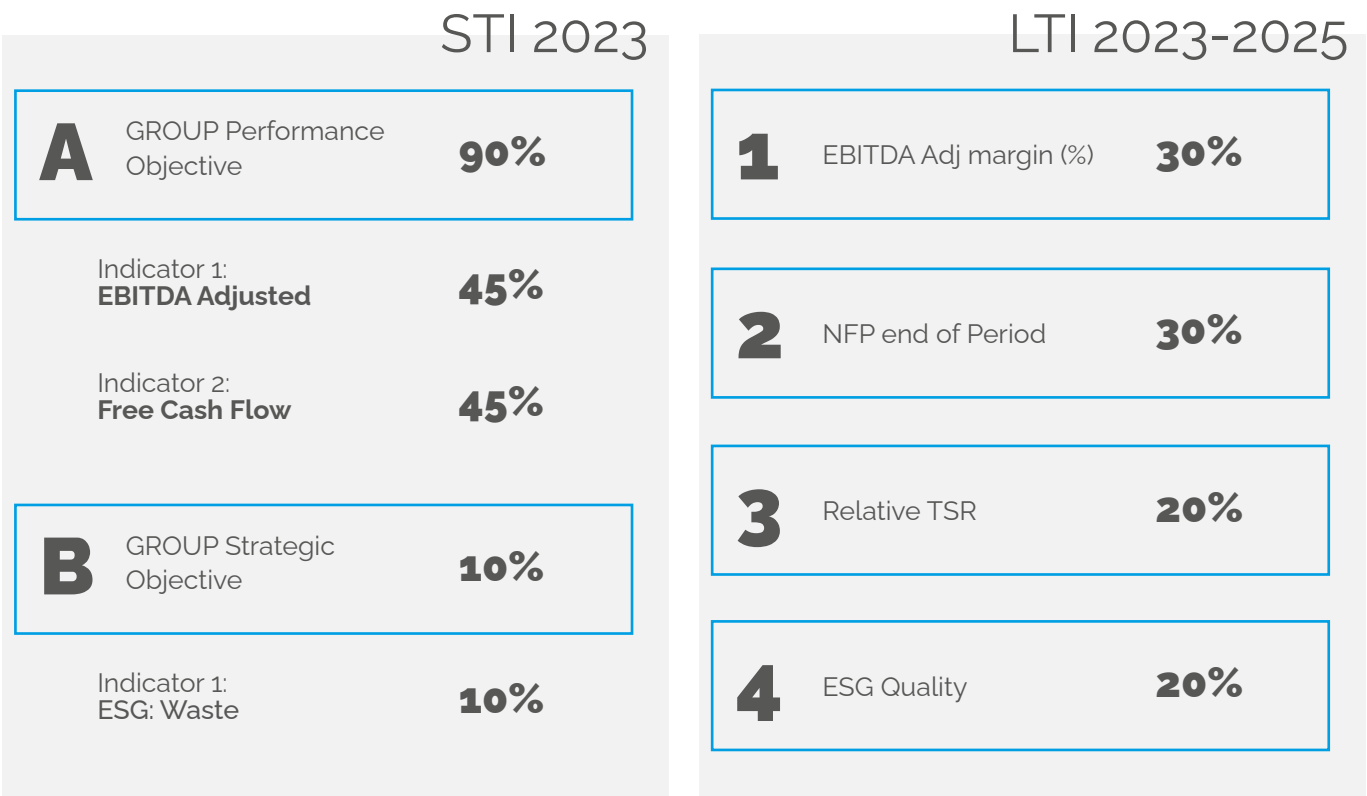
The following table describes the main elements that make up the Chief Executive Officer's remuneration pursuant to this Remuneration Policy, while the amounts indicated therein correspond to those applied in the Board's current term of office, and are therefore shown for illustrative purposes only.

In fact, the Board of Directors may vary the remuneration with respect to what was resolved for the expiring term of office (and indicated in the table), also taking into account specific market benchmarking and in line with the general orientation towards a market positioning between median and third quartile.

Chief Executive Officer	
Fixed component	Euro 20,000, as director, Euro 620,000 as CEO (or other fixed remuneration to be determined by the Board of Directors pursuant to the foregoing)
TFM	Euro 119,000 (or in any case between 18% and 20% of the fixed compensation as CEO)
Short-term variable component STI 2023	Euro 930,000 or 150% of the fixed remuneration as CEO in case of reaching the target performance (target bonus), Euro 1,023,000 or 165% of the fixed remuneration as CEO in the case of over performance (cap) Linked exclusively to economic-financial objectives and ESG indicators. Indicators and weights as detailed in section H and outlined below
Long-term variable component LTI 2023-2025	According to what will be determined by the Board of Directors following the approval of the Plan and in any case with a variable percentage between 70% and 80% ¹⁷ of the fixed component of the remuneration as CEO Indicators and weights as detailed in section I and outlined below

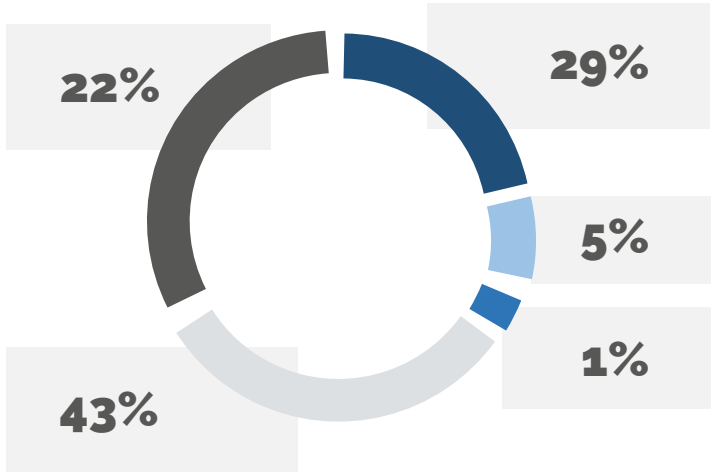
¹⁷ For this purpose, the average value of the Company's shares in the 30 days prior to the approval of this Remuneration Policy and the LTI Plan information document by the Board of Directors is used.

Summary of objectives under the 2023 STI Plan and the 23/25 LTI Plan for the CEO



The incidence of the variable component of the CEO's remuneration deriving from the 2023 STI Plan on the total annual remuneration is on average about 43%, while the annual incidence of the portion related to the 23-25 LTI plan is on average about 22% of the total annual remuneration.

Chart incidence of items making up the CEO's total remuneration on average



(L) Remuneration Policy of Executive Directors

The following table describes the main elements that may make up the remuneration of Executive Directors, other than the CEO, under this Remuneration Policy.

The amounts indicated in the table correspond to those foreseen in the Board term currently expiring, and are therefore given for illustrative purposes only.

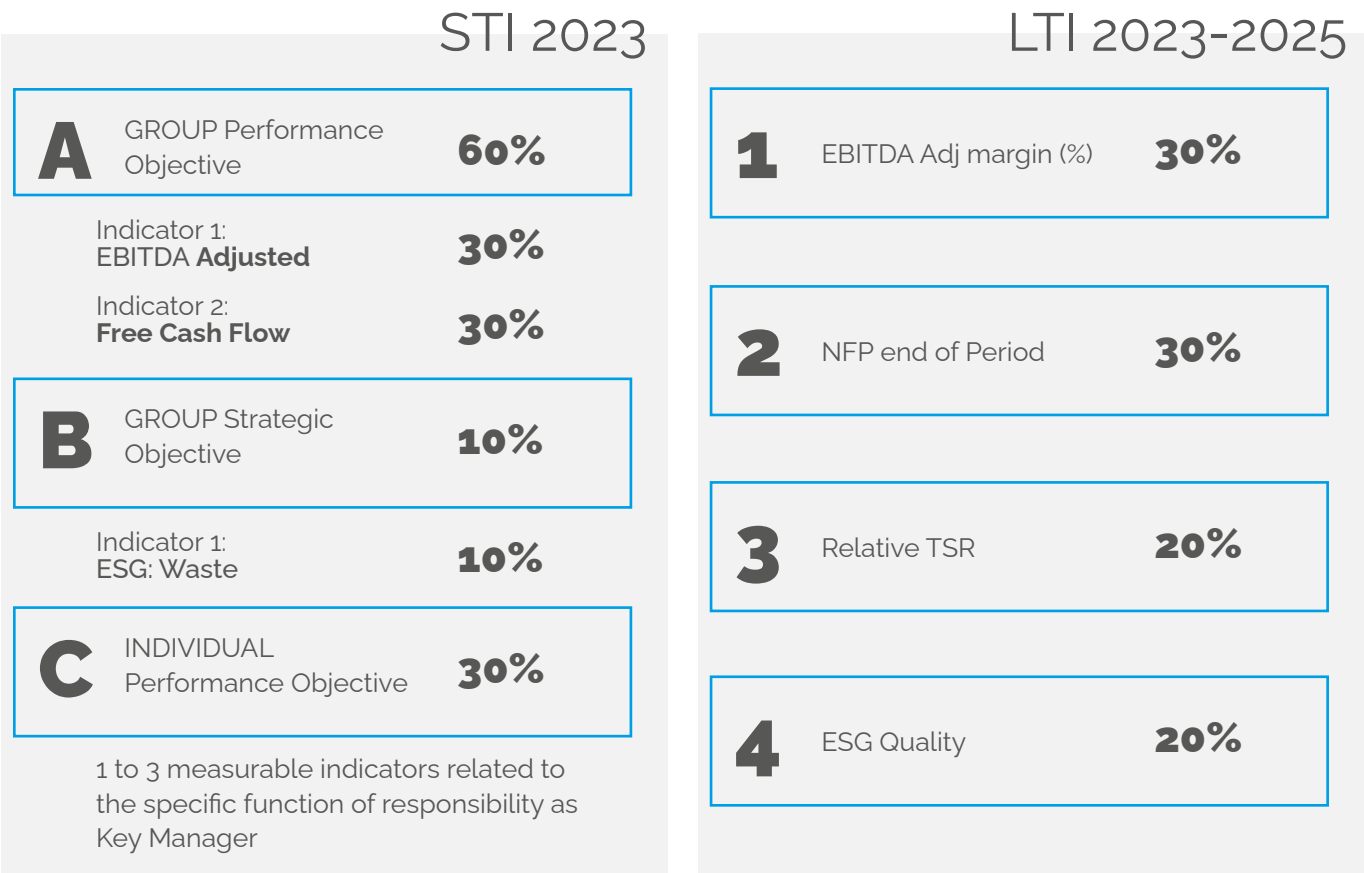
As for the Chief Executive Officer, the Board of Directors may vary the remuneration with respect to what was resolved for the expiring term of office (and indicated in the table), also taking into account specific market benchmarking and in line with the general orientation towards a market positioning between median and third quartile.

Executive Directors	
Fixed component	Euro 20,000 as a director and additional compensation ¹⁸ determined according to the reference benchmarks and always positioning between median and third quartile by virtue of the specific role held and the resulting responsibilities. (or such other fixed compensation as may be determined by the new Board of Directors).
Short-term variable component STI 2023	100% of the fixed remuneration in case of reaching the target performance (target bonus), 150% of the fixed remuneration in the case of over performance (cap) Indicators and weights as detailed in section H and outlined below.
Long-term variable component LTI 2023-2025	According to what will be determined by the Board of Directors following the approval of the Plan, and in any case with a percentage varying between 45% and 65% ¹⁹ of the fixed compensation. Indicators and weights as detailed in section I and outlined below

¹⁸ Where an executive director simultaneously has a contract of employment with the Company, it is possible that this additional fixed compensation may be paid (in whole or in part) as remuneration within this executive relationship (as it is, at the time of publication of this report, for the Chief Operating Officer).

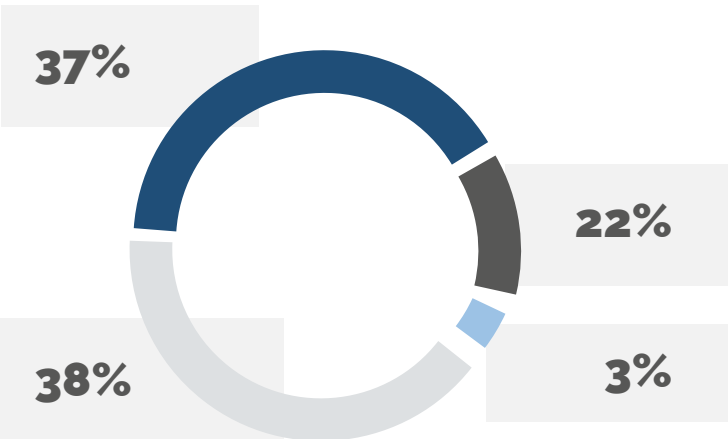
¹⁹ For this purpose, the average value of the Company's shares in the 30 days prior to the approval of this Remuneration Policy and the LTI Plan information document by the Board of Directors is used.

Summary of targets under the 2023 STI Plan and the 23/25 LTI Plan for Executive Directors



The variable component of the Executive Directors' remuneration deriving from the 2023 STI Plan accounts for approximately 38% of the total annual remuneration, while the annual incidence of the portion related to the 23-25 LTI Plan accounts for approximately 22% of the total annual remuneration.

Chart incidence of items making up the average total remuneration of Executive Directors



Fixed Target TSI LTI Annual target 23-25 Admin fee

(M) KM Remuneration Policy

The Company identifies as Key Managers (KM) those persons who have the power and responsibility - directly or indirectly - for planning, directing and controlling the Company's activities, according to the definition in Annex 1 of the Consob Regulation on Related Party Transactions.

As of the date of this Report, and therefore without prejudice to changes in the workforce or new appointments during the year, the Company has identified the following organisational roles as Key Managers, which represent the Chief Executive Officer's front line:

- Chief Financial Officer;
- Chief Operating Officer;
- VP Science & Development;
- HR & Organization Director;
- Group General Counsel;
- VP Healthcare & Life Sciences Division;
- VP Health & Safety Division;
- VP Energy & Mobility Division.

Key Managers	
Fixed component (RAL)	Determined on the basis of appropriate market benchmarks and also taking into account the experience, role and scope of responsibilities assigned to each KM.
Short-term variable component STI 2023	Depending on the individual KM concerned (and the relevant role): between 50% and 100% of the RAL, if target performance is achieved (target bonus), between 75% and 150% of the RAL, in case of over performance (cap). Indicators and weights as described in section H and outlined below.
Long-term variable component LTI 2023-2025	As will be determined by the Board of Directors following the approval of the Plan and in any case with a percentage varying between 35% and 65% ²⁰ of the RAL, depending on the individual KM concerned (and the relevant role). The payout curve varies from 0% to 150% in the case of over performance. Indicators and weights as described in section I and outlined below.

As represented in section H, Key Managers are Beneficiaries of the 2023 STI Plan, under which such persons are entitled to receive an incentive on an annual basis, the amount of which is commensurate with the achievement of objectives as described in Section H of the document and summarised in the diagram below.

²⁰ For this purpose, the average value of the Company's shares in the 30 days prior to the approval of this remuneration policy and the LTI Plan information document by the Board of Directors is used.

Summary of the objectives of the 2023 STI Plan for Key Managers

		STI 2023	
		Key Managers Functions	Key Managers Commercial
A	GROUP Performance Objective	60%	40%
	Indicator 1: EBITDA Adjusted	30%	20%
	Indicator 2: Free Cash Flow	30%	20%
B	GROUP Strategic Objective	10%	10%
	Indicator 1: ESG: Waste	10%	10%
C	INDIVIDUAL Performance Objective	30%	50%

The achievement of the target result is thus linked to the achievement of the objectives as defined above within thresholds according to the curve described in section H "The 2023 STI Plan".

Individual objectives are related to the specificity of each person's role and in particular:

- For Key Managers with a commercial role, they include:
 - the division's turnover;
 - the division's Gross Operating Income %;
 - receivables and inventories.
- For Key Managers with responsibility for functions, individual objectives are both project-based and numerical and can be related to: working capital, financial expenses, direct labour costs as a percentage of turnover, labour costs, Trade Working Capital, project objectives on governance, product development, organisational development.

As described in paragraph I, Key Managers are beneficiaries of a so-called Long Term Incentive plan (the "23-25 LTI Plan") under which such persons are entitled to receive a number of shares, on an annual basis, the amount of which is commensurate with the achievement of objectives as described in Section I of the document and summarised in the diagram below.

Summary of the objectives of the 23/25 LTI Plan for Key Managers

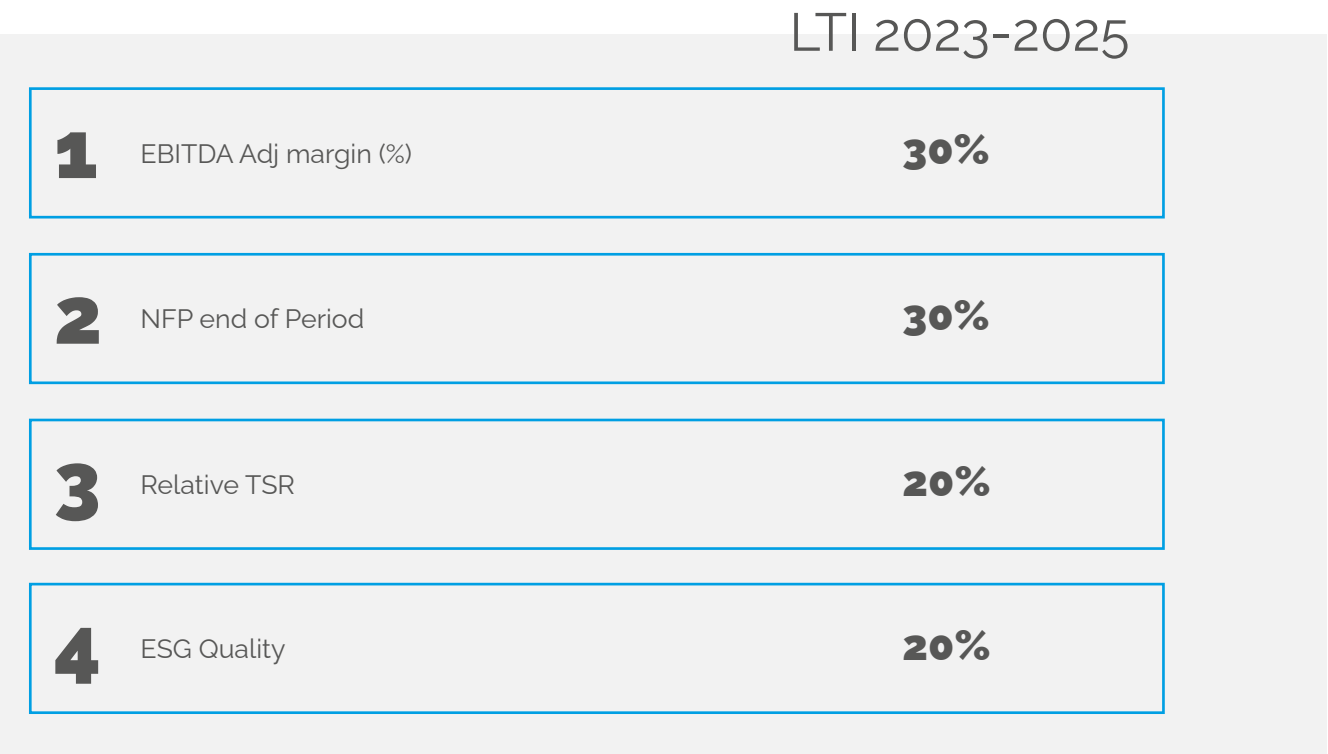
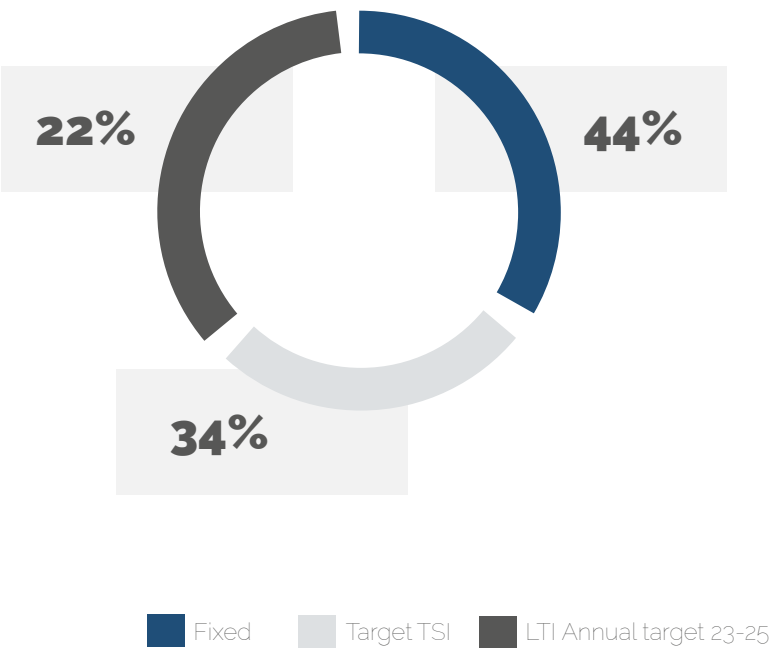


Chart incidence of items making up the average total remuneration of Key Managers



(N) Policy on non-monetary benefits

Non-monetary benefits are awarded in line with current market practices and in accordance with the position and role held. The non-monetary benefits include the use of company cars, including for business and personal use, telephony, computers and health and insurance coverage.

(O) Vesting periods and deferred payment systems and ex post correction mechanisms of the variable component

The 2023-2025 Performance Share Plan provides for the Assignment to Beneficiaries of a conditional, free of charge, non-transferable right by *inter vivos* deed to receive, at the end of a vesting period set at 31 December 2025 up to a maximum of a total of 1,400,000 ordinary shares in the Company (extendible up to a maximum of 2,300,000 shares in the event of the inclusion of additional Beneficiaries), subject to the terms and conditions set out therein.

The Plan provides for the adoption of *malus* and claw-back clauses. In particular, if, within the period of 3 years from the grant date, the performance objectives have been ascertained by the Board of Directors on the basis of data that has proven to be manifestly erroneous, or it is ascertained that the Beneficiary is liable for:

- i) commission of fraudulent or grossly negligent conduct to the detriment of the Group;
- ii) breach of obligations of loyalty to the Group; or
- iii) conduct that resulted in a significant financial or asset loss for the Group;

the Board of Directors, reserves the right to obtain (a) the restitution of the shares (in whole or in part), less an amount corresponding to the tax, social security and welfare charges related to the Grant of the Shares, or if the Shares have already been sold, (b) the restitution of the sale value (in whole or in part), less an amount corresponding to the tax, social security and welfare charges related to the Grant of the Shares, possibly also by offsetting against the Beneficiary's salary and/or severance pay. If one of the aforementioned hypotheses occurs before the Assignment of the shares, the Company may also not proceed (in whole or in part) with the relevant Assignment (so called *malus*).

(P) Information on clauses for holding financial instruments in the portfolio after their acquisition.

The 2023-2025 Performance Share Plan provides that the shares granted to each Beneficiary are subject to a restriction on their availability from the date of their actual delivery. In particular, consistently with the recommendations of the Corporate Governance Code, the Chief Executive Officer, the Executive Directors and the Key Managers will be obliged to continuously hold a number of Shares equal to 50% of those subject to allocation until the expiration of 24 months from the Grant Date, net of the Shares transferable for the payment of applicable legal fees.

(Q) Payments established in the case of termination of office or termination of the employment contract

At the date of the Report, there are no agreements signed between the members of the Board of Directors, the Board of Statutory Auditors and the other Key Managers and the Company or its subsidiaries that provide for the payment of severance indemnities or otherwise regulate *ex ante* the termination of the office.

In particular, no "golden parachute" is provided for in favour of the Chief Executive Officer, who, however, works in favour of the Company exclusively within the scope of his office as a director, without having any executive employment relationship and therefore not benefiting from severances provided (by law and collective agreement) for managers. On the other hand, the only provision made in his favour (as per the specific resolution submitted to the Shareholders' Meeting in the context of the renewal of the Board of Directors, in continuity with the provisions of the previous mandates) is the provision of a severance indemnity ("TFM") to be paid upon termination of the office (as may be renewed over time).

That said, any severance payments to directors or KMs would be determined on the basis of the following. First of all, it is specified, with regard to the duration of any employment contracts and the applicable notice period, that:

- a) directors (who are not, at the same time, executives of the Company) act pursuant to their

three-year term of office, and, as a rule, do not have any contract or agreement with the Company, nor does any notice period apply to them, consistent with the nature of the relevant relationship;

b) Key Managers, on the other hand, operate, as a rule, within the framework of an indefinite executive employment contract; the relative notice period is calculated on the basis of the provisions of the collective agreement currently applied by the Company (CCNL for Industry Executives), which provides, in the event of termination of employment of executive personnel at the company's initiative (in the absence of just cause) a range of between 6 and 12 months' notice (depending on company or conventional seniority), to which may be added, if certain conditions are met²¹, an additional indemnity, in a range of between 4 and 24 months' notice (also in this case depending on company or conventional seniority).

With regard to the directors²², in the event of termination of office in the absence of a just cause for revocation, an amount generally equal to (and in any case not exceeding) the sum of the remuneration provided for up to the date of the natural expiry of the term of office may be recognised.

With regard to Key Managers in the event of termination of employment, in addition to notice (or the related indemnity in lieu), a sum quantified on a case-by-case basis - on the basis of a weighted set of criteria, to be assessed at the time of termination of employment and linked, in particular, to seniority in the company, age, individual performance achieved, reasons underlying termination of employment, the justification for unilateral termination, the risks connected with unilateral termination rather than agreed termination, the company's interest in achieving agreed termination - may be recognised within a limit of 24 months' pay (i.e. the maximum number of months' pay due under the CCNL for Industry Executives by way of the so-called supplementary indemnity), in addition to the ordinary severance pay.

These monthly payments are calculated - in accordance with the law and the collective agreement - on the basis of the so-called *de facto* global remuneration (which includes fixed remuneration, average variable remuneration of the last three years and the valuation of fringe benefits).

In general, no amount is paid - to directors or Key Managers - in the presence of, *inter alia*, just cause for revocation or dismissal.

There are currently no non-competition agreements in place with directors or Key Managers. These may, however, be entered into - at the establishment of the relationship, or during or at the termination thereof - for a (limited) period of time following the termination of the relationship, the consideration for which is determined, pursuant to law, on the basis of the temporal and territorial extension of the constraint and the prejudice that might be caused to the Company in the event the interested party were to engage in activities in competition with that of the Company, also taking into account the role and responsibilities previously held by the person concerned and the provisions of the applicable regulations, setting the consideration of the agreement at the remuneration of the beneficiary at the time of termination of the relationship and limiting, as a rule, the consideration to a maximum equal to the fixed remuneration on an annual basis, set in proportion to the duration of the agreement.

Consultancy contracts for a period after termination of the relationship are not currently envisaged, and are not normally entered into. However, this is without prejudice to this possibility, where there is a proven need to avail, in the interest of the company, for a limited period of time following the termination of the relationship, of the director's and/or manager's skills and contribution for the performance of specific and predetermined activities (against remuneration appropriately proportionate to the object and scope of the activity required).

There are also currently no contracts in place - and normally no contracts are entered into - that provide for the assignment or retention of non-monetary benefits for a period after the termination of the relationship. Some Key Managers, identified on the basis of a seniority criterion, may retain some of the non-monetary benefits for a limited period of time after termination.

(R) Information on the existence of additional, non-mandatory insurance, welfare or pension provisions

There are no insurance benefits beyond what is provided for in the CCNL. As of 1 January 2023, the Company's Executives, including the Key Managers, are subject to the CCNL for Industry Executives (in 2022 the CCNL applied was that of the Confapi SME Executives). In order to ensure fairness with respect to the treatment agreed upon at the time of hiring, the Company has maintained a minimum payment for pension purposes borne by the company of 4.5% (as provided for by the previous Confapi CCNL applied) as opposed to the 4% provided for by the CCNL Industria applied as of 1 January 2023.

(S) Exceptions to the Remuneration Policy

In exceptional circumstances, the Company may depart from the Remuneration Policy according to the criteria defined below. Exceptional circumstances are defined as the following situations:

- a) unforeseeable national or international events that significantly affect the Company's economic and financial results;
- b) major changes in the organisation of the Company, extraordinary operations, mergers or divestments;
- c) unforeseeable needs to replace Executive Directors and/or top managers due to the need to define a remuneration package different from that defined in the Remuneration Policy in order to attract highly qualified managers as quickly as possible;
- d) more generally, any exceptional circumstances (in accordance with Art. 123-ter of the Consolidated Law on Finance) to be managed for the purpose of pursuing the long-term interests and sustainability of the Company as a whole, or to ensure its ability to compete on the market (such as, among others and merely by way of example, the need to attract and retain individuals with the skills and professional qualities required to successfully manage the Company, as well as the need to motivate such individuals with respect to specific KPIs that may be of significant importance due to contingent circumstances).

The salary elements that may be subject to the derogation are:

- a) the annual bonus (in lieu of or in addition to the bonus already provided for in the Remuneration Policy) in respect of performance targets and quantitative parameters other than those referred to in the Policy; and
- b) the long-term incentive plan with regard to targets and ranges of performance indicators.

In the presence of the aforementioned circumstances, the Appointments and Remuneration Committee is called upon to express its opinion before the Board of Directors, which resolves on the derogation. Derogations will also be subject to the rules set forth in the Procedure for Related Party Transactions, where applicable.

(T) Remuneration Policy of the Board of Statutory Auditors

The remuneration of the Board of Statutory Auditors is commensurate with the competence, professionalism, commitment required, the importance of the role covered as well as the size and sector characteristics of the Company.

On 13 March 2020, the Ordinary Shareholders' Meeting, with effect subject to the condition precedent of the start of trading²³, resolved to appoint new members of the Board of Statutory Auditors and set the gross annual compensation payable to the Board of Statutory Auditors, which was increased during the Shareholders' Meeting held on 27 April 2021 and which is as follows:

Board of Statutory Auditors compensation	
Chair of the Board of Statutory Auditors	Euro 35,000
Members of the Board of Statutory Auditors	Euro 30,000

These values are in line with the market benchmark prepared by the independent advisor.

During 2023, the Board met 23 times in addition to participating in committee and board meetings in a collegial or representative capacity.

²¹ In particular in the case of 'unjustified' dismissal.

²² Unless they are Executives of the Company.

²³ The date of commencement of trading of GVS shares on the electronic share market organised and managed by Borsa Italiana S.p.A. (i.e. 19 June 2020).

SECTION II - Fees paid in the financial year 2022

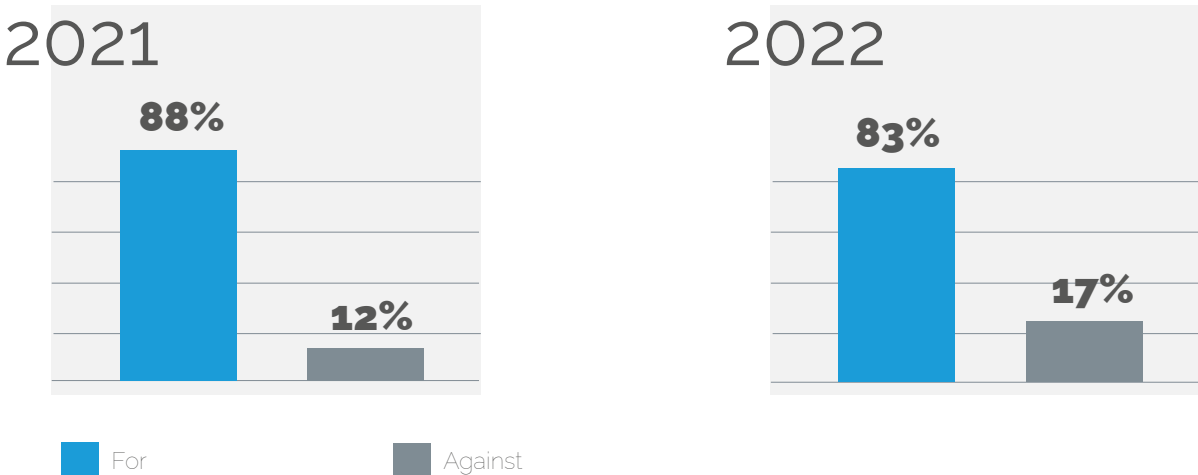
This Section of the Report provides an analytical representation of the following for each member of the Board of Directors and the Board of Statutory Auditors and, in aggregate form, for Key Managers:

- (i) the items making up individual remuneration, including benefits in the event of resignation or termination of employment;
- (ii) compensation paid for any reason and in any form by the Company and/or Group companies;
- (iii) compensation to be paid in one or more subsequent financial years in respect of work performed during the relevant financial year; and
- (iv) the manner in which the Company took into account the vote cast the previous year on the second section of the report.

The Second Part of Section II, in accordance with Art. 84-*quater*, paragraph 4, of the Consob Issuers' Regulation, also reports, in specific tables, the data relating to the shareholdings held - in the Company and its subsidiaries - by directors, Auditors and Key Managers, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, as resulting from the register of shareholders, from communications received and from other information acquired from the same directors, Auditors and Key Managers.

Comparison with the vote cast by the Shareholders' Meeting on Section II of the previous year's Report

The following is the result of the voting over the last two years in respect of the Report on the Remuneration Paid (Section II).



Company performance in the reporting year

This section outlines the main challenges the Company faced during the reporting year, the results achieved in relation to the individual economic-financial and qualitative objectives of the Chief Executive Officer and the Key Managers.

For the Company, 2022 was a very intense year, characterised by a combination of external shocks, some of which have been unprecedented in the last few decades of history, with which the Company had to deal, adapting its strategies and priorities to the changed international competitive context.

The escalation of geopolitical tensions that led to the outbreak of a war on Europe's doorstep, and the consequent effects such as the increase in the cost of raw materials, strong inflationary pressures, the particularly schizophrenic labour market, especially in the United States of America, the strained logistics-distribution system, and the rapid rise in interest rates, have imposed difficult choices on the Company, which has managed with extraordinary ability and resilience on the one hand the constant organic growth and the optimisation and innovation of the core business (with the filing of new patents both in Italy and abroad), and on the other hand the management of numerous extraordinary projects related to the integration of the companies acquired in the second half of 2021 and the first half of 2022.

In light of the Company's growth in size and the need to acquire new skills to support it in its growth path, organisational development has also seen a decision-making acceleration, especially in terms of strengthening the skills of the Finance structure, which in 2023, will see the inclusion of new strategic figures with a strong impact on the business.

Actual 2022 STI Plan

Below is a summary of the weighting of the targets according to the 2022 TSI plan, the achievement of the performance targets on the achievement scale from 0% to 150%, and the final weighted achievement.

It is specified that, the financial economic data are evaluated net of the acquisitions concluded during the year and not present in the budget, as envisaged when assigning the targets.

Table summarising targets and weights in the 2022 STI Plan

		CEO	Key Managers	
			Key Managers Staff functions	Key Managers Commercial Functions
A	GROUP Economic Financial Objective	80%	50%	30%
	• EBITDA Adj (Organic)	• 40%	• 25%	• 25%
	• Total Revenues (Organic)	• 40%	• 25%	• 5%
B	GROUP strategic growth objective	20%	20%	20%
	• ESG	• 5%	• 5%	• 5%
	• Inorganic growth	• 15%	• 15%	• 15%
C	INDIVIDUAL Performance Objective		30%	50%
	• Ob 1 Individual		• 15% Measurable specifications	• 25% Sales Division
	• Ob 2 Individual		• 15% Measurable specifications	• 25% ROC% Division
(*) Net from M&A concluded during the year.				

Table summarising the achievement of Group performance objectives under the 2022 STI Plan on the scale 0% - 150%

Type Objective	Result	Achievement
A GROUP Economic Financial Objective		
EBITDA Adj	Euro 79 million	0%
Sales	Euro 340.6 million	145%
B GROUP Strategic Objective		
ESG	Achieved	100%
M&A	Achieved	150%
(*) Net of any M&A activities concluded during the year and not foreseen in the Company's approved budget.		

Table summarising the achievement of the 2022 STI Plan objectives on the scale 0% - 150%

	Weighted Achievement Group Performance Objective		Weighted achievement Group's Strategic Objective		Tot Reach Weighed Group Strategic Objectives	Weighted achievement Individual performance objective		Tot Individual Weighted Objective	Total Objective vs Target	Tot Objective vs Payout Maximum Opportunity
	Adjusted EBITDA	Turnover	ESG	M&A		Weight Ob 1	Weight Ob 2			
CEO	0%	58%	5%	23%	86%	-	-	0%	86%	57%
Executive Director and COO	0%	36%	5%	23%	64%	11%	23%	33%	97%	65%
Executive Director and VP Energy & Mobility Division	0%	7%	5%	23%	35%	37%	26%	63%	98%	65%
KM (Average value)	0%	22%	5%	23%	49%	20%	16%	36%	86%	57%

Actual 2020-2022 LTI Plan

The following is a summary of the weighting of the objectives according to the 2020/2022 LTI Plan, the threshold values and their achievement.

Table summarising the objectives of the 2020/2022 LTI Plan with threshold and actual values

	Definition and formula	Threshold values			Actual
Earnings Per Share - EPS (relative weight 50%)	<ul style="list-style-type: none">Cumulative value 20-22EPS = Net Profit - Dividends distributed during the year / Weighed average of the number of ordinary shares outstanding during the year	Performance	Payout		
		Minimum	€ 0,72	50%	<ul style="list-style-type: none">Euro 0,84
		Target	€ 0,80	100%	<ul style="list-style-type: none">125% of target
		Massimo	€ 0,88	150%	<ul style="list-style-type: none">62.6% Weighted result

Cash Conversion (relative weight 30%)	<ul style="list-style-type: none">Value of the last financial year of the Vesting Period (2022)Cash Conversion = 2022 - 2022 / 2022	Performance	Payout		
		Minimum	75%	50%	<ul style="list-style-type: none">75.4%
		Target	80%	100%	<ul style="list-style-type: none">54% of target
		Massimo	85%	150%	<ul style="list-style-type: none">16.2% Weighted result

Relative TSR (relative weight 20%)	<ul style="list-style-type: none">Share price performance against the performance of the FTSE STAR IndexTSR = Share price end of period - Share price start of period + Dividends distributed in the period / Share price start of period	Performance	Payout		
		Minimum	95%	50%	<ul style="list-style-type: none">-46% compared to STAR index +27%
		Target	100%	100%	<ul style="list-style-type: none">0% of target
		Massimo	130%	150%	<ul style="list-style-type: none">0% Weighted result

The overall result sees a 78.8% achievement of the target of 323,163 shares to be granted out of a total of 24 Beneficiaries.

Below is a breakdown of the number of shares that will be granted to the Executive Directors and in aggregate to the Key Managers.

2020-2022 plan			
Population	#	Target Shares	Shares to be granted
CEO	1	120,000	94,545
Executive Director and VP E&M	1	28,000	22,061
Executive Director and COO	1	28,000	22,061
KM	4	102,500	80,757
Total	7	278,500	219,423

Fees paid in 2022

The remuneration of the management and supervisory bodies and, in aggregate, the remuneration of Key Executives paid during the year for results achieved are shown here by name.

In compliance with Annex 3A, Scheme 7-bis of the Consob Issuers' Regulation, the remuneration of Key Managers is specified in aggregate form insofar as none received a comprehensive remuneration during the financial year that exceeded the higher comprehensive remuneration attributed to directors.

The items comprising the remuneration are detailed in Table 1, as per Annex 3A, Scheme 7-bis, of the Consob Issuers' Regulation, given in the appendix to Part II of this Section.

Chair of the Board of Directors

Grazia Valentini served as Chair of the Board of Directors. A fixed remuneration was assigned for the office of Euro 250,000.00 gross per year.

Non-Executive Directors and members of Committees

The following served as Non-Executive Directors: Nadia Buttignol; Arabella Caporello, Alessandro Nasi, Michela Schizzi.

The following fees were awarded:

Fixed remuneration for Non-Executive Directors and committee members	
Non-Executive Directors	Euro 20,000
Chair of the Audit, Risk and Sustainability Committee and Chair of the Appointments and Remuneration Committee	Euro 20,000
Members of the Audit, Risk and Sustainability Committee and members of the Appointments and Remuneration Committee	Euro 10,000

Board of Statutory Auditors

The following served as Statutory Auditors of the Company: Patrizia Lucia Maria Riva (Chair of the Board of Statutory Auditors), Francesca Sandrolini, Stefania Grazia.

Fixed remuneration of the Board of Statutory Auditors	
Chair of the Board of Statutory Auditors	Euro 35,000
Members of the Board of Statutory Auditors	Euro 30,000

Chief Executive Officer

The following served as CEO: Massimo Scagliarini.

The following fees were awarded:

Chief Executive Officer - Massimo Scagliarini	
Fixed component	Euro 20,000, as director, Euro 620,000, as CEO
TFM	Euro 119,000 set aside for the accrual 2022
2022 STI	Euro 530,100
2020-2022 LTI	94,545 shares

The following targets were achieved in relation to the 2022 STI plan:

Objectives	Weight (%)	Target	Actual	Relative Achievement %	% Achievement vs Payout Opportunity Maximum
EBITDA Adjusted (Organic)	40%	Euro 101 million	Euro 79 million	0%	59%
Turnover (Organic)	40%	Euro 344 million	Euro 340.6 million	58%	
Group Strategic Objectives	20%	M&A ESG	Achieved	5% 23%	
	100%			86%	

The following objectives were achieved in relation to the 2020-2022 LTI plan:

Objectives	Weight (%)	Target	Actual	Relative Achievement %	% Achievement vs Payout Opportunity Maximum
EPS	50%	Euro 0.80	Euro 0.84	62.6%	52.5%
Cash Conversion	30%	80%	75.4%	16.2%	
TSR	20%	100%	0%	0%	
	100%			78.8%	

The Company also granted the following non-monetary benefits: mobile computer, mobile telephone, for a total amount of Euro 1,800.00.

Executive Directors

The following served as Executive Directors: Marco Scagliarini, Mario Saccone, Matteo Viola.

The following fees were awarded:

	Executive Director and VP Energy & Mobility Division - Marco Scagliarini	Executive Director and CFO - Mario Saccone	Executive Director and COO - Matteo Viola
Fixed component	Euro 20,000, as director, Euro 250,000, for proxies conferred	Euro 20,000, as director Euro 210,000 RAL as an employee for the role of CFO	Euro 20,000, as director Euro 240,000 RAL as an employee for the role of COO
TFM	Euro 118,000 set aside for the accrual 2022	-	-
2022 STI	Euro 250,625 as detailed below	-	Euro 233,280 as detailed below
2020-2022 LTI	22,061 shares representing 78.8% achievement of the targets as presented at the beginning of the section for the 2020 - 2022 LTI Plan	-	22,061 shares representing 78.8% achievement of the targets as presented at the beginning of the section for the 2020 - 2022 LTI Plan

Marco Scagliarini

The following targets were achieved in relation to the 2022 STI plan:

Objectives	Weight (%)	Target	Relative Achievement %	% Achievement vs Payout Opportunity Maximum
EBITDA Adj (Organic)	25%	Euro 101 million	0%	65%
Turnover (Organic)	5%	Euro 344 million	7%	
Group Strategic Objectives	20%	M&A ESG	5% 23%	
Individual Performance Objectives	25% 25%	Turnover E&M ROC% E&M	37% 26%	
	100%		98%	

GVS has exercised its right to protect the confidentiality of further information considered commercially sensitive, and has not provided disclosure of actual data whose disclosure could cause prejudice to the Group.

The Company also granted the following non-monetary benefits: mobile computer, mobile telephone, for a total amount of Euro 756.00.

Mario Saccone

On 11 October 2022, a report of consensual termination of the employment relationship was signed at the trade union pursuant to article 411 of the Italian Code of Civil Procedure, in which, among other things, the waiver of any consideration due for the 2022 STI plan and the 2020-2022 LTI plan was provided for. The redundancy incentive related to the termination of employment will be paid, as per the conciliatory statement, in the year 2023 in accordance with the terms set forth therein and the amounts detailed in section 1.8 below "Indemnities paid in the event of early termination of employment".

The Company also granted the following non-monetary benefits: company car, mobile computer, mobile telephone, healthcare insurance for a total amount of Euro 7,579.

Matteo Viola

The following targets were achieved in relation to the 2022 STI plan:

Objectives	Weight (%)	Target	Relative Achievement %	% Achievement vs Payout Opportunity Maximum
EBITDA Adj (Organic)	25%	Euro 101 million	0%	65%
Turnover (Organic)	25%	Euro 344 million	36%	
Group Strategic Objectives	20%	M&A ESG	5% 23%	
Individual Performance Objectives	15% 15%	Incidence of Direct labour cost Incidence of industrial variable costs	11% 23%	
	100%		97%	

GVS has exercised its right to protect the confidentiality of further information considered commercially sensitive, and has not provided disclosure of actual data whose disclosure could cause prejudice to the Group.

The Company also granted the following non-monetary benefits: mobile computer, mobile telephone, for a total amount of Euro 8,345.

Key Managers

The following served as KM (excluding Executive Directors): Luca Querzè (VP Science & Development), Paola Musuraca (HR & Organization Director), Luca Zanini (VP HC&LS division), Pierre Dizier (VP H&S division).

The following total compensation was awarded (shown in the table in aggregate form):

KM (excluding Executive Directors)	
RAL	Euro 781,000
2022 STI	500,461
2020-2022 LTI	80,757 shares representing 78.8% achievement of the targets as presented at the beginning of the section for the 2020 - 2022 LTI Plan

The following targets were achieved in relation to the 2022 STI plan:

Objectives	Weight (%)	Target	Relative Achievement %	% Achievement vs Payout Opportunity Maximum
EBITDA Adj (Organic)	25%	Euro 101 million	0%	57% average
Turnover (Organic)	5% for Commercial Key Managers	Euro 344 million	7% for Commercial Key Managers	
	25% for Key Managers of staff functions		36% for Commercial Key Managers	
Group Strategic Objectives	20%	M&A ESG	5% 23%	
Individual Performance Objectives	50% for Commercial Key Managers	Turnover and ROC% of divisions for commercial Key Managers	19% average for Commercial Key Managers	
	30% for Key Managers of staff functions	Quantitative and qualitative targets (incidences of labour costs, # patents filed) for Key Managers of staff functions	23% average for Key Managers of staff functions	
	100%		86% average	

GVS has exercised its right to protect the confidentiality of further information considered commercially sensitive, and has not provided disclosure of actual data whose disclosure could cause prejudice to the Group.

The Company also granted the following non-monetary benefits to key managers: company car, mobile computer, mobile telephone, healthcare insurance for a total amount of Euro 29,655.08.

Proportion between fixed and variable compensation

The proportion of fixed and variable remuneration of the CEO and Executive Directors during the year is set out below.

		Proportion of fixed and variable compensation(*)		
		Fixed compensation	Short-term variable compensation	Long-term variable compensation
Chief Executive Officer	Compensation from GVS	50% (**)	35%	15%
	Compensation from subsidiaries		0	0
	Total	50%	35%	15%
Executive Director and VP Energy & Mobility Division	Compensation from GVS	57% (**)	36%	8%
	Compensation from subsidiaries		0	0
	Total	57%	36%	8%
Executive Director and Chief Financial Officer (***)	Compensation from GVS	100%	0%	0%
	Compensation from subsidiaries		0	0
	Total	100%	0%	0%
Executive Director and Chief Operating Officer	Compensation from GVS	48%	42%	10%
	Compensation from subsidiaries		0	0
	Total	48%	42%	10%

(*) The proportion is calculated starting from the detail of the remuneration items reported in Section II - Part Two.

(**) Includes Term-end Severance.

(***) On 11 October 2022, a report of consensual termination of the employment relationship was signed at the trade union pursuant to article 411 of the Italian Code of Civil Procedure, in which, among other things, the waiver of any consideration due for the 2022 STI plan and the 2020-2022 LTI plan was provided for. The redundancy incentive related to the termination of employment will be paid, as per the conciliatory statement, in the year 2023 in accordance with the terms set forth therein.

The proportion between fixed and variable compensation for the other Key Managers for the year is set out below.

		Proportion of fixed and variable compensation		
		Fixed compensation	Short-term variable compensation	Long-term variable compensation
Key Managers who are not directors	Compensation from GVS	51%	32%	17%
	Compensation from subsidiaries		0	0
	Total	51%	32%	17%

(*) The proportion is calculated starting from the detail of the remuneration items reported in Section II - Part Two.

Indemnities paid in the event of early termination of employment

No indemnities were paid during the financial year 2022. On 11 October 2022, a report of consensual termination of the employment relationship with Mario Saccone was signed at the trade union, pursuant to article 411 of the Italian Code of Civil Procedure, with provision for a redundancy incentive linked to the termination of employment that will be paid in the course of 2023 in two instalments for a total amount of Euro 500,000 plus an additional Euro 10,000 as settlement. No compensation was paid on termination of the office of director.

As mentioned above, the agreement provided for the waiver of any fees that may be due for the STI 2022 plan and the LTI 2020-2022 plan.

Exceptions to the Remuneration Policy applied to exceptional circumstances

During the year, GVS did not make any exceptions to the Remuneration Policy.

Mechanisms for ex-post correction of the variable component of remuneration paid

During the year, no ex-post correction mechanisms were applied to the variable component (malus or claw-back of variable compensation).

Comparative information

The following information compares, for FYs 2020 (the first year of listing), 2021 and 2022, the annual change in total remuneration for members of the Board of Directors and members of the Board of Statutory Auditors and, in aggregate form, Key Management Personnel, the Company's results and gross annual remuneration, benchmarked to full-time employees.

Name	Position	2022	2021	2020 ²⁴
Grazia Valentini	Chair of the Board of Directors	260,000	260,000	161,200
Massimo Scagliarini	Chief Executive Officer	1,170,100	1,260,000	999,160
Marco Scagliarini	Managing Director	514,375	520,000	443,680
Mario Saccone	Managing Director	228,623	421,050	405,783
Matteo Viola	Managing Director	488,825	441,043	423,469
Nadia Buttignol	Director	30,000	30,000	30,000
Arabella Caporello	Director	40,000	40,000	40,000
Alessandro Nasi	Director	30,000	30,000	30,000
Michela Schizzi	Director	50,000	50,000	50,000
Patrizia Lucia Maria Riva	Chair of the Board of Statutory Auditors	35,000	35,000	10,000
Stefania Grazia	Regular Auditor	30,000	30,000	7,000
Francesca Sandrolini	Regular Auditor	30,000	30,000	7,000
KM non-directors	-	1,277,210	1,279,462	
Average gross annual remuneration of total employees ²⁵	-	48,306	41,955	39,816
EBITDA Adj	-	79 min	108 min	144 min

²⁴ Does not provide for IPO bonuses.

²⁵ Overall average annual gross remuneration, fixed and short to target variable components, calculated on a full-time equivalent basis, paid in 2022. It should be remembered that GVS is a multinational which operates on three continents through 15 production plants and 7 commercial distribution centres located in 17 different countries in addition to Italy (Brazil, Argentina, United States, United Kingdom, Romania, China, Japan, Korea, Turkey, Russia, Mexico, Puerto Rico, New Zealand, India, Malaysia, Vietnam and Thailand). Given that these are countries in which the different cost of living would not have given a picture in line with the average remuneration and working conditions of GVS employees, it was decided to represent the average gross annual remuneration of GVS SpA alone, based on full-time employees.

PART TWO - analytical representation of the compensation paid during the year

The information in the following tables is provided separately with reference to positions held within the Company and for those possibly held in subsidiaries and associates.

This includes all persons who, during the course of the financial year, were members of the Board of Directors and Board of Statutory Auditors or key managers, even for a fraction of the period.



Table 1: Compensation paid to members of administrative and auditing bodies, general managers and other Key Managers

Name and surname	Position held	Period for which the office was covered	Expiration date of office	Fixed compensation for office held	Compensation for participating in committees	Variable compensation (non equity)		Non-monetary benefits ²⁶	Other remuneration ²⁷	Total	Fair Value of equity remuneration ²⁸	Indemnity for end of term or termination of employment
						Bonuses and other incentives	Profit sharing					
Grazia Valentini	Chair	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			250,000	10,000			744		260,744	0.00	
	Remuneration from subsidiaries and associates											
	Total			250,000	10,000	0	0	744	0	260,744	0	
Massimo Scagliarini	Chief Executive Officer	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			640,000		530,100		1,800	119,000	1,290,900	224,001	
	Remuneration from subsidiaries and associates									0		
	Total			640,000	0	530,100	0	1,800	119,000	1,290,900	224,001	0
Marco Scagliarini	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			270,000		244,375		756	118,000	633,131	52,267	
	Remuneration from subsidiaries and associates									0		
	Total			270,000	0	244,375	0	756	118,000	633,131	52,267	0
Mario Saccone	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000		0		7,579	208,623	236,203	0	
	Remuneration from subsidiaries and associates									0		510,000
	Total			20,000	0	0	0	7,579	208,623	236,203	0	510,000

²⁶ Non-monetary benefits may include: car, company telephone and computer, insurance policy.

²⁷ The TFM for directors and the RAL for KM is inserted.

²⁸ The portion of compensation of the 2020-2022 Performance Share Plan, calculated by dividing the fair value of the instruments themselves at the assignment date, calculated using actuarial techniques, over the vesting period.

Name and surname	Position held	Period for which the office was covered	Expiration date of office	Fixed compensation for office held	Compensation for participating in committees	Variable compensation (non equity)		Non-monetary benefits ²⁶	Other remuneration ²⁷	Total	Fair Value of equity remuneration ²⁸	Indemnity for end of term or termination of employment
						Bonuses and other incentives	Profit sharing					
Matteo Viola	Executive Director	2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000		233,280		8,345	235,545	497,170	52,267	
	Remuneration from subsidiaries and associates									0		
	Total			20,000	0	233,280	0	8,345	235,545	497,170	52,267	0
Nadia Buttignol	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000	10,000					30,000		
	Remuneration from subsidiaries and associates									0		
	Total			20,000	10,000	0	0	0	0	30,000	0	0
Arabella Caporello	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000	20,000					40,000		
	Remuneration from subsidiaries and associates									0		
	Total			20,000	20,000	0	0	0	0	40,000	0	0
Michela Schizzi	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000	30,000					50,000		
	Remuneration from subsidiaries and associates									0		
	Total			20,000	30,000	0	0	0	0	50,000	0	0
Alessandro Nasi	Independent Director	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			20,000	10,000					30,000		
	Remuneration from subsidiaries and associates									0		
	Total			20,000	10,000	0	0	0	0	30,000	0	0

Name and surname	Position held	Period for which the office was covered	Expiration date of office	Fixed compensation for office held	Compensation for participating in committees	Variable compensation (non equity)		Non-monetary benefits ²⁶	Other remuneration ²⁷	Total	Fair Value of equity remuneration ²⁸	Indemnity for end of term or termination of employment
						Bonuses and other incentives	Profit sharing					
Patrizia Lucia Maria Riva	Chair of the Board of Statutory Auditors	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			35,000						35,000		
	Remuneration from subsidiaries and associates											
	Total			35,000	0	0	0	0	0	35,000	0	0
Stefania Grazia	Regular Auditor	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			30,000						30,000		
	Remuneration from subsidiaries and associates											
	Total			30,000	0	0	0	0	0	30,000	0	0
Francesca Sandrolini	Regular Auditor	From 19/06/2020	Approval of the financial statements as at 31/12/2022									
	Fees within the company preparing the financial statements			30,000						30,000		
	Remuneration from subsidiaries and associates											
	Total			30,000	0	0	0	0	0	30,000	0	0
Key Managers	Employment Contract Industry Executives		Permanent									
	Fees within the company preparing the financial statements					500,461		29,655	776,749	1,306,865	266,476	
	Remuneration from subsidiaries and associates									0		
	Total			0	0	500,461	0	29,655	776,749	1,306,865	266,476	0

Table 2: Stock options assigned to members of the administrative body, general managers and other Key Managers

As at the date of this Report, no stock options have been granted to members of the Board of Directors, General Managers or other Key Managers. See Table 3A for further information on incentive plans involving the assignment of shares.

Table 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of the administrative body and other Key Managers.

Name and surname	Position	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments for the year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of assignment	Vesting period	Assignment Date	Market price upon allocation	Number and type of financial instruments	Number and type of financial instruments ²⁹	Value at maturity date ³⁰	Fair value ³¹
Massimo Scagliarini	Chief Executive Officer	2020-2022 Performance Share Plan											
Fees within the company preparing the financial statements										25,455 shares	94,545 shares	€ 451,774	224,001.03
Compensation from subsidiaries or associates										-	-	-	-
Total										25,455 shares	94,545 shares	€ 451,774	224,001.03
Marco Scagliarini	Executive Director	2020-2022 Performance Share Plan											
Fees within the company preparing the financial statements										22,061 shares	5,939 shares	€ 105,414	52,266.87
Compensation from subsidiaries or associates										-	-	-	-
Total										25,455 shares	94,545 shares	€ 451,774	52,266.87

²⁹ Number of attributable shares as per the Board of Directors' resolution of 21 March 2023 at the end of the three-year performance period of the plan and based on the level of achievement of the targets defined for the three-year period 2020-2022.

³⁰ Total value of shares calculated as the average of the last 30 days from the date of the Board of Directors of 21 March 2023 in which the Board verified the level of achievement of the targets defined for the period.

³¹ The portion of compensation of the 2020-2022 Performance Share Plan, calculated by dividing the fair value of the instruments themselves at the assignment date, calculated using actuarial techniques, over the vesting period.

Name and surname	Position	Plan	Financial instruments allocated in previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments for the year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of assignment	Vesting period	Assignment Date	Market price upon allocation	Number and type of financial instruments	Number and type of financial instruments ²⁹	Value at maturity date ³⁰	Fair value ³¹
Mario Saccone	Executive Director	2020-2022 Performance Share Plan											
Fees within the company preparing the financial statements													
Compensation from subsidiaries or associates													
Total													
Matteo Viola	Executive Director	2020-2022 Performance Share Plan											
Fees within the company preparing the financial statements										25,455 shares	94,545 shares	€ 451,774	52,266.87
Compensation from subsidiaries or associates										-	-	-	-
Total										25,455 shares	94,545 shares	€ 451,774	52,266.87
Key Managers		2020-2022 Performance Share Plan											
Fees within the company preparing the financial statements										80,757 shares	21,743 shares	€ 385,890	266,475.56
Compensation from subsidiaries or associates										-	-	-	-
Total										80,757 shares	21,743 shares	€ 385,890	266,475.56

Table 3 B: Monetary incentive plans in favour of members of the administrative body and other Key Managers

Name and surname	Position	Plan	Bonus of the year				Bonus of previous years		Other bonuses
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
Massimo Scagliarini	Chief Executive Officer	Annual incentive (2022 STI)							
Fees within the company preparing the financial statements			530,100		Year 2022				
Remuneration from subsidiaries and associates									
Total			530,100						
Marco Scagliarini	Executive Director	Annual incentive (2022 STI)							
Fees within the company preparing the financial statements			244,375		Year 2022				
Remuneration from subsidiaries and associates									
Total			244,375						
Mario Saccone	Executive Director	Annual incentive (2022 STI)							
Fees within the company preparing the financial statements			0		Year 2022				
Remuneration from subsidiaries and associates									
Total			0						
Matteo Viola	Executive Director	Annual incentive (2022 STI)							
Fees within the company preparing the financial statements			233,280		Year 2022				
Remuneration from subsidiaries and associates									
Total			233,280						
Key Managers		Annual incentive (2022 STI)							
Fees within the company preparing the financial statements			500,461		Year 2022				
Remuneration from subsidiaries and associates									
Totale			500,461						

SCHEDULE NO.7-TER Schedule on the information on the shareholdings of members of the administrative and control bodies and other Key Managers

Name and surname	Position held	Form of possession	Investee company	No. of shares held as at 31/12/2021	Number of shares purchased	Number of shares sold	No. of shares held as at 31/12/2022
Grazia Valentini	Chair of the Board of Directors	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares ³²					
Massimo Scagliarini	Chief Executive Officer	Direct Ordinary Shares ³³	GVS S.p.A.				
		Indirect Ordinary Shares		53,046.000			53,046.000
Marco Scagliarini	Executive Director	Direct Ordinary Shares	GVS S.p.A.	-			
		Indirect Ordinary Shares ³⁴		51,954.000			51,954.000
Mario Saccone	Executive Director	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Matteo Viola	Executive Director	Direct Ordinary Shares	GVS S.p.A.	3,000	1,900		4,900
		Indirect Ordinary Shares					
Nadia Buttignol	Independent Director	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Arabella Caporello	Independent Director	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Michela Schizzi	Independent Director	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Alessandro Nasi	Independent Director	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Patrizia Lucia Maria Riva	Chair of the Board of Statutory Auditors	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Stefania Grazia	Regular Auditor	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					
Francesca Sandrolini	Regular Auditor	Direct Ordinary Shares	GVS S.p.A.				
		Indirect Ordinary Shares					

³² The indirect equity investment is held through the company GVS Group S.p.A.

³³ The indirect equity investment is held through the company GVS Group S.p.A.

³⁴ The indirect equity investment is held through the company GVS Group S.p.A.

Information on the equity investments of Key Managers non-Directors

Number of Key Managers	Investee company	Form of possession	No. of shares held as at 31/12/2021	Number of shares purchased in 2022	Number of shares sold in 2022	No. of shares held as at 31/12/2022
4	GVS S.p.A.	Direct Ordinary Shares	-	-	-	-
		Indirect Ordinary Shares	-	-	-	-



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