

DIRECTORS' REPORTS ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS

(22nd APRIL 2024 SINGLE CALL)

Report on item 2 on the agenda

Report on the remuneration policy and the remuneration paid pursuant to article 123-ter, paragraphs 3-bis and 6, of Legislative Decree no. 58 of 24th February 1998:

- a) binding resolution on the first section regarding the remuneration policy;**
- b) non-binding resolution on the second section on the remuneration paid for 2023.**

To Our Shareholders,

In compliance with article 123-ter of Legislative Decree No. 58/1998 (hereinafter TUF) and article 84-*quater* of the Regulation issued by Consob with resolution No. 11971 of 14th May 1999 and subsequent amendments (hereinafter the "Issuer's Regulations"), the Report on the remuneration policy and the remuneration paid (hereinafter the "Remuneration Report") is given below, approved by the Board of Directors on 19th March 2024, on the proposal of the Remuneration and Nominations Committee.

The Shareholders are invited to adopt:

- a) a binding vote regarding the Remuneration Policy included in Section I of the Remuneration Report pursuant to art. 123-ter, paragraph 3-ter, of Legislative Decree No. 58/1998;
- b) a non-binding vote on the section on the remuneration paid for 2023 (Section II of the Remuneration Report), as provided for by art. 123-ter, paragraph 6, of Legislative Decree No. 58/1998.

The result of the vote will be disclosed to the public in accordance with Art. 125-*quater*, paragraph 2 of TUF.

The Remuneration Report may also be consulted on the company website at www.recordati.com in the Governance section.

*

Milan, 19th March 2024

For the Board of Directors
The Chief Executive Officer
Robert Koremans

Report on the Remuneration Policy and the remuneration paid

in accordance with articles 123-*ter* of the Italian Consolidated Law on Finance and 84-*quater* of the Consob Issuers' Regulations

Approved by the Board of Directors on 19th March 2024

Issuer: Recordati Industria Chimica e Farmaceutica S.p.A.

Website: www.recordati.com

Financial year to which the Report refers: 2023

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Letter from the Chair

of the Committee for the Remuneration and the Nominations



Dear Shareholders,

Together with the other members of the Remuneration and Nominations Committee, I hereby present to you the Report on the 2024 Remuneration Policy and compensation paid for 2023, structured as required by article 123-ter of the Consolidated Law on Finance and approved by the Board of Directors on March 19th, 2024.

In 2023, the global economy experienced a mix of recovery and challenges due to ongoing geopolitical tensions, supply chain disruptions and inflationary pressures. The pharmaceutical industry saw continued advancements in research and development, particularly in areas such as personalized medicine and gene therapy. Drug pricing debates, intellectual property rights, and regulatory challenges also remained key issues within the industry. Despite these difficulties, the Company was able to achieve outstanding results, thanks to the extraordinary commitment of its employees.

In this context, we believe that the remuneration policy is well structured to sustain results by guiding Company behaviours and appropriately rewarding the contribution of our people.

The work of the Committee has been enriched by in-depth analysis of the vote implemented at the last Shareholders' Meeting as well as engagement sessions with shareholders and proxy advisors. Following this analysis, we have made some improvements to the Policy to further align the interests of Shareholders and Stakeholders. In addition, the Policy, acting in full compliance with the Italian and European reference legislation, continues to incorporate market best practices.

During 2023, in particular, the Remuneration and Nominations Committee has:

- reviewed and adopted more relevant and sustainable peer groups (for compensation benchmarking purposes) for the Chairman of the Board, Board members, CEO, and key management personnel.
- reviewed the pay mix for our CEO, CFO and other Key Management Personnel and adjusted their short-term incentive element to further enhance pay for performance, as proposed.

Continuous improvement is a Recordati value which also impacts our behaviour. To further aligning to the current legislation and improving the transparency and usability of this Policy, Recordati has decided:

- To explain further how the Policy intends to increase the pursuit of long-term interests, with increasing attention to sustainability issues and connection with Recordati's new Sustainability Plan.
- To continue providing transparency and valuable information to the market, describing the market references and the peer groups used in carrying out the analyses on the competitiveness of the remuneration packages.

I would like to take this opportunity to express my gratitude to the members of the Remuneration and Nominations Committee and the Board of Statutory Auditors for providing their valuable contribution and expert opinions as well as to the corporate structures that have consistently and effectively supported us in the course of our work.

I trust that as Shareholders you will find in this document comprehensive and useful information.

Best regards,

Joanna Le Couilliar
Chair of the Remuneration and Nominations Committee

Introduction

This Report on the Remuneration Policy and the remuneration paid (hereinafter the 'Report') has been prepared by Recordati S.p.A. (hereinafter 'Recordati' or the 'Company') in compliance with the provisions of article 123-ter of Italian Legislative Decree no. 58 of 24th February 1998 (hereinafter 'Consolidated Law on Finance') – as amended by Italian Legislative Decree no. 49 of 10th May 2019¹ – and of article 84-quater of the Consob Issuers' Regulations issued by Consob with resolution no. 11971 of 1999, as subsequently amended (hereinafter the 'Issuers' Regulations'), and on a voluntary basis in accordance with the 2020 Corporate Governance Code for Listed Companies (hereinafter the 'Corporate Governance Code'), to which Recordati adheres in the manner specified, with regard to remuneration issues, in this Report.

In accordance with the requirements of article 123-ter of the Consolidated Law on Finance, the Report consists of two sections.

Section I illustrates the Remuneration Policy adopted by the Company for the 2024 financial year (hereinafter the 'Remuneration Policy'), with reference to the following persons:

- i) Members of the Company's Board of Directors, distinguishing between executive and non-executive Directors;
- ii) General Managers of the Company;
- iii) Other Key Management Personnel. It should be noted that article 65, paragraph 1-quater, of the Issuers' Regulation and the Regulations for Related Party Transactions approved by the Board of Directors of Recordati on 24th November 2010 (and further confirmed on June 17th 2021) in compliance with Consob regulations on related party transactions approved with Resolution no. 17221 of 12th March 2010 as subsequently amended (hereinafter the 'Related Party Transaction Procedure'), recalling the international accounting standards, define key management personnel as those persons having authority over and responsibility for planning, directing and controlling of the activities of the Company, directly or indirectly, including the Directors (executive and non-executive) of the Company itself;
- iv) Members of the Board of Statutory Auditors.

Section I of the Report also illustrates the general purposes and procedures used to formulate and adopt the Remuneration Policy as well as the bodies and persons responsible for the proper implementation of such Policy.

The Remuneration Policy for 2024 was approved by Company's Board of Directors on March 19th, 2024, on the proposal of the Remuneration and Nominations Committee and provides the definition of remuneration consistent with the complexity of each role and the commitment required, in line with market benchmarks.

Section II of the Report provides information, with reference to the 2023 financial year, on each of the items that compose the remuneration of the persons indicated above in points i) to iv), including the members of the Board of Statutory Auditors, as well as the details, in an appropriate table, of the remuneration paid to those persons for any reason and in any form by the Company or its subsidiaries during the 2023 financial year, in addition to remuneration not yet paid on the date of the approval of the Report but relating to the 2023 financial year. In accordance with the provisions of the Issuers' Regulations, information is also provided on the annual variations in the remuneration of the persons whose remuneration is provided on an individual basis, the Company's performance and the average remuneration of employees starting from 2019.

In light of article 123-ter of the Consolidated Law on Finance by Italian Legislative Decree no. 49 of 10th May 2019, Section I, *i.e.* the 'Report on Remuneration Policy', is subject to a binding vote by the Shareholders' Meeting called to approve the Financial Statements for the financial year ended as at 31st December 2023, while Section II, *i.e.* the 'Report on remuneration paid', which provides detailed information on the remuneration for the 2023 Financial Year, is subject to a consultative vote by the same Shareholders' Meeting.

The text of this Report is disclosed to the market by the twenty-first day prior to the date of the Shareholders'

¹ Article 123-ter of Italian Legislative Decree no. 58 of 24th February 1998, (the 'Consolidated Law on Finance' updated on the basis of Italian Legislative Decree no. 49 of 10th May 2019) provides, in paragraph 3-bis, that 'companies shall submit the remuneration policy [...] to a shareholder vote, in any case at least every three years or at the time of making amendments to this Policy'. Paragraph 3-ter also states that 'the resolution provided for by paragraph 3-bis is binding' (*i.e.* on Section 1 of this document) adding 'if the shareholders' meeting does not approve the Remuneration Policy subject to a vote pursuant to paragraph 3-bis the company shall continue to pay remuneration compliant with the Remuneration Policy most recently approved by the shareholders' meeting or, in the absence of this, may continue to pay remuneration compliant with existing practice.' Finally, paragraph 6 provides for '[...] the shareholders' meeting [...] resolves in favour or against the second section of the report established by paragraph 4. The resolution is not binding'.

Meeting called to approve the 2023 Financial Statements, in accordance with current regulations, and can be viewed in the Governance section of the Company's website www.recordati.com.

The Information Documents relating to the existing remuneration plans based on financial instruments can be found in the Governance section of the Company's website (<https://recordati.com/governance-remuneration/>).

Executive Summary





The main elements of the 2024 Remuneration Policy of Recordati are set out below.

Purpose of the Policy and link with corporate strategy

Recordati's Remuneration Policy aims at **attracting, retaining and motivating managers with the professional requirements and experiences needed to manage and develop the Group successfully, ensuring that the interests of the management and those of the shareholders and the other stakeholders are aligned and promoting the constant creation of sustainable value in the medium- and long-term.**

The Remuneration Policy is also defined in coherence with the corporate strategy, providing that each of the remuneration components offered to the management responds to precise goals for the pursuit of the strategic vision of the Group.

This consistency is ensured by the objectives of the short-term and long-term incentive schemes, which are designed **to focus the management on the following objectives:**

-  **Economic and financial results**
-  **Value creation for shareholders**
-  **Growth through strategic acquisitions**
-  **Environmental, Social and Governance (ESG)**

In the field of sustainability, Recordati also adopted a **Sustainability Plan**, focused on five priority areas:

- Patient care**
- People care**
- Environmental protection**
- Responsible sourcing**
- Ethics and integrity**

The Company's Remuneration Policy promotes the achievement of all the milestones of the ESG roadmap through direct ESG-related objectives as well as other strategic objectives which support the ESG agenda such as pipeline development and M&A initiatives to help meet unmet patient needs as well as implementation of Industrial Operations' project to improve efficiency.

	Purposes	Modes of operation	Components									
Fixed component	To enhance the skills, experiences and support required for the assigned role.	The fixed remuneration is defined in such a way as to be consistent with the characteristics, responsibilities and any delegation of powers associated with the role.	The following table summarizes the fixed remuneration provided for the Chair and the CEO:									
			<table border="1"> <thead> <tr> <th></th> <th>Director's Fee</th> <th>Fixed Rem.</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Chair</td> <td>60,000 €</td> <td>240,000 €</td> <td>300,000 €</td> </tr> <tr> <td>CEO</td> <td>60,000 €</td> <td>940,000 €</td> <td>1,000,000 €</td> </tr> </tbody> </table>		Director's Fee	Fixed Rem.	Total	Chair	60,000 €	240,000 €	300,000 €	CEO
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			<p>The Chair, the CEO and the Group CFO receive remuneration as Directors. Other Executive Directors² have waived any remuneration for the position as Director.</p> <p>Other Non-Executive Directors: 60,000 €.</p> <p>Key Management Personnel: gross annual remuneration defined in line with the role and areas of responsibility.</p>									

² These directors are identified as Executive Directors in accordance with the provisions of the Corporate Governance Code as they hold managerial positions (which also concern the Company) in the parent companies and/or companies of the CVC Group, but they are not entrusted with individual delegation of powers in Recordati.

<p style="text-align: center;">Short-term variable component (Group STI)</p>	<p>Incentivize management – in line with the culture of performance that characterizes Recordati - to pursue expected objectives by creating a strong correlation between remuneration and performance achieved during the year.</p>	<p>The payment of the annual variable remuneration, identified in the Group STI scheme, is directly linked to the achievement of performance objectives, assigned to each beneficiary in line with the role held.</p> <p>For the beneficiaries of the Group STI system, in addition to corporate objectives, indicators linked to the specific nature of the role covered and the areas of responsibility are provided.</p> <p>The Group STI system is based on a circuit breaker which determines the activation of the system itself. If the Group EBITDA result is lower than 95% of the target result, no bonus will be paid out.</p>	<p>The following table summarizes the KPIs for the current CEO:</p> <table border="1" data-bbox="950 268 1446 705"> <thead> <tr> <th colspan="2">CEO KPIs</th> </tr> <tr> <th>KPI</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td colspan="2">Economic-Financial KPIs</td> </tr> <tr> <td>Group EBITDA</td> <td>30%</td> </tr> <tr> <td>Group Net Revenues</td> <td>20%</td> </tr> <tr> <td>Group Adjusted Net Income</td> <td>10%</td> </tr> <tr> <td colspan="2">Strategic KPI</td> </tr> <tr> <td>Strategic KPI linked to the signing of M&A/Licensing transactions</td> <td>15%</td> </tr> <tr> <td>Progressing with industrial operations performance improvement through the specific project relating to such operations</td> <td>7.5%</td> </tr> <tr> <td>Driving pipeline development projects according to planned milestones</td> <td>12.5%</td> </tr> <tr> <td>Strategic objective linked to the ESG initiatives for 2024 defined by the ESG Plan</td> <td>5%</td> </tr> </tbody> </table> <p>The following table summarizes the Group STI opportunity in % of the total fixed remuneration for the CEO and other key management personnel (including the CFO).</p> <table border="1" data-bbox="943 850 1453 984"> <thead> <tr> <th></th> <th>Minimum</th> <th>Target</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>40%</td> <td>80%</td> <td>120%</td> </tr> <tr> <td>Key management personnel</td> <td>30%</td> <td>60%</td> <td>90%</td> </tr> </tbody> </table> <p>Chair and other Directors: are not included in the beneficiaries of the Plan.</p>	CEO KPIs		KPI	Weight	Economic-Financial KPIs		Group EBITDA	30%	Group Net Revenues	20%	Group Adjusted Net Income	10%	Strategic KPI		Strategic KPI linked to the signing of M&A/Licensing transactions	15%	Progressing with industrial operations performance improvement through the specific project relating to such operations	7.5%	Driving pipeline development projects according to planned milestones	12.5%	Strategic objective linked to the ESG initiatives for 2024 defined by the ESG Plan	5%		Minimum	Target	Maximum	CEO	40%	80%	120%	Key management personnel	30%	60%	90%
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<p style="text-align: center;">Long-term variable component (Performance Share)</p>	<p>To promote the creation of value for Shareholders and Stakeholders by also fostering the loyalty and engagement of resources.</p>	<p>2023-2025 Performance Share Plan</p> <p>The plan provides for the assignment to beneficiaries of the right to receive a certain number of shares of the Company free of charge, at the end of a certain time period (vesting period) and upon achievement of the performance conditions.</p> <p>The decision to adopt a rolling plan resulted will allow an easier alignment in terms of motivation and retention.</p> <p>In addition, a 24-month lockup period following the vesting date is envisaged for the CEO and the Key Management Personnel.</p>	<p>Chair and other directors: are not included in the beneficiaries of the Plans.</p> <p>CEO and key management personnel (including the CFO):</p> <ul style="list-style-type: none"> Performance Share Plan: number of <u>rights</u> granted in line with the position held and based on best market practices. <table border="1" data-bbox="943 1260 1453 1394"> <thead> <tr> <th></th> <th>Minimum</th> <th>Target</th> <th>Maximum</th> </tr> </thead> <tbody> <tr> <td>CEO</td> <td>60%</td> <td>120%</td> <td>210%</td> </tr> <tr> <td>Key management personnel</td> <td>45%</td> <td>90%</td> <td>157.5%</td> </tr> </tbody> </table>		Minimum	Target	Maximum	CEO	60%	120%	210%	Key management personnel	45%	90%	157.5%																						
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Pay Mix

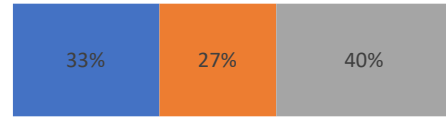
To balance the fixed component aimed at remunerating the position held and the variable component, short and long term, aimed at ensuring a deep link between the remuneration of the Management, the performance of the Company and the creation of value for the Shareholders.

In order to determine the pay mix, the following elements have been considered:

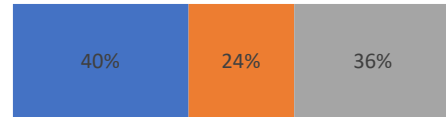
- fixed remuneration;
- target performances in relation to the short-term incentive scheme;
- an estimate of the target, based on the 2023-2025 Performance Share Plan
- For key management personnel, the average values of the individual elements mentioned above are considered.

The Company guarantees internal & external fairness to ensure the consistency and competitiveness of the total remuneration granted to its top management roles. For this reason, it also considers the results of the salary surveys each year.

CHIEF EXECUTIVE OFFICER



KEY MANAGEMENT PERSONNEL



■ Fixed compensation ■ Group STI ■ Long term incentive

2024 New Features

Taking into account the governance and business evolutions that took place during 2023, the 2024 Remuneration Policy provides for the following changes in order to further align Recordati's Policy with best practices and to incorporate the valuable information collected during the *engagement* season as well as for the purposes of safeguarding business continuity and the ability of attracting top managers from the market:

- introduction of updated peer groups for compensation benchmarking purposes for corporate roles (including the chairman of the board of directors and for the CEO). The updated peer group for the Chairman is composed of FTSE MIB Italy companies, excluding financial companies, companies with headquarters outside of Italy and other companies not compared in size to Recordati. The updated peer group for the CEO better reflects the fact that the Pharma industry is considered a highly distinct industry with clear competition on talent, to include only listed companies, and adding as much as possible listed Italian companies from the healthcare industry for Italian representation and using comparable companies in terms of Revenues, numbers of Employees and Market Cap;
- a proposal to review the CEO fixed compensation and STI target & maximum opportunities reflecting market benchmarks.
- a proposal to review Group STI maximum opportunities for Key Management Personnel reflecting market benchmarks.
- an increasing and timely description of the link between the Remuneration Policy and the sustainable growth of the Group.
- the pursuit of increasingly better disclosure, with particular reference to the CEO STI.
- greater clarification of the elements that may be included in other compensation items.

Section I:
2024 Remuneration
Policy Report

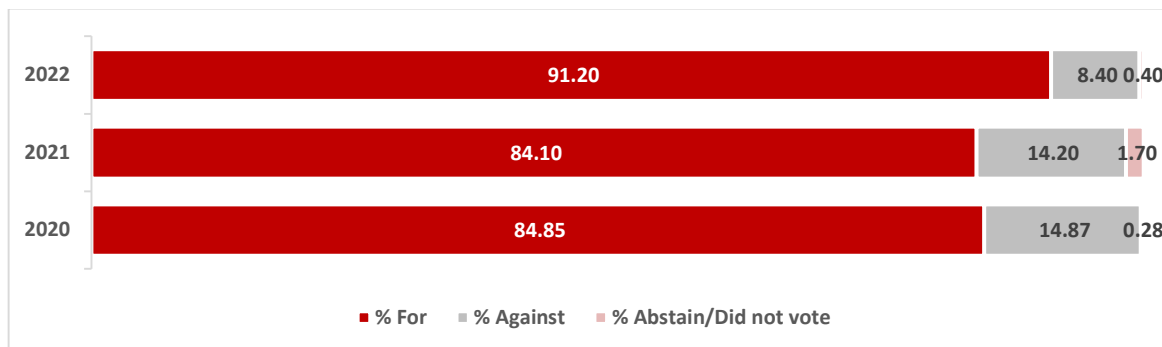
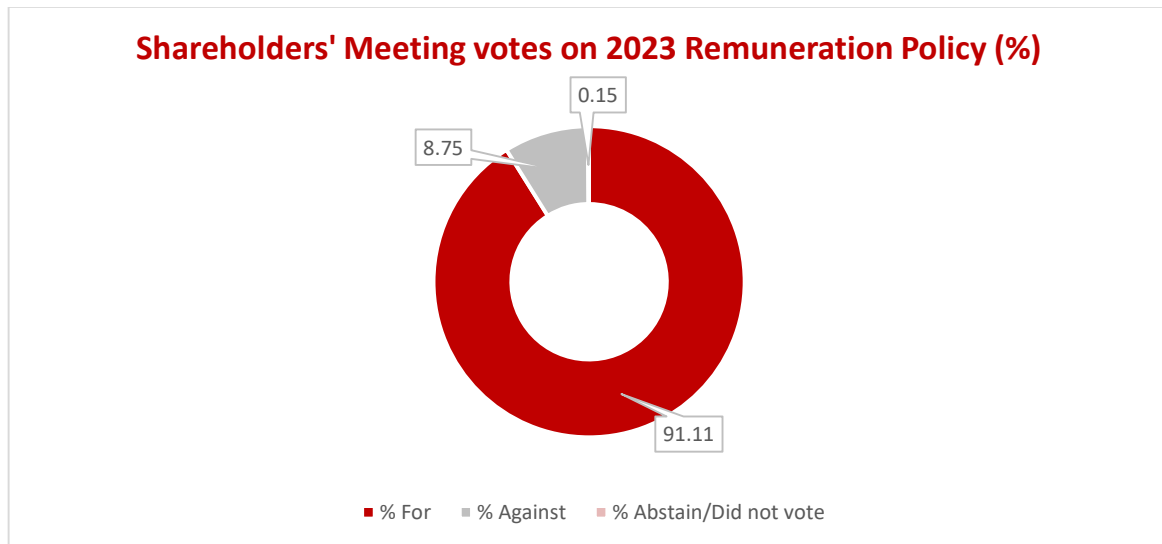
1. Engagement

and remuneration policies

1.1 Voting results and investor feedback

Recordati attaches great importance to the annual analysis of the results of shareholders' meeting votes, as well as to the opinion of the main recipients and users of its Remuneration Policy, in order to ensure a constant improvement in adopting market best practices, taking into account some of the indications for improvement coming in particular from shareholders and proxy advisors.

The Annual General Shareholders' Meeting on 21st April 2023 voted in favour of Section I of the Report on the Remuneration Policy and the Remuneration Paid published in 2023. The chart below illustrates the result of the binding vote, which highlighted a substantial confirmation of the votes in favour compared to the previous Annual General Meeting.



The voting result of the Shareholders' Meeting of 21st April 2023 was analysed within the overall governance framework that characterises the Company's remuneration and incentive policies and schemes.

Further to this analysis process, Recordati has therefore implemented the activities necessary to ensure an improvement in the Remuneration Policy and in this Report, performing in-depth analyses of the indications received from Institutional Investors and Proxy Advisors at the last Shareholders' Meeting, with the objective of developing the considerations expressed by them with regard to the main areas of improvement in the Report on the Remuneration Policy and the Remuneration Paid.

Furthermore, with this Report, Recordati continues to guarantee a high level of transparency, an element which it considers to be fundamental for proper relations with its shareholders.

1.2 Engagement activities carried out by Recordati

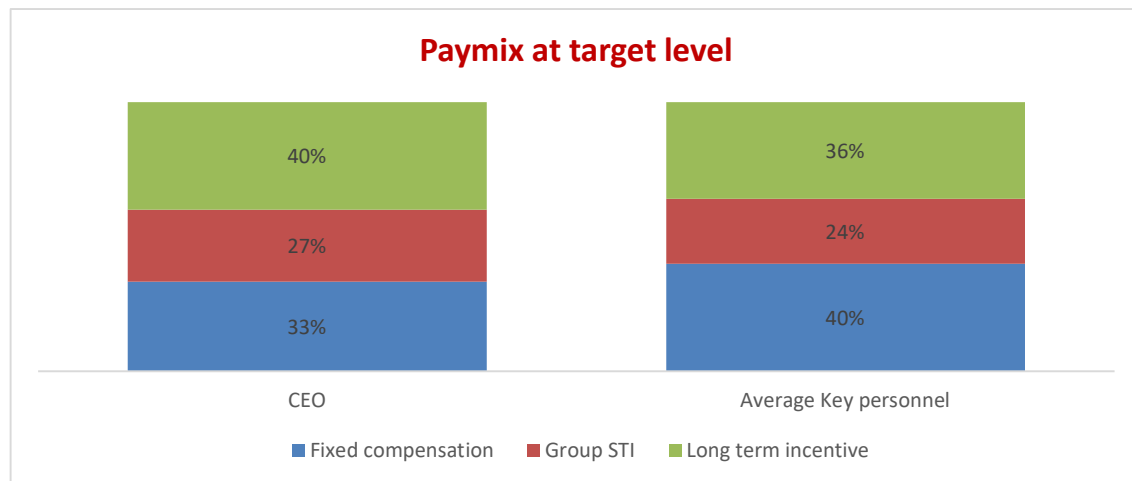
Recordati promotes dialogue with its shareholders and institutional investors as an essential element to positively influence the Company's behaviour and increase the degree of transparency. In this context, the Company has established a constant and continuous relationship with proxy advisors and the main institutional investors in order to encourage their involvement in the process of defining and verifying the actual methods of implementing the Remuneration Policy for Directors and Key Management Personnel.

This activity is carried out through the development of an engagement plan carried out on a half-yearly or at least annual basis that provides for the participation of the corporate functions of Human Resources, Investor Relations and the Secretary of the Board of Directors supported by the Chair of the Remuneration Committee to highlight the commitment of the Committee itself on matters within their competence.

The results, indications and feedback that emerged during the engagement activity, once reported, are examined and evaluated by the Remuneration Committee in order to provide any clarifications and verify the overcoming of potential critical issues. Finally, the Committee reports to the Board of Directors on the relevant developments and significant content arising from these engagement activities, through the Chair or other member designated by the Chair.

1.3 Pay mix of the Chief Executive Officer and Key Management Personnel

Below evidence is provided regarding the estimation of the pay mix for 2024 of the Chief Executive Officer, and Key Management Personnel, i.e. the percentage breakdown of the individual remunerative components within the overall package in the case of target performance.



2. Governance

of the remuneration process

2.1 Bodies and persons involved

The definition of the Remuneration Policy for the members of Recordati's Board of Directors (hereinafter also referred to as the 'BoD') involves a number of individuals and corporate bodies in accordance with the provisions of the Company's By-Laws and current legislation. According to these regulatory and statutory provisions:

- the Shareholders' Meeting determines the remuneration of the members of the Board of Directors, at the time of appointment and for the entire term of office;
- the Board of Directors determines the remuneration of the Chair, of the Directors with delegated powers and for participation in the Board Committees, following consultation of the Board of Statutory Auditors.

In accordance with Recordati's governance model, the Board of Directors is also responsible for defining the objectives and approving the company results referred to in the performance plans, to which the determination of the variable remuneration of the Chief Executive Officer is linked, as well as defining the general criteria for the remuneration of other Key Management Personnel.

Within its competences, the internal audit department can assess the compliance of the relevant remuneration processes with the Remuneration Policy approved by the Shareholders' Meeting. The department will report to the bodies in charge on the results of the checks carried out, as appropriate.

Finally, in line with the recommendations contained in the Corporate Governance Code, the Board of Directors is supported, with regard to remuneration issues, by a Remuneration and Nominations Committee composed of independent non-executive Directors with advisory and consultative functions on the matter.

2.1.1 Shareholders' Meeting

The duties of the Shareholders' Meeting pursuant to law and the By-Laws, limited to the issues covered by this Report, are:

- to appoint and dismiss Directors, appoint Statutory Auditors and the Chair of the Board of Statutory Auditors;
- to determine the remuneration of Directors and Statutory Auditors;
- to approve the Incentive Plans based on financial instruments or on performance objectives linked to the Company's share price performance;
- to express a binding vote on the approval of the first section of the Company's Remuneration Report, pursuant to article 123-ter of the Consolidated Law on Finance;
- to express a non-binding vote on the approval of the second section of the Company's Remuneration Report, pursuant to article 123-ter of the Consolidated Law on Finance.

2.1.2 Board of Directors

Composition

On April 29th 2022 the Annual General Meeting ("AGM") appointed a Board of Directors composed of twelve members.

The current Board of Directors is in office until the Shareholders' Meeting called to approve the financial statements for the year ended as at December 31st, 2024. Four Directors are qualified as independent.

The composition of the Board of Directors at the date of this Report and the qualifications of each Director at that date are summarised below:

Andrea Recordati (Chair)	Non-Executive
Guido Guidi (Vice-Chair)	Non-Executive
Robert Koremans (Chief Executive Officer)	Executive
Michaela Castelli (Director and Lead Independent Director)	Non-Executive, Independent
Elisa Corgi (Director)	Non Executive, Independent
Giorgio De Palma (Director)	Executive*
Luigi La Corte (Director and CFO)	Executive
Joanna Le Couilliard (Director)	Non-Executive, Independent
Giampiero Mazza (Director)	Executive*
Piergiorgio Peluso (Director)	Non-Executive, Independent
Cathrin Petty (Director)	Executive*
Kim Stratton (Director)	Non-Executive

(*) Directors identified as Executive Directors in accordance with the provisions of the Corporate Governance Code as they hold managerial positions (which also concern the Company) in the parent companies and/or companies of the CVC Group, but they are not entrusted with individual delegation of powers in Recordati.

Functions assigned

The Board of Directors complies with the Remuneration Policy, which takes into account market conditions and practices for similar positions, when defining the remuneration of the Chair and the Chief Executive Officer and that of the other directors vested with special duties pursuant to article 2389, paragraph 3, of the Italian Civil Code and of non-executive directors.

Without prejudice to the powers of the Remuneration and Nominations Committee, the Board of Directors has the following responsibilities:

- to determine the remuneration of the Directors vested with special duties, following consultation of the Board of Statutory Auditors. This remuneration is determined in line with the decisions of the Shareholders' Meeting which can determine a total amount for the remuneration of all Directors, including those vested with special duties;
- to define the objectives and approve the Company's results for the performance plans to which the determination of the variable remuneration of Executive Directors is linked;
- to approve the general criteria for the remuneration of the Key Management Personnel;

- to approve the Remuneration Report, to be submitted to the vote of the Shareholders' Meeting.

Moreover, the Board of Directors, supported by the Remuneration and Nominations Committee, monitors the correct implementation of the Remuneration Policy.

2.1.3 Remuneration and Nominations Committee

Composition

The Committee currently in office was appointed by the Board on 29th April 2022 (further to the Ordinary Shareholders' Meeting that appointed the new Board of Directors on the same date), and is entirely composed of non-executive, independent Directors with specific financial expertise:

Mrs. Joanna Le Couilliard (Chair)	Mrs. Elisa Corghi (Member)	Mrs. Michaela Castelli, lawyer (Member)
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Functions assigned

The functions currently assigned to the Committee with regard to remunerations are the follows:

- to support the Board of Directors – by formulating specific proposals or expressing opinions – in the definition, through a transparent procedure, of the remuneration policy for Directors, members of the Board of Statutory Auditors and of top management, ensuring that it contributes to the pursuit of the Company's sustainable success and that it takes into account the need to have, retain and motivate people with the competence and professionalism deemed adequate for their role within the Company; in particular, to formulate proposals to the Board of Directors or to express opinions on the remuneration of executive directors and other directors holding particular offices, as well as on the setting of performance objectives related to the variable component of such remuneration;
- to assess periodically the adequacy and overall consistency of the remuneration policy for directors and Top Management, as well as the concrete application of the remuneration policy, ensuring that the remuneration paid and accrued is consistent with the principles and criteria defined in the policy, in light of the results achieved and other circumstances relevant to its implementation; in particular, to verify the actual achievement of the performance objectives; to this end, it makes use of information supplied by the Chief Executive Officer;
- within the scope of its tasks, to prepare, submit to the Board of Directors and monitor the application of incentive schemes for *Management* (including any share-based remuneration plans); in particular, to perform the functions assigned by the Board of Directors in relation to the administration of plans for the grant to employees and/or directors of the Company and its subsidiaries of shares of the Company itself or options (stock options) on them, without prejudice to the general responsibility of the Board of Directors for the supervision also of this matter;
- to express an opinion, either binding or non-binding, on related-party transactions of major importance and on related-party transactions of minor importance regarding remuneration, in compliance with the 'Regulations for related-party transactions' adopted by the Company in force;
- to examine in advance the report on the remuneration policy and on remuneration paid, to be made available to the public in accordance with current legislation.

For information on the functions assigned to the Committee with regard to nominations, please refer to the Report on Corporate Governance and Ownership Structure.

Organisational rules

The conduct of meetings of the Remuneration and Nominations Committee is governed by the following organisational rules (contained in the Committee Regulations approved by the Board of Directors):

- Committee meetings shall be chaired by the Committee Chair or, in the event of his/her absence or impediment, by the most senior member of the Committee in terms of length of service on the Board of Directors, or in the case of equality, the most senior by age;
- the Committee shall meet, upon written notice from the Committee Chair (or in the event of his/her absence or impediment, by the most senior member of the Committee in terms of length of service on the Board of Directors or, in the case of equality, the most senior by age), indicating the place, date, time and agenda of the meeting to be held at least three days prior to the one set for the meeting; in urgent

cases the notice period can be shorter, but must in any case be of a minimum of 24 hours, to be held either at the registered offices of the Company or elsewhere in Italy, as indicated in the notice to convene the meeting. The notice to convene shall be sent to Committee members by the Secretary, in accordance with instructions given by the Committee's Chair. The notice shall also be sent by the Secretary to the effective members of the Board of Statutory Auditors and any other persons invited by the Chair of the Committee to take part in the meeting;

- remote participation in meetings of the Committee shall also be admissible by means of audio-visual connection, teleconference or telephone links, on condition that all participants can be identified and that they are able to speak and at the same time examine the agenda and the related documents and pass resolutions on them. In this case the meeting is considered as held in the place where the secretary is present; in exceptional circumstances, attendance at the meeting by telecommunication means as indicated above may also involve all participants, including the Chair and the Secretary;
- the Committee meeting is validly held and validly decides with, respectively, the presence and the favourable vote of the majority of the members in office; in case of any tie votes, a new meeting, having the attendance of all members of the Committee, will be convened timely;
- the Board of Statutory Auditors shall attend the meetings of the Committee;
- the Chief Executive Officer and other corporate functions whose participation in the meetings is necessary or appropriate in relation to the duties of the Committee may also be invited to participate from time to time on invitation of the Committee and with reference to individual items on the agenda; the Head of the Group Human Resources Department attends, as a general rule, the meetings on remuneration issues.

The Chair, with the assistance of the Secretary, ensures that the information provided prior to the Committee's meeting and the additional information provided during the meetings are suitable to enable the members of the Committee to act in an informed manner in performing their role. Following the meeting, minutes shall be drawn up and the Chair shall make a report to the Board of Directors, at the first appropriate meeting, on the matters addressed and on remarks, recommendations and opinions made during the said meetings.

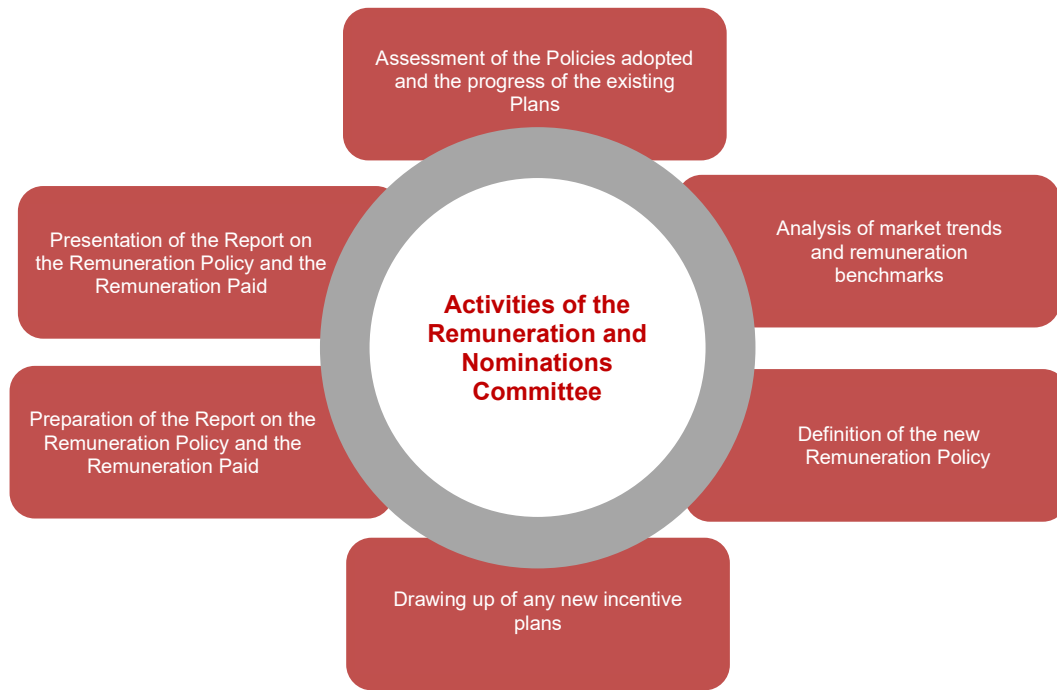
In performing its duties, the Remuneration and Nominations Committee has the right to access the Company and functions needed to perform its duties and also to make use of external consultants, under the terms and conditions laid down by the Board of Directors. The Committee shall have the right to ask for that adequate funds be made available to it to carry out its duties.

If the Committee intends to make use of the services of a consultant in order to acquire information on market practices regarding remuneration policies, the Committee shall first verify that the said consultant is not in situations that would compromise the independence of its judgement.

In order to limit the occurrence of conflicts of interest, in accordance with Article 5, Recommendation 26 of the Corporate Governance Code, no Director shall take part in the meetings of the Committee in which proposals relating to his or her own remuneration are formulated, except in the case of proposals concerning all the members of the Committees established within the Board of Directors.

Activities

The Remuneration and Nominations Committee meets periodically and as often as necessary to carry out its functions according to an annual calendar that typically follows the below activity cycle:



2.1.4 Other intra-board Committees

It should be noted that, where provided for by internal regulations and corporate governance processes, specific remuneration and incentive issues are also discussed in the Risk, Control and CSR Committee, which formulates its opinion, making use, where deemed necessary, of the relevant internal functions.

2.2 Policy approval process

In line with the relevant laws and regulations in force and with the recommendations of the Corporate Governance Code, the decision-making process leading to the implementation of the Remuneration Policy and the responsibility for its correct application takes place in the following phases in which many parties are involved:



1. The Remuneration and Nominations Committee, supported by the Group's Human Resources Department, draws up the Company's Remuneration Policy for Directors, the General Manager³ and the Key Management Personnel;
2. The Remuneration and Nominations Committee may avail itself of the assistance of independent experts on the matter;
3. The Remuneration and Nominations Committee submits the Policy for the Board of Directors' approval which adopts its contents regarding the remuneration policy of Directors and the Key Management

³ At the date of this Report there is no General Manager in place.

Personnel and the short and long-term incentive plans. Moreover, with regard to the determination of the remuneration of the Chief Executive Officer and of the other Directors vested with special duties, the Board takes into account the opinion of the Board of Statutory Auditors;

4. The Board of Directors, having examined and approved the Policy, submits it to the vote of the Shareholders' Meeting.

2.3 Independent experts and other persons involved

Recordati regularly monitors market performance, including through the use of remuneration benchmarks which detect the practices adopted by the main market and industry players. In carrying out these analyses, Recordati made use of independent consultancy firms, which, through benchmarking remuneration surveys and reports on Executive Compensation and Corporate Governance, provided useful information in order to verify the competitiveness of the Company's remuneration offer.

The company decided to avail itself of the support of the consultancy firm Willis Towers Watson ("WTW") also in relation to the preparation of this Report, as well as the identification of market practices in terms of remuneration of the CEO, the Key Management Personnel and the Non-Executive Directors.

For the purposes of defining the Company's Remuneration Policy, the Group Human Resources Department prepares the guidelines. This function also acts as an internal technical support body for the Remuneration and Nominations Committee, for which it prepares the preparatory material for the Committee's activities. The Administration, Finance and Control Department assists in identifying and assessing the economic and financial objectives underlying the short and long-term incentive systems. The heads of the other company departments are also consulted in order to define the project objectives or objectives relating to specific issues regarding short-term incentive systems.

The Remuneration Policy may, if necessary or appropriate, be updated by the Board of Directors, on the proposal of the Remuneration and Nominations Committee, which is responsible for periodically assessing, as better described below, its adequacy, overall consistency and effective application.

2.4 Derogation procedure in exceptional circumstances

As provided for by Article 123-ter, paragraph 3-bis of the TUF (Testo Unico della Finanza) and by Article 84-quater of the Issuers' Regulations, Recordati may temporarily derogate its remuneration policies in the presence of exceptional circumstances. Exceptional circumstances are defined as only situations in which a derogation of the remuneration policy is necessary in order to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to stay in the market.

If the conditions are met, the Board of Directors, subject to the opinion of the Remuneration and Nominations Committee as the Committee responsible for Related Party Transactions as provided for in the relevant Group Procedure, may temporarily⁴ derogate the remuneration policy in the circumstances identified above, limited to the following elements set out in Chapter 3 of Section I of this document:

- Fixed component of remuneration;
- Variable pay including short- and long-term plans;
- Non-monetary benefits;
- Severance pay;
- Additional insurance, social security and pension coverage.

⁴ The Board resolution will determine the duration of this derogation and the specific elements of the Policy that are derogated.

3. The Company's

Remuneration Policy

3.1 Purposes of the Policy and its link with corporate strategy

The purposes pursued with the Remuneration Policy, which has a yearly duration, are to meet the objective of establishing a remuneration that meets the requirements to:

- be sufficient to attract, retain and motivate *Managers* with the professional qualifications required to successfully manage the organisational and managerial complexity of the Company and of the Group as well as to safeguard business continuity;
- align *Managers'* interests with the pursuit of the priority objective of creating value for shareholders in the medium to long-term horizon;
- link a significant part of the total remuneration to the achievement of specific performance objectives, both qualitative and quantitative, determined in advance and in line with the development lines of the Company and of the Group.

The Remuneration Policy is also defined in line with the strategy of the Company and of the Group.

Recordati's strategic vision is to continue with the profitable growth that the Company has been sustaining since the early nineties, focusing on both organic growth and development through strategic acquisitions in both the Rare Diseases business and in the Specialty and Primary Care business, with the objective of strengthening its presence in selected markets worldwide. In fact, over the last few decades, the Group has grown steadily, thanks to the success of its products and its growth model based on internalisation and diversification, implemented precisely through an acquisition strategy that is still underway, in addition with the organic growth of the business. All of this takes place in a context of searching for new opportunities and continuous market evolution.

In addition, in recent years, the Company has also undertaken several initiatives in the field of sustainability. In fact, given the nature of the Company, sustainability is an integral part of the Group's strategy, aimed at bringing benefits not only to patients but also to all the stakeholders with whom the Company interacts, including shareholders, customers, scientific and business partners, collaborators and local communities.

To this end, each of the remuneration components offered to the Company's Management responds to a precise purpose for the pursuit of this strategic vision and, thanks to an adequate balance between fixed and variable components, contributes to the structuring of a remuneration package that, overall, ensures an effective alignment between Management remuneration and shareholders' interests, expressed primarily by the proportionality between the value of the variable components accrued and the results achieved, both in the short and long-term.

Below are the features of Recordati's Remuneration Policy, confirming its alignment to the interests of its shareholders:

Remuneration component

Features and Purposes

Fixed remuneration	<ul style="list-style-type: none">▪ It includes all the fixed annual remuneration (i.e. gross annual salary from employment, remuneration for directors, remuneration for special positions).▪ It is defined in such a way as to be adequately balanced with respect to the variable component and consistent with the Company's strategic objectives and risk management policy, also taking into account the characteristics of the industry in which the Company operates.
Group STI <i>(Short-term variable incentive)</i>	<ul style="list-style-type: none">▪ It is commensurate with the role held, as well as on the nature of the impact on the Company's overall results in the short-term.▪ It is linked to the achievement of annual, quantitative and/or qualitative performance objectives that are objectively measurable and consistent with the objectives set out in the Company's strategic plan and sustainability policy.▪ It is designed – in line with market practice - to be reduced or increased in proportion to the level of performance generated with respect to the objectives assigned.
LTI <i>(Performance Shares Plan)</i>	<ul style="list-style-type: none">▪ It is commensurate with the role held, as well as on the nature of the impact on the Company's overall results in the long-term.▪ It is linked to the primary objective of creating relative value for shareholders, via the presence of relative TSR and consistent with the objectives of the strategic plan in terms of Adjusted Net Income and net Revenues.

The objectives of the variable incentive systems themselves have been identified to support the Company's strategy, as illustrated below:



Economic and financial objectives:

These are the main objectives. Group EBITDA, Net Revenues and Adjusted Net Income for the Group STI are objectives that represent measures capable of summarizing Recordati's many businesses and thus to fully assess the Group's results. Cumulated Adjusted Net Income budget and cumulated Net Revenues budget are among the targets of the mid-long term plan and are considered able to reflect the Group's business results.



Value creation for Shareholders:

The natural linkage of the Performance Shares plan with the relative value of the Recordati's share price, compared with a panel of competitor companies, due to the presence in the medium- long-term plan of the relative TSR index, it determines a strong alignment between the interests of the Shareholders and those of the Top Management further strengthened by the total of 5 years time horizon (of which 2 refer to lockup period).



Growth through strategic acquisitions:

Among the objectives of the Group STI scheme, the Acquisition/Licensing objective, assigned to the Chief Executive Officers and certain executives, supports the Group's acquisition strategy, which has always been a key element for the growth of the Company in addition to driving pipeline development projects.



Environmental, Social, and Governance (ESG):

The implementation of a new style of work more oriented towards engagement, talent attraction and development, the adoption of production methods more oriented towards environmental sustainability, implementation of Industrial Operations' project to improve efficiency and the expansion of the pipeline to meet unmet patient needs through development and M&A activities are elements present in the remuneration policy to strengthen the link with the strategy regarding environmental, social and governance issues.

Recordati's Remuneration Policy is also consistent for all employees. In fact, the Company monitors the remuneration and working conditions of its employees annually. The definition of transparent remuneration policies and based on merit, the training activities designed to develop new skills, the offer of additional benefits for all employees are fundamental in this respect.

3.1.1 Recordati's Sustainability Plan

The Recordati Group's Sustainability Plan, defined in line with the materiality analysis carried out, focuses on five priority areas: patient care, people care, environmental protection, responsible sourcing, and ethics and integrity. It is a fundamental tool for sharing the journey with stakeholders and represents the expression of the Group's ambitions and what it wants to commit itself to contributing to sustainable and responsible development. In a logic of continuous improvement, the Plan provides for periodic monitoring and updating. To this end, in 2023 Recordati worked on updating the targets included in the Plan.

 <p>PATIENT CARE</p> <hr/> <p>Our ambition</p> <p>We are open to partnering and dedicated to discovering and developing innovative, value-added products that improve quality of life and help people to enjoy longer, healthier and more productive lives. We wish to offer our patients fast, widespread and sustainable access to our products.</p> 	 <p>PEOPLE CARE</p> <hr/> <p>Our ambition</p> <p>We are committed to creating a safe and inclusive working environment where everyone can express their talents. Our Employees are our most important asset and, therefore, we recognise and value the role that each person plays in the success of our business.</p> <p>We aim to create shared value and positively contribute to sustainable development where we operate, aware of the importance of dialogue, collaboration and respect for the community.</p> 	 <p>ENVIRONMENTAL PROTECTION</p> <hr/> <p>Our ambition</p> <p>Improving human health is the cornerstone of our mission, but we are aware that the health and well-being of present and future generations and the health of our planet are closely interlinked. With this in mind, we want to take conscious action by working to preserve natural resources and biodiversity and contribute to the fight against climate change by minimising our environmental impact.</p> 	 <p>RESPONSIBLE SOURCING</p> <hr/> <p>Our ambition</p> <p>We want to build relationships based on transparency and trust, sharing our values with suppliers and strategic partners. We are committed to constantly promoting respect for ethical, environmental and social aspects along the entire value chain.</p> 	 <p>ETHICS AND INTEGRITY</p> <hr/> <p>Integrity is our founding value, and we lead by example. The principles of honesty and transparency towards our Shareholders and Stakeholders guide our daily actions.</p> 					
									

More information on Recordati's Sustainability Plan are available in the 2023 Consolidated Non-Financial Statement published on the Company's website.

Recordati's Remuneration Policy is closely linked to its Sustainability Plan. Among the objectives of the CEO's Group STI system, there are the main social and environmental objectives of the Sustainability Plan related to patient care, people care, environmental protection (including climate change), ethics & integrity and responsible sourcing. In addition, social and environmental objectives (including climate change), linked to the implementation of the Plan itself, are also attributed to other Managers of the Group, among the objectives of the Group STI system. The assignment of these objectives together with those focussed on implementation of Industrial Operations' project to improve efficiency, building the pipeline through internal development as well as M&A activities supports the strategy on environmental, social and governance issues, focusing the attention of Top Management on the implementation of the Plan.

3.1.2 Compensation and working conditions of employees

The Company monitors working conditions and remuneration annually, in order to promote a consistent remuneration policy for all employees, both at Headquarter and Subsidiary level, in line with the Principles of the Sustainability Policy. Among the most significant commitments in the Human Resources area, there are initiatives relating to the area of:

- Health & Safety
- Training
- Engagement activities
- Diversity & Inclusion also with a focus on the gender gap and gender representation in the companies of the Group
- Benefits and welfare policies.

3.2 Principles and criteria underlying the Policy

The principles and criteria underlying the Remuneration Policy are as follows:

- to facilitate the pursuit of the sustainable success of the Company;
- to provide for a balance between the fixed and variable components - depending on the role performed, i.e. the nature of the impact on the Company's overall results - that is appropriate and consistent with the Company's strategic objectives and risk management policy, taking into account the business' characteristics and the industry in which it operates, providing that the variable component represents in any case a significant part of the overall remuneration;
- to provide for maximum limits for variable components - in line with the objectives of the strategic plan -, linking them to predetermined, measurable, qualitative and quantitative performance objectives linked to the creation of value for shareholders in both the short and medium to long-term horizon;
- to encourage the retention and protection of the Group's key resources by encouraging them to remain within the Group also for the purposes of safeguarding business continuity.

3.3 Implementation of the 2024 Remuneration Policy

For Directors, the Remuneration Policy is in place for the 2022-2024 mandate approved by the Board of Directors on March 17th, 2022 that provides the set of remuneration consistent with the role complexity and the required commitment, in line with current market benchmarks.

The Ordinary Shareholders' Meeting held on April 29th, 2022 has defined the relative remuneration as far as it is concerned.

In implementing the aforementioned principles, it should be noted that:

- the remuneration of Directors not vested with special duties is determined in order to ensure full alignment with the activities required by participation in the Board of Directors and the Board Committees, with a differentiation in the Chair's remuneration with respect to the members of each Committee;
- the remuneration of the Chair of the Board of Directors consists of a fixed remuneration commensurate with the position held;
- the remuneration of the Chief Executive Officer is adequately balanced between:
 - a fixed component, commensurate with the powers and/or responsibilities assigned;
 - a variable component linked to the achievement of predetermined, measurable and defined objectives so as to ensure the remuneration of the performance in both the short and the long-term timeline, in line with the economic and financial targets of the Group's Strategic Plan.

3.4 Remuneration of the Board of Directors and of the Board of Statutory Auditors

This section highlights the main features of the remuneration policy for the members of the Board of Directors and of the Board of Statutory Auditors.

For members of Board of Statutory Auditors, the Ordinary Shareholders' Meeting held on April 21st, 2023 has defined the relative remuneration.

3.4.1 Remuneration of the Board of Directors

Remuneration by the Shareholders' Meeting

Recordati's Board of Directors is composed of Executive and Non-Executive Directors. With reference to the former, indication is provided in the following paragraphs.

With regard to Non-Executive Directors, for which article 5 of the Corporate Governance Code provides that the remuneration shall not be – other than for an insignificant portion – linked to the financial performance objectives achieved by the Company. Recordati has established a single fixed annual remuneration, thus fully falling within the provisions of the article. For the 2022-2024 term of office, this remuneration was determined by the Shareholders' Meeting of April 29th 2022 and is equal to:

Non-Executive Directors	
Remuneration pursuant to article 2389, paragraph 1, of the Italian Civil Code	€ 60,000

These Directors are also entitled to reimbursement of expenses incurred in the performance of their duties as well as third party liability insurance coverage.

Remuneration for participation in Board Committees

The Board of Directors has set up an internal Remuneration and Nominations Committee and a Risk, Control and CSR Committee, both of which have proposal and advisory functions and consist solely of independent Directors.

For the 2022-2024 term of office, the annual remuneration of the Directors for participation in the Board Committees was determined by the Board of Directors on May 10th 2022, following the consultation of the Board of Statutory Auditors, and is made up as follows:

Remuneration and Nominations Committee		Risk, Control and CSR Committee	
Chair	€ 25,000	Chair	€ 32,500
Member	€ 10,000	Member	€ 20,000

3.4.2 Remuneration of the Board of Statutory Auditors

The annual remuneration of the Members of the Board of Statutory Auditors consists of only the fixed component, commensurate with the commitment required of each of them. The remuneration of the current Board of Statutory Auditors, appointed at the Annual General Meeting of 21st April 2023 and in office until the Shareholders' Meeting called to approve the 2025 Financial Statements, was determined by the same Annual General Meeting, following a recommendation by the Board of Directors, supported by the analysis made by the Remuneration and Nominations Committee, based on the benchmarking analysis conducted by Willis Towers Watson on the remuneration practices in industrial and services companies belonging to FTSE MIB Italia index, and is equal to:

Board of Statutory Auditors	
Chair	€ 70,000
Statutory Auditor	€ 50,000

3.5 Remuneration of the Chair of the Board of Directors

For the 2022-2024 term of office, the total remuneration for the position as Chair of the Board of Directors consists exclusively of the fixed component.

The annual remuneration of the Chair of the Board of Directors, in office until the Shareholders' Meeting called to approve the Financial Statements as of December 31st, 2024, was updated by the Board of Directors on December 1st, 2021 accordance with the nomination of Mr. Andrea Recordati and further confirmed after the Board renewal in 2022 and is equal to:

Chair of the Board of Directors	
Remuneration pursuant to article 2389, paragraph 1, of the Italian Civil Code	€ 60,000
Remuneration for special positions pursuant to article 2389, paragraph 3, of the Italian Civil Code	€ 240,000
Total Remuneration	€ 300,000

3.6 Remuneration of the Chief Executive Officer and of Executive Directors

The Remuneration Policy for Recordati's Chief Executive Officer as an executive Director is defined in accordance with the specific powers granted to the role, the purposes on which the Company's Remuneration Policy is based, as well as the remuneration levels and best market practices.

With respect to the other Executive Directors that are not in charge as Recordati managers, defined as such in accordance with the provisions of the Code, namely, at the date of this report,

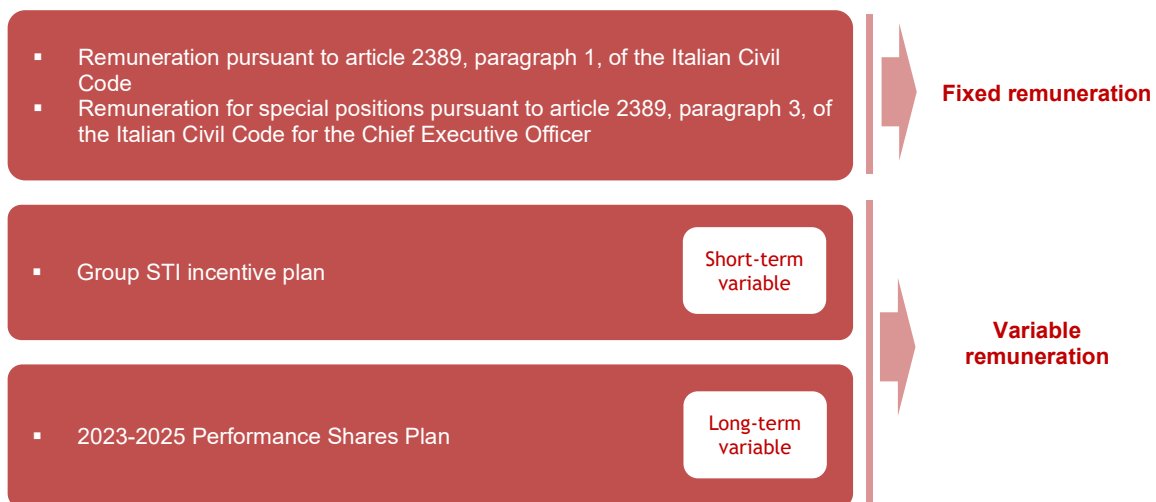
- Giorgio De Palma;
- Giampiero Mazza;
- Cathrin Petty,

the Shareholders' Meeting of 29th April 2022, on the basis of the proposal made by the shareholder Rossini S.à r.l did not resolve upon any remuneration pursuant to article 2389, paragraph 1, of the Italian Civil Code, in favour of these persons (without prejudice to the right of reimbursement of expenses incurred in the performance of their duties) as they had previously declared that they did not wish to receive any remuneration.

The Remuneration Policy for Luigi La Corte, as Recordati's Chief Financial Officer, described in paragraph 3.7 (Remuneration for key management personnel), is defined in accordance with the specific powers granted to the role, the purposes on which the Company's Remuneration Policy is based, as well as the remuneration levels and best market practices.

Therefore, the details of only the aforementioned CEO position are shown below.

The overall remuneration of the Chief Executive Officer is structured into a fixed component, short-term variable and a long-term variable, identified as follows:



3.6.1 Market references and peer groups

Remuneration benchmark for the Chairman of the Board of Directors

An updated compensation peer group for the chairman and the members of the board of directors was developed during the year and is shown below. This updated peer group is composed of FTSE MIB Italy companies, excluding financial companies, companies with headquarters outside of Italy and other companies, not comparable in size to Recordati. It will be used as reference when the Chairman and members of the Board of Directors remuneration is next reviewed on renewal of the Board in 2025.

Peer group	
Amplifon	Pirelli & C.
Diasorin	Poste Italiane
Erg	Prysmian
Inwit	Saipem
Italgas	Snam
Leonardo	Telecom Italia
Nexi	Terna

Remuneration benchmark for the Chief Executive Officer

For the Chief Executive Officer, the assessment of remuneration positioning was carried out, upon his appointment with the support of WTW and Russell Reynolds, in comparison with the remuneration levels of Chief Executive Officers of both Italian and European companies.

In early 2024 and following an in-depth analysis and stakeholder engagement, a new peer group has been introduced to support the 2024 Policy. The new panel, primarily composed of European pharmaceutical companies comparable to Recordati in terms of revenues, number of employees and market capitalization including 2 Italian medical tech firms to maintain a link with the Italian market, aims to enhance the relevancy of the CEO pay analyses. This change will provide a more accurate understanding of Recordati's placement in the current business environment and better overlap with Recordati's TSR peer group and stakeholder reference groups.

Peer group	
Alk Albelo	Indivior
Almirall	Ipsen
Amplifon	Jazz Pharmaceuticals
Diasorin	Orion
Grifols	Swedish Orphan Bio
Hikma Pharmaceuticals	UCB
H.Lundbeck	

3.6.2 Fixed component of remuneration

The fixed component of the remuneration of the Chief Executive Officer is commensurate with the duties and responsibilities assigned. Moreover, in line with the Corporate Governance Code, this component is determined in such a way as to be adequately balanced with respect to the variable component and consistent with the company's strategic objectives and risk management policy, also taking into account the characteristics of the industry in which the Company operates and is listed. However, the variable component is expected to represent a significant part of the total remuneration.

The Remuneration Policy of the current CEO is defined in accordance with the specific powers conferred, as well as with the remuneration levels and market best practices.

Below are the elements that make up the fixed remuneration of the Chief Executive Officer:

Chief Executive Officer	
Remuneration pursuant to article 2389, paragraph 1, of the Italian Civil Code	€ 60,000
Remuneration for special positions pursuant to article 2389, paragraph 3, of the Italian Civil Code ⁵	€ 940,000
Total Remuneration	€ 1,000,000

Following the introduction of a new peer group and after careful analysis with the aim to ensure a competitive pay to the CEO, the fixed remuneration for the Chief Executive Officer, as approved by the Board of Directors on 19th March 2024, subject to the approval of this Report by the Shareholders' Meeting, will be €1,000,000 gross per year including the non-compete and non-solicitation agreement recognized by the Company. This updated fixed remuneration increased in 5% compared to the fixed remuneration that was determined in the last policy. For the sake of transparency, the updated fixed remuneration of the CEO is composed out of base salary of €640,000, non-compete compensation of € 300,000 and Director's fee of € 60,000.

3.6.3 Short-term variable component (Group STI)

The short-term variable component of the remuneration package for the Chief Executive Officer is linked to an incentive scheme by objectives (Group STI). On the basis of this scheme, a bonus is paid in cash on the achievement of the annual results defined by the Board of Directors, on the proposal of the Remuneration and Nominations Committee, and measured according to pre-established management parameters and weights.



Specifically, the Group STI system provides for the assignment to each beneficiary of economic-financial objectives (Group EBITDA, Group Net Revenues and Group Adjusted Net Income) and individual strategic objectives. There is also a circuit breaker identified in the Group's EBITDA indicator, which if not achieved will result in the zeroing of the entire bonus.

Through the inclusion of an important Group objective such as the consolidated EBITDA, Recordati's Group STI system enables to reward the performance in a context of operating results such as to allow the payment of bonuses, in line therefore with the principle of aligning the interests of Management and Shareholders and with a view to pursuing the Company's long-term interests in line with Strategical Plan.

The following tables show the performance objectives defined for 2024 for the Chief Executive Officer:

⁵ The amount includes the non-compete and non-solicitation agreement recognized by the Company to the Chief Executive Officer

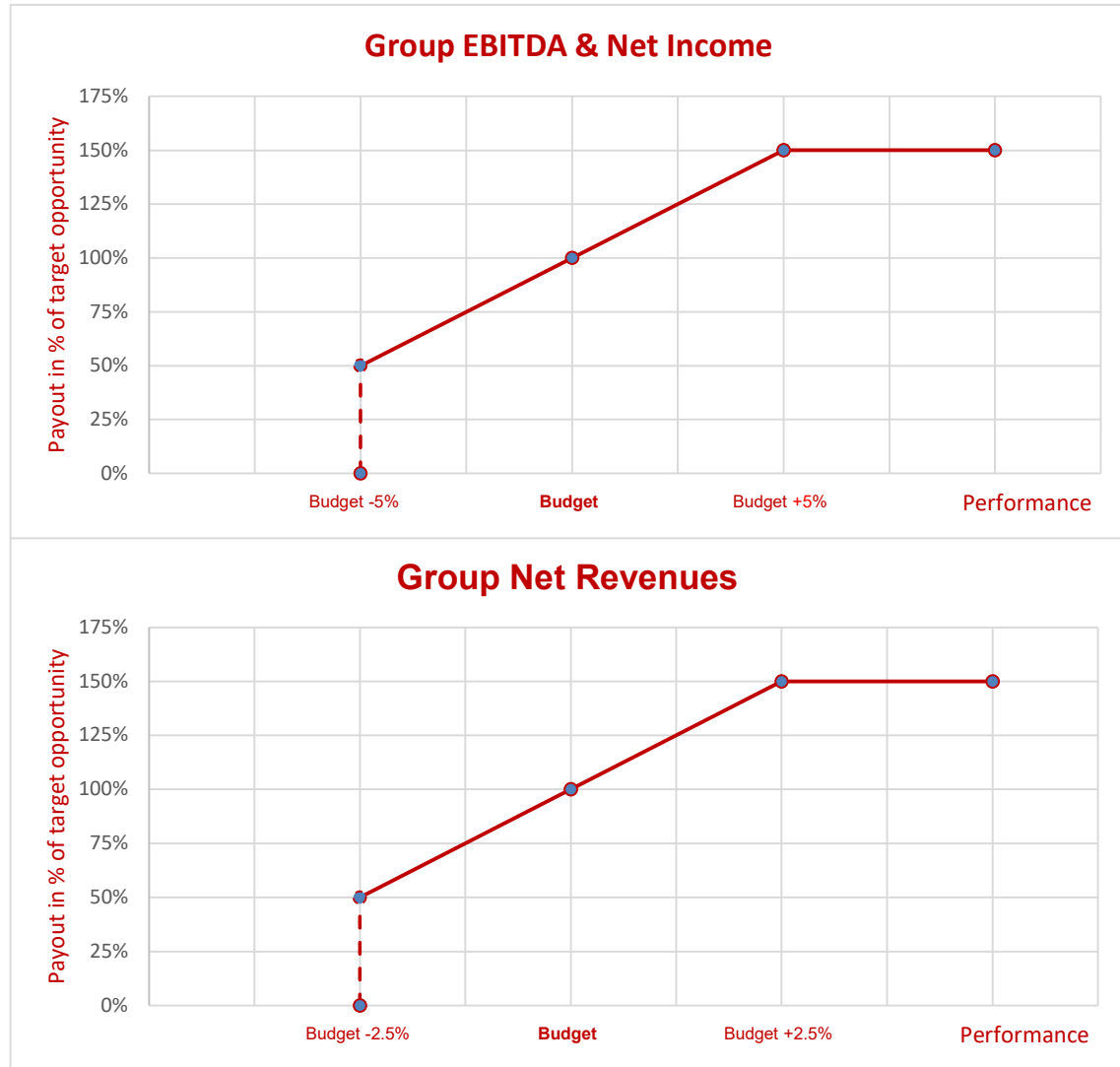
2024 Group STI OBJECTIVES - CHIEF EXECUTIVE OFFICER

Group EBITDA					
CIRCUIT BREAKER		OFF		ON	
		<95% of the budget		≥95% of the budget	
Overall weight	OBJECTIVES	Weight	Threshold	Target	Maximum
 60%	ECONOMIC AND FINANCIAL OBJECTIVES set excluding new M&A/licensing transactions related to products already on the market, performed during the reference financial year		24% of the Fixed Remuneration	48% of the Fixed Remuneration	72% of the Fixed Remuneration
	Group EBITDA The result is measured in relation to the predefined budget	30%	budget – 5%	budget	budget +5%
	Group Net Revenues The result is measured in relation to the predefined budget	20%	budget – 2.5%	budget	budget +2.5%
	Group Adjusted Net Income The result is measured in relation to the predefined budget	10%	budget – 5%	budget	budget +5%
 40%	STRATEGIC OBJECTIVES		16% of the Fixed Remuneration	32% of the Fixed Remuneration	48% of the Fixed Remuneration
	Acquisition/Licensing	15%	The objective is linked to the signing of M&A/Licensing transactions. The result is measured in relation to value in € Mil current/peak sales achieved. Three different performance levels are provided		
	Continue the implementation of project related to Industrial Operations to enhance operational performance	7.5%	The objective is linked to the progression within the industrial operations space by achievement of some operational excellence and other savings. Three different performance levels are provided.		
	Driving pipeline development projects according to planned milestones	12.5%	The objective is linked to the achievement of some relevant pipeline development milestones. Three different performance levels are provided		
	Achievement of ESG initiatives for 2024, as per the ESG Plan	5%	The objective is linked to the achievement of some relevant milestones related to patient care, people care, environmental protection, ethics & integrity and responsible sourcing		
Payout opportunity in % of Fixed Remuneration			40%	80%	120%
Payout opportunity in % of Target STI			50%	100%	150%

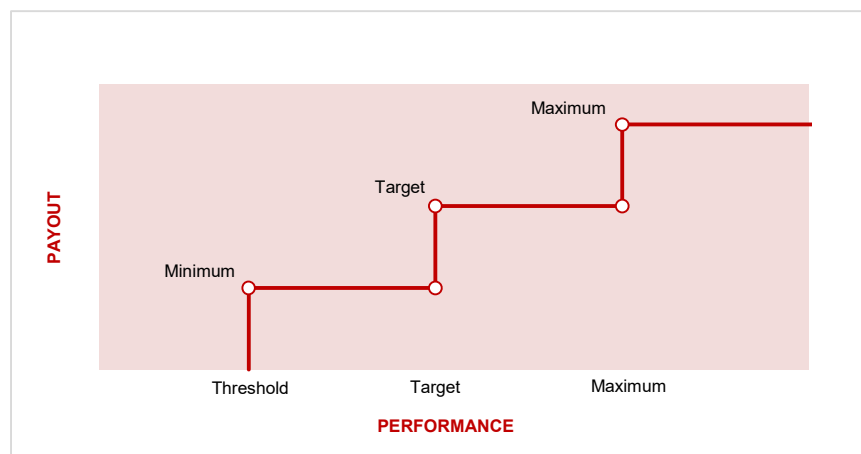
The Company reserves the right not to provide the annual value of the parameters as it considers this information to be sensitive. More detailed information regarding the level of achievement of the objectives will only be communicated at the end of the performance period.

The right to payment of the bonus occurs upon approval by the Board of Directors of the consolidated financial statements, which show that at least 95% of the Group EBITDA objective that was set when the objective was determined has been achieved. The payment of the bonus is made during the financial year in which the aforementioned consolidated financial statements are approved.

The amount of the incentive actually paid varies according to the level of achievement of the targets assigned to the individual objectives. The following charts illustrate the percentage of target opportunities awarded to the Chief Executive Officer according to the achievement of the financial objectives (EBITDA, Group Net Revenues and Group Net Income):



For the Chief Executive Officer, the remaining 40% of the bonus is calculated on the basis of the Acquisition/Licensing objective and the improvements in Group Industrial Operations and Group Purchasing and the driving of pipeline development projects according to planned milestones to better meet patient needs as well as the completion of specific ESG initiatives for 2024 as part of the Sustainability Plan related to patient care, people care, environmental protection, ethics & integrity and responsible sourcing, whose incentive curve is illustrated in the following chart:



In the event of failure to achieve 95% of the Group EBITDA objective, nothing is due. In the event of over-performance, it is not possible to obtain a bonus higher than the maximum one set, which for the Chief Executive Officer is equal to 120% of his fixed remuneration (or 150% of his target opportunity).

Following the introduction of a new peer group and after careful analysis with the aim to ensure a balanced pay mix between fixed and variable pay for the Chief Executive Officer, the target STI is adjusted (subject to the approval of the present Remuneration Policy by the Shareholders) from 67.67% to 80% of the annual fixed salary. The maximum STI opportunity under the plan is 120% of annual fixed salary.

The following table summarizes the potential bonus pay-outs for the Chief Executive Officer according to the different performance levels:

	CEO
Threshold	400.000 €
Target	800.000 €
Maximum	1.200.000 €

The short-term variable component to be paid to the Chief Executive Officer is equal to € 1,200,000 gross per year if the maximum overall performance is achieved.

In setting the Group STI objectives of the Chief Executive Officer, the Board of Directors may, subject to the opinion of the Remuneration and Nominations Committee⁶, assess the achievement of such objectives net of significant extraordinary items, where appropriate, on an equitable basis.

At present, there is no need to defer the payment of this bonus with respect to the time when the right to receive it is acquired, because it is part of a scheme that is already significantly challenging and which, with a view to continuity, favours the setting of the same objectives for each financial year; moreover, the circuit breaker of the scheme and its main objective, represented by the Group EBITDA, is a target that all the above persons contribute to achieving, without the individual person being able to influence this achievement exclusively. Finally, it should be noted that the deferral of part of the variable remuneration is in any case ensured by the long-term incentive scheme based on the assignment of Performance Share, as described below, further strengthened by the lockup mechanism bundle in the same plan for the CEO and other Key Management Personnel.

Without prejudice to the right to compensation for any further damages, the Company reserves the right, within 5 years from the payment and regardless of whether the relationship is still ongoing or terminated, to request the Chief Executive Officer to refund the bonus already paid (the so-called 'clawback'), if one of the following cases occurs:

⁶ As the Committee responsible for Related Party Transactions as provided for in the relevant Group Procedure when the activities refer to the remuneration of the CEO (being a related party).

- fraudulent and/or gross negligently behaviour by the beneficiary to the detriment of the Group;
- serious and intentional breaches of law and/or of the Code of Ethics and/or of company rules;
- payment of the bonus on the basis of data which subsequently result as manifestly inaccurate or fraudulently altered.

3.6.4 Long-term variable component (LTI)

A significant component of the variable remuneration of Recordati's Chief Executive Officer is oriented towards a long-term horizon in order to strengthen the interests of sustainable creation of value for Shareholders and Stakeholders and is based on the assignment of performance share.

The Recordati Group deems that this scheme ensures the full and constant alignment between the interests of Top Management and that of Shareholders, as it is linked both to the relative growth in Total Shareholder Return of the Recordati Share, compared with a panel of comparable companies, both to economic/financial objectives set out in the strategic plan.

Shareholders' Meeting of 21st April 2023 approved the new 2023-2025 Performance Share Plan. The 2023-2025 Performance Share plan provides for the grant to the beneficiaries of the right to receive free of charge a certain number of the Company's Shares, after a certain period of time (vesting period) has elapsed, once the condition for the achievement of the performance objectives indicated below has been met.

The grant of rights under the 2023-2025 Performance Share Plan occurs on annual basis (the so-called 'rolling approach') and takes place in three cycles starting from the 2023, 2024 and 2025 financial years. The number of rights granted to each beneficiary is linked to the importance of the organisational role held by the various top positions. Depending on the performance conditions, the maximum number of achievable shares may be 175% of the rights granted. The Plan includes among its beneficiaries the following Executive Directors: the Company's Chief Executive Officer and the CFO⁷.

The rights to receive the shares granted to beneficiaries vests no less than 3 years after the grant date (so-called 'vesting period').

A condition for the allocation of shares granted is the achievement of a series of performance objectives, which are based on the Adjusted Net Income Budget, cumulated over the three-year reference period, to the three-year cumulative Net Revenues Budget and Total Shareholder Return (TSR) against a panel of selected companies.

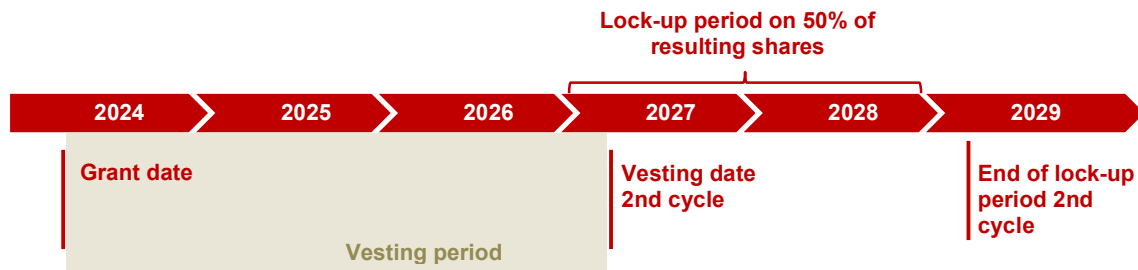
Panel of companies for Total Shareholder Return		
Almirall	Amplifon	DiaSorin
Grifols	Ipsen	Jazz Pharmaceuticals
Lundbeck	Orion	Pharming
Sobi	UCB	

The existence of such performance clauses in the 2023-2025 Performance Share Plan are also in line with the principle of consistency of the Remuneration Policy with the pursuit of the interests of the Company and its Shareholders to which the interests of management must be aligned.

The Plan also requires beneficiaries who are members of Recordati's top management to continuously hold a number of shares - equal to 50% of the shares resulting after the sale of the shares necessary to cover the payment of the tax, social security and welfare charges - until the end of the 24th month following the relevant vesting date.

The following is the expected timeline of the 2023-2025 Performance Share Plan for the 2nd allocation cycle:

⁷ Even though the CFO is a beneficiary of the Plan for his role as CFO and so as key manager personnel and not as executive director. The remuneration for the CFO is described in paragraph 3.7 (Remuneration for key management personnel).



Without prejudice to the right to compensation for any further damages, the Company reserves the right (so-called 'clawback'), within 5 years from the vesting date and regardless of whether the relationship is still in existence or terminated, to obtain from the Beneficiary to return the shares held by the Beneficiary less a number of shares of a value corresponding to the tax, social security and welfare contributions, (possibly also by offsetting them against the remuneration and/or severance indemnity of the Beneficiary) if the shares of the Beneficiary have already been sold, should any of the following cases occur:

- fraudulent and/or grossly negligent behaviour of the beneficiary to the detriment of the Group;
- serious and intentional violations of laws and/or the Code of Ethics and/or company rules;
- payment of the bonus on the basis of data that is subsequently found to be manifestly inaccurate or intentionally altered.

For further information on the Plans, please refer to the information documents published in the Governance section of the Company's website:

<https://recordati.com/governance-remuneration/>

3.7 Remuneration of Key Management Personnel

Key Management Personnel are those persons who have the power and responsibility, directly or indirectly, for planning, management and control of the Company's activities. At the date of this Report, the following persons are Key Management Personnel:

- Luigi La Corte – Group Chief Financial Officer, that is also a member of Board of Directors;
- Alberto Martinez – Executive VP Specialty and Primary Care Business Unit;
- Scott Pescatore – Executive VP Rare Disease Business Unit.

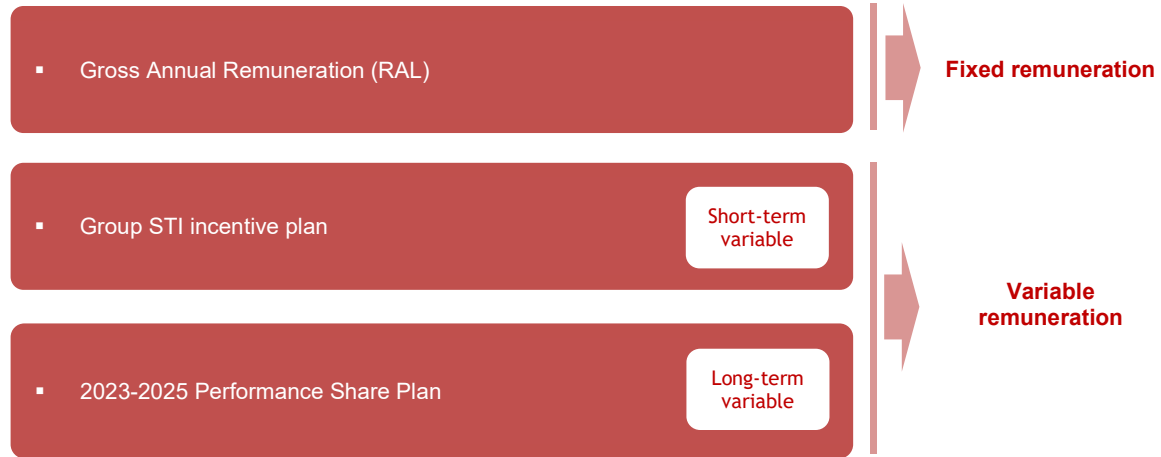
Please note that the perimeter of the key manager personnel was narrowed at the end of 2023 by the Board of Directors upon a proposal of the CEO in agreement with the Remuneration and Nominations Committee, consistently with the growing of the Group's organisation and based on an analysis and benchmarking of the approach taken by the industrial companies listed on Borsa Italiana's FTSE MiB Index. More in details, the approach identified by the Board of Directors in this regard is to appoint as Key Manager Personnel those managers who have a closer connection with the company's core business and therefore broader accountability with respect to the planning, direction and control of the Group's activities.

Alongside the introduction of new peer groups for governance roles and CEO, the remuneration committee had also updated its pharma-based peer group to assess the compensation competitiveness of Recordati's Key Management Personnel with the aim to ensure a competitive pay to the Key Management Personnel.

In defining the Remuneration Policy for Key Management Personnel, it was taken into account that these were recipients of a Policy in which a part of the remuneration is linked to the achievement of specific performance objectives, financial and non-financial, predetermined, measurable and linked in significant part to a long-term horizon. They are consistent with the Company's strategic objectives and are aimed at promoting its sustainable success (Article 5, Recommendation 27 of the Corporate Governance Code).

The managerial employment relationship of Key Management Personnel in Italy is governed by the applicable National Collective Bargaining Agreement (CCNL) of companies producing goods and services in force. For other Key Management Personnel employed by the Group's foreign subsidiaries, the employment relationship is governed by the applicable local regulations and, where applicable, by the collective bargaining agreements provided where the subsidiary is located. In Italy the general treatments provided for Executives are applicable to Key Management Personnel in addition to those listed below.

The total remuneration of Key Management Personnel is structured into a fixed remuneration and a short and a long-term variable remuneration, identified as follows:



3.7.1 Fixed component of remuneration

The fixed component of the remuneration of the Key Management Personnel, the Gross Annual Remuneration (*Retribuzione Annuale Lorda* - RAL), *i.e.* the contractually guaranteed annual remuneration, is monitored for all the top positions by the industry remuneration surveys and its value is positioned, in order to meet adequate retention and remuneration criteria, at a competitive level with respect to the market.

Changes over time in the fixed component of remuneration are implemented on the basis of growth rules that take into account the role, the level of performance over time and the pay gap with respect to the remuneration levels of the reference market.

3.7.2 Short-term variable component (STI)

Recordati's Key Management Personnel are beneficiaries of the same short-term incentive scheme (Group STI) assigned to the Chief Executive Officer. Therefore, what has been described above is intended to be fully referred to herein, with the exception of the performance objectives assigned and the bonus opportunities of the beneficiaries.

The following table shows the type of objectives assigned to the Key Management Personnel:

2023 Group STI OBJECTIVES - KEY MANAGEMENT PERSONNEL

CIRCUIT BREAKER	ON/OFF CONDITION
Group EBITDA	Activation of the scheme only if at least 95% of the budget objective is achieved

All Key Management Personnel have the following Group objectives:

OBJECTIVES	FEATURES
ECONOMIC AND FINANCIAL OBJECTIVES	Set excluding new M&A/licensing transactions related to products already on the market, performed during the reference financial year
Group EBITDA	<p>The result is measured in relation to the predefined budget. The following performance levels are provided:</p> <ul style="list-style-type: none"> • Threshold: budget -5% • Target: budget • Maximum: budget +5%

The Key Management Personnel are also assigned, depending on the position held, other economic and financial objectives (set excluding M&A/licensing transactions related to products already on the market, performed during the reference financial year), and/or qualitative objectives, with different weights:

OBJECTIVES	FEATURES
Net Revenues (based on specific remit)	<p>The result is measured in relation to the predefined budget. The following performance levels are provided:</p> <ul style="list-style-type: none"> • Threshold: budget -2.5% • Target: budget • Maximum: budget +2.5%
Profitability (based on specific remit)	<p>The result is measured in relation to the predefined budget. The following performance levels are provided:</p> <ul style="list-style-type: none"> • Threshold: budget -5% • Target: budget • Maximum: budget +5%
Management Strategic Objectives	There are individual objectives linked to specific responsibility areas measured on a performance scale that provides for a threshold, a target and a maximum level which corresponds a predefined portion of the bonus.

The Company reserves the right not to provide the annual value of the parameters as it considers this information to be sensitive.

More detailed information regarding the level of achievement of the objectives will only be communicated at the end of the performance period.

Following the update of a new peer group for Key Management Personnel and after careful analysis with the aim to ensure a balanced pay mix between fixed and variable pay for the Key Management Personnel, the target STI for Recordati's Key Management Personnel is adjusted to 60% of the annual fixed salary. The maximum STI opportunity under the plan is 90% of annual fixed salary. All subject to the approval of the present Remuneration Policy by the Shareholders.

In the event of over-performance, it is not possible to achieve a bonus higher than the maximum set, which, for Key Management Personnel, is **90%** of the annual base salary.

3.7.3 Long-term variable component (LTI)

A component of the variable remuneration of Recordati's Key Management Personnel is oriented towards a long-term horizon in order to strengthen the interests of sustainable creation of value for Shareholders and Stakeholders.

Under the 2023-2025 Performance Share Plan, Recordati's Key Management Personnel will be awarded shares with a value at grant based on 90% annual base salary. Depending on the performance conditions, the maximum number of achievable shares may be 175% of the rights granted.

For further information on the Plan, please refer to paragraph 3.6.4 above and the information document published in the Governance section of the Company's website:

<https://recordati.com/governance-remuneration/>

3.8 Further information on remuneration

3.8.1 Other Compensation Items

Recordati's Remuneration Policy provides for the possibility of paying a bonus linked to the achievement of significant results for the Group in the case of significant business development transactions (M&A/Licensing). This provision is linked to the strategic importance of such transactions as a growth mechanism for the Recordati Group, as well as an instrument to ensure the Group's continued success in the Primary & Specialty Care and Rare Diseases areas. The proven ability to achieve significant growth through external operations will continue to support the Recordati Group in identifying new partners and in implementing new acquisition or licensing agreements. Therefore, M&A/licensing transactions represent fundamental activities so as to enable the Company to offer an increasingly richer product portfolio, an increasingly wider geographical coverage to better meet patient needs and consequently ensure the sustainability of the business in the long-term. In addition, it should be noted that in the Group STI scheme, financial targets are set and achievement assessed on a constant perimeter, i.e. excluding M&A/licensing transactions related to products already on the market, performed during the reference financial year. It is therefore important to provide for an additional bonus scheme to reward the Top Management's activities in relation to such strategically significant transactions for the Group. It should be noted that the beneficiaries of any Transaction Bonus and Integration Bonus do not include the Chief Executive Officer, since the implementation of this type of transactions is already provided for at the short-term incentive scheme level.

In order to provide an incentive to other Key Management Personnel of the Company to carry out strategic M&A/licensing transactions, the following may be awarded:

- a transaction bonus aimed at rewarding the roles directly involved and having a significant impact on the success of an M&A/licensing transaction; the positive outcome, and therefore the possible awarding of this bonus, will be assessed by the Chief Executive Officer on the basis of an outlook linked to economic and financial indicators, effort and of the timing of the transaction itself. The value of the bonus awarded may vary between 15% and 30% of the Gross Annual Remuneration. 50% of the bonus will be paid at the time of the closing of the extraordinary transaction and 50% after around one year subject to the achievement of predefined economic and financial results relating to the transaction itself and/or defined integration plan milestones;
- an integration bonus, aimed at specifically rewarding roles with a significant impact on the positive outcome of the integration process following an M&A transaction. The positive outcome, and therefore the possible awarding of this bonus, will be assessed directly by the Chief Executive Officer on the basis of an outlook linked to economic-financial indicators and the timing of the integration itself. The value of the bonus awarded may vary between 15% and 30% of the Gross Annual Remuneration. 70% of the bonus will be paid at the time when predefined milestones have been reached in the integration plan, and 30% at the end of the integration plan and subject to the achievement of predefined integration objectives.

It should be noted that Transaction Bonuses and Integration Bonuses may also be awarded to other managers who, although not qualifying as Key Management Personnel, are directly involved and have a significant impact on the success, respectively, of an M&A/Licensing transaction, or of the integration process following an M&A transaction.

Sign on bonuses are payable, in exceptional circumstances, to newly hired Key Management Personnel on entry to the company. This is done solely in order to attract very senior management personnel with areas of expertise that are critical for the business.

Key Management Personnel may also be eligible for a one-off retention bonus as a part of remuneration to promote retention. The maximum amount in either case, considered individually, may not exceed the maximum variable

remuneration set by the Policy.

To protect Recordati's relationship with Key Management Personnel in possession of particularly important expertise and skills that may expose the Company to profitability risks and/or business disruptions the company may apply non-competition agreements, applied during or after employment, all aligned with market practices.

3.8.2 Non-monetary benefits

The Remuneration Policy does not provide for particular non-monetary benefits other than those that can be defined as standard for top positions (e.g. company car, the supplementary insurance to that provided for in the national employment contract and the D&O policy and relocation benefits such as housing and schooling).

3.8.3 Severance indemnity

The Remuneration Policy does not provide for severance indemnities for non-executive Directors.

With regard to other Key Management Personnel, including executive Directors (excluding the Executive Directors qualified as such by the Board pursuant to the Corporate Governance Code, who, as noted above, have previously declared that they do not wish to receive any remuneration), if deemed appropriate in the best interests of the Company and in relation to the importance of the Manager's position within the company organisation, agreements may be entered into which involve the payment of special indemnities, in any case not exceeding 24 months of the fixed remuneration and the short-term variable remuneration calculated as the average of the annual bonuses paid in the 36 months previous to the date of termination of the employment relationship (without prejudice to the provisions of the applicable National Collective Agreement), in the event that the Company terminates the employment relationship for reasons other than just cause, also with reference to the market practices in force at the time; taking these practices into account, there is generally no provision for links between such treatments and the Company's performance. In all cases, in the event of early termination of the employment relationship for reasons other than just cause, Key Management Personnel will be paid the indemnities provided for, in Italy, by law and the current National Collective Bargaining Agreement for 'Executives of Companies Producing Goods and Services' (so-called Industrial Companies) or for employees of foreign subsidiaries, by locally applicable regulations/collective bargaining agreements and by market practices, in certain cases in addition to a further amount, determined on an equitable basis.

In the event of termination from office and/or termination of the relationship with an executive Director, as a result of internal processes leading to the granting or payment of indemnities and/or other benefits, the Company will disclose detailed information on the matter to the market.

There are no agreements in place which involve the assignment or maintenance of non-monetary benefits or the stipulation of special consultancy contracts in the event of the termination of an employment relationship, although such agreements may be established on a case-to-case basis. There are no agreements in place which involve remuneration for non-competition commitments on termination of an employment relationship or end of office outside the one provided for the Chief Executive Officer, although such agreements may be established on a case-to-case basis for key manager personnel and other qualified persons to retain them from the labor market for a certain period of time for the purposes of securing the Group's long-term profitability. Such awards are limited only to specific roles identified as critical for the safeguard of the business.

As concerns the effects of the end of an employment relationship/other relationship equivalent to an employment relationship or an administrative relationship on LTI existing incentive plans based on current financial instruments approved by Recordati S.p.A., in accordance with Article 114-bis of TUF (*Testo Unico della Finanza*), please refer to the relevant Information Documents drawn up pursuant to art. 84-bis of the "Regolamento Emittenti", available in the Governance section of the Company's website:

<https://recordati.com/governance-remuneration/>

3.8.4 Additional insurance, social security and pension coverage

No further coverage other than those required by law or by collective bargaining agreement is entered into by the Company, with the exception of supplementary insurance to the Italian Supplementary Health Care Fund (F.A.S.I.) for 'Executives of Companies Producing Goods and Services' (so-called Industrial Companies) to cover medical expenses (or similar forms of insurance for employees of foreign subsidiaries) and a D&O policy, as well as an insurance policy for the Chief Executive Officer to cover life risk, health risk (including family members), disability risk and accident risk, again for the Chief Executive Officer, the supplementary pension plan that continued seamlessly.

Section II:
Report on the remuneration
paid for 2023

Introduction

This section is divided into two parts which illustrate respectively the following:

- **Part I** focuses on the different elements that make up the remuneration (including the treatments provided in the event of termination of office or termination of the employment relationship);
- **Part II**, through the annexed tables, focuses on the remuneration of the members of the management and supervisory bodies and the information relating to the shares held in the Company, as well as the remuneration provided for the Key Management Personnel.

This Section is subject to a non-binding vote by the Shareholders' Meeting as provided for by article 123-*ter* of Italian Legislative Decree no. 58 of 24th February 1998 (the 'Consolidated Law on Finance', updated on the basis of Italian Legislative Decree no. 49 of 10th May 2019) which provides in paragraph 6: *'Without prejudice to the provisions of [...] the Shareholders' Meeting called [...] resolves in favour or against the second section of the report established by paragraph 4. The resolution is not binding'*.

In addition, the person appointed to carry out the statutory audit of the financial statements verifies that the directors have appropriately prepared this Section, as required by article 123-*ter* of the Consolidated Law on Finance (as updated by Italian Legislative Decree of 10th May 2019).

The remuneration of the members of the management and supervisory bodies is illustrated by name; instead, the remuneration provided for the other Key Management Personnel members is represented in the aggregate.

The implementation of the Policy, as verified by the Remuneration and Nominations Committee during the periodic assessment provided for in the Corporate Governance Code, was substantially in line with the general principles approved by the Board of Directors.

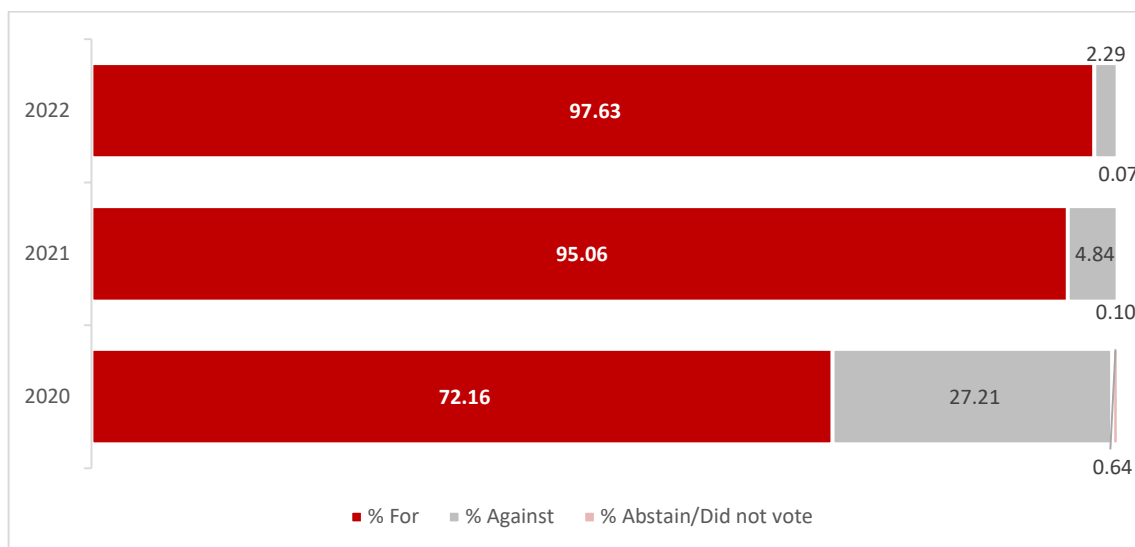
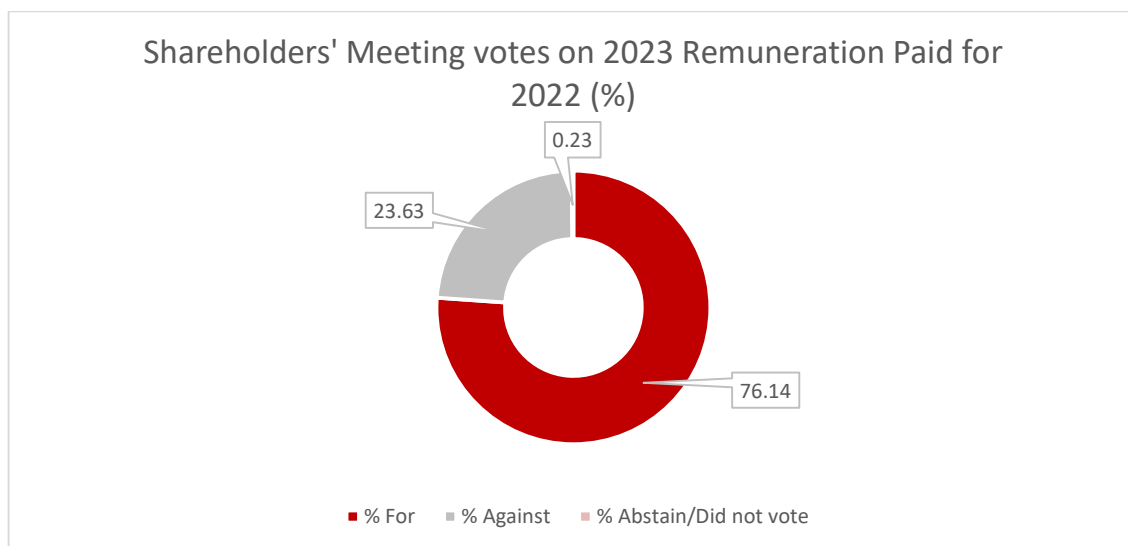
With reference to the representation of each of the items that make up remuneration, including the treatments provided in the event of termination from office or termination of the employment relationship, please refer to what has already been described in detail in Section I.

The remuneration items reported are consistent with the Policy approved in 2023 by the Board of Directors and submitted to the advisory and non-binding vote of the Shareholders' Meeting on 21st April 2023 pursuant to article 123-*ter*, paragraph 6, of the Consolidate Law on Finance, which voted in favour.

Part I

1. Results of votes

The Shareholders' Meeting of 21st April 2023 voted in favour of Section II of the Report on Remuneration Policy and Remuneration Paid during 2022. The chart below illustrates the result of the advisory vote.



The main considerations emerged at the Shareholders' Meeting of 21st April 2023 were carefully examined in order to identify potential areas for improvement and were considered in the definition of Recordati's Remuneration Policy for 2024 and in more transparent disclosure of the CEO STI payout in paragraph 4 of section II.

2. Activities of the Remuneration and Nominations Committee

During 2023, the Remuneration and Nomination Committee met 13 times. The percentage of attendance of Committee members at meetings is shown in the table at the end of Section 4.2 of the Report on Corporate Governance and Ownership.

The meetings of the Remuneration and Appointments Committee were regularly minuted.

The Committee had access to the information and Company Functions necessary for the performance of its duties.

During the Year, the Committee did not incur any expenses in the performance of its duties, except for legal expenses related to legal assistance in support of the preparation of opinions within the Committee's remit.

During 2023 and up to the date of approval of this Report, the Committee's activities were mainly concerned with:

Activities performed during 2023 and partially in 2024	
Report on Remuneration Policy and Compensation Paid.	<ul style="list-style-type: none"> • Evaluation of changes to be made to the Remuneration Policy for 2023. • Proposal to the Board of Directors in relation to the Remuneration Policy for 2023 and compensation paid for the year 2022 (Remuneration Report 2023). • Engagement Plan in relation to the Remuneration Policy for 2023. • Analysis of the 2023 AGM votes. • Review of peer groups for remuneration benchmarking purposes. • Analysis of the follow up of the engagement sessions held during 2023 on remuneration topics. • Preliminary analysis in relation to the Remuneration Policy Guidelines for 2024. • Review of the proposed engagement plan in relation to the Remuneration Policy for 2024. • Review of the draft of the 2024 Remuneration Report.
MBO/STI Plan	<ul style="list-style-type: none"> • Analysis of MBO targets' achievement by CEO and CFO for 2022 and acknowledgement of the analysis regarding the outcome of achievement of the 2022 targets by the other Key manager personnel; Opinion of the Committee also for the purposes of the Procedure on Related Party Transactions. • Analysis of the proposed MBO system for 2023 and proposal to the Board on the setting of 2023 CEO and CFO MBO targets and acknowledgment of the setting of 2023 MBO targets of the other Key manager personnel. • Preliminary analysis of the proposed STI system for 2024 and the proposal of setting of the CEO & CFO 2024 STI objectives and acknowledgement of the other key management personnel 2024 STI objectives.
LTI Plan	<ul style="list-style-type: none"> • Proposal to the Board for a new long-term incentive (LTI) plan based on performance shares, including the review of the Information Document, Regulation of the 2023-2025 Performance Shares Plan and Directors Report to the AGM also on the proposal of revocation of the 2021-2023 Stock Option Plan as far as the third grant is concerned. • Setting of the cumulative Objective (2022-2024) related to 24 February 2022 stock options grant, following approval of the three-year Plan for 2023-2025. • New grant of performance shares under the long-term incentive plan "2023-2025 Performance Share Plan.
Other activities	<ul style="list-style-type: none"> • Examined the benchmarking analysis of the remuneration of the members of the Board of Statutory Auditors • Examined the compliance with policy of the proposal toward a transaction bonus to a Key manager personnel. • Benchmarking analysis about compensation of the CEO, the CFO and the other key manager personnel. • Assessment on the proposal for the Board of updating of the key manager personnel perimeter and of the proposal to update the RNC remits based on benchmarking analyses. • Remuneration and Nominations Committee work plan for 2024.

3. Fixed remuneration

The amounts relating to fixed remuneration are specified under the respective item in Table 1.

Non-Executive Directors

Non-executive Directors were paid - eventually on a *pro rata temporis* basis - the fixed remuneration for the office held during 2023, amounting to € 60,000.

Chair

The chairman, Dr. Andrea Recordati, who was lastly renewed by the Board of Directors on April 29, 2022, was granted:

	Annual remuneration
Basic remuneration as a director of Recordati S.p.A	60,000
Remuneration for the special position as Chair, pursuant to article 2389, paragraph 3, of the Italian Civil Code	240,000
Overall economic treatment for the Chair	300,000

Dr. Recordati is a recipient of health care coverage extended to his household as well.

The total annual financial treatment for the Chair currently in office, paid as fixed remuneration, was equal to € 300.000, including the remuneration as Director indicated above.

Executive Directors

Chief Executive Officer

The Chief Executive Officer, Robert Koremans was paid:

	Annual remuneration
Basic remuneration as director of Recordati S.p.A	60,000
Remuneration for the special position of Chief Executive Officer, pursuant to article 2389, paragraph 3, of the Italian Civil Code	590.000
Fee for the obligations of non-competition and non-solicitation.	300.000
Overall economic treatment as Chief Executive Officer	950.000

Therefore, the total annual economic treatment for the Chief Executive Officer, paid as fixed remuneration, was equal to € 950.000.

Key Management Personnel

During 2023, although a few of them for part of the year, the following 7 Key Management Personnel members were in office at the Company:

- Luigi La Corte – Group Chief Financial Officer (member also of the Board of Directors);
- Alberto Martinez – Executive VP Specialty and Primary Care Business Unit;
- Scott Pescatore – Executive VP Rare Disease Business Unit;
- Gabriele Finzi – Executive VP Corporate Development, Licensing and Innovation;
- Roberto Teruzzi – Executive VP Group Industrial Operations;
- Raffaele Sabia – Senior VP R&D and Medical Affairs
- Milan Zdravkovic - Executive VP R&D

These Key Management Personnel members has received an overall gross annual fixed remuneration equal to € 2.673.483 (on a *pro rata* basis reflecting the tenure as Key Management Personnel during 2023).



4. Variable remuneration

The amounts relating to variable remuneration are specified under the respective item in Tables 1 and 3B.

Short-term variable incentive

Chief Executive Officer

With reference to the short-term incentive scheme (STI), here below are the summary of incentive scheme and, subsequently, the level of achievement of the objectives approved by the Board of Directors with regard to the Chief Executive Officer:

CIRCUIT BREAKER		Group EBITDA			
		ON			
		<95% of the budget		≥95% of the budget	
Overall weight	OBJECTIVES	Weight	Threshold	Target	Maximum
 60%	ECONOMIC AND FINANCIAL OBJECTIVES set excluding new M&A/licensing transactions related to products already on the market, performed during the reference financial year		20% of the Fixed Remuneration	40% of the Fixed Remuneration	60% of the Fixed Remuneration
	Group EBITDA* The result is measured in relation to the predefined budget	30%	The actual achievement was 6.7% above target, which translates to a payout of 30% of fixed remuneration (maximum achievement).		
	Group Net Revenues* The result is measured in relation to the predefined budget	20%	The actual achievement was 2.4% above target, which translates to a payout of 19.33% of fixed remuneration (close to maximum achievement).		
	Group Adjusted Net Income* The result is measured in relation to the predefined	10%	The actual achievement was 8.4% above target, which translates to a payout of 10.0% of fixed remuneration (maximum achievement).		
 40%	STRATEGIC OBJECTIVES		13.3% of the Fixed Remuneration	26.7% of the Fixed Remuneration	40% of the Fixed Remuneration
	Acquisition/Licensing	15%	The actual achievement was on maximum achievement, which translates to a payout of 15% of fixed remuneration.		
	Carry out project to identify improvements in Group Industrial Operations and Group Purchasing. Implement appropriate tools and procedures to drive operational performance	15%	The actual achievement was on maximum achievement, which translates to a payout of 15% of fixed remuneration.		
	Driving pipeline development projects according to planned milestones	5%	The actual achievement was on target achievement, which translates to a payout of 3.33% of fixed remuneration.		
	Achievement of ESG initiatives for 2023, as per the ESG Plan	5%	The actual achievement was on target achievement, which translates to a payout of 3.33% of fixed remuneration.		
Payout opportunity in % of Fixed Remuneration			33.3%	66.7%	100%
Payout in % of Target STI			50%	100%	150%

*Please refer to the financial results as disclosed to the market and further adjusted in order to exclude the benefit arising from the license and distribution agreement finalized during the year with GSK (not foreseen in the original budget and in line with a STI system)

On the basis of the performance achieved, the overall remuneration for the Chief Executive Officer, to be paid as short-term variable component relating to the 2023 performance period, is therefore equal to € 911.991 gross, equal to 96% of the gross annual remuneration. The incentive accrued in 2023 as MBO will be paid in 2024 in accordance with the procedures set out in the MBO system. This short-term variable remuneration represents 38% of the total remuneration received by the Chief Executive Officer, calculated as the sum of fixed remuneration and short-term and long-term variable remuneration relating to 2023.

Key Management Personnel

The other Key Management Personnel members have accrued - on the basis of the performance achieved in relation to the MBO system - an overall annual variable remuneration of € 1.875.325 gross.

Overall, the amount of variable remuneration granted to Key Management Personnel is on average equal to 70% of the gross annual remuneration.

Long-term variable incentive

As of 31st December 2023, the following long-term incentive plans are in place:

- 2014-2018 Stock Option Plan
- 2018-2022 Stock Option Plan
- 2021-2023 Stock Option Plan
- 2023-2025 Performance Share Plan (on the basis of which 1st grant cycle was awarded in 2023)

Following the successful achievement of performance conditions, the plan granted in 2021 will lead to full vesting during 2024.

Chief Executive Officer

For the Chief Executive Officer, with reference to the Performance Share Plan, on 27th June 2023, 26,111 rights were assigned with reference to the first granting cycle of the 2023-2025 Performance Share Plan.

The fair value of the options and rights relating to 2023 assigned to the Chief Executive Officer is € 558.972. This value represents 23% of the total remuneration received by the Chief Executive Officer, calculated as the sum of fixed remuneration and short-term and long-term variable remuneration relating to 2023.

It should be noted that in Table 1, column 7 (fair value of equity compensation), the amounts indicated do not include the fair value relating to the incentive plan, with a vesting period of 5 years, granted, starting from 2019, and fully financed by Rossini Luxembourg S.à.r.l., indirect shareholder of Recordati S.p.A., in favour of key management personnel, as well as, post joining the group, the Chief Executive Officer. These subjects will benefit from a return at the end of the plan and when certain performance conditions are met. The recognition of this incentive plan in accordance with IFRS 2 resulted in a charge in the 2023 income statement of € 1.5 million, against a corresponding increase in equity.

Key Management Personnel

Also, for the other Key Management Personnel members, with reference to the Performance Share Plan (1st grant cycle) the total number of rights assigned was 60,484.

Transaction Bonus

In 2023 an amount equal to € 72,000 was awarded to one Key Personnel, as transaction bonus (first instalment), in line with the Remuneration Policy for 2023, as assessed by the Remuneration and Nomination Committee on the basis of the evaluation made by the CEO. This bonus was paid for the strategic and fundamental role in closing of the long-term commercialization agreement with GSK in the field of Urology. The agreement allows Recordati to commercialize the medicines Avodart® (dutasteride) and Combodart®/Duodart® (dutasteride/tamsulosin) in 21 countries, mainly in Europe starting from Q3 2023.

5. Remuneration for participation in board committees and for members of the Board of Statutory Auditors

Remuneration paid for members of Committees was paid⁸ - the following fixed fees:

Remuneration and Nominations Committee		Risk, Control and CSR Committee	
Chair	€ 25,000	Chair	€ 32,500
Member	€ 10,000	Member	€ 20,000

Below is the remuneration to the members of the Board of Statutory Auditors for 2023:

Board of Statutory Auditors ⁹	
Chair	€ 67,589
Statutory Auditor	€ 48,493

6. Non-monetary benefits

During 2023 benefits were awarded in line with the Policy, with regard to the Chief Executive Officer and the other Key Management Personnel members, the value of which is shown in Table 1.

7. Information on the consequences of termination of employment or management relationship

No severance payments were made to Executive Directors and Key Management Personnel.

7.1 Annual variations in remuneration paid and corporate performance

In line with the requirements introduced by the updated version of the Issuers' Regulation published by Consob and in light of the remuneration paid described in this Section of the 2024 Report on the Remuneration Policy and the Remuneration Paid, the following is a comparison, considering the 2020, 2021, 2022 and 2023 Financial Years, of the annual variations:

- in the total remuneration paid to the members of the Board of Directors and the Board of Statutory Auditors in office in the entire period taken into consideration (from 1st January 2020 to 31st December 2023), calculated as the sum of fixed remuneration, including the remuneration for the Board and Committees membership, and variable short- and long-term remuneration;
- in the Company's results, expressed in terms of EBITDA;
- in the average gross annual remuneration of the Company's employees, excluding the Chief Executive Officer, calculated as the sum of the fixed annual remuneration, the MBO plan, the Product Bonus, the Participation Bonus and any one-off payments made during the year.

⁸ The amounts indicated in this paragraph refer to the resolution of the Board of Directors appointed by the Shareholders' Meeting on 29th April 2022 and governs the remuneration for the 2022-2024 term unless otherwise determined

⁹ On *pro rata temporis* basis: It should be noted in fact that the amount is equal to the sum of: the fees for the period until 20 April 2023 on the basis of the annual remuneration previously resolved by the Shareholders' Meeting in 2020 and the fees for the period until 31 December 2023 on the basis of the new annual remuneration resolved by the Shareholders' Meeting after the renewal of the Statutory Auditors in 2023.

BOARD OF DIRECTORS

NAME	POSITION	Δ 2023-2022	Δ 2023-2021	Δ 2023-2020	Δ 2023-2019
Andrea Recordati	Chair	-21% (1)	-86% (1)	-84% (1)	-87% (1)
Robert Koremans	Chief Executive Officer	71% (2)	1761% (2)	N/A	N/A
Michaela Castelli	Director	4%	14%	14%	16%
Giampiero Mazza	Director	N/A (3)	N/A (3)	N/A (3)	N/A (3)
Cathrin Petty	Director	N/A (3)	N/A (3)	N/A (3)	N/A (3)
Guido Guidi	Director	0% (4)	50% (4)	50% (4)	N/A
Joanna Le Couilliard	Director	4%	13%	9%	10%
Piergiorgio Peluso	Director	4% (4)	14% (4)	70% (4)	N/A
Giorgio De Palma	Director	N/A (3)	N/A (3)	N/A (3)	N/A (3)
Kim Stratton	Director	0% (5)	2900% (5)	N/A	N/A
Elisa Corgi	Director	49% (6)	N/A	N/A	N/A
Luigi La Corte	Director	49% (6)	N/A	N/A	N/A

- (1) Chief Executive Officer until 30th November 2021 and after Chair
(2) Chief Executive Officer from 1st December 2021
(3) Director has waived any remuneration for the position of Director
(4) Director from 29th April 2020
(5) Director from 16th December 2021
(6) Director from 29th April 2022

BOARD OF STATUTORY AUDITORS*

NAME	POSITION	Δ 2023-2022	Δ 2023-2021	Δ 2023-2020	Δ 2023-2019
Antonio Santi	Chair	10%	10%	17%	36%
Ezio Simonelli	Statutory Auditor	7%	7%	60% (1)	N/A
Livia Amidani Alibert	Statutory Auditor	7%	7%	14%	37%

- * On *pro rata temporis* basis
(1) Statutory Auditor from 29/04/2020

CORPORATE PERFORMANCE

PARAMETER	Δ 2023-2022	Δ 2023-2021	Δ 2023-2020	Δ 2023-2019
EBITDA*	13%	26%	33%	39%

* Net income before income taxes, financial income and expenses, depreciation and write down of both property, plant and equipment, intangible assets and goodwill, and non-recurring events.

AVERAGE EMPLOYEE REMUNERATION

PERIMETER	Δ 2023-2022	Δ 2023-2021	Δ 2023-2020	Δ 2023-2019
Total number of employees as of 31 st December*	10.9%	16.0%	16.4%	18.4%

* Excluding the Chief Executive Officer.

Part II

Table 1 - Remuneration paid to Directors, Statutory Auditors, General Managers and other Key Management Personnel

(€000)

Tab 1												
Remuneration paid to Directors (*)												
A Name and Surname	B Position	C Period in which the office was held (A)	D Date at which the office ends	1 Fixed remuneration	2 Remuneration for attendance on committees	3 Non-equity variable remuneration		4 Non-monetary benefits (C)	5 Other remuneration (D)	6 TOTAL	7 Fair Value of equity remuneration (E)	8 Severance indemnity for end of office or termination of employment
						Bonuses and other incentives (B)	Share in profits					
Board of Directors												
Andrea Recordati	Chair	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024									
(I) Compensation in the company preparing the financial statements				(i)	60					60	13	
				(ii)	240			2		242		
(II) Compensation from subsidiaries or affiliate companies												
(III) Total					300			2		302		
Guido Angelo Giovanni Guidi	Vice-Chair	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024									
(I) Compensation in the company preparing the financial statements				(i)	60					60		
				(iii)	30					30		
(II) Compensation from subsidiaries or affiliate companies												
(III) Total					90					90		

Robert Koremans	CEO	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(i)	60					60			
				(iv)	590		912		77	(v)	300	1.879	559
(II) Compensation from subsidiaries or affiliate companies													
(III) Total					650		912		77		300	1.939	559
Michaela Castelli	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(i)	60	(vi)	10					70	
						(vii)	33					33	
(II) Compensation from subsidiaries or affiliate companies													
(III) Total					60		43					103	
Elisa Corghi	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(i)	60	(vi)	10					70	
						(vii)	20					20	
(II) Compensation from subsidiaries or affiliate companies													
(III) Total					60		30					90	
Giorgio De Palma	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(viii)	0							0	
(II) Compensation from subsidiaries or affiliate companies													
(III) Total					0							0	
Luigi La Corte	Director and Group CFO	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(i)	60							60	
				(ix)	531		389		8			928	238
(II) Compensation from subsidiaries or affiliate companies													
(III) Total					591		389		8			988	238
Joanna Susan Le Couilliard	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024										
(I) Compensation in the company preparing the financial statements				(i)	60	(vi)	25					85	

(II) Compensation from subsidiaries or affiliate companies											
(III) Total				60	25				85		
Giampiero Mazza	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024								
(I) Compensation in the company preparing the financial statements				(x)	0				0		
(II) Compensation from subsidiaries or affiliate companies											
(III) Total					0				0		
Piergiorgio Peluso	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024								
(I) Compensation in the company preparing the financial statements				(i)	60	(vii)	20			80	
(II) Compensation from subsidiaries or affiliate companies											
(III) Total					60		20			80	
Cathrin Petty	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024								
(I) Compensation in the company preparing the financial statements				(xi)	0				0		
(II) Compensation from subsidiaries or affiliate companies											
(III) Total					f				0		
Kim Narelle Stratton	Director	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024								
(I) Compensation in the company preparing the financial statements				(i)	60				60		
(II) Compensation from subsidiaries or affiliate companies				(iii)	30				30		
(III) Total					90				90		

Remuneration paid to Statutory Auditors											
Antonio Santi	Chair	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024								
(I) Compensation in the company preparing the financial statements					68				68		
(II) Compensation from subsidiaries or affiliate companies											
(III) Total					68				68		

Livia Amidani Aliberti	Statutory Auditor	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024							
(I) Compensation in the company preparing the financial statements		48						48		
(II) Compensation from subsidiaries or affiliate companies										
(III) Total		48						48		
Ezio Simonelli	Statutory Auditor	01.01.2023 31.12.2023	Approval of the financial statements as at 31/12/2024							
(I) Compensation in the company preparing the financial statements		48						48		
(II) Compensation from subsidiaries or affiliate companies										
(III) Total		48						48		

Remuneration paid to Key Management Personnel
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N. 5 Key Management Personnel members of the Company (1) N. 1 Key Management Personnel members of subsidiaries										
(I) Compensation in the company preparing the financial statements	2.145		1.641		176		3.959	939		
(II) Compensation from subsidiaries or affiliate companies										
(III) Total	2.145		1.641		176		3.959	939		

- (B) This value corresponds to what is indicated in Table 3B with regard to the sum of: (i) payable bonus of the year; (ii) deferred bonus of the year; (iii) other bonuses.
- (C) This item includes the taxable value of the non-monetary benefits for which the company offers a good and/or service by directly assuming payment of the same.
- (D) The amounts shown include monetary benefits paid directly by the company to the employee.
- (E) These values correspond to what is indicated in Table 3A with regard to the "Fair Value of the financial instruments attributable to the year".

- (i) Fees within the competence of the shareholders' meeting, even if not paid.
- (ii) Remuneration for special offices pursuant to Article 2389 paragraph 3 cc as Chairman
- (iii) Consulting agreement with Recordati SpA
- (iv) Remuneration for special offices pursuant to Article 2389 paragraph 3 cc as Chief Executive Officer
- (v) Amount recognised as non-compete obligations
- (vi) Amount recognized for participation in the Remuneration and Nomination Committee

(vii) Amount recognized as Chairman of the Control, Risk and Sustainability Committee.

(viii) Mr. Giorgio De Palma has waived any remuneration for the position of Director.

(ix) Remuneration as Group CFO

(x) Dr. Giampiero Mazza has waived any compensation for the position of Director

(xi) Dr. Cathrin Petty has waived any compensation for the position of Director.

(1) In office as of 31.12.2023 there are two managers - in addition to Group CFO, Luigi La Corte, who is also a Director - qualified as key manager personnel (one is an employee of the Company and one is an employee of a subsidiary). In relation to the further four managers qualified as key manager personnel (employees of the Company), as listed in paragraph 3 of Part I of this Section II, the Board of Directors determined to remove this qualification for the relevant roles during 2023. The information shown in the table relates to the period during which this qualification was in place.

Table 2 - Stock Options assigned to Directors, General Managers and other Key Management Personnel members

A	1	Options held as at 01.01.2023			Options assigned in 2023						Options exercised in 2023			Options expired in 2023	Options held as at 31.12.2023	Options related to 2023
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Name and Surname and position held as at 31.12.2023	Plan - Resolution date	Number of options	Exercise price (€)	Exercise period (from - to)	Number of options	Exercise price (€)	Exercise period (from - to)	Fair value as at date of assignment (€)	Date of assignment	Market price of Recordati share as at date of assignment of options (€)	Number of options	Exercise price (€)	Market price of Recordati share as at exercise date (€)	Number of options	Number of options	Fair value (€)
Andrea Recordati Chairman	Plan 2014-2018 - 17.04.2014	27.000 27.000 27.000 27.000	21,93 21,93 21,93 21,93	2018*-31.12.24 2019*-31.12.24 2020*-31.12.24 2021*-31.12.24							-					
	Plan 2018-2022 - 18.04.2018	50.000 50.000 50.000 50.000	30,73 30,73 30,73 30,73	2020*-31.12.26 2021*-31.12.26 2022*-31.12.26 2023*-31.12.26								-				
Robert Koremans CEO	Plan 2021-2023 - 20.04.2021	130.000 130.000	56,01 47,52	2024*-31.12.29 2025*-31.12.30							-					
	Plan 2018-2022 - 18.04.2018	10.000 20.000 20.000 20.000	30,73 30,73 30,73 30,73	2020*-31.12.26 2021*-31.12.26 2022*-31.12.26 2023*-31.12.26							70.000	30,73	46,65			
Luigi La Corte Group Chief Financial Officer	Plan 2021-2023 - 20.04.2021	60.000 75.000	45,97 47,52	2024*-31.12.29 2025*-31.12.30							-					
	Plan 2014-2018 - 17.04.2014	1.500 34.500 34.500 34.500	21,93 21,93 21,93 21,93	2018*-31.12.24 2019*-31.12.24 2020*-31.12.24 2021*-31.12.24							10.000 55.000 10.000 10.000 10.000	21,93 21,93 21,93 21,93 21,93	42,24 46,95 46,82 44,10 45,90			
N. 6 Key Management Personnel members of the Company (*)	Plan 2018-2022 - 18.04.2018	48.750 56.250 71.250 71.250	30,73 30,73 30,73 30,73	2020*-31.12.26 2021*-31.12.26 2022*-31.12.26 2023*-31.12.26							17.500 22.500 7.500 5.000	30,73 30,73 30,73 30,73	46,19 46,89 46,47 46,38			
	Plan 2021-2023 - 20.04.2021	277.500 265.000	45,97 47,52	2024*-31.12.29 2025*-31.12.30							-					
	Plan 2014-2018 - 17.04.2014	1.500 34.500 34.500 34.500	21,93 21,93 21,93 21,93	2018*-31.12.24 2019*-31.12.24 2020*-31.12.24 2021*-31.12.24							10.000 55.000 10.000 10.000 10.000	21,93 21,93 21,93 21,93 21,93	42,24 46,95 46,82 44,10 45,90			

* 30 days after the Shareholders' Meeting approving the financial statements of the previous financial year. (*) of which 1 Manager with Strategic Responsibilities of subsidiaries

Table 3A – Incentive plans based on financial instruments, other than stock options, in favour of Directors and other Key Management Personnel

TABELLA 3A													
Incentive plans based on financial instruments, other than stock options, in favour of Directors and other Key Management Personnel													
			Financial instruments assigned in previous years not vested during the year		Financial instruments assigned during the year					Financial instrument vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments for the year
A	B	1	2	3	4	5	6	7	8	9	10	11	12
Name Surname	Position	Plan	Number and type of financial instruments	Vesting Period	Number and type of financial instruments	Fair value at the allocation date	Vesting Period	Allocation date	Market price at allocation	Number and type of financial instruments	Number and type of financial instruments	Value at the date of maturity	Fair value
Robert Koremans	CEO	2023 - 2025 Plan 21/04/2023			26,111 Performance Shares	1,062,892	3 years 2023 - 2025	27/06/2023	42.71				191,484
N. 6 Key Management Personnel members of the Company ⁽¹⁾ N. 1 Key Management Personnel members of subsidiaries		2023 - 2025 Plan 21/04/2023			60,484 Performance Shares	2,462,102	3 years 2023 - 2025	27/06/2023	42.71				443,558
(III) Total						3,524,994							635,042

Table 3B - Monetary incentive plans for Directors, General Managers and other Key Management Personnel

Cash plans granted to Directors, General Managers and other Key Management Personnel members									
A	B	1	2			3			4
Name and Surname	Position	Plan	Bonus for 2023			Bonuses for prior years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / paid	Deferred	Deferment period	No longer payable	Payable / paid	Still deferred	
Robert Koremans	CEO	MBO 2023	911.991						
Luigi La Corte	CFO	MBO 2023	389.340						
N. 5 Key Management Personnel members of the Company (1) N. 1 Key Management Personnel members of subsidiaries		MBO 2023	1.485.985						
		Other Bonuses (2)							155.333
Total			2.787.316	0	0	0	0	0	155.333

(1) In office as of 31.12.2023 there are two managers – in addition to Group CFO, Luigi La Corte, who is also a Director – qualified as key manager personnel (one is an employee of the Company and one is an employee of a subsidiary). In relation to the further four managers qualified as key manager personnel (employees of the Company), as listed in paragraph 3 of Part I of this Section II, the Board of Directors determined to remove this qualification for the relevant roles during 2023. The information shown in the table relates to the period during which this qualification was in place.

(2) Bonuses other than annual STI, such as transaction bonus.

Table 4 - Shares held by Directors, Statutory Auditors, General Managers and other Key Management Personnel

Board of Directors (Name and Surname)	Position	Recordati S.p.A. type of shares	No. of shares held as at 31.12.22	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as at 31.12.23
DIRECTORS IN OFFICE						
<i>Andrea Recordati *</i>	Chair	ordinary	118.000	-	-	118.000
<i>Guido Guidi</i>	Vice-Chair	ordinary	-	-	-	-
<i>Robert Koremans</i>	Chief Executive Officer	ordinary	745	-	-	745
<i>Luigi La Corte</i>	Director	ordinary	1.450	70.000*	60.000*	11.450
<i>Michaela Castelli</i>	Director	ordinary	-	-	-	-
<i>Giorgio De Palma</i>	Director	ordinary	-	-	-	-
<i>Joanna Le Couilliard</i>	Director	ordinary	-	-	-	-
<i>Giampiero Mazza</i>	Director	ordinary	-	-	-	-
<i>Piergiorgio Peluso</i>	Director	ordinary	-	-	-	-
<i>Cathrin Petty</i>	Director	ordinary	-	-	-	-
<i>Elisa Corghi</i>	Director	ordinary	-	-	-	-
<i>Kim Stratton</i>	Director	ordinary	-	-	-	-

(*) Shares resulting from the exercise of stock options

Board of Statutory Auditors (Name and Surname)	Position	Recordati S.p.A. type of shares	No. of shares held as at 31.12.22	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as at 31.12.23
Antonio Santi	Chair	ordinary	-	-	-	-
Livia Amidani Aliberti	Statutory Auditor	ordinary	-	-	-	-
Ezio Simonelli	Statutory Auditor	ordinary	-	-	-	-

	Recordati S.p.A. type of shares	No. of shares held as at 31.12.22	No. of shares purchased in 2023	No. of shares sold in 2023	No. of shares held as at 31.12.23
N. 5 Key Management Personnel members of the Company N. 1 Key Management Personnel members of subsidiaries (*)	ordinary	-	147.625 (1) (2)	147.500 (1)	125 (3)

(*) In office as of 31.12.2023 there are two managers - in addition to Group CFO, Luigi La Corte, who is also a Director - qualified as key manager personnel (one is an employee of the Company and one is an employee of a subsidiary). In relation to the further four managers qualified as key manager personnel (employees of the Company), as listed in paragraph 3.7 of Section I, the Board of Directors determined to remove this qualification for the relevant roles during 2023. The information shown in the table relates to the period during which this qualification was in place.

(1) Include shares resulting from the exercise of stock options

(2) of which no. 125 shares purchased by a spouse

(3) Shares held by a spouse

Tab 5 - outline 7 of Annex 3A of Regulation No. 11971/1999

TABLE No. 1 of outline 7 of Annex 3A of Regulation No. 11971/1999

NAME OR CATEGORY	POSITION	FRAME 2 Stock Option							
		SECTION ONE Options relating to currently valid plans, approved on the basis of previous shareholders' resolutions							
		Date of the shareholders' resolution	Description of instrument	Options held as at 31 st December 2023	Options exercised since beginning of the plan until 31 st December 2023 ****	Date of grant by BoD	Exercise price €	Market price of the underlying financial instruments on the grant date (official price) €	Exercise period (from to) ***
Andrea Recordati	Chair				2014-2018 Plan: 180.000 2018-2022 Plan: 0				
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	108.000		13/04/2016	21,93	22,318	2018** - 31.12.2024 (1° tranche) 2019** - 31.12.2024 (2° tranche) 2020** - 31.12.2024 (3° tranche) 2021** - 31.12.2024 (4° tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	200.000		03/08/2018	30,73	31,920	2020** - 31.12.2026 (1° tranche) 2021** - 31.12.2026 (2° tranche) 2022** - 31.12.2026 (3° tranche) 2023** - 31.12.2026 (4° tranche)
Koremans Robert	Director and Chief Executive Officer	20/04/2021	Options on Recordati S.p.A. shares with physical delivery	130.000	2021-2023 Plan: 0	01/12/2021	56,01		2024** - 31.12.2029
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	130.000		24/02/2022	47.52		2025** - 31.12.2030

** Thirty days following the shareholders meeting held to approve the annual report of the previous year.

*** Tranches of options which already vested and not yet exercised subsequent to vesting may be exercised before and not later than the end of the eighth financial year following that in which the Board of Directors granted the options. Furthermore, each tranche consists of 25% of the options granted to the participant.

**** Options exercised and expired are excluded.

NAME OR CATEGORY	POSITION	FRAME 2							
		Stock option							
		Options relating to currently valid plans, approved on the basis of previous shareholders' resolutions							
Date of the shareholders' resolution	Description of instrument	Options held as at 31 st December 2023	Options exercised since beginning of the plan until 31 st December 2023 ***	Date of grant by BoD	Exercise price €	Market price of the underlying financial instruments on the grant date (official price) €	Exercise period (from to) *		
Luigi La Corte	Group Chief Financial Officer	18/04/2018	Options on Recordati S.p.A. shares with physical delivery	0	2018-2022 Plan: 80.000 2021-2023 Plan: 0	03/08/2018	30,73	31,920	2020** - 31.12.2026 (1° tranche) 2021** - 31.12.2026 (2° tranche) 2022** - 31.12.2026 (3° tranche) 2023** - 31.12.2026 (4° tranche)
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	60.000		06/05/2021	45,97		2024** - 31.12.2029
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	75.000		24/02/2022	47.52		2025** - 31.12.2030
N. 6 Key Management Personnel		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	10.000	2014-2018 Plan: 358.000 2018-2022 Plan: 90.000 2021-2023 Plan: 0	13/04/2016	21,93	22,328	2018** - 31.12.2024 (1° tranche) 2019** - 31.12.2024 (2° tranche) 2020** - 31.12.2024 (3° tranche) 2021** - 31.12.2024 (4° tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	195.000		03/08/2018	30,73	31,920	2020** - 31.12.2026 (1° tranche) 2021** - 31.12.2026 (2° tranche) 2022** - 31.12.2026 (3° tranche) 2023** - 31.12.2026 (4° tranche)
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	277.500		20/04/2021	45,97		2024** - 31.12.2029
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	265.000		24/02/2022	47.52		2025** - 31.12.2030
Other Beneficiaries as at 31.12. 2023 (260)		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	581.500	2014-2018 Plan: 7.542.250 2018-2022 Plan: 2.128.750 2021-2023 Plan: 0	13/04/2016	21,93	22,328	2018** - 31.12.2024 (1° tranche) 2019** - 31.12.2024 (2° tranche) 2020** - 31.12.2024 (3° tranche) 2021** - 31.12.2024 (4° tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	1.498.000		03/08/2018	30,73	31,920	2020** - 31.12.2026 (1° tranche) 2021** - 31.12.2026 (2° tranche) 2022** - 31.12.2026 (3° tranche) 2023** - 31.12.2026 (4° tranche)
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	2.054.000		20/04/2021	45,97		2024** - 31.12.2029
		20/04/2021	Options on Recordati S.p.A. shares with physical delivery	2.623.000		24/02/2022	47.52		2025** - 31.12.2030

* Tranches of options already vested and not yet exercised subsequent to vesting may be exercised before and not later than the end of the eighth financial year following that in which the Board of Directors granted the options. Furthermore, each tranche consists of 25% of the options granted to the participant.

** Thirty days following the shareholders meeting held to approve the annual report of the previous year.

*** Options exercised and expired are excluded.

Table no. 1 of scheme 7 of Annex 3A to Regulation no. 11971/1999

Performance Shares Plan 2023 - 2025								
Financial instruments other than <i>stock options</i>								
			New assignment instruments on the basis of the decision of the board of directors to propose to the shareholders' meeting					
Name and Surname or Category	Office	Date of the relevant meeting resolution	Type of financial instrument	Number of financial instruments assigned	Grant date	Instrument purchase price (if applicable)	Market price at the time of the grant	Vesting period
Robert Koremans	CEO	21/04/2023	Performance Shares	26,111	27/06/2023	NA	42.71	3 years 2023 - 2025
N. 6 Key Management Personnel members of the Company N. 1 Key Management Personnel members of subsidiaries		21/04/2023	Performance Shares	60,484	27/06/2023	NA	42.71	3 years 2023 - 2025
Other Beneficiaries (n. 370)		21/04/2023	Performance Shares	353,890	27/06/2023	NA	42.71	3 years 2023 - 2025