

# **REPORT ON REMUNERATION POLICY AND COMPENSATION PAID OF EUROTECH SPA**



**Approved by the Board of Directors on May 11, 2021**

*This document has been translated into English for the convenience of readers outside Italy.*

*The original Italian document should be considered the authoritative version.*

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## REPORT ON REMUNERATION POLICY AND COMPENSATION PAID

This report on the remuneration policy and compensation paid ("**Report on Remuneration**" or the "**Report**") has been prepared pursuant to Article 123-ter of Legislative Decree no. 58 of 24 February 1998 ("**TUF**") and Article 84-quater of the Consob regulation adopted by resolution no. 11971 of 14 May 1999 ("**Issuers' Regulation**") and has been prepared in accordance with Annex 3A, Schedule 7-bis of the same regulation, as most recently amended in implementation of D.Legislative Decree no. 49 of May 10, 2019 ("**Legislative Decree 49/2019**") - implementing Directive (EU) 2017/828 of the European Parliament and of the Council of May 17, 2017 (so-called *Shareholders' Right Directive II*), amending Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies with regard to the encouragement of long-term shareholder engagement (the "**Directive**").

The Compensation Report is divided into the following sections:

Section I - in compliance with art. 123-ter of the Consolidated Law on Finance and art. 9-bis of the Directive - illustrates the Company's policy concerning the remuneration of the members of the Board of Directors, General Managers and other Key Management Personnel and, without prejudice to the provisions contained in art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors of the Company, as well as the procedures used for the adoption, review and implementation of this policy, including the measures aimed at avoiding or managing any conflict of interests;

-Section II, by name, for the fees paid to Directors and Auditors:

- provides an adequate, clear and comprehensible representation of each of the items that make up remuneration, including treatments provided for in the event of termination of office or termination of employment, highlighting their consistency with the Company's remuneration policy for the year in question;
- analytically illustrates the fees paid during the year for any reason and in any form by the Company and its subsidiaries or associated companies, indicating any components of said fees that refer to activities carried out in previous years and also showing the fees to be paid in one or more subsequent years for the activities carried out in the year of reference, possibly indicating an estimated value for the components that cannot be objectively quantified in the year of reference.

Moreover, Section II contains (i) information on equity investments held in the Issuer and its subsidiaries by the members of the management and control bodies, as well as by spouses who are not legally separated and minor children, in compliance with the provisions of art. 84-quater of the Issuers' Regulation; and (ii) information on financial instruments assigned in implementation of the plans approved pursuant to art. 114-bis of the Consolidated Law on Finance, in compliance with the provisions of art. 84-bis, paragraph 5 of the Issuers' Regulation.

## **SECTION I**

This section of the Remuneration Report describes and illustrates the remuneration policy of Eurotech S.p.A. (hereinafter, respectively, the "**Remuneration Policy**" or also the "**Policy**", and "**Eurotech**" or also the "**Company**"), which defines the principles and guidelines to which the Eurotech Group adheres in determining and monitoring the application of the remuneration practices of the Directors, the General Manager(s) (if appointed) and the other Executives with strategic responsibilities (if identified) of Eurotech and, if applicable, of similar key figures present in other companies belonging to the Eurotech Group as well as, without prejudice to the provisions of art. 2402 of the Italian Civil Code, the members of the Board of Statutory Auditors.

On 11 May 2021, the Board of Directors approved, on the proposal of the Appointments and Remuneration Committee (hereinafter also the "**Committee**"), the amendment to the remuneration policy last submitted to the Shareholders' Meeting in April 2020, which had a two-year term. This amendment was necessary due to the change in the role of Managing Director of Eurotech, since the Board of Directors, following the resignation of Roberto Siagri, appointed Mr. Paul Chawla for this role, pursuant to art. 2386 of the Italian Civil Code and the Articles of Association.

As provided for by Consob Regulation no. 17221 of 12 March 2010 on related party transactions as subsequently amended (the "**Related Parties Regulation**"), as implemented in the internal procedure adopted by the Company available on the *website* [www.eurotech.com](http://www.eurotech.com) (Section "*investors - corporate governance*") (the "**RPT Procedure**"), the approval of the Remuneration Policy by the Shareholders' Meeting exempts the Company from applying the said procedure for related party transactions in resolutions concerning the remuneration of Directors and other Key Management Personnel, when:

- (i) the company has adopted a remuneration policy approved by the Shareholders' Meeting;
- (ii) a committee made up exclusively of non-executive directors or directors, the majority of whom are independent, was involved in defining the remuneration policy;
- (iii) the remuneration awarded is identified in accordance with this policy and quantified on the basis of criteria that do not involve discretionary assessments.

Moreover, pursuant to art. 13, paragraph 1 of the Related Parties Regulation, the RPT Procedure does not apply to the shareholders' resolutions referred to in art. 2389, paragraph 1, of the Italian Civil Code, concerning the remuneration due to the members of the Board of Directors and of the Executive Committee (if constituted), nor to the resolutions on the remuneration of Directors holding specific offices falling within the total amount previously determined by the Shareholders' Meeting pursuant to art. 2389, paragraph 3, second sentence, of the Italian Civil Code.

### **a) bodies or individuals involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or individuals responsible for the correct implementation of this policy**

The main persons and bodies of Eurotech involved in the preparation, approval and review of the Remuneration Policy are the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee and the Board of Statutory Auditors.

## Board of Directors

### Board of Directors:

- it sets up an internal Remuneration Committee (which was recently set up and is also responsible for appointments, as the "Appointments and Remuneration Committee";
- in line with the Remuneration Policy, determines the remuneration of Directors holding specific offices, subject to the opinion of the Board of Statutory Auditors and upon proposal of the Committee;
- defines, upon proposal of the Committee, the Remuneration Policy, as well as its possible revision;
- prepares the Remuneration Report, pursuant to art. 123-ter of the Consolidated Law on Finance, art. 84-quater of the Issuers' Regulation and art. 5 of the *Corporate Governance Code* promoted by the *Corporate Governance Committee* (the "**Corporate Governance Code**"), submits it to the approval of the Shareholders' Meeting pursuant to art. 123-ter, paragraph 3-bis, of the Consolidated Law on Finance and takes care of its implementation;
- it prepares any remuneration plan based on shares or other financial instruments for Directors, employees (including the General Manager(s), if appointed, and the other Key Managers, if identified) and collaborators, submits it to the approval of the Shareholders' Meeting pursuant to art. 114-bis of the Consolidated Law on Finance and takes care of its implementation.

Pursuant to the Articles of Association and the law, the term of office of the Board of Directors in office as at the date of this Remuneration Report expires with the approval by the Shareholders' Meeting of the financial statements as at 31 December 2022.

### Nomination and Remuneration Committee

The Company's Nominating and Compensation Committee, established within the Board of Directors in accordance with the Corporate Governance Code, is comprised of all non-executive Directors, the majority of whom are independent.

The Appointments and Compensation Committee, which assists the Board of Directors in carrying out the duties assigned to it in matters of compensation, is responsible for, among other things:

- (i) propose the adoption and revision of the Remuneration Policy for Directors, General Managers and other Managers with strategic responsibilities;
- (ii) to submit proposals or express opinions to the Board of Directors on the remuneration of executive Directors and other Directors holding specific offices, as well as on the setting of any *performance* targets related to the variable component of remuneration, monitoring the application of the decisions adopted by the Board and verifying, in particular, the actual achievement of *performance* targets;
- (iii) periodically assessing the adequacy and overall consistency of the Remuneration Policy for Executive Directors, other Directors holding particular offices and other Managers with strategic responsibilities.

In particular, the Appointments and Remuneration Committee, when defining the above-mentioned remunerations, takes into due consideration: the consistency with those awarded during the previous terms of office, the congruity with the commitments undertaken and the responsibilities

of the offices held, the professional qualifications held by the persons concerned, as well as the size of the Company, of the Eurotech Group and its growth prospects.

### *Members' meeting*

On the subject of remuneration, the Shareholders' Meeting:

- determines the remuneration of the members of the Board of Directors and the Board of Statutory Auditors in accordance with the law and the Articles of Association;
- casts (i) a binding vote on Section I of the Remuneration Report prepared by the Board of Directors (on the proposal of the Committee), with the frequency required by the duration of the Remuneration Policy and in any event on the occasion of amendments to said Policy; and (ii) a non-binding vote on Section II of the Report on an annual basis;
- resolves on any remuneration plans based on shares or other financial instruments of the Company for Directors, employees (including the General Manager(s), if appointed, and the other key management personnel, if identified) and collaborators, pursuant to art. 114-bis of the Consolidated Law on Finance.

Temporary deviation from the Remuneration Policy approved by the Shareholders' Meeting is permitted only in exceptional circumstances, i.e. when the deviation from the Remuneration Policy is necessary for the purposes of pursuing the long-term interests and sustainability of the Company as a whole or to ensure its ability to stand on the market. On this point, please refer to paragraph o-bis below.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will be required to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, in accordance with current practice. At the next Shareholders' Meeting to approve the financial statements, the Company shall submit a new Remuneration Policy to a vote of the Shareholders' Meeting.

### *Board of Auditors*

The Board of Statutory Auditors expresses its opinion on the proposals for the remuneration of the executive Directors and, more generally, of the Directors holding specific offices pursuant to art. 2389, paragraph 3 of the Italian Civil Code and art. 20, paragraph 2 of the Articles of Association, by verifying the consistency of the proposals with the Remuneration Policy.

### **b) the possible involvement of a remuneration committee or of another committee competent in this field, describing its composition (with the distinction between non-executive and independent Directors), its powers and operating procedures and any further measures aimed at avoiding or managing conflicts of interest**

In the light of the provisions of art. 2.2.3, paragraph 3, letter m) of the Stock Exchange Regulations, applicable to issuers with STAR qualification, and in compliance with the Corporate Governance Code, the Company set up an Appointments and Remuneration Committee within its Board of Directors.

The Committee in office as at the date of this Report was appointed by the Board of Directors on May 4, 2020, and is composed of non-executive Directors, the majority of whom are independent in the persons of Director Maria Grazia Filippini (Chairman) and Directors Laura Rovizzi and Susanna Curti. All the members of the Committee have experience in financial matters or remuneration policies.

The Committee has advisory and proposing functions with reference to the Remuneration Policy, as specified in paragraph a) above.

Accordingly, the Compensation Policy was approved by the Board of Directors, upon recommendation of the Committee.

As mentioned above, the Board of Directors is responsible for the implementation of the Remuneration Policy, with the power to delegate to the Chairman of the Board of Directors and Managing Director of the Company and/or the Vice Chairman *pro tempore* in office, subject to the involvement of the Committee in the cases envisaged by the policy, it being understood that any decision relating to and/or pertaining to the implementation of the Remuneration Policy concerning one of the above-mentioned subjects shall remain the exclusive competence of the Board.

In carrying out its functions, the Committee had the possibility to access the information and corporate functions necessary to perform its duties as well as to make use of external consultants, within the terms set out by the Board of Directors.

No Director takes part in Committee meetings during which proposals are made to the Board of Directors regarding their remuneration. Given that the General Meeting of Shareholders referred the determination of the remuneration of Directors holding special offices to the Board of Directors, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, the members of the Committee necessarily took part in the meetings during which proposals were formulated concerning (also) their remuneration as members of the Committee.

**b-bis) how the company has taken into account the remuneration and working conditions of its employees in determining its remuneration policy**

The Remuneration Policy is not strictly linked to the level of remuneration and working conditions of the Group's employees. In particular, with specific regard to the remuneration of the Chairman and Managing Director and, in general, of the *top managers*, it is believed that the type of work carried out and expected by the Company from the aforesaid persons, together with their intrinsic infungibility, makes them not comparable with the work performed by other Group employees.

**c) the names of any independent experts involved in the preparation of the remuneration policy**

For the purposes of preparing the Remuneration Policy as a whole, the Company did not make use of the support of independent experts. Instead, during 2020 and in the context of the preliminary investigation regarding the Eurotech share-based incentive plan that will be submitted for approval to the Shareholders' Meeting of June 11, 2021, the Committee used the support of the consulting firm Willis Tower Watson.

**(d) the purposes pursued by the compensation policy, the principles underlying it, its duration and, in the event of a review, a description of the changes from the compensation policy last submitted to the shareholders' meeting and how such review takes into account the votes and evaluations expressed by the shareholders at such meeting or subsequently**

The Company's Remuneration Policy - and, in particular, the policy on variable remuneration components - contributes to the Company's corporate strategy and the pursuit of the long-term interests and sustainability of the Company.

The remuneration of Directors, General Managers and other Executives with strategic responsibilities is defined in such a way as to ensure an overall remuneration structure capable of recognizing the professional value of the persons involved and to allow an adequate balance of fixed and variable components with the aim of creating sustainable value in the medium and long term, to ensure a direct link between remuneration and specific *performance* objectives, as well as to foster the loyalty of said persons through personal motivation and a sense of belonging to the Company and the Eurotech Group.

In particular, the guidelines inspiring the Remuneration Policy are based on the following criteria:

- (i) the fixed component and the variable component take into account the strategic objectives and related business risks assumed by the Company, with the variable part representing a significant part of the total remuneration;
- (ii) the variable component has a maximum limit;
- (iii) the fixed component is sufficient to remunerate the performance of the person concerned should the variable component not be paid due to failure to achieve the objectives assigned;
- (iv) the Company is permitted to demand the return, in whole or in part, of variable components of remuneration paid determined on the basis of data which subsequently prove to be manifestly incorrect or other circumstances identified by the Company;
- (v) the provision of clear and predetermined rules for the payment of indemnities for the termination of the employment relationship, defining the maximum limit of the overall sum payable, linking it to a certain amount or a certain number of years of remuneration, and also providing that such indemnity is not paid if the termination of the relationship is due to the achievement of objectively inadequate results.

The amount of the variable component to be paid to each individual is determined based on actual achievement of results, as verified by the Board of Directors with the support of the Committee.

The Compensation Policy shall be in effect for one year.

As anticipated in the introduction to this Section I, the Remuneration Policy was amended by the Board of Directors on May 11, 2021, which approved, on the proposal of the Committee, the amendment to the remuneration policy last submitted to the Shareholders' Meeting last April 2020, which had a two-year term. This amendment was made necessary by virtue of the change in the role of Managing Director of Eurotech, the Board of Directors having, following the resignation of Roberto Siagri, designated Mr. Paul Chawla for this role, pursuant to art. 2386 of the Italian Civil Code and the Articles of Association.

The amendment to the Remuneration Policy does not specifically take account of the votes and assessments expressed by the shareholders at the previous General Meeting or subsequently (although, overall, the policy most recently put to the vote at the General Meeting received broad



consensus, having been approved with the favourable vote of 77.8% of the capital represented at the General Meeting), since this amendment is primarily linked, as anticipated, to the recent change in the role of Managing Director of Eurotech and the agreements also relating to the remuneration profiles in place between the latter and the Company.

The main changes include, in particular, the ratio between the amount of the variable component based on monetary incentive plans and the fixed remuneration attributed to the executive Directors, which compared to the previous policy and also as an exception to it (on which reference should be made to Section II - first part of the Remuneration Report) has been increased from 75% to 100%. In this context, it is also intended to provide for a medium-long term variable component based on shares instead of a monetary one.

This Remuneration Report also illustrates further aspects of the new Remuneration Policy, with particular reference to the incentive plan based on financial instruments pursuant to art. 114-bis of the Consolidated Law on Finance, which will be submitted to the Shareholders' Meeting on 11 June 2021, as well as the severance indemnity of the Managing Director. Moreover, the Company has identified 5 Managers with strategic responsibilities.

The aforementioned aspects constitute the most important elements of the new Remuneration Policy; in any event, Shareholders are invited to carefully examine the entire Section I of this Remuneration Report for a detailed examination of the Remuneration Policy.

**e) the description of the policies regarding fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the total remuneration and distinguishing between short and medium-long term variable components**

Within the Remuneration Policy, four categories of recipients are distinguished: (i) Non-executive Directors, (ii) Executive Directors, (iii) Managers with strategic responsibilities and (iv) members of the Board of Statutory Auditors.

**Remuneration of Directors**

*Non-executive Directors*

Non-executive Directors are Directors who do not hold individual management powers and do not hold executive positions in the Company or in companies of the Eurotech Group. All non-executive Directors are paid a fixed annual fee as resolved by the Shareholders' Meeting pursuant to art. 20 of the Articles of Association. In addition, the expenses incurred by non-executive Directors in carrying out their duties are reimbursed by the Company.

Refer to paragraph n) below for the remuneration of non-executive Directors who participate in endoconsultative committees.

Non-Executive Directors do not receive variable compensation or non-monetary benefits.

*Executive Directors*

The Executive Directors are the executive directors within the meaning of the Corporate Governance Code. The remuneration of the Executive Directors is established in accordance with the general principles referred to in paragraph d) and consists of:

- i) by an annual fixed component, determined in a significant measure, consistent with the position and commitment required and, in any event, such as to be sufficient to remunerate performance in the event that the variable component is not paid due to failure to achieve the objectives referred to *below*;
- ii) a short-term variable component linked to the achievement of certain annual objectives and results at individual and consolidated Group level identified by the Board of Directors, on a proposal made by the Committee, on the basis of the multi-year business plan approved by the Company, such as, among other things, EBITDA or EBIT, the order book and turnover for a specific line of *business*, as well as qualitative and/or quantitative objectives of significant strategic and operational importance of a non-financial nature. The amount of the short-term variable component is determined annually by the Board of Directors, on the basis of a proposal made by the Committee, depending on the actual achievement of the established objectives and results, and is paid annually;
- iii) a medium-long term variable component based on share-based incentive plans pursuant to art. 114-bis of the Consolidated Law on Finance, linked to the achievement of specific three-year objectives identified by the Board of Directors, upon proposal made by the Committee, also based on the multi-year business plan approved by the Company - a period deemed consistent with the objective of creating value for the shareholders in the medium-long term and with a proper risk management policy.

In this context, it is intended to submit for approval to the Shareholders' Meeting of June 11, 2021 an incentive plan based on Eurotech shares, the essential characteristics of which, including the *performance* targets, are detailed in the related information document prepared pursuant to Article 84-bis of the Issuers' Regulations, to which reference is made in full, and available on the Company's website [www.eurotech.com/en](http://www.eurotech.com/en).

For information on the "*Eurotech S.p.A. 2016 Performance Share Plan*". - approved by the Shareholders' Meeting of April 22, 2016 and addressed to the Directors and/or employees of the Company and/or its subsidiaries and/or key collaborators within the Eurotech Group organizational chart - please refer to Section II. This plan expired at the beginning of May 2021.

The variable component based on cash incentive plans awarded to Executive Directors may reach up to a maximum of 100% of the amount established for fixed compensation.

The agreements between the Company and the Executive Directors may allow the Company to ask for the restitution, in whole or in part, of any variable remuneration components paid and/or of any financial instruments assigned, or to withhold any sums/ instruments subject to deferment, which were determined on the basis of data that later turned out to be clearly erroneous (so-called *claw back*).

In addition, expenses incurred by Executive Directors in the performance of their duties are reimbursed by the Company.

## Remuneration of other Executives with strategic responsibilities

"Managers with strategic responsibilities" are to be understood as those persons who have the power and responsibility, directly or indirectly, for planning, directing and controlling the Company's activities, including the General Manager (if appointed), as provided for in art. 65, paragraph 1- quater of the Issuers' Regulation, which refers to Annex 1 of the Related Parties Regulation.

The remuneration of other Executives with strategic responsibilities is established consistently with the general principles referred to in paragraph d) and consists of:

- (i) by an annual fixed component, determined in a significant measure, consistent with the position and commitment required and, in any event, such as to be sufficient to remunerate performance in the event that the variable component is not paid due to failure to achieve the objectives referred to *below*;
- (ii) a short-term variable component and, if applicable, a medium/long-term variable component based on cash incentive plans, achievable upon the achievement of predefined corporate objectives, linked to the results expected on the basis of the business plan approved by the Company.

The General Manager(s), if appointed, and the other Executives with Strategic Responsibilities may also be recipients of incentive and loyalty plans based on shares or other financial instruments of the Company, which may provide for *retention* and *vesting* periods aimed at furthering the incentive and loyalty objectives underlying such plans. In particular, Executives with Strategic Responsibilities would also be among the recipients of the Eurotech share-based incentive plan submitted for approval by the Shareholders' Meeting of June 11, 2021.

Where the variable component based on monetary incentive plans is recognised, it shall be equal to a pre-established percentage of the fixed gross annual remuneration generally not exceeding 75% of such remuneration.

The agreements between the Company and the General Manager(s) and the Managers with strategic responsibilities may allow the Company to ask for the restitution, in whole or in part, of any variable remuneration components paid and/or of any financial instruments assigned, or to withhold any sums/tools subject to deferment, which were determined on the basis of data that subsequently turned out to be clearly wrong (so-called *claw back*).

As of the date of this Report, the Company has not appointed any General Managers.

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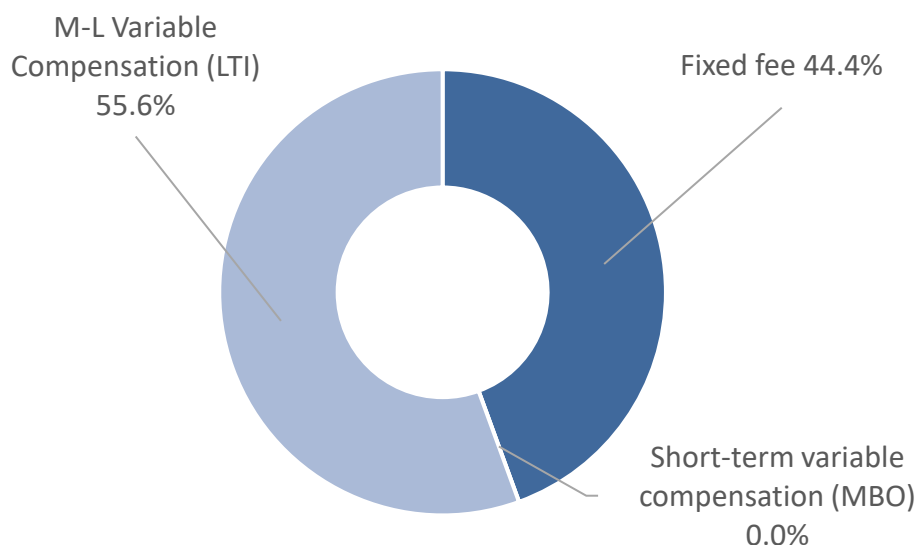
Pursuant to the Compensation Policy, all Directors and Key Management Personnel are reimbursed for expenses incurred in the performance of their respective duties.

## Pay-Mix

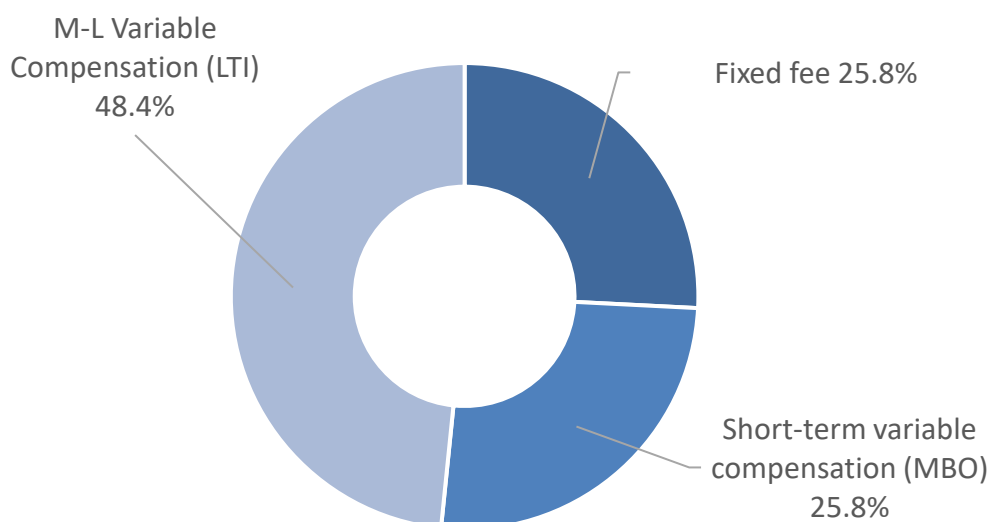
### *Executive Directors*

The following table shows, for the executive Directors (Chairman and Managing Director), the proportion between fixed and variable remuneration, indicating for the latter the short- and medium/long-term components.

### Chairman of the Board of Directors



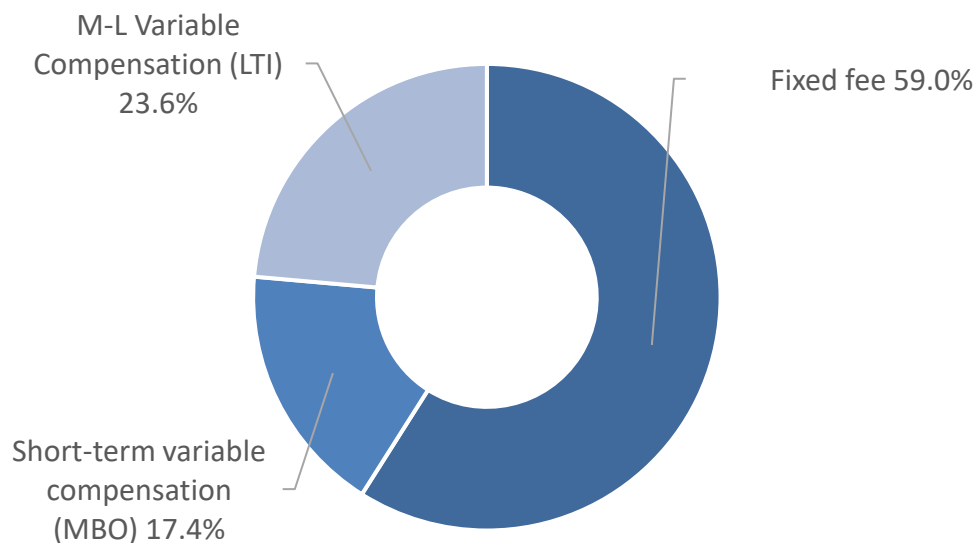
### Managing Director



Fixed compensation is net of assigned fringe benefits

### Executives with strategic responsibilities

The weighted average proportion of fixed and variable remuneration for the Strategic Managers is shown below, with an indication for the latter of the short- and medium/long-term components.



#### Remuneration of the members of the supervisory body

Pursuant to art. 2402 of the Italian Civil Code, the remuneration of the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting upon appointment for the entire duration of their office.

#### **(f) the policy followed with regard to non-monetary benefits**

In addition to what is specified in paragraph m) below, the Remuneration Policy provides for the assignment of non-monetary benefits depending on the position held.

##### Non-executive and/or independent directors

The Remuneration Policy does not provide for the assignment of non-monetary benefits in favour of non-executive and/or independent Directors.

##### Executive Directors

With reference to the Executive Directors, the Remuneration Policy provides for the payment of *fringe benefits*, such as, for example, the allocation of company vehicles or health insurance. For the new Managing Director, it is also envisaged to cover the family's accommodation expenses as well as those relating to the education of their children.

##### Other Managers with strategic responsibilities

With reference to the other Managers with strategic responsibilities, the Remuneration Policy provides for the payment of *fringe benefits* such as the assignment of company vehicles and membership of social security and insurance plans that reflect the ordinary protection in social security and welfare matters, as provided for by the applicable National Collective Labour Agreement. Insurance may also be provided to cover certain healthcare expenses. No other non-monetary benefits are provided.

Please refer to paragraph m) for information on Directors and Officers insurance cover.

**(g) with regard to the variable components, a description of the financial and non-financial performance objectives, where appropriate taking into account criteria relating to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in performance and the change in remuneration**

The variable component of the remuneration of Executive Directors and other Executives with strategic responsibilities based on monetary incentive plans is linked to the achievement of the objectives identified in the business plan approved by the Company. The *performance* objectives are:

- priorities, as they are directly related to the company's medium/long-term strategy;
- specific, as they are clear and concrete in their expected results;
- Measurable, as they are assessed with clear, pre-defined indicators;
- realistic, in that they are considered attainable although challenging and ambitious;
- temporally defined, in that they are placed within a specific temporal dimension.

For the purpose of payment of the variable component based on cash incentive plans and share-based incentive plans, a calculation system is envisaged that takes into account, on the one hand, the negative variance and, on the other hand, the *over-performance* compared to the objectives and results assigned. The amount of the incentive to be paid to each person involved is determined on the basis of the actual achievement of the objectives and results.

Reference should also be made to paragraph e) above and paragraph h) below.

**h) the criteria used to assess the achievement of the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives**

The definition of *target* levels underlying the Company's objectives is generally linked to the achievement of economic-financial and non-financial *performance* objectives, with reference to the business plan approved by the Company. The comparison of the actual figures with the objectives assigned determines the extent of the variable component of remuneration to be paid.

The target values are usually verified on the basis of the final figures in the consolidated financial statements, including the allocation to costs of the variable remuneration to be attributed to the Managing Director; in addition, the values were calculated on a like-for-like basis for the Eurotech Group, as defined in the business plan, and therefore net of extraordinary transactions, as well as on the basis of the average exchange rates used to prepare the business plan.

With reference to the share-based incentive plan pursuant to art. 114-bis of the Consolidated Finance Act submitted for approval to the Shareholders' Meeting of June 11, 2021, minimum and

maximum *performance/payout* levels will be established for each of the *performance* targets. In particular:

- For each of the economic and financial *performance* objectives of the first cycle, the Plan provides:
  - in favor of beneficiaries other than the President and Chief Executive Officer:
    - upon reaching the minimum *performance* level, the allocation of shares equal to 50% of the *target* shares;
    - upon achievement of the *target* level of *performance*, the assignment of shares equal to 100% of the *target* shares;
    - upon reaching the maximum level of *performance*, the allocation of shares equal to 130% of the *target* shares;
  - in favor of the Chairman and Chief Executive Officer:
    - upon reaching the minimum *performance* level, the allocation of shares equal to 50% of the *target* shares;
    - upon reaching the *target performance* level, the assignment of shares equal to 100% of the *target* shares; this amount will be the maximum amount of shares assigned, even if the *target* level is exceeded;
- in the case of intermediate *performance between the* minimum and the *target*, and between the *target* and the maximum, the number of shares to be assigned is determined by linear interpolation.
- with reference to the *total shareholder value* (TSR) objective of the first cycle, the Plan envisages in favour of all Beneficiaries:
  - upon achievement of the minimum *performance* level, the allocation of Shares equal to 30% of the *Target* Shares;
  - upon achievement of the intermediate *performance* level, the allocation of Shares equal to 50% of the *Target* Shares;
  - upon reaching the maximum level of *performance*, the allocation of Shares equal to 100% of the *Target* Shares,

without forecasting intermediate *performance/payout* values.

For assignments subsequent to the first cycle, the Board of Directors may set, upon proposal or with the advice of the Committee, the economic/financial or TSR objectives that best reflect the priority to be followed for the subsequent three-year period, as well as the relative percentage weight and *performance/payout* levels, subject to the provision of one or two economic/financial and one TSR objective.

The essential characteristics of the aforesaid plan, including the parameters to which the share-based remuneration will be linked, are detailed in the related information document prepared pursuant to art. 84-bis of the Issuers' Regulations, to which reference should be made in full, and which is available on the Company's website [www.eurotech.com/en](http://www.eurotech.com/en).

With reference to the short-term variable cash incentive plan of the Managing Director and of the Managers with strategic responsibilities, it is envisaged that minimum, *target* and maximum *performance/payout* levels are established, also in relation to the nature of the objectives actually assigned.

Reference should also be made to what is illustrated in paragraphs e) and g) above, also for any reference to the parameters to which the short-term monetary variable remuneration will be linked.

In case the Company carries out transactions of particular exceptionality due to their strategic relevance and effects on the Company's results, the Board of Directors - upon proposal of the Committee - has the power to award, on a discretionary basis, specific *bonuses* to the executive Directors and other Managers with strategic responsibilities, without prejudice to the procedure concerning transactions with related parties set out in the RPT Procedure, where applicable.

**i) information aimed at highlighting the contribution of the remuneration policy and in particular the policy on variable components of remuneration to the corporate strategy, the pursuit of long-term interests and the sustainability of the Company and the Group**

As highlighted in paragraph d) above, the Company's Remuneration Policy - and, in particular, the policy on variable components of remuneration - contributes to the corporate strategy and to the pursuit of the long-term interests and sustainability of the Company and aims to create sustainable value in the medium and long term. This contribution is made by means of a greater and more conscious involvement of the shareholders, who are called upon to express their binding vote on the Remuneration Policy, which describes each of the items that make up the remuneration of Directors and other Managers with strategic responsibilities and which therefore has a different and broader content compared to the resolutions on remuneration pursuant to Articles 2364, 2389 and 2402 of the Italian Civil Code.

In addition, the composition of the remuneration package of Executive Directors and other Executives with strategic responsibilities is defined consistently with the following criteria:

- guaranteeing remuneration levels capable of recognizing the professional value of people and enhancing their contribution to the creation of sustainable value in the medium-long term;
- provide for a balanced overall structure that ensures an adequate balance between fixed and variable components, in order to avoid behaviour that is not aligned with the creation of sustainable value in the medium-long term;
- provide for a direct link between remuneration and *performance* through a mechanism that establishes the non-payment of variable components in the event of failure to achieve objectives.

**j) the vesting *periods*, any deferred payment systems, with an indication of the deferment periods and the criteria used to determine these periods and, if envisaged, the *ex-post* correction mechanisms of the variable component (*malus* or *claw-back* of variable remuneration)**

The Remuneration Policy envisages the right for the Company to apply the so-called *claw back* mechanisms both with reference to the possible variable cash component of the remuneration of Executive Directors, General Managers and other Managers with strategic responsibilities, and with reference to the possible remuneration component of said subjects in financial instruments of the Company.

With reference to the variable cash remuneration component, the Remuneration Policy does not provide for deferred payment systems for the same.



Moreover, pursuant to the Remuneration Policy, Eurotech may adopt incentive and loyalty plans based on shares or other financial instruments of the Company, in respect of which the Policy provides that they shall provide for *vesting periods* of at least three years, as well as *lock-up* mechanisms, among others, leading overall to a prevailing portion of such plans having a total vesting period and retention period of at least five years.

The essential characteristics of the share-based incentive plan submitted to the Shareholders' Meeting of June 11, 2021 are detailed in the related information document prepared pursuant to Article 84-bis of the Issuers' Regulations, to which reference is made in full, and available on the Company's website [www.eurotech.com/en](http://www.eurotech.com/en).

For information on the *claw back* mechanisms established as part of the "2016 Eurotech S.p.A. *performance share* plan", please refer to Part One of Section II.

**(k) information on whether there are any clauses for maintaining the financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine these periods**

As anticipated in paragraph j) above, the share-based incentive plans would envisage *lock-up* mechanisms by virtue of which part of the shares accrued cannot be sold and/or transferred for any reason by the beneficiary.

The essential characteristics of the share-based incentive plan submitted to the Shareholders' Meeting of June 11, 2021 are detailed in the related information document prepared pursuant to Article 84-bis of the Issuers' Regulations, to which reference is made in full, and available on the Company's website [www.eurotech.com/en](http://www.eurotech.com/en).

**l) the policy relating to remuneration in the event of termination of office or termination of employment, specifying : (i) the duration of the contracts and/or agreements, the applicable notice period and which circumstances determine the occurrence of the right; (ii) the criteria for determining the remuneration due to each individual, distinguishing, where applicable, the components attributed by virtue of the office of director from those relating to employment relationships, as well as the components for any non-competition commitments. If such remuneration is expressed on the basis of annuity, please provide details of the components of such annuity (fixed, variable, etc.); (iii) any link between such remuneration and the company's performance; (iv) any effects of the termination of the relationship on the rights assigned as part of incentive plans based on financial instruments or to be paid in cash; (v) any provision for assigning or retaining non-monetary benefits in favour of the parties or for entering into consultancy agreements for a period after the termination of the relationship; (vi) any provision for assigning or retaining non-monetary benefits in favour of the parties or for entering into consultancy agreements for a period after the termination of the relationship; (vii) any provision for assigning or retaining non-monetary benefits in favour of the parties or for entering into consultancy agreements for a period after the termination of the relationship.**

With respect to Chief Executive Officer Paul Chawla, the Policy provides, in connection with his termination, that:

1. in the event that, until the date of approval of the financial statements for the fiscal year ending December 31, 2022, (i) the shareholders' meeting removes without cause Dr. Chawla from the office of director, or (ii) the board of directors of the Company removes without cause Dr. Chawla from the office of chief executive officer of the Company ("**Removal Without Cause**"), or (iii) Dr. Chawla resigns from the office of chief executive officer of the Company as a result of the adoption of a resolution by the board of directors that, without the affirmative vote of Dr. Chawla, significantly reduces the powers granted to him by the board of directors. (iii) Mr. Chawla were to resign as managing director of the Company as a result of the adoption of a resolution of the board of directors which, without the favourable vote of Mr. Chawla, significantly reduces the proxies conferred to date or confers substantially similar proxies, in whole or in part, to another member of the board of directors or to another person employed or not employed by the Company ("**Qualified Resignation**"), the Company shall be obliged to pay Mr. Chawla, by way of compensation for damages pursuant to Articles 2383, paragraph 3, and 1382 of the Italian Civil Code, a sum equal to the amount of the compensation paid to Mr. Chawla for the **resignation**. - and, therefore, in addition to the fixed and variable remuneration accrued during the year - an all-inclusive gross amount (with express exclusion of any further indemnity or compensation) equal to the sum between (i) EUR 800,000 (eight hundred thousand/00), and (ii) 2 (two) times the amount of the variable remuneration, if any, received by Mr. Chawla in the financial year preceding the Revocation Without Just Cause or the Qualified Resignation, (the "**Indemnity**"), it being understood that, in accordance with the provisions of the Corporate Governance Code, the Indemnity shall not be paid if the termination of the relationship is due to the achievement of objectively inadequate results;
  - the Indemnity shall also be paid if the Revocation Without Just Cause or the resignation from the office by Mr. Chawla occurs, within 30 (thirty) days, following the sale, directly or indirectly, by the current relative majority shareholder of Eurotech Emera S.r.l. (the "Shareholder"), to third parties not directly or indirectly related to the Shareholder, of a total shareholding such that, as a result of such transaction, the Shareholder will be able to exercise its right to withdraw. (the "**Shareholder**"), to third parties not directly or indirectly related to the Shareholder, of a total shareholding such that, as a result of such transaction, the Shareholder ceases to be the relative majority shareholder of the Company;
  - the Indemnity shall in any case be paid only on condition that within thirty days from the effective date of the Revocation Without Just Cause or of the Qualified Resignation, Mr. Chawla signs with the Company a general and novative transaction pursuant to the law. containing the waiver by Mr. Chawla of any right or action deriving from or merely occasioned by the performance of the office, of any other task carried out for the Company or for other companies of the Eurotech Group and their termination;
  - in the event of termination prior to December 31 of the relevant fiscal year due to Revocation Without Just Cause or Qualified Resignation, Mr. Chawla shall be entitled, in addition to the Indemnity, to variable cash compensation on a sliding scale depending on: (i) the *performance* targets actually achieved by the Company as of the effective date of the Revocation Without Just Cause or Qualified Resignation with respect to the latest *budget* approved by the Company's board of directors for the fiscal year to which such variable compensation relates and (ii) the actual duration of the assignment;
2. if the Shareholders' Meeting of the Company does not re-appoint Mr. Chawla as a director of the Company for the financial years 2023-2025, due to an event not attributable to Mr.

Chawla, or if the board of directors, for the same three-year period, does not grant Mr. Chawla, due to an event not attributable to him, powers and functions substantially similar to those currently provided for, the Company shall pay Mr. Chawla a gross all-inclusive amount (expressly excluding any other remuneration) for the years 2023-2025. Chawla, for reasons not attributable to him, delegations and functions substantially similar to those currently provided for, the Company shall pay Mr. Chawla a gross all-inclusive amount (with express exclusion of any other and possible further indemnity or compensation) of Euro 800,000.00 (eight hundred thousand/00), to be paid within thirty days from the written request by Mr. Chawla. This amount will be paid in any case on condition that within thirty days of the non-reappointment or non-allocation of proxies at the expiry of the mandate for the financial years 2021-2022, Mr. Chawla signs with the Company a general and novative transaction pursuant to the law containing the waiver by Mr. Chawla of any right or action deriving or merely occasioned by the performance of the office, of any other assignment carried out for the Company or for other companies of the Group and their termination.

Without prejudice to what is set out above with reference to Mr. Chawla's Indemnity, the Remuneration Policy envisages the right of the Company to sign agreements with the Directors and the other Key Executives that regulate *ex ante* the economic aspects (indemnity and/or other benefits) in case of termination of the office or related to the possible early termination of the relationship at the initiative of the Company or of the person concerned. It is understood that, should it become necessary to sign the above-mentioned agreements, the controls on transactions with related parties set out in the RPT Procedure (where applicable) shall apply, as well as the involvement of the Committee.

There is no compensation related to the termination of Dr. Chawla's employment, as the relationship between him and the Company is administrative only; nor, therefore, are there any notice periods.

There are no agreements relating to the payment of indemnities in the event of resignation, dismissal or termination with regard to the other Directors and Managers with strategic responsibilities.

There are no agreements that provide for compensation for non-competition commitments.

With regard to the rights assigned through the share-based incentive plans, if the termination falls within the cases of *good leaver*, it is envisaged that the rights will be maintained on a *pro-rata basis*, carried out according to the times and methods envisaged by the plans and the implementing regulations. If the termination does not qualify as a *good leaver*, the rights assigned by the plans will be forfeited.

There are no agreements providing for the assignment or maintenance of non-monetary benefits in favour of individuals who have ceased to hold office, or the stipulation of consultancy contracts for a period subsequent to the termination of the relationship.

#### **m) information on the presence of any insurance coverage, or social security or pension, other than the mandatory ones**

All *Directors and Officers* are covered by "*Directors and Officers*" insurance against civil liability for acts committed in the exercise of their functions, with the exclusion of cases of wilful misconduct

and gross negligence, and by "Accident" insurance against accidents sustained in the exercise of their functions, including transfers and missions.

The Remuneration Policy provides for *Directors and Officers* with strategic responsibilities to be covered by civil liability insurance for acts committed in the exercise of their functions, with the exclusion of cases of wilful misconduct and gross negligence, in addition to the general protection provided for by the applicable National Collective Labour Agreement and accident and medical expense insurance.

**n) any remuneration policy followed with regard to: (i) independent Directors, (ii) participation in committees and (iii) performance of specific offices (Chairman, Vice-Chairman, etc.)**

The Independent Directors receive the fixed remuneration determined by the Shareholders' Meeting pursuant to art. 2389 of the Italian Civil Code and do not receive a variable remuneration.

The Directors called upon to participate in the Control and Risk Committee, the Committee for Related Party Transactions and the Appointments and Remuneration Committee are paid an additional fixed fee in consideration of the greater commitment required.

With regard to the remuneration of Directors holding special offices, reference should be made to paragraph e).

**(o) whether the remuneration policy has been established using the remuneration policies of other companies as a reference, and if so the criteria used for the selection and indication of such companies**

In establishing the Compensation Policy, the Company has not used compensation policies of other companies as a reference.

**o-bis) the elements of the remuneration policy from which, in the presence of exceptional circumstances, it is possible to derogate and, without prejudice to the provisions of Regulation no. 17221 of 12 March 2010, any further procedural conditions under which the derogation may be applied**

In exceptional circumstances, the Company may waive the elements of the Compensation Policy as outlined below.

It should be noted that "*exceptional circumstances*" are those situations in which a departure from 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, such as but not limited to: (i) the occurrence, on a national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or markets in which it operates, which significantly affect the Company's results, including the occurrence of significant negative effects not only of an economic or financial nature such as, for example, those resulting from the Covid-19 health emergency; (ii) the intervention of substantial changes in the organization of business activities,

both of an objective nature (such as extraordinary transactions, mergers, disposals, etc.) (ii) the intervention of substantial changes in the organization of the business, both objective (such as extraordinary transactions, mergers, disposals, etc.) and subjective, such as changes in the top management.

In any event, it is understood that any exceptions to the Remuneration Policy shall be subject to the prior examination of the Committee and to the application of the rules set out in the RPT Procedure.

Without prejudice to the above, with reference to the variable remuneration system of executive Directors and other Managers with strategic responsibilities, the derogation may concern the redefinition of: (i) the *performance* targets to which the variable remuneration is linked and the frequency with which they are set, (ii) the criteria used to assess the targets, as well as (iii) the ratio between fixed and variable components, in order to take into account the above-mentioned exceptional circumstances and only if instrumental to the pursuit of the interests mentioned above.

**SECTION II**

This section lists the remuneration paid to Directors and Auditors:

- in the first part, (i) provides an adequate, clear and comprehensible representation of each of the items that make up remuneration, including the treatments provided for in the event of termination of office or termination of employment, highlighting their compliance with the reference Remuneration Policy and the ways in which remuneration contributes to the Company's long-term results; (ii) illustrates how the Company has taken into account the vote cast the previous year by the Shareholders' Meeting on Section Two of the Remuneration Report;
- in the second part, it analytically illustrates the fees paid in the reference financial year (2020) for any reason and in any form by the Company and its subsidiaries or associated companies, indicating any components of said fees that refer to activities carried out in previous financial years and also highlighting the fees to be paid in one or more subsequent financial years for the activities carried out in the reference financial year, possibly indicating an estimated value for the components that cannot be objectively quantified in the reference financial year;
- the third part also shows - according to the criteria set out in Annex 3A, Schedule 7-ter of the Issuers' Regulation - the equity investments held in the Company and its subsidiaries by the members of the management and control bodies, as well as by spouses who are not legally separated and minor children, directly or through subsidiaries, trust companies or third parties, as resulting from the shareholders' register, communications received and other information acquired from the members of the management and control bodies.

Eurotech, being a "smaller" company pursuant to art. 3, paragraph 1, letter f) of the Related Parties Regulation (i) can provide any information on the remuneration received by Managers with strategic responsibilities, other than General Managers, in aggregate form (it being understood that at the date of this Remuneration Report the Company has not appointed General Managers, nor identified Managers with strategic responsibilities); and (ii) can provide any information on agreements that provide for indemnities in the event of early termination of the relationship only with reference to Executive Directors and the Chairman of the Board of Directors.

It should be noted that the auditing firm PricewaterhouseCoopers S.p.A. has verified - in compliance with the provisions of art. 123-ter, paragraph 8-bis, of the Consolidated Law on Finance - that Eurotech's Board of Directors has prepared this Section of the Remuneration Report.

## Section II - Part One - Items making up remuneration

### Remuneration of the Board of Directors

During the meeting held on 28 April 2020, the Shareholders' Meeting set the total gross annual remuneration for the Board of Directors at EUR 225,000, in addition to VAT if due, as well as social security charges, for the part that the law provides for to be borne by the Company, entrusting the Board of Directors with the task of distributing the remuneration among the directors as well as determining, pursuant to art. 2389, paragraph 3, of the Italian Civil Code, the remuneration due to the members of the Board of Directors holding specific offices.

The Board of Directors, at its meeting of May 4, 2020, then allocated the total compensation approved by the Shareholders' Meeting as follows:

- to the Chairman of the Board of Directors Patrizio Mapelli EUR 42,500 on an annual basis;
- to the Managing Director Roberto Siagri EUR 42,500 on an annual basis; and finally,
- to the other Directors (Marco Costaguta, Susanna Curti, Maria Grazia Filippini, Laura Rovizzi, Aldo Enzo Serafino Fumagalli, Antongiulio Marti and Chiara Mio) 20,000 euros on an annual basis.

During the meeting held on May 14, 2020, the Board of Directors, upon proposal of the Appointments and Remuneration Committee, therefore determined for the year 2020, having heard the opinion of the Board of Statutory Auditors pursuant to art. 2389, paragraph 3, of the Italian Civil Code, the remuneration of the Directors who are members of the individual Committees established within the Board, as well as the additional fixed remuneration due to the Chairman of the Board of Directors and the Managing Director.

In view of the increased commitment required, to the Councilors called to participate:

- (i) the Audit and Risk Committee is paid an additional annual fee of 12,000 euros for the Chairman of the Committee (Maria Grazia Filippini) and 7,000 euros for each of the other two members of the Committee (Antongiulio Marti and Chiara Mio);
- (ii) the Committee for Transactions with Related Parties is paid an additional annual fee of €4,000 for the Chairman (Chiara Mio) of the Committee and €2,000 for each of the other two members of the Committee (Maria Grazia Filippini and Laura Rovizzi);
- (iii) the Appointment and Remuneration Committee is paid an additional annual fee of EUR 12,000 for the Chairman of the Committee (until 2020, Laura Rovizzi) and EUR 7,000 for each of the other two members of the Committee (Maria Grazia Filippini and Susanna Curti).

With regard to the fixed remuneration of the Directors holding proxies, the Chairman of the Board of Directors, Patrizio Mapelli, received an annual fee of EUR 40,000, while the Managing Director, Roberto Siagri, received an annual fee of EUR 357,000.

The variable remuneration of the Managing Director Roberto Siagri (the only director who is the recipient of variable incentives) was approved by the Board of Directors during the meetings of 4 September 2020 and 13 November 2020, upon proposal of the Appointments and Remuneration Committee and having heard the opinion of the Board of Statutory Auditors pursuant to art. 2389, paragraph 3, of the Italian Civil Code. In particular, at the aforesaid meetings, the Board of Directors, on the proposal of the Remuneration Committee and consistent with the provisions of the Remuneration Policy, resolved, respectively:

- (i) the adoption of the short-term monetary incentive plan (MBO), which provided for the payment of a monetary *bonus* upon the achievement of pre-established objectives at consolidated level for the year 2020;



(ii) the adoption of the medium/long-term monetary incentive plan (LTI), which provided for the payment of a monetary *bonus* upon achievement of pre-set objectives at consolidated level for the period 2020-2022.

More specifically, with reference to the above-mentioned MBO plan, the following short-term objectives have been defined for 2020, referring to the Group's consolidated figures and independent of each other: (i) achievement of the EBITDA envisaged in the business plan for 2020, with lower and higher *performance thresholds*; (ii) achievement of a certain level of orders collected during the year, with lower and higher *performance thresholds*; (iii) the achievement of a certain *cash-flow* value, with lower and higher *performance thresholds*; (iv) the achievement of a certain level of turnover of a *business* line that is being developed, with lower and higher *performance thresholds*; and (v) multiple qualitative objectives in the ESG (*Environmental, Social, Governance*) area, consisting of the execution (or at least the launch) in 2020 of three initiatives in this area. The total target amount of the MBO 2020 allocated to the Managing Director is € 39 thousand.

With reference to the monetary LTI plan, on the other hand, the achievement of a certain overall EBIT value - understood as the sum of EBIT in the three-year period 2020-2022 - was defined as a medium/long-term objective at consolidated Group level, in accordance with the provisions of the business plan.

The total amount on target for the LTI 2020-2022 allocated to the Chief Executive Officer was €120,000.

## MBO 2020 and LTI 2020-2022

The table below details the targets for the short-term MBO 2020 and LTI 2020-2022 variable components:

		2020 Target Level					
	Target	%	Subthreshold	Minimum	Target	Maximum	% obtained (*)
MBO	Ebitda Eurotech Group	25.0%	Performance <80% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	Performance =80% Bonus% vs Target Bonus 60% Bonus% vs Fix Fee 6,75%	Performance =100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 11,25%	Performance =120% Bonus% vs Target Bonus 166,67% Bonus% vs Fix Fee 18,75%	0,0% <b>0,0%</b>
	Fatturato IOT Eurotech Group	25.0%	Performance <80% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	Performance =80% Bonus% vs Target Bonus 40% Bonus% vs Fix Fee 4,5%	Performance =100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 11,25%	Performance =120% Bonus% vs Target Bonus 180,0% Bonus% vs Fix Fee 20,25%	0,0% <b>0,0%</b>
	Cash flow Eurotech Group	15.0%	Performance <ns% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	Performance =ns% Bonus% vs Target Bonus 66,67% Bonus% vs Fix Fee 4,5%	Performance =100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 6,75%	Performance =ns% Bonus% vs Target Bonus 188,89% Bonus% vs Fix Fee 12,75%	79,5% <b>5,4%</b>
	Eurotech Group ESG Target	10.0%	Performance <obiettivo Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	N/A	Performance =obiettivo Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 4,5%	N/A	100% <b>4,5%</b>
	Orders Eurotech Group	25.0%	Performance <89,7% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	Performance =89,7% Bonus% vs Target Bonus 40% Bonus% vs Fix Fee 4,5%	Performance =100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 11,25%	Performance =110,3% Bonus% vs Target Bonus 166,67% Bonus% vs Fix Fee 18,75%	0,0% <b>0,0%</b>
	TOTAL	100.0%					
LTI	EBIT Eurotech Group (3 years: 2020-2021-2022)	100.0%	Performance <85% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	Performance =85% Bonus% vs Target Bonus 85% Bonus% vs Fix Fee 25,5%	Performance =100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 30%	Performance =110% Bonus% vs Target Bonus 166,67% Bonus% vs Fix Fee 50%	N/A
	TOTAL	100.0%					

(\*) The % of bonuses compared with target bonuses and the % of bonuses compared with fixed remuneration are indicated in percentage terms.

The Company reserves the right to omit, here and in the following, the indication of the objectives achieved in comparison with those expected (target), for reasons of confidentiality of information since the forecast data are not communicated.

Based on the degree of achievement of the above-mentioned objectives, the Managing Director accrued a bonus for the short-term variable component 2020 in the amount of EUR 39,470,



corresponding to 9.9% of the fixed remuneration. With regard to the LTI 2020-2022, it should be noted that it was subject to the continued employment of Mr. Siagri (who resigned on 24 March 2021) until 31 December 2022, therefore no compensation may be paid in this regard at the end of the reference period.

### LTI 2018-2020

The table below details the objectives for the medium- to long-term variable component 2018-2020:

		2018 Target Level				% obtained (*)
Target	%	Subthreshold	Minimum	Target	Maximum	
€ EBIT Eurotech Group (3 years: 2018-2019-2020)	13.3%	Performance <100% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	N/A	Performance ≥100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 10%	N/A	>100,0% 10,0%

(\*) The % of bonuses compared with target bonuses and the % of bonuses compared with fixed remuneration are indicated in percentage terms.

Based on the degree of achievement of the aforementioned objectives, the Chief Executive Officer accrued a bonus for the medium- to long-term variable component 2018-2020 in the amount of €35,000.

### LTI 2019-2020

With respect to the goal of achieving a certain level of revenue for a *business* line in 2019 under development, it was defined that if the goal was not achieved in the year, it could be considered achieved if the sum of the revenue of the specific business line in the years 2019 and 2020 were considered.

The table below details the goals for the 2019-2020 variable component:

		Livello Obiettivi 2019				% obtained (*)
Target	%	Subthreshold	Minimum	Target	Maximum	
€ Revenues 2019-2020 IOT Eurotech Group	13.3%	Performance <100% Bonus% vs Target Bonus 0% Bonus% vs Fix Fee 0%	N/A	Performance ≥100% Bonus% vs Target Bonus 100% Bonus% vs Fix Fee 10%	N/A	0,0% 0,0%

(\*) The % of bonuses compared with target bonuses and the % of bonuses compared with fixed remuneration are indicated in percentage terms.

Based on the degree to which the above goals were achieved, the Chief Executive Officer did not accrue any bonuses for the 2019-2020 variable component.

As established in *advance* by the Board of Directors, the target values have been calculated on the basis of the final figures in the consolidated financial statements, including the allocation to cost of the variable compensation to be attributed to the CEO; in addition, the values have been calculated on a like-for-like basis for the Eurotech Group, as defined in the 2020-2024 Business Plan approved by the Board of Directors, and therefore net of extraordinary transactions, as well as on the basis of the average exchange rates used to prepare the 2020-2024 Business Plan.

With reference to the "2016 Eurotech S.p.A. *performance share* plan", during the 2020 financial year, since the two-year *retention* period related to the 56,000 *Units* assigned by resolution of the Board of Directors of November 13, 2018 had expired, the Managing Director Roberto Siagri was assigned 56,000 ordinary shares free of charge.

### Agreement regarding the resignation of the Managing Director, Mr. Siagri.

In March 2021, Eurotech's Board of Directors, in accordance with the provisions of the remuneration policy last approved by the Shareholders' Meeting in April 2020 - which grants the right to sign agreements with Directors that regulate *ex ante* the economic aspects in the event of termination of office - approved, with the favourable and unanimous opinions of the Committee as well as the Related Parties Committee, having heard the Board of Statutory Auditors, the economic agreement relating to the resignation of the Chief Executive Officer Mr. Siagri - who was not also an employee of the Company -.

The economic agreement provides for the Company's commitment to pay Mr. Siagri a total of Euro 1,270,000.00, and in particular Euro 975,000.00 by way of a general novation settlement (thus including all rights connected with the variable incentive plans), Euro 120,000.00 by way of severance indemnity (these amounts to be paid in two instalments of (a) Euro 821,250.00 upon signing the agreement and (b) Euro 273.750.00 by December 31, 2021), € 175,000 by way of consideration for non-competition commitments vis-à-vis Eurotech Group companies (to be paid in two equal instalments falling due, respectively, the first within three months of termination of office and the second by March 31, 2022) until December 31, 2021 (limited to Italy, France, USA and Japan). The Company also paid Mr. Siagri a total amount of 100,000.00 Euros for compensation accrued in the first three months of the year 2021.

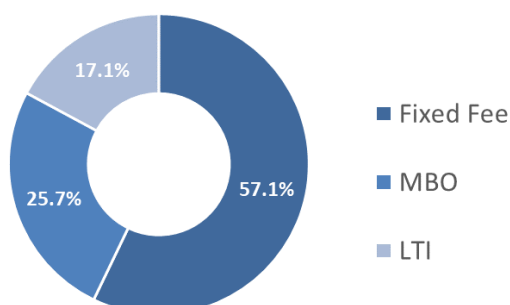
The agreement envisages *claw back* clauses in line with the *best market practices in the event of the* emergence of wilful or seriously negligent conduct on the part of Mr. Siagri. The agreement also envisages a commitment not to solicit employees, collaborators and clients of the Group, as well as the renunciation by Mr. Siagri of any claim in relation to inventions and other intellectual works of which he is the author.

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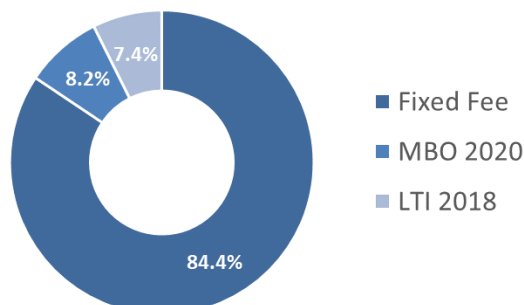
There is no other remuneration to be paid in one or more years after 2020 in respect of the work carried out in that year by the Chief Executive Officer, Dr. Siagri.

The proportion between fixed and variable remuneration, within the total remuneration of the Managing Director, was 84.4% (fixed/total) and 15.6% (variable/total); please refer to Table 1 of Part Two of this Section for the elements included in the calculation.

Pay-Mix Target 2020



Pay-Mix Actual



### Compensation policy waivers. *Malus / claw-back* clauses

No exceptions to the remuneration policy most recently approved by the Shareholders' Meeting of April 28, 2020 were implemented in fiscal year 2020, nor were any *ex-post* correction mechanisms applied to the variable component (*malus/claw-back*).

For the sake of completeness, it should be noted that, as part of the agreements in place with Eurotech's new CEO Paula Chawla, the Board of Directors, as an exception to this policy and in accordance with the procedure provided for by the latter in the presence of exceptional circumstances, on April 7, 2021 resolved, after examination by the Committee, as well as after hearing the opinion of the Related Parties Committee and - to the extent of its competence - the Board of Statutory Auditors, to allocate for the year 2021 to Dr. Chawla, as a variable remuneration of a monetary nature and on the basis of performance objectives to be defined, an amount up to 100% of the fixed remuneration, whereby the variable component of the fixed remuneration is to be paid to the CEO. Chawla, as a variable monetary remuneration and on the basis of *performance* objectives to be defined, an amount up to a maximum of 100% of the fixed remuneration, whereas the policy in question envisages that the short and medium-long term variable component based on monetary incentive plans (therefore not including equity-based variables) attributed to executive directors may reach a maximum of 75% of the amount established for the fixed remuneration.

The Board of Directors considered that in the case in question the "*exceptional circumstances*" referred to in art. 123-ter, paragraph 3-bis of the TUF apply, i.e. situations in which a departure from 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 on the market, within the scope of which Eurotech's policy already expressly includes "*changes in the top management structure*". In particular, the Board of Directors noted that the need to replace the Managing Director following the resignation of Mr. Siagri and the need to negotiate a remuneration package with the new Managing Director as soon as possible were an integral part of this, considering the constraints contained in the policy recently approved as limiting the Company's ability to attract the best resources at managerial level.

Moreover, the Board of Directors also deemed that the other prerequisites set out in art. 123-ter, paragraph 3-bis of the Consolidated Law on Finance were met, since Eurotech's policy provides for both the "*procedural conditions on the basis of which the waiver can be applied*" (i.e. the above-mentioned examination by the Committee and the application of the rules set out in the related parties procedure), and the "*elements of the policy from which waivers can be made*", among which the policy expressly includes the "*ratio between fixed and variable components*" of the remuneration system for executive directors.

In light of the above, it should be noted in any case that no remuneration was actually paid to Mr. Chawla in derogation of the remuneration policy most recently approved by the Shareholders' Meeting of April 28, 2020.

### Remuneration of the Board of Statutory Auditors

The Remuneration of the Board of Statutory Auditors for the three-year period 2020-2022 was determined by the Shareholders' Meeting of April 28, 2020. In particular, the said Shareholders' Meeting assigned an annual fee of EUR 37,500 to the Chairman of the Board of Statutory Auditors, Fabio Monti, and an annual fee of EUR 25,000 to each of the other Standing Auditors, Daniela Savi and Gaetano Rebecchini, in relation to the duration of their office and until a different resolution of the Shareholders' Meeting.

Remuneration of other Executives with strategic responsibilities

In fiscal year 2020, the Company did not appoint any General Managers or identify any other Key Management Personnel.

\* \* \*

Annual change in compensation and *performance*

The table below compares, for the last two years, the annual change in the remuneration of the Chairman, the Managing Director, the members of the Board of Directors and the Board of Statutory Auditors and the average remuneration, calculated on a full-time equivalent basis, of employees:

Name		2020	Var. %	2019
President's fee	(1) (5)	56	327%	13
CEO fee	(2)	547	-14%	639
Fumagalli Aldo	(3)	18	860%	2
Antonello Giulio	(4)	7	-56%	16
Costacurta Riccardo	(4)	10	-69%	32
Mio Chiara		33	3%	32
Paladin Dino	(4)	5	-67%	15
Pezzuto Carmen	(4)	9	-40%	15
Marti Antongiulio	(3)	23	n.s	2
Curti Susanna	(3)	23	n.s	2
Costaguta Marco	(1)	13	N/A	-
Filippini Mariagrazia	(1)	27	N/A	-
Rovizzi Laura	(1)	23	N/A	-
Favaro Gianfranco	(4)	12	-68%	38
Briganti Laura	(4)	8	-68%	25
Fabio Monti	(1)	25	N/A	-
Daniela Savi	(1)	17	N/A	-
Rebecchini Gaetano		25	0%	25
<b>Average employee compensation</b>		59	-6%	63

(1) Position held since 28.04.2020

(2) Amounts include variable compensation and fair value of financial instruments

(3) Position held since 13.11.2019

(4) Position held until 27.04.2020

(5) Position held until 13.10.2019

N/A - Not applicabile

n.s.- Not significant

For the same years, the Company's results (key *performance* indicators) are shown in the table below:

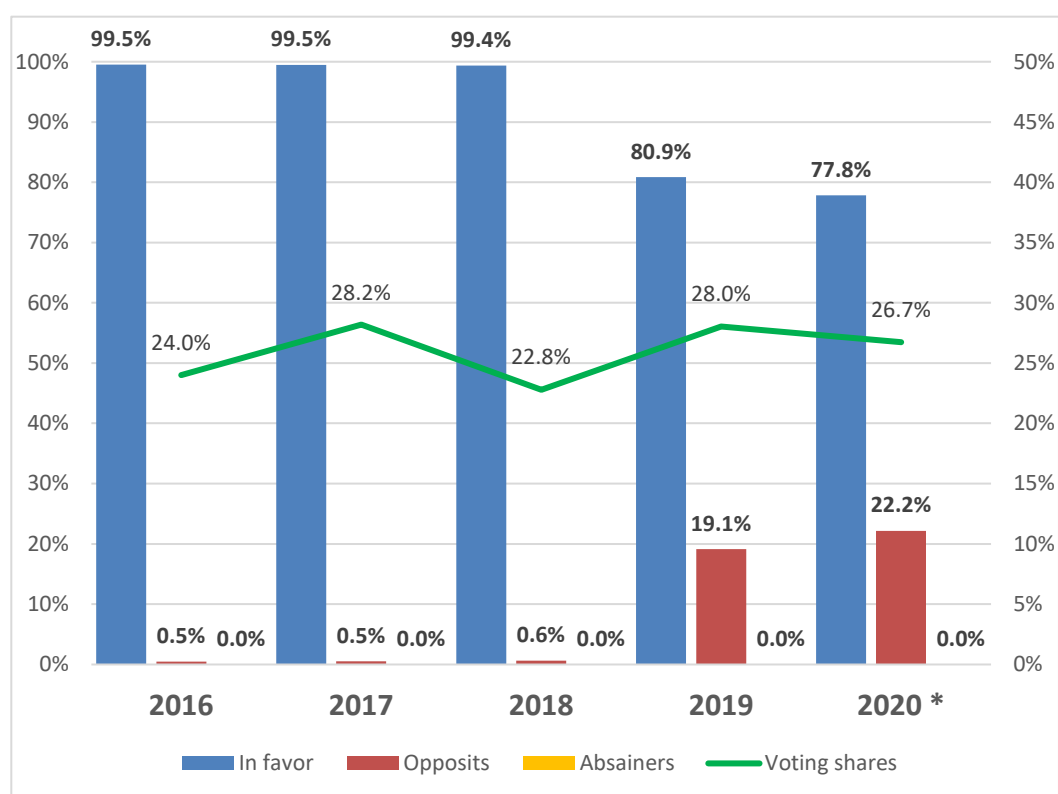
(\*000 Euro)

Performance Indices	2020	Var. %	2019
Revenues Eurotech Group	69,259	-32%	101,973
EBITDA Eurotech Group	6,632	-68%	20,535
Net financial Position Eurotech Group	( 8,548)	-30%	( 12,249)

\* \* \*

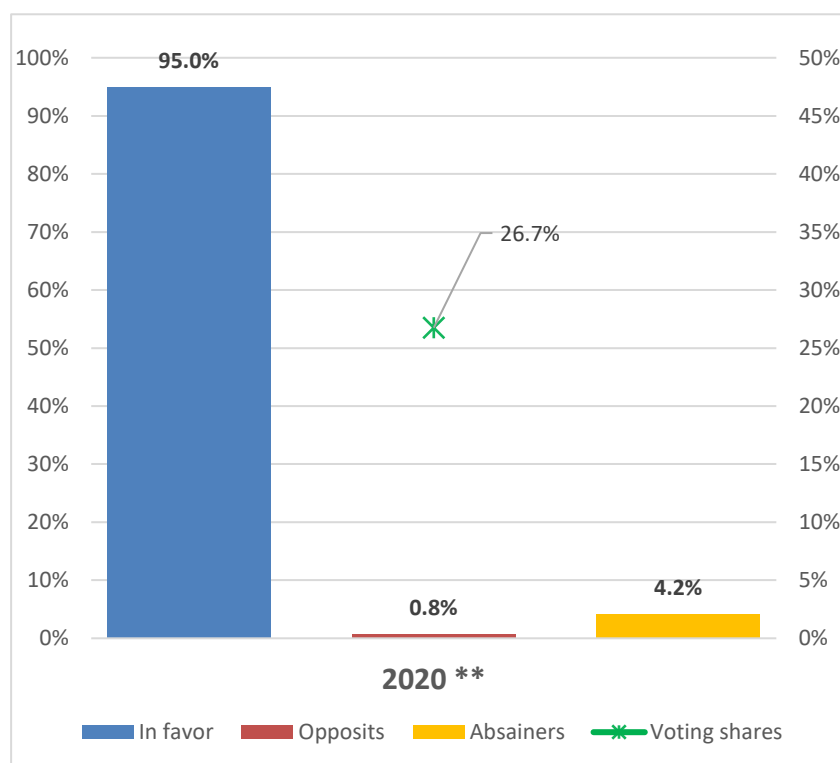
### Trend of voting results on the Remuneration Report

The graph below shows the trend of voting results for the reports on remuneration - Section I - in the last 5 financial years, calculated on the basis of the number of shares that voted.



As of 2020, binding vote on Section I of the Report.

The following chart represents the outcome of the vote on the second section of the Compensation Policy Report by the April 28, 2020 Annual Meeting.



\*\* Non-binding vote on Section II of the Report (there was no vote on Section II prior to fiscal year 2020)

As a result, the vote on the second section was overwhelmingly in favor and there was no shareholder input to be considered for this Report.

\* \* \*

It should be noted that the remuneration paid with reference to the 2020 financial year complies, in its amount and the items that make it up, with the Remuneration Policy defined by the Company and approved by the Shareholders' Meeting most recently on 28 April 2020. Remuneration contributes to the long-term results of the Company, being partly based on medium-long term objectives and with forms of variable incentive both of a monetary and equity nature.

\* \* \*

### **Performance share plan 2016 Eurotech S.p.A.**

On April 22, 2016, the Shareholders' Meeting approved, in accordance with the principles of the Remuneration Policy, the adoption of an incentive and loyalty plan, called "*Performance Share Plan 2016 Eurotech S.p.A.*" (hereinafter also the "**Plan**"), in favour of Directors and/or employees of the Company and/or its subsidiaries and/or key collaborators within the Eurotech Group organizational chart, to be implemented by means of free assignment of rights ("**Units**") to receive, again free of charge, ordinary treasury shares in Eurotech's portfolio (the "**Shares**"). The Plan provides for the assignment to the Beneficiaries of a maximum total of 1,600,000 Units, which give the Beneficiaries the right to receive a total of 1,600,000 Shares, in accordance with the terms and conditions of the Plan and the related regulations. There is no maximum number of Units to be granted in any fiscal year. The number of Units to be granted to each Grantee shall be determined from time to time by the Board of Directors, taking into account, as appropriate, the number, category, organizational level, responsibilities and professional skills of the Grantees. The award of Units is not contingent upon the achievement of *performance* results.

The Plan states that:

- (i) the Units may be assigned, in one or more *tranches*, to beneficiaries identified by the Board of Directors (the "**Beneficiaries**"), within a time frame of three years from the date of approval of the Regulations, i.e., within three years from September 16, 2016;
- (ii) the Units assigned are subject to a so-called *retention* period (the "**Retention Period**") of two years, considered appropriate for the achievement of the incentive and loyalty objectives of the Directors to whom the shares have been assigned, during which the *Units* assigned under the Plan (i.e. the rights to receive, free of charge, ordinary treasury shares in Eurotech's portfolio) cannot accrue, without prejudice to the provisions in the event of termination of the relationship in the event of *good leaver*;
- (iii) after the expiry of the Retention Period, the vested Units (the "**Matured Units**") shall be converted into Shares subject to the maintenance from the Grant Date until the date of conversion of the Matured Units into Shares (the so-called *vesting period*) of the relationship between the Beneficiary and the Company or a subsidiary. The Plan provides that, in the event of termination of the relationship due to a *bad leaver* event, all the *Units* assigned to the Beneficiary shall lapse and shall be devoid of any effect and validity.

In the event of termination of the Relationship due to a *good leaver* scenario, the beneficiary, or his heirs, shall retain the right to receive the shares resulting from the conversion of the *Units* assigned to him until the date on which the relationship terminated. Moreover, in such a case, notwithstanding the provisions in relation to the two-year *retention* period, the *Units* shall be converted into shares on the date on which the relationship ceased and the Company shall keep at the beneficiary's disposal such shares as soon as possible, compatibly with the relevant administrative fulfilments and in accordance with the terms and procedures provided for by the Regulations.

The Plan also provides for a so-called *claw back* mechanism that allows the Company to ask the beneficiaries to return, in whole or in part, the financial instruments covered by the plan that have been allocated to said beneficiaries on the basis of data that subsequently turned out to be manifestly incorrect.

There are no restrictions on the transfer of Shares resulting from the conversion of allotted Units.



For further information on the Plan, reference should be made to the related information document, published on the Company's website [www.eurotech.com](http://www.eurotech.com), "Investors - Corporate documents" section. This Plan expired at the beginning of May 2021.

## Section II - Second part - Analytical representation of fees paid during the period

With regard to the disclosure requirements set out in Schedule 7-bis of Annex 3A to the Issuers' Regulations - concerning the remuneration paid to the members of the management and control bodies, for any reason and in any form, also by subsidiaries and associated companies - the above-mentioned information is provided in the following manner.

Information is provided separately with regard to the offices held in the company preparing the financial statements and for those held in listed and unlisted subsidiaries and associated companies.

**Fixed remuneration:** the following are shown separately, possibly in the notes and on an accruals basis: (i) the remuneration approved by the Shareholders' Meeting, even if not paid; (ii) attendance fees; (iii) lump-sum expense reimbursements; (iv) remuneration received for carrying out special duties, *pursuant to* article 2389, paragraph 3 of the Italian Civil Code (e.g. Chairman, Vice-Chairman); (v) fixed remuneration for employees, gross of social security and tax charges borne by the employee, excluding collective compulsory social security charges borne by the company and provisions for severance indemnities. Other components of employee remuneration (*bonuses*, other remuneration, non-monetary benefits, etc.) should be indicated in the relative columns, specifying in the note the part paid by virtue of the directorships and the part paid by virtue of the employment relationship.

**Remuneration for participation in Committees:** these are indicated on an accruals basis and may be indicated at an aggregate level. An indication is provided in the notes of the Committees of which the Director is a member and, in the event of participation in more than one Committee, the remuneration received for each one.

**Bonuses and other incentives:** this item includes the portion of remuneration accrued (*vested*) during the year, even if not yet paid, for objectives achieved during the year, in relation to cash incentive plans. The amount is indicated on an accruals basis, even if the approval of the financial statements has not yet taken place, and also for the part of the bonus that may be subject to deferment. In no case are the values of *stock options* assigned or exercised or other remuneration in financial instruments included. This value corresponds to the sum of the amounts shown in Table 3B, columns 2A, 2B and 4, row (III).

**Profit sharing:** the amount is indicated on an accruals basis even if the approval of the financial statements and the distribution of profits have not yet taken place.

**Non-monetary benefits:** the value of *fringe benefits* is indicated (on a taxable basis), including any insurance policies and supplementary pension funds.

**Other remuneration:** all further remuneration arising from other services provided is shown separately and on an accruals basis. The note provides information on any loans, advance payments and guarantees granted by the company or its subsidiaries to the Executive Directors and the Chairman of the Board of Directors, in the event that, taking into account the specific conditions (different from those of the market or those applicable in a standardised manner to categories of subjects), they represent a form of indirect remuneration.

**Fair value of equity remuneration:** this indicates the *fair value* as of the grant date of the remuneration for the period relating to incentive plans based on financial instruments, estimated

in accordance with international accounting standards<sup>1</sup>. This value corresponds to the sum of the amounts indicated in column 16, line III, of Table 2 and column 12, line III, of Table 3A.

**Indemnities for termination of office or employment:** the fees accrued, even if not yet paid, for termination of office during the financial year under consideration are indicated, with reference to the financial year in which the actual termination of office took place. The estimated value of any payment of non-monetary benefits, the amount of any consultancy contracts and non-competition agreements is also indicated. The amount of remuneration for non-competition undertakings is indicated only once at the time when the office is terminated, specifying in the first part of the second section of the report the duration of the non-competition undertaking and the date of actual payment.

It should be underlined that this includes all those persons who, during the year 2020, were members of the Board of Directors or the Board of Statutory Auditors, even for a fraction of the period.

In fiscal year 2020, the Company did not appoint any General Managers or identify any Key Management Personnel.

Therefore, the information provided below concerns only the members of the Company's Board of Directors and Board of Statutory Auditors, insofar as relevant.

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<sup>1</sup> This item does not refer to the entire allocation of *equity* remuneration made during the year, but only to the part of it recorded in the financial statements, in application of the accounting standards that require taking into account the period of maturity of the rights themselves, allocating the related cost over the *vesting* period.

TABLE 1 (Board of Directors)

000 Euro

First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Patrizio Mapelli	President	28.04.2020-31.12.2020	Approval 2022 Financials	56	-	Other Incentive Bonuses	Profit sharing	-	-	56	-	-
(I) Compensation in the Company preparing financials stat.												
(II) Compensation from subsidiaries and associates												
(III) Total				56	-	-	-	-	-	56	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Aldo Enzo Serafino Fumagalli	Vice President	01.01.2020-31.12.2020	Approval 2022 Financials	18	-	Other Incentive Bonuses	Profit sharing	-	-	18	-	-
(I) Compensation in the Company preparing financials stat.												
(II) Compensation from subsidiaries and associates												
(III) Total				18	-	-	-	-	-	18	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Roberto Siagri	CEO	01.01.2020-31.12.2020	Approval 2022 Financials	386	-	Other Incentive Bonuses (**)	Profit sharing	4	-	549	82	36
(I) Compensation in the Company preparing financials stat.												
(II) Compensation from subsidiaries and associates												
(III) Total				386	-	160	-	4	-	549	82	36
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Giulio Antonello	Director	01.01.2020-27.04.2020	Until 27.04.2020	5	2	Other Incentive Bonuses	Profit sharing	-	-	7	-	-
(I) Compensation in the Company preparing financials stat.												
(II) Compensation from subsidiaries and associates												
(III) Total				5	2	-	-	-	-	7	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Riccardo Costacurta	Director	01.01.2020-27.04.2020	Until 27.04.2020	5	5	Other Incentive Bonuses	Profit sharing	-	-	10	-	-
(I) Compensation in the Company preparing financials stat.												
(II) Compensation from subsidiaries and associates												
(III) Total				5	5	-	-	-	-	10	-	-

'000 Euro

First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation	Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Chiara Mio	Director	01.01.2020-31.12.2020	Approval 2022 Financials	18	13	Other Incentive Bonuses Profit sharing	-	-	31	-	-
(II) Compensation in the Company preparing financials stat.											
(II) Compensation from subsidiaries and associates											
(III) Total				18	13	-	-	-	31	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation	Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Dino Paladin	Director	01.01.2020-27.04.2020	Until 27.04.2020	5	-	Other Incentive Bonuses Profit sharing	-	-	5	-	-
(II) Compensation in the Company preparing financials stat.											
(II) Compensation from subsidiaries and associates											
(III) Total				5	-	-	-	-	5	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation	Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Carmen Pezzuto	Director	01.01.2020-27.04.2020	Until 27.04.2020	5	4	Other Incentive Bonuses Profit sharing	-	-	9	-	-
(II) Compensation in the Company preparing financials stat.											
(II) Compensation from subsidiaries and associates											
(III) Total				5	4	-	-	-	9	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation	Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Susanna Curti	Director	01.01.2020-31.12.2020	Approval 2022 Financials	18	5	Other Incentive Bonuses Profit sharing	-	-	23	-	-
(II) Compensation in the Company preparing financials stat.											
(II) Compensation from subsidiaries and associates											
(III) Total				18	5	-	-	-	23	-	-

'000 Euro

First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Antongilio Marti	Director	01.01.2020-31.12.2020	Approval 2022 Financials	18	5	Other Incentive Bonuses	Profit sharing	-	-	23	-	-
(I) Compensation in the Company preparing financials stat.				18	5			-	-	23	-	-
(II) Compensation from subsidiaries and associates				-	-			-	-	-	-	-
(III) Total				18	5			-	-	23	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Marco Costaguta	Director	28.04.2020-31.12.2020	Approval 2022 Financials	13	-	Other Incentive Bonuses	Profit sharing	-	-	13	-	-
(I) Compensation in the Company preparing financials stat.				13	-			-	-	13	-	-
(II) Compensation from subsidiaries and associates				-	-			-	-	-	-	-
(III) Total				13	-			-	-	13	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Maria Grazia Filippini	Director	28.04.2020-31.12.2020	Approval 2022 Financials	13	14	Other Incentive Bonuses	Profit sharing	-	-	27	-	-
(I) Compensation in the Company preparing financials stat.				13	14			-	-	27	-	-
(II) Compensation from subsidiaries and associates				-	-			-	-	-	-	-
(III) Total				13	14			-	-	27	-	-
First and last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total	Fair Value of equity compensation	Allowances for termination of office or term. of employment
Laura Rovizzi	Director	28.04.2020-31.12.2020	Approval 2022 Financials	13	10	Other Incentive Bonuses	Profit sharing	-	-	23	-	-
(I) Compensation in the Company preparing financials stat.				13	10			-	-	23	-	-
(II) Compensation from subsidiaries and associates				-	-			-	-	-	-	-
(III) Total				13	10			-	-	23	-	-

(\*) In the period 01.01.2020 to 27.04.2020, remuneration for participation in the Control and Risk Committee (€10,000), Remuneration Committee (€5,000) and Committee for transactions with related parties (€2,000)

In the period from April 28, 2020 to December 31, 2020, compensation for participation in the Audit and Risk Committee (President €12,000 - Member €7,000), Nominating and Compensation Committee (President €12,000 - Member €7,000), Committee for Related Party Transactions (President €4,000 - Member €2,000)

(\*\*) Compensation that will not be paid as a result of the director's resignation

TABLE 1 (Board of Auditors)

'000 Euro										
First and Last name	Office	Period of which the office was held	Expiration of office	Fixed Fees	Compensation for participation in Committees (*)	Variable non-equity compensation		Non-cash benefits	Other compensation	Total
Monti Fabio	President	28.04.2020-31.12.2020	Approval 2022 Financials	25	-	Other Incentive Bonuses	Profit sharing	-	-	25
(I) Compensation in the Company preparing financials stat.										
(II) Compensation from subsidiaries and associates										
(III) Total										
Rebecchini Gaetano	Statutory Auditor	01.01.2020-31.12.2020	Approval 2022 Financials	25	-	Other Incentive Bonuses	Profit sharing	-	-	25
(I) Compensation in the Company preparing financials stat.										
(II) Compensation from subsidiaries and associates										
(III) Total										
Savi Daniela	Statutory Auditor	28.04.2020-31.12.2020	Approval 2022 Financials	17	-	Other Incentive Bonuses	Profit sharing	-	-	17
(I) Compensation in the Company preparing financials stat.										
(II) Compensation from subsidiaries and associates										
(III) Total										
Gianfranco Favaro	President	01.01.2020-27.04.2020	Until 27.04.2020	13	-	Other Incentive Bonuses	Profit sharing	-	-	13
(I) Compensation in the Company preparing financials stat.										
(II) Compensation from subsidiaries and associates										
(III) Total										
Laura Briganti	Statutory Auditor	01.01.2020-27.04.2020	Until 27.04.2020	8	-	Other Incentive Bonuses	Profit sharing	-	-	8
(I) Compensation in the Company preparing financials stat.										
(II) Compensation from subsidiaries and associates										
(III) Total										

**2. Stock-options assigned to the members of the Board of Directors, General Managers and other Managers with strategic responsibilities**

The Company does not have any *stock option* plans in place for members of the Board of Directors.



### 3. Incentive plans based on financial instruments other than *stock options*, in favour of the members of the Board of Directors, General Managers and other Key Executives

The table below shows the *Units* assigned in relation to the existing "2016 Eurotech S.p.A. *performance share plan*".

**TABLE 3A**

First and Last Name	Office	Plan and Type	Financial instruments assigned in previous years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the year and not attributable		Financial instruments vested during the year and attributable		Financial instruments for the year (FY2020) (Euro/000)
			Numero strumenti finanziari (units)	Vesting Period	Number of financial instruments (units)	Fair value at assignment date (Euro)	Vesting Period	Assignment date	Market price at assignment (Euro)	Number of financial instruments (units)	Value at maturity date (Euro)	Number of financial instruments (units)	Value at maturity date (Euro)	
Roberto Siagri	CEO	Performance share plan 2016 Eurotech S.p.A. - 3rd Cycle Delibera Cda 13.11.2018	-	-	-	-	-	-	-	-	-	56,000	3,592	82
Total			-	-	-	-	-	-	-	-	-	56,000	-	82

#### 4. Monetary incentive plans for members of the Board of Directors, General Managers and other key management personnel

TABLE 3B

First and Last name	#ESPANSIONE!		Plan	Bonus of the Year (*)			Bonuses from previous years (*)			Other Bonus
				Disbursable / Dispersed	Deferred	Deferral period	No longer deliverable	Disbursable / Dispersed (*)	Still Deferred	
Roberto Siagri	CEO	Compensation in the Company preparing financials statement	Annual incentive (MBO 2020)	39.5	120.0	2020-2022				
			Annual incentive (MBO 2019)			2020-2021	52.5		52.5	
			Annual incentive (MBO 2018)			2019-2020		35.0		
		Compensation from subsidiaries and associates								

'000 Euro

(\*) Incentives that as a result of the administrator's demission have not been disbursed if due

## Section II - Third part - Equity investments held by members of the management and control bodies, General Managers and Managers with strategic responsibilities

Information is provided below on the shareholdings held in the company and its subsidiaries by members of the governing and supervisory bodies, as well as by spouses who are not legally separated and minor children, either directly or through subsidiaries, trust companies or intermediaries, as shown in the register of members, in the communications received and made pursuant to the regulations and in other information obtained from the members of the governing and supervisory bodies.

In fiscal year 2020, the Company did not appoint any General Managers or identify any Key Management Personnel.

Therefore, the information provided below concerns only the members of the Company's Board of Directors and Board of Statutory Auditors, insofar as relevant.

**TABLE 1**

at December 31, 2020								
Name	Nomination	Company	Possessory title	Share at January 1 or appointment	Share acquired in the period	Share disposed in the period	Share at the end of the period	of which shares at the end of the period indirectly
Patrizio Mapelli	President from April 28, 2020	Eurotech	-	-	-	-	-	-
Fumagalli Aldo	Director and from April 28, 2020 Vice President	Eurotech	-	-	-	-	-	-
Siagri Roberto	President and CEO up to April 28, 2020 and CEO from April 28, 2020	Eurotech	Ownership	472,770	56,000	( 25,000)	503,770	316,770
Antonello Giulio	Director up to April 28, 2020	Eurotech	-	-	-	-	-	-
Costacurta Riccardo	Director up to April 28, 2020	Eurotech	-	-	-	-	-	-
Mio Chiara	Director	Eurotech	-	-	-	-	-	-
Paladin Dino	Director up to April 28, 2020	Eurotech	-	-	-	-	-	-
Pezzuto Carmen	Director up to April 28, 2020	Eurotech	-	-	-	-	-	-
Marti Antongiulio	Director	Eurotech	-	-	-	-	-	-
Curti Susanna	Director	Eurotech	-	-	-	-	-	-
Costaguta Marco	Director from April 28, 2020	Eurotech	-	-	-	-	-	-
Filippini Mariagrazia	Director from April 28, 2020	Eurotech	-	-	-	-	-	-
Rovizzi Laura	Director from April 28, 2020	Eurotech	-	-	-	-	-	-
Favaro Gianfranco	President of Board of Statutory Auditors up to April 28, 2020	Eurotech	-	-	-	-	-	-
Briganti Laura	Statutory Auditor up to April 28, 2020	Eurotech	-	-	-	-	-	-
Fabio Monti	President of Board of Statutory Auditors from April 28, 2020	Eurotech	Ownership	3,000	-	( 3,000)	-	-
Daniela Savi	Statutory Auditor from April 28, 2020	Eurotech	-	-	-	-	-	-
Rebecchini Gaetano	Statutory Auditor	Eurotech	-	-	-	-	-	-

## APPENDIX - Eurotech's 2016 Performance Share Plan.

TABLE 1 of Schedule 7 of Annex 3A of the Issuers' Regulations

Name or category	Qualification	PART 1						
		Financial instruments other options (Stock grant)						
		Section 2 - New instruments allocated according to the decision of the competent body to implement the Shareholders' meeting resolution						
		Date of the relevant Shareholders' meeting resolution	Description of the instrument	Number of the financial instruments allocated for each person or category by the B.o.D. or the competent body	Date of the allocation by the B.o.D. or the competent body	Purchase price of the instruments (if any)	Market price on the allocation date (Euro)	Vesting period
Employees		22/04/2016	Eurotech S.p.A. ordinary shares	22,500	BoD representative 07/09/2017	Without consideration	8.2082	Jan. 1, 2018 - Jan. 1, 2020
Employees		22/04/2016	Eurotech S.p.A. ordinary shares	5,000	BoD representative 07/09/2017	Without consideration	8.285	Jul. 1, 2018 - Jan. 13, 2020
Employees		22/04/2016	Eurotech S.p.A. ordinary shares	63,000	BoD representative 07/09/2017	Without consideration	5.356	Apr 1, 2018 - Apr. 1, 2020
Employees		22/04/2016	Eurotech S.p.A. ordinary shares	3,000	BoD representative 07/09/2017	Without consideration	3.7254	Oct 29, 2018 - Oct 29, 2020
Roberto Siagri	Chief Executive Officer	22/04/2016	Eurotech S.p.A. ordinary shares	56,000	BoD 13/11/2018	Without consideration	3.5919	Nov 13, 2018 - Nov 13, 2020