

DēLonghi Group

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**Annual Report on the
Remuneration Policy
and Compensation
Paid**



Annual Report on the Remuneration Policy and Compensation Paid

Summary

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Definitions	4
Executive Summary	6
Introduction	10

SECTION I - 2024 REMUNERATION POLICY	11
1. Policy aims and principles	12
1.1 Aims	12
1.2 General Principles	13
1.3 Scope of application and duration	13
1.4 Changes compared to the previous financial year	13
2. Governance of the remuneration process	15
2.1 The bodies and persons involved	15
2.2 Remuneration and Appointments Committee	17
2.3 Independent experts involved in the preparation of the Policy	20
2.4 Process for defining and approving the Policy	20
3. Description of the Policy	21
3.1 Compensation of members of the Board of Directors	21
3.1.1 Compensation of non-executive directors	21

3.1.2 Compensation of executive directors	21
a) Chairman of the Board of Directors	22
b) Vice-Chairman and Chief Executive Officer	22
3.2 Compensation of the General Manager	23
3.3 Compensation of Key Managers with Strategic Responsibilities	24
3.3.1 Compensation of the Financial Reporting Officer	25
3.4 Compensation of the Internal Audit Manager	26
3.5 Short-term incentives: Annual variable component (MBO)	26
3.6 Medium/long-term incentives	27
Stock Options Plan 2020-2027	28
2024-2026 Performance Share Plan	28
3.7 Non-monetary benefits	30

Annual Report on the Remuneration Policy and Compensation Paid

3.8 Treatment in the event of resignation, dismissal without just cause or termination of employment	30
3.8.1 Indemnity	30
3.8.2 Effects on rights granted under share-based or cash incentive plans	30
3.8.3 Non-monetary benefits - consultancy agreements	31
3.9 Compensation of members of the Board of Statutory Auditors	31
3.10 Permitted derogations from this Policy	31
SECTION II - COMPENSATION PAID DURING 2023 AND OTHER INFORMATION	32
Part One	33
1. Compensation of members of the Board of Directors in 2023	33
a) Compensation of non-executive directors	33
b) Compensation of the Chairman of the Board of Directors	33
c) Compensation of the Vice-Chairman and Chief Executive Officer	34

d) Compensation of the General Manager	34
e) Compensation of the director also holding the role of the Group's Chief Corporate Services Officer	34
2. Compensation of members of the Board of Statutory Auditors in 2023	36
3. Compensation of Key Managers with Strategic Responsibilities in 2023	36
4. Derogation from the 2023 Remuneration Policy	38
5. Comparative information for the last five years	38
6. Information on the vote expressed by the Annual General Meeting on Section II of the Report on the previous financial year	40
Part Two	41
1. Compensation paid during 2023	41
Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation	42

2. Stock Options assigned to members of the board of directors, general managers and other key managers with strategic responsibilities	48
Table 2 - Annex 3A, Scheme 7-bis of the Issuers' Regulation	48
3. Monetary incentive plans in favour of members of the board of directors, general managers and other key managers with strategic responsibilities	49
Table 3B - Annex 3A, Scheme 7-bis of the Issuers' Regulation	49
4. Interests held by the members of the board of directors and board of statutory auditors, General managers and key managers with strategic responsibilities at 31 December 2023	53
Table 1 - Annex 3A, Scheme 7-ter of the Issuers' Regulation	53

Below are the main definitions used in this report, in addition to those indicated in the main text.

Chief Executive Officer or CEO: The Chief Executive Officer of De'Longhi S.p.A. and of the Group. At the date of this Report, this role is held by Fabio de' Longhi.

Annual General Meeting: The Meeting of Shareholders of De' Longhi S.p.A.

Shares: The shares of De' Longhi S.p.A. listed on the Euronext Milan market organised and managed by Borsa Italiana S.p.A.

2024-2026 Business Plan: The 2024-2026 Business Plan approved by the Board of Directors on 18 January 2024

Exceptional circumstances: In accordance with the provisions of Art. 123-ter(3-bis) of the Consolidated Law on Finance, the 'situations in which the derogation from the remuneration policy is necessary for the purpose of pursuit of long-term interest and the Company's sustainability as a whole and in order to ensure its ability to stay in the market.'

Independent Committee or IC: The 'Independent Committee' of De' Longhi S.p.A.

Control and Risks Committee or CRC: The 'Control and Risks, Corporate Governance and Sustainability Committee' of De' Longhi S.p.A.

Remuneration and Appointments Committee or RAC: The 'Remuneration and Appointments Committee' of De' Longhi S.p.A.

CCNL: The National Collective Employment Agreement for executives of companies producing goods and services.

Corporate Governance Code or Code: The Corporate Governance Code for Listed Companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, ANIA, Assogestioni, Assonime and Confindustria to which the Company adheres, which can be accessed via the website <https://www.borsaitaliana.it/comitato-corporate-governance/codice/2020.pdf>

CONSOB: Italian Securities and Exchange Commission with registered office in Rome, Via G. B. Martini 3.

Board of Statutory Auditors: The 'Board of Statutory Auditors' of De' Longhi S.p.A.

Board/Board of Directors: The 'Board of Directors' of De' Longhi S.p.A.

De' Longhi S.p.A. or De' Longhi or Company: De' Longhi S.p.A., with registered office in Via Lodovico Seitz 47, Treviso, Italy.

General Manager or GM: The general manager of De'Longhi S.p.A. appointed by the Board of Directors. At the date of this Report, this role is held by Nicola Serafin.

Key Managers with Strategic Responsibilities or KMSR: Managers of the Group (other than the General Manager) identified by the Board of Directors who have the power and the responsibility, whether directly or indirectly, for planning, directing and controlling the De' Longhi Group's activities. At the date of this Report, the Board of Directors – most recently at the meeting held on 12 March 2024 – confirmed as Key Managers with Strategic Responsibilities, other than the General Manager, the following people: the Chief Commercial Officer, the Chief Corporate Services Officer, the Chief Financial Officer, the Chief Information Officer, the Chief Operations Officer, the Chief People Officer and the Chief Planning and Control Officer, and identified the new Chief Marketing Officer as another KMSR from April 2024.

Euronext Milan: The regulated market organised and managed by Borsa Italiana S.p.A.

De' Longhi Group or Group: All the companies included in the consolidation scope of De' Longhi S.p.A.

Sustainability Manifesto: The Group's manifesto on sustainability ('Switch on a responsible day') approved by the Board of Directors on 28 July 2022 and published by the Company (available on the website www.delonghigroup.com, section 'Sustainability' - 'Documents').

MBO: The annual variable component of the compensation for the position of Executive Director or for an employment contract as an executive, given based on the achievement of pre-defined business objectives, illustrated in subsection 3.5 of Section I of this Report.

Options: The options assigned to the beneficiaries of the Stock Options Plans.

Stock Options Plan 2020-2027: The 'Stock Options Plan 2020-2027' reserved for the Company's Chief Executive Officer and for a limited number of top managers of the De' Longhi Group approved by the Annual General Meeting on 22 April 2020.

2024-2026 Performance Share Plan: The medium/long-term share-based incentive plan called the '2024-2026 Performance Share Plan' reserved for the Chief Executive Officer, the General Manager and a limited number of top managers of

the De' Longhi Group, which will be submitted to the Annual General Meeting of 19 April 2024 for approval.

LTI Cash Plan 2021-2023: The cash incentive plan called 'LTI Cash Plan 2021-2023' reserved for top management and the key resources of the De' Longhi Group, approved by the Board of Directors at the meeting held on 29 July 2021, which ended on 31 December 2023.

Remuneration Policy or Policy: The annual policy on the remuneration of members of the Board of Directors and of the Board of Statutory Auditors, the General Manager as well as Key Managers with Strategic Responsibilities, approved for the 2024 financial year by the Board of Directors on 12 March 2024, upon the proposal of the RAC, having heard the opinion of the Board of Statutory Auditors, which will be submitted for the approval of the Annual General Meeting on 19 April 2024.

Diversity Policies: The 'Diversity policies for members of the corporate bodies of De' Longhi S.p.A.' approved by the Board of Directors on 26 February 2019 and updated on 23 February 2022.

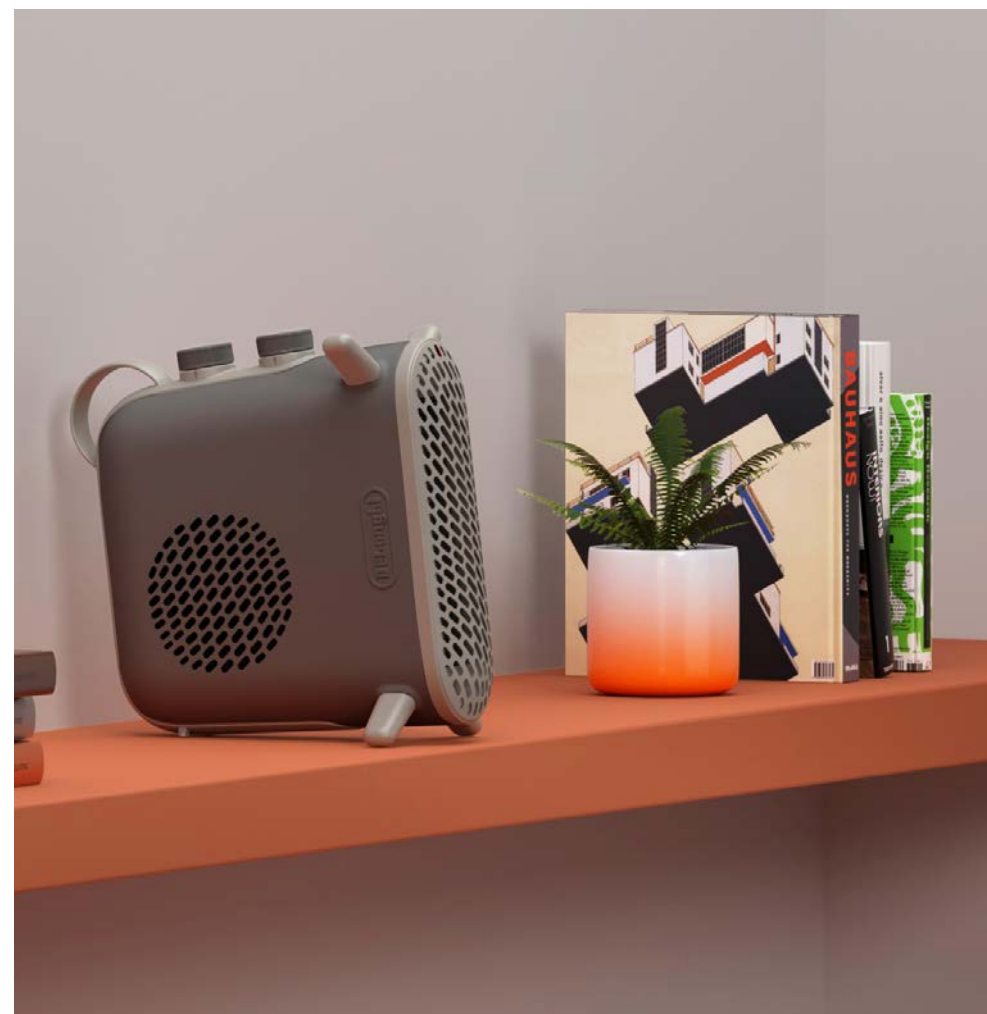
RPT Procedure: The 'Procedure on transactions with related parties of the De' Longhi S.p.A. Group' prepared in accordance with Consob Regulation No. 17221/2010 currently in force, and approved by the Company's Board of Directors in version in force at the time.

Issuers' Regulation: Implementation Regulation of Legislative Decree No. 58 of 24 February 1998, concerning the issuers' regulation, adopted by Consob with Resolution No. 11971 of 14 May 1999 and subsequent amendments.

RPT Regulation: The 'Regulation concerning transactions with related parties' adopted by Consob with Resolution No. 17221 of 12th March 2010 and subsequent amendments.

Gross Annual Remuneration Or GAR: The gross fixed annual component of the remuneration for Directors who have a current employment relationship with the Company or with one of the other companies in the Group as well as for the General Manager and for Key Managers with Strategic Responsibilities.

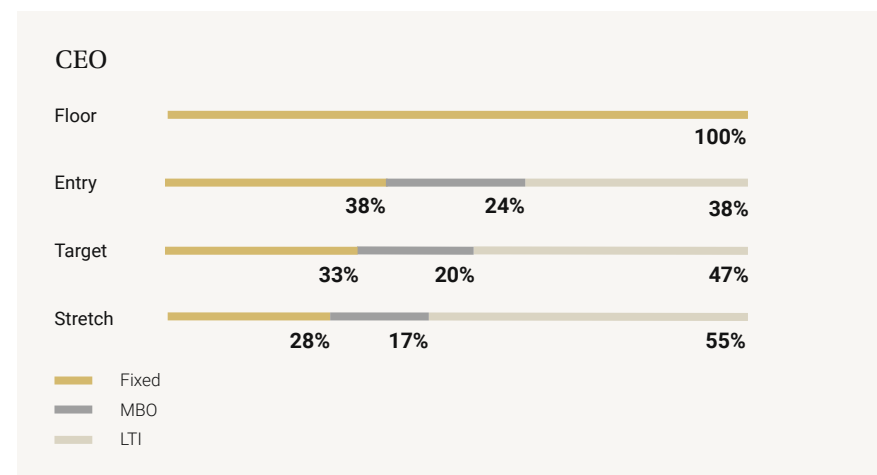
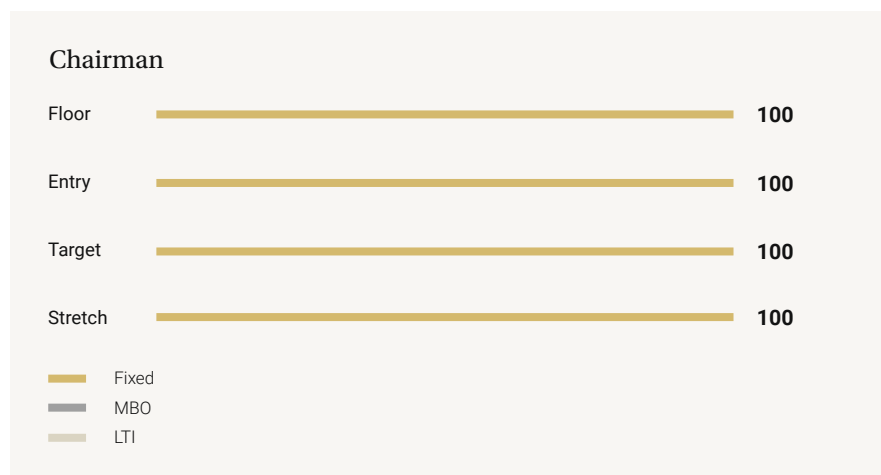
Consolidated Law on Finance or CLF: Legislative Decree No. 58 of 24th February 1998 ('Consolidated Law on the regulations concerning financial intermediation') and subsequent amendments.



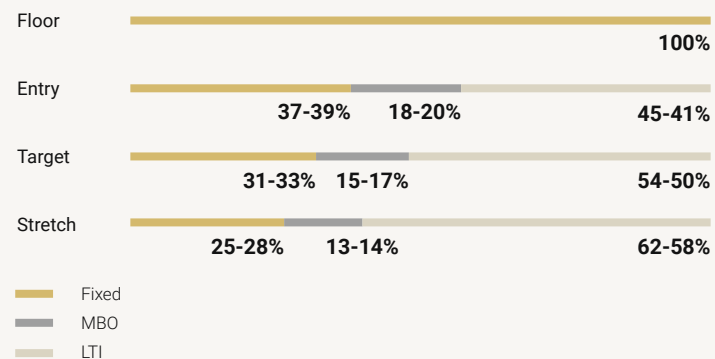
Remuneration / Fixed Component	Guarantee adequate and definite basic compensation for the work by recompensing the position held in terms of breadth of responsibilities and impact on the business, reflecting the experience, skills and competencies required for each position, as well as the level of coverage/excellence demonstrated/achieved and the quality of performance. It reflects the principles of equity, equal opportunities and non-discrimination. It must ensure internal equity and competitiveness with respect to the external market in order to attract and retain key resources. Fixed based on the individual contract in accordance with any national contracts. It can be subject to annual review.				
Chairman, V-C & CEO, GM, KMSR					
Value depending on the position.					
Non-Competition Agreement	Prohibition on performing activities of any kind whatsoever to competitors of the Company and/or Group Prohibition on the misappropriation of employees of the Company and/or Group Prohibition on diverting customers of the Company and/or Group				
GM, COO					
Remuneration defined in relation to obligations under the agreement (duration, territory scope of application, extent of restrictions).					
Annual Variable Remuneration (MBO)	Recognises the results achieved by management, establishing a link between pay and performance. The incentives reward the achievement of financial and non-financial performance targets, including ESG targets, approved by the BoD, on the proposal of the RAC and having consulted the Board of Statutory Auditors, linked to annual budget targets. Stretch targets/overachievement mechanisms are envisaged for key objectives for the Company that reward the achievement of excellent results that exceed the defined targets.				
V-C & CEO, GM		CEO in relation to KMSR role in the Company		KMSR (including CCSO)	
V-C & CEO: 75% of the Fixed Remuneration up to a maximum of 150% of the same GM: 50% of the Fixed Remuneration up to a maximum of 100% of the same		75% of the Fixed Remuneration up to a maximum of 150% of the same		30% of the Fixed Remuneration up to a maximum of 60% of the same	
EBITDA	(30%)	EBITDA	(30%)	EBITDA	(30%)
Net Revenues	(25%)	Net Revenues	(25%)	Net Revenues	(25%)
Free Cash Flow	(20%)	Free Cash Flow	(20%)	Free Cash Flow	(20%)
ESG KPIs	(15%)	Prof. Division Project	(15%)	ESG KPIs	(15%)
Market Shares	(10%)	M&A Activities	(10%)	Financial/non-fin. KPI	(10%)
Clawback / Malus Clause: can be exercised within 3 years.					

Long-Term Variable Remuneration	Recognises the results achieved over a medium/long-term, aligning the interests of beneficiaries with those of shareholders and investors, making it possible to attract and retain talented, quality resources.	
	2024-2026 Performance Share Plan (if approved by the AGM on 19 April 2024)	Stock Options Plan 2020-2027
	A limited number of the Group's Top Managers. The Chairman is not included among the Plan beneficiaries	A limited number of Top Managers of the Company and Group. Chairman and V-C/CEO and CCSO not included among the Plan beneficiaries
	If approved by the Annual General Meeting on 19 April 2024, it rewards the achievement of set performance objectives as well as the appreciation of the De' Longhi share price on Euronext Milan.	Approved by the Annual General Meeting held on 22 April 2020, rewards the appreciation of the De' Longhi share value on Euronext Milan.
	Number of shares allocated based on multipliers of fixed remuneration defined with reference to the role held	Number of options assigned depending on the position / role held
	Achievement of the following predetermined and measurable financial and non-financial performance objectives in the three-year period 2024-2026 is envisaged for the vesting of the right to receive company shares free of charge	No additional predetermined and measurable financial and non-financial performance targets are to be achieved under the plan, other than appreciation of the De' Longhi share value on Euronext Milan, since they are envisaged under the LTI Cash Plan 2021-2023 which expired in December 2023
	Performance objectives	
	Cumulative EBITDA	(35%)
	Cumulative Revenues	(35%)
	Cumulative Free Cash Flow	(20%)
	TSR DLG vs TSE FTSE Mid Cap	(10%)
	Correction Factor	
	ESG Targets	. -15% / neutral / +15%
	Cap % 2024-2026 Performance Share Plan	140%
	Holding Period Upon the sale (so-called 'sell to cover') of 45% of the shares vested, the remaining 55% of shares not sold will be subject to a Holding Period of 24 months, during which the aforementioned Shares may not be transferred and/or sold	Holding Period Upon the exercise of the Options under "sell to cover", 55% of the remaining Shares not sold will be subject to a Holding Period of 24 months (options with vesting period May 2020-April 2023) or 12 months (options with vesting period May 2020-April 2024), during which the aforementioned Shares may not be transferred and/or sold
Non-Monetary benefits	Part of the pay package. It is aimed at improving the well-being of beneficiaries and possibly their families, also taking into account the individual circumstances of the beneficiary.	
	Executives of the Company and Italian Companies in the Group	
	<ul style="list-style-type: none"> Company car FASI insurance for medical expenses Travel insurance Insurance for permanent disability due to illness Possible provision of accommodation Possible reimbursement of children's school fees 	

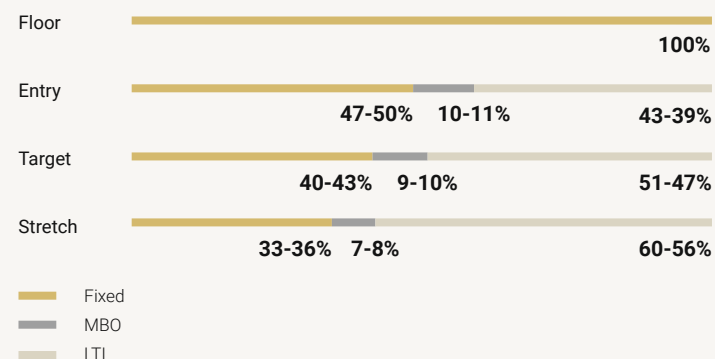
Indemnity at end of office or termination of employment	Regulates the indemnities to be paid to Executive Directors and/or KMSR in the event of resignation, dismissal without just cause or termination of employment.	
Chairman, V-C & CEO	GM	KMSR (including the Vice-Chairman and Chief Executive Officer in relation to the employment relationship as KMSR of the Company)
Not envisaged	In the event of termination by the company for objective reasons: indemnity equal to 24 months' salary, including the right to prior notice, calculated taking into account the individual's salary, as executive of the Company, and the average amount received as MBO during the last three years of the employment relationship. In addition to the possible compensation under the Non-Competition Agreement in place.	No individual agreements are envisaged which regulate ex ante the economic aspects arising from early termination of employment by the Company or for any other cause. The CCNL in force provides, in the case of individual dismissal, for a notice period of between 6 months and 12 months (depending on length of service in the company). If the dismissal is found to be unjustified, the CCNL envisages an additional indemnity to the notice period of between 4 months' and a maximum of 24 months' pay (depending on length of service in the company).
PAY MIX	The pay mix between fixed component, short-term variable component and medium/long-term variable component, determined to ensure consistency and connection between the Company's strategy, the sustainability strategy and targets represented in the Sustainability Manifesto and the performance objectives linked to the vesting of the variable incentive schemes in place, in order to ensure pursuit of the corporate strategy, the medium/long-term interests of shareholders and the sustainable success of the Company.	



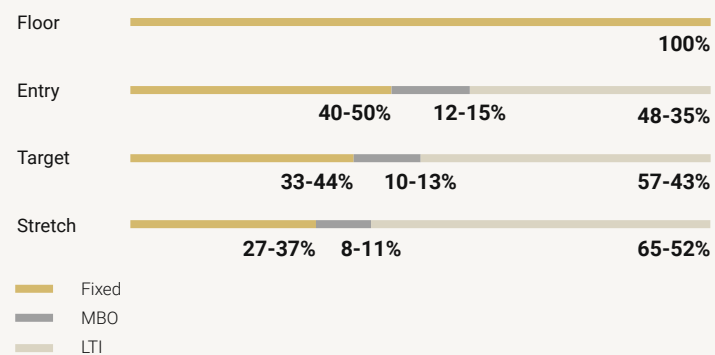
GM



Chief Corporate Service Officer



KMSR



Note: (i) the fixed remuneration of the Chairman, CEO and CCSO includes all the fixed emoluments pertaining to the Company that drafts the financial statements and the remuneration from subsidiaries and associates; (ii) for all the beneficiaries of the medium/long-term incentive schemes (LTI), the percentages indicated in the tables reflect the assignment ranges contained in the 2024-2026 Performance Share Plan described in the Information Document that will be submitted to the Annual General Meeting of 19 April 2024 for approval.

This 'Annual Report on the Remuneration Policy and Compensation Paid' (hereinafter the '**Report**') has been approved by the Company's Board of Directors upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Control and Risks Committee, on 12 March 2024, in compliance with the current legal and regulatory obligations laid down, in particular, by Art. 123-ter of the Consolidated Law on Finance and by Art. 84-quater of the Issuers' Regulation and by the relative disclosure schemes, as amended in implementation of EU Directive 2017/828 (so-called SHRD II).

The Report explains:

- in **Section I**, the Policy adopted for the financial year 2024 with regard to the compensation of the Directors, including the Vice-Chairman and Chief Executive Officer, the General Manager, Statutory Auditors (without prejudice to the provisions of Art. 2402 of the Civil Code) and Key Managers with Strategic Responsibilities, and the procedures employed to adopt and imple-

ment the same Policy;

- **Section II** (divided into two parts) contains: in Part One, a representation of the remuneration paid by the Company with reference to each of the items making up the remuneration for 2023 of the Directors, including the Chief Executive Officer, the Statutory Auditors, the General Manager and the Key Managers with Strategic Responsibilities, with comparative information for the last five years between the annual change in total remuneration of the members of the corporate bodies in relation to the Company's results, as well as the average gross annual remuneration of employees; in Part Two (i) the details of the compensation accrued or paid to these persons in 2023, for whatever reason and in whatever form, by the Company and its subsidiaries and associated companies, using the tables attached to this Report, which form an integral part of the same; and (ii) information on the shareholdings held in the Company and its subsidiaries by those same persons as well as by their spouses (from whom they are not legally

separated) or their minor children, either directly or through subsidiaries, trust companies or third parties.

To better understand the contents of this Report, it should be noted that the Company is a holding company that engages in shareholding management activities and centralised services for subsidiaries.

The contents of this Report:

- a. are made available to the public, at the Company's registered office and on its website¹ www.delonghigroup.com - in the section 'Governance' - 'Corporate bodies' - 'Annual General Meeting of 2024', and on the 11NFO authorised storage mechanism accessible on the website www.1info.it - by the 21st day before the date the Annual General Meeting is convened to approve the financial statements for the year 2023 (in particular, on 29 March 2024);
- b. are then submitted to the Annual General Meeting for the purposes described in Art. 123-ter of the Consolidated Law on Finance and Art. 84-quater of the Issuers' Regulation, and in accordance with and for the purposes set out in Art. 13(3)(b) of the RPT Regulation and the related provision contained in the RPT Procedure.

¹ The Report will be made available on the Company's website for at least ten years, without prejudice to the prohibition on accessing the personal data contained in Section II after this period.

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Section I

2024 Remuneration Policy



1.1 Aims

The Remuneration Policy of De' Longhi S.p.A. is defined in accordance with the governance model adopted by the Company and the recommendations of the Corporate Governance Code.

The Remuneration Policy contributes to the corporate strategy, pursuit of long-term interests of shareholders and the sustainability of the Company and of the Group in that it helps to:

- i. align the interests of top management with those of shareholders, pursuing the primary objective of creating value over the long term for the latter, taking into account the interests of other stakeholders relevant to the Company, by establishing a strong link between pay and performance;
- ii. focus management's attention on the pursuit of short-, medium- and long-term targets, concentrating efforts on the Group's industrial performance;
- iii. attract, motivate, develop and retain people with the necessary personal and professional qualities to achieve the company's business development objectives, based on competitive pay packages compared to the external market, defined by taking into account the working conditions of the Company's employees, thus encouraging loyalty and their permanence within the Group;
- iv. acknowledge merit in order to adequately place a value on the individual and collective contribution of managers.

These aims historically constitute the fundamental point of reference for the definition of the compensation policies of the Company and of the De' Longhi Group.

The Remuneration Policy ensures coherence and linkage between:

- the Company's strategy, as expressed in the 2024-2026 Business Plan approved by the Board of Directors;
- the strategy and the sustainability targets (identified to give substance to its commitments in this area) set out in the Sustainability Manifesto;
- the performance targets set by the Company with reference to the short- and medium/long-term variable incentive schemes adopted and applicable to executive directors and Key Managers with Strategic Responsibilities.

In compliance with the provisions of current legislation (Art. 123-ter(3-bis) of the Consolidated Law on Finance and Art. 84-quater(2-bis) of the Issuers' Regulation), the chart below shows how the variable incentive schemes provided for in the Policy contribute to the pursuit of the Company's strategy, the pursuit of long-term interests and the sustainable success of the Company by focusing on and incentivising executive directors and Key Managers with Strategic Responsibilities.

De' Longhi is committed to pursuing a progressive integration of environmental, social and governance sustainability issues within its strategy, risk management and remuneration processes, promoting a systemic and transparent approach, in compliance with the principles set out in the Group's Code of Ethical Conduct, which is also able to ensure compliance with the principles of plurality, equal opportunities, fairness and no discrimination of any kind.

GROUP STRATEGY - BP 2024-2026	2024 MBO	Performance Shares 2024- 2026
4 PRINCIPLES <ul style="list-style-type: none"> • Outperform Competitors • Reallocate Resources • Exploit the Investments • Simplify 	<i>Financial Targets</i> <ul style="list-style-type: none"> • Net Sales • EBITDA • Free Cash Flow <i>Non Financial Targets</i> <ul style="list-style-type: none"> • Market Shares 	<i>Financial Targets</i> <ul style="list-style-type: none"> • Cumulative Net Sales • Cumulative EBITDA • Cumulative Free Cash Flow • TSR DLG vs TSR FTSE Mid Cap Italia
6 STRATEGIC ENABLERS <ul style="list-style-type: none"> • Talent Development • Sustainability • Innovation • Digital Transformation • Media and market activation • Operational Excellence 	<i>ESG Targets</i> <ul style="list-style-type: none"> • Reduction of Products' environmental impact • Responsible supply chain • DE&I Program 	<i>ESG Targets</i> <ul style="list-style-type: none"> • To be defined by the BoD following the Plan's approval by the Annual General Meeting of Shareholders of April 19, 2024
2 ACCELERATION WORKSTREAMS <ul style="list-style-type: none"> • E-Commerce • Nutribullet 		

1.2. General Principles

In view of the aforementioned aims, the compensation of Directors, including the Chief Executive Officer, General Manager, Statutory Auditors and Key Managers with Strategic Responsibilities is defined in accordance with the following principles and recommendations also dictated by the Corporate Governance Code, to which De' Longhi adheres:

- compensation of non-executive Directors is proportionate to the competence, professionalism and commitment required for the duties assigned to them, also with regard to participation in board committees;
- adequately balanced compensation structure for directors with executive powers (including the CEO, General Manager and Key Managers with Strategic Responsibilities) in order to ensure the essential coherence between strategic targets, the Company's risk management policy and sustainability in the creation of value for shareholders over the long term. In particular, the remuneration structure consists of a fixed component which is appropriate for the powers and/or responsibilities assigned, and a variable component, representing a significant proportion of total remuneration, defined within maximum limits and aimed at remunerating performance expected over the short and medium/long term;
- consistency of the total compensation (for each type of position) compared to those on the market which are applicable for similar positions and for the importance of the selected competition panel, through specific salary comparison analyses, also conducted with the support of leading consulting firms;
- predetermined, measurable targets connected with variable compensation and linked in a significant part to a long-term horizon, defined in such a way as to ensure their consistency with

the Company's strategic targets and aimed at promoting sustainable success. These targets also include, where relevant, non-financial parameters aimed at remunerating performance in both the short and medium/long term, in relation to the results achieved;

- different modulation between the annual fixed component and short-term variable compensation (MBO) with regard to the nature of the position held in the company and the responsibilities assigned in order to ensure the sustainability of the business results and the creation of value for shareholders over the medium/long term;
- application of ex-post correction mechanisms (such as clawback and malus) to the amount accrued for the variable component;
- variable component subject to a partial deferment of the amounts accrued, limited to the medium/long-term variable component, considered commensurate with the characteristics of the company's business and the nature of the set targets;
- periodic review of pay packages based on overall company and personal performance, the potential for future development of the individual, working conditions and the competitiveness and attractiveness of salaries compared to market values;
- benefits in line with the relevant salary market practices and consistent with local regulations in order to complete and enhance the total pay package taking the positions and/or assigned responsibilities into account;
- definition of clear and pre-determined rules for the possible disbursement of indemnities, benefits, consultancy agreements and for the treatment of variable components of compensation in case of termination of the directorship or employment relationship, if one exists;

- without prejudice to the provisions of Art. 2402 of the Civil Code, compensation of the members of the Board of Statutory Auditors appropriate to the competence, professionalism and commitment required by the importance of the role held and the size and sector characteristics of the Company, as well as its situation.

1.3. Scope of application

The Policy sets out the principles and guidelines which the Company follows concerning compensation and applies to Directors, including Vice-Chairman and the Chief Executive Officer, the General Manager, Statutory Auditors, Key Managers with Strategic Responsibilities (including the Financial Reporting Officer) and the Internal Audit Manager of the Company ('the Internal Audit Manager').

The Company's Board of Directors, most recently at the meeting held on 12 March 2024, confirmed as Key Managers with Strategic Responsibilities (other than the General Manager) the following people: the Chief Commercial Officer, the Chief Corporate Services Officer, the Chief Financial Officer, the Chief Information Officer, the Chief Operations Officer, the Chief People Officer and the Chief Planning and Control Officer, and identified the new Chief Marketing Officer as another KMSR from April 2024.

The Policy has been prepared in line with the contents of Art. 123-ter of the Consolidated Law on Finance, Art. 84-*quater* of the Issuers' Regulation and related Annex 3A (Scheme 7-*bis* and 7-*ter*), and in consideration of the recommendations on remuneration contained in the Corporate Governance Code, to which the Company adheres. For the definition of the Policy, the recommendations formulated on this subject by the Corporate Governance Committee promoted by Borsa Italiana S.p.A. and

contained in the letter dated 25 January 2023 and that the President of that same committee sent to the Company's Chairman were taken into consideration, as well as the results of the '10th Report on the application of the Corporate Governance Code' published by the Corporate Governance Committee on 14 December 2023.

Companies directly and indirectly controlled by De' Longhi determine their compensation policies by applying principles and guidelines similar to those of the Company.

The Remuneration Policy refers to the financial year 2024 and, therefore, has an annual duration.

1.4 Changes compared to the previous financial year

Although the 2024 Remuneration Policy is essentially in line with the policy approved and applied last year, it does have a new element that was introduced in view of the results of the vote cast in relation to the 2023 remuneration policy (see subsection 6 of Section II, Part One of the Report), what was highlighted in this regard by the proxy advisors and the best market practices with regard to medium/long-term variable incentive schemes.

Considering that the LTI Cash Plan 2021-2023 ended on 31 December 2023 and that the second vesting period of the Stock Options Plan 2020-2027 Plan ends in April 2024, upon the proposal of the RAC and having heard the opinion of the Board of Statutory Auditors as appropriate, the Board of Directors approved only one new medium/long-term variable incentive scheme for the Chief Executive Officer, the General Manager and a small group of top managers of the Group - the '2024-2026 Performance Share Plan' - which will be submitted to the Annual General Meeting on 19 April 2024 for approval. The new incentive scheme is based on

financial instruments and rewards the achievement of a set of financial and non-financial corporate objectives (the latter including specific ESG objectives linked to the sustainability strategy of the Company and the Group), as well as the appreciation of the share price on the market. The indicators linked to ESG issues as well as the targets and all the performance objectives envisaged by the 2024-2026 Performance Share Plan will be identified by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, having consulted the Board of Statutory Auditors as appropriate, after the same plan is approved by the Annual General Meeting.

It should also be noted that, in order to align the remuneration policy for executive directors with the recommendations dictated by the Corporate Governance Code, the variable remuneration of the Chief Executive Officer² (as well as of the Chief Corporate Services Officer who is also a member of the Board of Directors) also includes a medium/long-term variable component for the year 2024 (for further details, please refer to subsections 3.1.2(b)

and 3.6 of this Section I of the Report). In this regard, it should be noted that this provision follows the changes made to the Company's governance system in 2022 and 2023, as well as the conclusion of the LTI Cash Plan 2021-2023 and the imminent conclusion of the second vesting period of the Stock Options Plan 2020-2027.

Compared to the 2023 policy, the new Policy also:

- provides for, in the event of the appointment of a new Chief Executive Officer during the term of office of the Board of Directors, or the hiring of a new General Manager, the possibility of awarding to the same (i) a one-off sign-on bonus or sums paid as reimbursement of 'initial accommodation' expenses and (ii) sums by way of accommodation allowance in relation to the particular personal and/or family situations of the individuals, in line with what is also provided for the KMSR;
- does not provide for the possibility of granting one-off bonuses for the KMSR.

² It should be noted that after his appointment as Chief Executive Officer in 2022, Fabio de' Longhi was not included among the beneficiaries of the Stock Options Plan 2020-2027, since at that date the term set the plan rules for the identification of new Beneficiaries had already expired; it should also be noted that Fabio de' Longhi was not included among the beneficiaries of the LTI Cash Plan 2021 - 2023 either, as per his express request, since the plan was about to expire.



2.1 The bodies and persons involved

De' Longhi's Remuneration Policy is defined in accordance with the regulatory provisions and by taking into account the provisions contained in the Articles of Association, according to which:

- The **Annual General Meeting**:

- a. determines the compensation for each member of the Board of Directors and the Executive Committee, if appointed, as well as for the Statutory Auditors, at the time of their appointment and throughout the term of office;
- b. resolves, by binding vote pursuant to Article 123-ter (3-bis) and (3-ter) of the Consolidated Law on Finance, on the Remuneration Policy set out in Section I of the Report;
- c. resolves in favour of or against, in accordance with Art. 123-ter(6) of the Consolidated Law on Finance, on the compensation paid or accrued in the previous financial year and reported in Section II of the Report. The resolution is not binding and the voting results must be disclosed to the market pursuant to Art. 125-*quater*(2) of the Consolidated Law on Finance;
- d. receives adequate information on the implementation of the Remuneration Policy;
- e. resolves on the compensation plans based on financial instruments for directors, employees and collaborators, including Key

Managers with Strategic Responsibilities, pursuant to Art. 114-*bis* of the Consolidated Law on Finance.

- The **Board of Directors**:

- a. having examined the proposals of the Remuneration and Appointments Committee and having heard the Board of Statutory Auditors, determines the compensation of executive directors, any other directors holding particular positions and the General Manager; the Board of Directors also examines the proposals of the Remuneration and Appointments Committee and determines the compensation to be paid to Directors for their participation in board committees;
- b. with the support of the Remuneration and Appointments Committee: (i) prepares, in compliance with the law and regulations in force at the time, as well as with the principles and recommendations of the Corporate Governance Code, the Company's Remuneration Policy, applying a transparent procedure and ensuring that it is in line with the pursuit of Sustainable Success and takes into account the need to have available, retain and motivate people with the skills and professionalism required by their role in the Company; (ii) ensures that the compensation paid and accrued is consistent with the principles and criteria of the Remuneration Policy, in light of the results achieved

and other circumstances relevant to its implementation;

- c. upon the proposal of the Remuneration and Appointments Committee, approves the Remuneration Report, in accordance with Art. 123-ter of the Consolidated Law on Finance;
- d. prepares, with the assistance of the Remuneration and Appointments Committee, the compensation plans based on shares or other financial instruments and submits them to the Annual General Meeting for its approval in accordance with Art. 114-*bis* of the Consolidated Law on Finance and, as authorised by the Annual General Meeting, ensures their implementation using the Remuneration and Appointments Committee, and having heard the Board of Statutory Auditors for those parts falling within its remit;
- e. prepares, with the assistance of the Remuneration and Appointments Committee, the medium/long-term cash incentive plans and ensures their implementation using the Remuneration and Appointments Committee and having heard the Board of Statutory Auditors for those parts falling within its remit;
- f. sets up an internal Remuneration and Appointments Committee with the functions of advising and making recommendations as well as appropriate investigation in compliance with the principles and recommendations laid down by the Corporate

Governance Code and defines the rules and any procedures that may be appropriate for the functioning of the Committee itself, in particular to ensure effective management of the information to be provided before its meetings. In line with the Company's corporate governance, the Board of Directors also:

- g. examines the proposals of the Remuneration and Appointments Committee on the setting of performance targets related to the variable component of the compensation of the executive directors or those who hold particular positions and the General Manager and defines the targets and approves the business results and the performance plans to which the determination of the variable compensation of directors and the General Manager is connected, if provided;
- i. defines, upon the proposal of the Chief Executive Officer, with the favourable opinion of the Control and Risks Committee, and having heard the Board of Statutory Auditors, the compensation for the Internal Audit Manager, in line with the Company's policies;
- l. on the occasion of the termination of office and/or termination of the relationship with an Executive Director or the General Manager, discloses through a press release, disseminated to the market as a result of internal processes leading to the allocation or

recognition of any indemnity and/or other benefits, the detailed information recommended by the Corporate Governance Code and the Supervisory Authority.

- The **Remuneration and Appointments Committee:**

- submits for the approval of the Board of Directors, within the time limits established by law, the 'Annual Report on the Remuneration Policy and Compensation Paid' referred to in Art. 123-ter of the Consolidated Law on Finance and, in particular, the remuneration policy for directors, the general manager, key managers with strategic responsibilities, and, taking into account Art. 2042 of the Civil Code, the statutory auditors, for presentation at the Annual General Meeting convened to approve the financial statements;
- periodically assesses the adequacy, overall coherence with and practical application of the remuneration policy adopted for directors, the general manager, key managers with strategic responsibilities, and, taking into account Art. 2042 of the Civil Code, the statutory auditors, using the information provided by the Chief Executive Officer via the Group's Chief People Officer; and submits proposals on this subject to the Board of Directors;
- submits proposals or expresses opinions to the Board of Directors regarding the compensation of executive directors and other directors holding particular positions as well as the setting of performance targets related to the variable component of such compensation;

- formulates proposals or expresses opinions on the compensation of members of the internal committees set up by the Board of Directors;
- monitors the implementation of the resolutions adopted by the Board itself and verifies, in particular, whether the performance targets have effectively been achieved;
- assists the Board of Directors in the preparation and implementation of: (i) compensation plans based on shares or other financial instruments and (ii) medium/long-term cash incentive plans;
- performs any additional tasks related to remuneration that may be necessary in view of the remuneration policy approved by the Annual General Meeting, or in application of the recommendations of the Corporate Governance Code;
- performs the tasks required of the Committee by the RPT Procedure;
- may ask the Board of Directors to make available the resources necessary to carry out the duties assigned to it; in particular, the Committee may, within the terms established from time to time by the Board of Directors, avail itself of external consultants through the Company's structures, provided that these consultants are not in situations that compromise their independence of judgement; therefore, such consultants must not, for example, perform activities that are significant for the Group Human Resources and Organisation department, the



controlling shareholders of De' Longhi or the Company's directors or key managers with strategic responsibilities. The independence of external consultants is verified by the Remuneration and Appointments Committee before their engagement, applying any procedures indicated by the legislation in force at the time.

- The **Chief Executive Officer:**

- submits proposals for medium/long-term incentive plans to the Remuneration and Appointments Committee, including any plans based on

financial instruments or, where appropriate, assists the Committee in the preparation of the same;

- upon the instructions of the Board of Directors, prepares and implements, in accordance with the approved guidelines on the remuneration policy and with the collaboration of the Group's General Manager and Group Human Resources & Organization Department via the Chief People Officer: (i) remuneration policy interventions for the individual executive, quantifying such interventions in consideration of the office held in the corporate organisation, the professional

skills, performance, potential for development as well as the competitive positioning of the pay packages compared to the market value for the office held, while keeping within the amounts set aside in the budget; (ii) incentive schemes to which the maturation of the annual MBO of Key Managers with Strategic Responsibilities of the Company are linked;

- c. provides the Remuneration and Appointments Committee with any relevant information in order to enable it to assess the adequacy and effective application of the remuneration policy.
- The **Board of Statutory Auditors** has an advisory role in the context of which:
 - a. it prepares the opinions required by law and, in particular, expresses its opinion with regard to the proposed compensation of directors vested with particular duties, in accordance with Art. 2389(3) of the Civil Code; in expressing its opinion the Board of Statutory Auditors verifies the proposals submitted by the Remuneration and Appointments Committee to the Board of Directors are in line with the Company's Remuneration Policy;
 - b. at the invitation of the Remuneration and Appointments Committee, it participates via its Chair or other designated Statutory Auditor in the meetings of the same Committee, to which all the Statutory Auditors may attend.

The Remuneration Policy is defined after a formalised process (described in subsection 2.4 below) involving the Remuneration and Appointments Committee, the Board of Directors and the Group Human Resources & Organisation Department.

2.2 Remuneration and Appointments Committee

De' Longhi's Remuneration and Appointments Committee (in this section also the '**Committee**') was set up by the Company's Board of Directors within the Board itself with resolution dated 1 March 2007, confirmed most recently at the Board meeting held on 11 February 2021, with the adherence to the new Corporate Governance Code.

The Remuneration and Appointments Committee currently in office for the three-year period 2022-2024 was appointed by the Board of Directors at the meeting held on 20 April 2022, following the renewal of the entire board of directors resolved by the Annual General Meeting that same day. In line with the recommendations contained in the Corporate Governance Code, it is composed of the following non-executive directors, the majority of whom are independent, pursuant to the CLF and the Code:

- CARLO GROSSI - independent director who acts as Chair;
- FERRUCCIO BORSANI - independent director;
- CARLO GARAVAGLIA - non-executive director.

In accordance with the principles of corporate governance, the composition of the Committee guaranteed, and guarantees in its current composition, the presence of persons who, in consideration of their professional experience, possess the necessary knowledge and experience in financial matters as well as remuneration policies, since the majority of its members have served on remuneration committees of other listed companies.

At the meeting held on 20 April 2022, the Board of Directors entrusted the Committee with the duties and functions (of advising and making recommendations, after preliminary investigation) that are assigned to it by the 'Rules of the Remuneration and Appointments Committee' approved by the Board of Directors, upon

the proposal of the committee itself, at its meeting on 30 June 2021 and later amended at its meeting on 9 November 2023 (the '**Rules**'), including those attributed to it by the RPT Procedure; in particular, the Committee is called upon to perform: (a) the functions that attribute to the appointments committee and remuneration committee respectively, and (b) limited to minor related party transactions concerning the remuneration of directors and key managers with strategic responsibilities, the role and the relevant competencies that the RPT Procedure, in compliance with the regulations in force concerning transactions with related parties, attributes to the committee composed of non-executive directors, a majority of whom are independent.

More specifically, in relation to the duties and functions assigned to it, the Remuneration and Appointments Committee is called upon to perform:

- as regards remuneration, the duties and functions listed in the previous subsection 2.1 of the Report;
- as regards appointments the following duties and functions:
 - a. submits opinions to the Board of Directors concerning the size and composition of the same and of its committees and makes recommendations regarding the professionals whose presence on the Board is considered advisable, also taking into account the Diversity Policies;
 - b. if necessary, makes recommendations to the Board of Directors concerning the maximum number of positions as director or auditor held in other companies listed on regulated markets (including foreign) or large companies that may be considered compatible with the effective performance of the position of director of the Company, also taking into account the commitment that comes with their role;

- c. makes recommendations to the Board of Directors concerning the Board's authorisation, in general and beforehand, of any exceptions to directors' non-competition restrictions laid down by Art. 2390 of the Civil Code and with regard to any problematic issues;
- d. proposes candidates for the office of director to the Board of Directors in cases of co-option;
- e. supports the Board of Directors in monitoring, defining and updating the Diversity Policies;
- f. sets up and supervises, on behalf of the Board of Directors, the self assessment process of the Board and the committees, supporting the Chairman of the Board of Directors in ensuring the adequacy and transparency of the process itself (board review or self assessment);
- g. supports the Board of Directors, giving its opinion, in the preparation, and consequent updating and implementation, of the succession plan for the Chief Executive Officer, and any other executive directors, adopted by the Company that identifies the procedures to be followed in the event of early termination of office; examines and assesses the procedures adopted for the top management succession (as defined in the Corporate Governance Code) and gives its opinion to the Board of Directors as regards their adequacy;
- as regards transactions with related parties, performs the functions and duties attributed to it by the RPT Procedure, relating to Transactions of Lesser Significance, as defined in the same RPT Procedure, concerning the remuneration of directors and other Key Managers with Strategic Responsibilities (including the General Manager) who do not fall under any of the cases of

exclusion provided for in Article 10 of the RPT Procedure.

The composition of the Committee, the appointment of its members, as well as its operating procedures, the tasks, powers, duties and means of the Committee itself are governed by the above Rules.

In particular, with reference to the functioning of the Committee, the Rules provide that:

- the Committee's activities are planned and coordinated by the Chair, who convenes, chairs and conducts the meetings and then informs the Board of Directors at the first useful Board meeting about the matters discussed, as well as the observations, recommendations and opinions expressed by the Committee during each single meeting. In the event that the Chair is absent or unavailable, the Chair's functions are carried out by the most senior member in terms of age, if he/she possesses the independence requirements or, otherwise, by the other independent member.
- the role of Secretary of the Committee (the '**Secretary**') is carried out by the Group's Chief People Officer (the role currently held by Roberto Ceschin); the Secretary supports the Chair in carrying out the following activities: (i) scheduling of meetings and drafting of the agenda (ensuring coordination of the proposals to be submitted to the Committee with the activities of the other Board committees and the Board of Directors itself); (ii) convening the meetings; (iii) collecting the documents supporting the discussion of the items on the agenda and forwarding them to the other Committee members; (iv) taking the minutes of the Committee meetings; (v) preparation of the Chair's communications to the Board of Directors;
- the Chair of the Board of Statutory Auditors, or a Statutory Auditor appointed by him/her, and all the other members of the Board of Statutory Auditors can attend the Committee's meetings, as

can, at the invitation of the Chair of the Committee, the Chairman of the Board of Directors, the Chief Executive Officer, the other directors, and, provided the Chief Executive Officer is informed, the General Manager and representatives of the corporate departments that deal with the relevant subjects to provide information and assessments falling within their remit, with reference to individual items on the agenda;

- the Group Human Resources and Organisation and Corporate Affairs departments support the Committee, in relation to their respective remits, in carrying out the due diligence activities concerning the matters that fall within the Committee's remit;
- the Committee meets as often as is necessary to carry out its functions, according to the calendar defined by the Committee upon the proposal of the Chair, and in any case whenever the Chair of the Committee deems it appropriate or is requested in writing by at least one of the other members, indicating the items to be included in the agenda, or by the Chief Executive Officer. In any event, the Committee must meet before each meeting of the Board of Directors whose agenda includes items relating to any of the matters within its remit.
- the Committee meets at the Company's registered office or elsewhere, when convened by a call notice sent to all the members of the Committee at least 3 days prior to the meeting by uploading the call notice in the section reserved for the Committee on the digital platform for managing board documentation that the Company has adopted (the '**Platform**'). In the event that the Platform cannot be used, the call notice will be sent - as an exceptional case - by email or other electronic means of communication to the addresses indicated by each recipient. The call notice must state the items on the agenda, the date, time and place of the meeting (usually the Company's registered

office); if the meeting is held exclusively using telecommunication devices, the call notice does not need to indicate a physical location for the meeting but must indicate how to access it. Except in this latter case, the meeting is deemed as being held at the place indicated in the call notice, where the secretary is located. A copy of the call notice is sent to the Chair of the Board of Statutory Auditors and to the other standing statutory auditors, again by uploading it to the section of the Platform reserved for the Committee, and, if applicable, to the Secretary of the Board of Directors so that the latter can verify that the matters to be discussed at the meetings of the Board of Directors are included on the agenda. In any case, a meeting shall be considered validly convened if all the members of the Committee are present, even in the absence of a formal call notice;

- the Committee may meet via videoconference or teleconference, even exclusively, and participation via such telecommunication devices is permitted, provided that all the participants are able to be identified, follow the discussion, intervene in real time in the discussion of the items on the agenda, express their opinion verbally, view, receive or transmit documentation, and that simultaneous examination of the items on the agenda and deliberation are guaranteed;
- the Secretary makes any documentation relating to the items on the agenda available to the members of the Committee by uploading it to the section of the Platform reserved for the Committee at least 2 business days prior to the date of the meeting, except in cases of necessity or urgency in which the documentation must in any case be forwarded at least 24 hours prior to the meeting and the recipients must be notified by e-mail that the documentation has been uploaded to the Platform;
- Committee meetings shall be validly convened in

the presence of a majority of the members in office, and its decisions shall be taken with the majority vote of the members present. In the case of an equal number of votes, the Chair shall have the casting vote;

- the minutes of each meeting shall be drawn up by the Secretary. In order to support minute-taking activities, Committee meetings may be recorded using audio and/or video devices in compliance with the provisions of the '*Rules governing audio and/or video recordings of board and committee meetings*' adopted by the Company. The draft minutes are submitted to the Chair and to the other members of the Committee, as well as to the statutory auditors who took part in the meeting, for any observations, after which the minutes are considered approved by all the members. The minutes are transcribed in a special register kept at the Company's registered office and signed by the Chair (or by the member acting as chair) and by the Secretary.

No director of De' Longhi S.p.A. takes part in the Committee meetings where the proposals to be submitted to the Board of Directors regarding their own compensation are prepared. Each member of the Committee who has personal interest, or an interest on behalf of others, as regards the matters under discussion must disclose this to the Committee. This member abstains from voting when, upon the Chair (or the member acting as chair) verifying the voting intentions, the vote of this member would be decisive for the Committee's decision (this abstention is therefore not considered for the calculation of the resolution quorum).

It should be noted that the Board of Directors has not allocated an ad hoc budget for the Remuneration and Appointments Committee, but, as provided for under the Rules, the Committee may ask the Board of Directors to make available the resources necessary to carry out its duties; in particular, from

time to time and within the terms established by the Board, the Committee may avail itself of external consultants through the Company's structures, provided that these consultants are not in a position that would compromise their independence of judgement. In this case, the Remuneration and Appointments Committee first verifies that they are not in a position that would compromise their independence of judgement.

Activities carried out in 2023

During FY 2023 the Remuneration and Appointments Committee met 13 (thirteen) times in total (in particular, on 13 and 22 February, 3 and 8 March, 5, 10 and 18 July, 6 and 19 October, 6 and 20 November and 19 December), recording an attendance of all its members to 12 meetings (100%) and two members out of three for one meeting (66.6%). The average duration of each meeting was 1 hour 37 minutes.

All the Remuneration and Appointments Committee meetings were attended by at least one member of the Board of Statutory Auditors, and, at the invitation of the Chair, by the Group's Chief People Officer, who acted as secretary of the Committee.

Some of the Remuneration and Appointments Committee meetings were attended by non-members, who were invited by the Chair of the Committee itself, for specific items on the agenda (in particular, the Vice-Chairman and Chief Executive Officer as well as the General Manager, the chair of the Control and Risks Committee, as well as the Chief Planning and Control Officer, the Chief Corporate Services Officer and the Group Market Insights Manager, after informing the Chief Executive Officer, and, if necessary, consultants from outside the Company).

With reference to the functions assigned to it concerning remuneration, during FY 2023, the

Committee carried out, inter alia, the following activities: (i) verification of the degree of actual achievement of the performance objectives defined for FY 2022 related to the MBOs of the Executive Directors; (ii) assessment of the adequacy, overall consistency and concrete application of the remuneration policy for Directors, the General Manager and Key Managers with Strategic Responsibilities adopted for FY 2022 (**'2022 Policy'**); (iii) analysis of the *'10th Report on the Application of the Corporate Governance Code'* published by the Corporate Governance Committee on the evolution of the Corporate Governance of Listed Companies and examination of the 2023 recommendations made by the President of the Committee in his letter of 25 January 2023; (iv) examination of the results of the vote of the Annual General Meeting of 20 April 2022 on the two Sections of the *'Annual Report on the 2022 Remuneration Policy and compensation paid in 2021'*; (v) definition of the Committee's work plan for 2023; (vi) verification of the degree of actual achievement of the performance objectives defined for FY 2022 related to the MBOs of Executive Directors; (vii) definition of the performance objectives related to the MBOs of the Executive Directors for FY 2023; (viii) preparation of the *'Annual Report on Remuneration Policy 2023 pursuant to Art. 123-ter of the Consolidated Law on Finance'*; (ix) assessment of the performance targets of the LTI Cash Plan 2021-2023 and formulation of the proposal and related reasoned opinion on the derogation from the 2023 Remuneration Policy in the presence of exceptional circumstances (see below); (x) preparation of the new medium/long-term share-based incentive plan, called the *'2024-2026 Performance Share Plan'*.

Activities carried out regarding appointments

With reference to the functions assigned to it concerning appointments, during FY 2023 the Committee carried out, inter alia, the following activities: (i) monitoring the application of the Diversity Policies in force; (ii)

analysis of the *'10th Report on the Application of the Corporate Governance Code'* published by the Corporate Governance Committee on the evolution of the Corporate Governance of Listed Companies and examination of the 2023 recommendations within its remit formulated by the President of the committee itself in his letter of 25 January 2023; (iii) considerations regarding the self assessment process; and (iv) proposed revision of the contents of its Rules submitted to the Board of Directors.

Activities carried out regarding transactions with related parties

Except for activities carried out in connection with the derogation from the 2023 Remuneration Policy

in the presence of Exceptional Circumstances, described in Section II, Part One, subsection 4 of the Report, during 2023, the Committee did not carry out any additional activities regarding transactions with related parties.

In the early months of the current financial year the Committee met 7 (seven) times: on 16 January, 5, 15, 22 and 26 February, 5 and 7 March.

In compliance with the governance principles and in accordance with the provisions of the Rules, during the Financial Year no director of De' Longhi S.p.A. took part in the discussion and decisions of the Committee concerning the formulation of proposals to be submitted to the Board of Directors regarding their compensation.





2.3 Independent experts involved in the preparation of the Policy

The compensation structure envisaged by the Policy was defined by the Company also based on Italian and European market remuneration benchmarks (for companies considered comparable) produced by the independent consulting firm Towers Watson Italia S.r.l., which provides methodological support and market benchmarks on Executive Compensation. De' Longhi also monitors market trends and best practices.

2.4 Process for defining and approving the Policy

The Remuneration Policy is submitted to the approval of the Board of Directors each year upon the proposal of the Remuneration and Appointments Committee, having heard the Board of Statutory Auditors. To draft the Policy the Remuneration and Appointments Committee is assisted by the Group's Chief People Officer in order to collect market data in terms of practices, policies and benchmarking to be used to better prepare the policy, and, as already specified in subsection 2.3 above, also involves, where necessary, independent experts.

The Board of Directors, having examined and approved the Policy, submits it – in compliance with the provisions of Art. 123-ter(3-bis) of the Consolidated Law on Finance – to the binding vote of the

Annual General Meeting, providing it in Section I of the Report which is published and made available to the public at least 21 days before the date the Annual General Meeting is convened to approve it.

Pursuant to Art. 123-ter(6) of the Consolidated Law on Finance as amended by Legislative Decree No. 49/2019 which implemented EU Directive 2017/828 (so-called SHRD II), starting from the Annual General Meeting to approve the 2019 financial statements, the shareholders are also asked to make a non-binding vote on the compensation paid or accrued during the previous year (2023) by the directors and statutory auditors of De' Longhi S.p.A., by the General Manager and by the Key Managers with Strategic Responsibilities, indicated in Section II of the Report.

If the Annual General Meeting does not approve the Remuneration Policy, the Company will pay remuneration in accordance with the last Policy approved by the Annual General Meeting.

In order to prepare this Policy, the Remuneration and Appointments Committee has defined - as part of its duties - the structure and contents of the same in the meetings held on 16 January, 5, 15, 22 and 26 February, 5 and 7 March 2024.

This Policy was then approved by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, in the meeting held on 12 March 2024, at the same time as the approval of this Report.

The main features of the Remuneration Policy are highlighted below, in terms of the elements of the pay package and their determination, for the various offices identified by the provisions and regulations in force.

3.1 Compensation of members of the Board of Directors

Among the members of the Board of Directors, it is possible to distinguish between:

- executive directors vested with special duties who can also be assigned specific functions; in particular: (i) the Chairman and (ii) the Vice-Chairman and Chief Executive Officer (**Executive Directors**);
- directors not vested with special duties (**Non-Executive Directors**).

The assignment of powers to directors for emergencies only is not sufficient, in itself, for them to be identified as Executive Directors.

Pursuant to Art. 2389 of the Civil Code, the compensation of all the members of the Board of Directors is determined at the time of their appointment: the Annual General Meeting sets the gross annual compensation for each director for their term of office.

3.1.1 Compensation of non-executive directors

In addition to that described in subsection 3.1 above, the Remuneration Policy for the Company's Non-Executive Directors provides, in compliance with the principles of corporate governance, the allocation of a fixed compensation and/or predetermined fees for attending committees established within the Board of Directors which is set by the Board.

No variable component of compensation is envisaged for Non-Executive Directors.

3.1.2 Compensation of executive directors

The remuneration policy for De' Longhi's Executive Directors envisages, in addition to that described in subsection 3.1 above, acknowledgement of additional compensation determined according to the office held and the respective responsibilities.

This compensation is set, in accordance with Art. 2389(3) of the Civil Code, by the Board of Directors upon the proposal of the Remuneration and Appointments Committee after having heard the opinion of the Board of Statutory Auditors.

In order to define this compensation, the Remuneration and Appointments Committee assesses the trend of the results achieved and the positioning of the Executive Directors' total pay package in relation to market values for a similar position taken from a representative sample of leading companies (also listed companies) operating in the sector

the Company belongs to (or related and/or similar sectors), or in other business contexts.

The remuneration for Executive Directors is composed, in addition to that described in subsection 3.1 above, of:

- a **fixed component** which guarantees adequate and definite basic compensation for the work of Executive Directors as recompense for the position held in terms of breadth of responsibilities and impact on the business, reflecting the experience, skills and competencies required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to the business results. The work of the Executive Directors cannot be compensated with only variable instruments which could lead to zero pay out in the event of adverse market conditions not ascribable to the directors themselves.

In particular, the fixed component for Executive Directors is composed of:

- a compensation determined by the Annual General Meeting, at the time of appointment, in relation to the office of member of the Board of Directors;
- a compensation determined by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned to under Art. 2389(3) of the Civil Code;
- any additional compensation determined by

the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and after having heard the opinion of the Board of Statutory Auditors, where there is an employment relationship as an executive of the Company;

- a **variable component** linked to the achievement of financial and non-financial performance targets, predetermined and measurable targets or to the increase of De' Longhi's share price on Euronext Milan and such as to ensure interest in pursuing value creation for the shareholders in the short and medium/long term.

In particular, the variable component for Executive Directors is represented by:

- a **gross annual variable component (MBO)** set by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned by the Board of Directors and in relation to the employment relationship, if any;
- a **medium/long-term variable component** set by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors through participation in share-based plans, approved by the Annual General Meeting, that reward the achievement of corporate performance objectives, both financial and non-financial (the latter including specific ESG objectives associated with the Group's sustainability strategy)

and the appreciation of the share price on the stock exchange.

The fixed component attributed with reference to the employment relationship, if any, with the Company, in consideration of the importance of the role held within the Group, may include sums recognised as non-competition agreements and/or stability agreements, the amount of which will be predetermined in relation to the duration and extent of the restrictions on the related agreements. The amounts awarded under such agreements may not in any event exceed 50% of the total annual fixed component attributed to the individual and shall be proportionate to the duration of the agreements.

The amounts accrued for the variable component of the compensation are subject to a partial deferment, which is limited to the medium/long term variable component (for further details on this matter, reference is made to Section I, subsection 3.6 of the Report).

In line with the provisions of the Corporate Governance Code, the variable components of the remuneration of Executive Directors are subject to the application of ex-post correction mechanisms at contract level, which envisage the possible restitution of all or part of the amounts paid (clawback), or the non-payment of compensation accrued but not yet paid (malus), if they have been determined based on data that in the following three years prove to be manifestly incorrect or the result of manipulation or unlawful behaviour.

a. Chairman of the Board of Directors

The remuneration of the Chairman of the Board of Directors is composed of a gross annual *fixed* component set:

- i. by the Annual General Meeting, in relation to his function as a member of the Board of Directors at the time of appointment;

- ii. by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned to under Art. 2389(3) of the Civil Code.

By express preference of the party concerned, the Chairman's compensation does not include a variable component.

b. Vice-Chairman and Chief Executive Officer

The Vice-Chairman and Chief Executive Officer's compensation is composed of the following elements:

- a **gross annual fixed componen** set:
 - i. by the Annual General Meeting, in relation to his function as a member of the Board of Directors at the time of appointment;
 - ii. by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned under Art. 2389(3) of the Civil Code;
 - iii. by the Board of Directors upon the proposal of the Remuneration and Appointments Committee and after having heard the opinion of the Board of Statutory Auditors, in relation to the current employment relationship as an executive of the Company;
- a **gross annual variable component (MBO)** linked to the achievement of financial and non-financial performance targets (the latter include specific ESG objectives linked to the Group's sustainability strategy), set by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned by the Board of

Directors and in relation to the employment relationship in place.

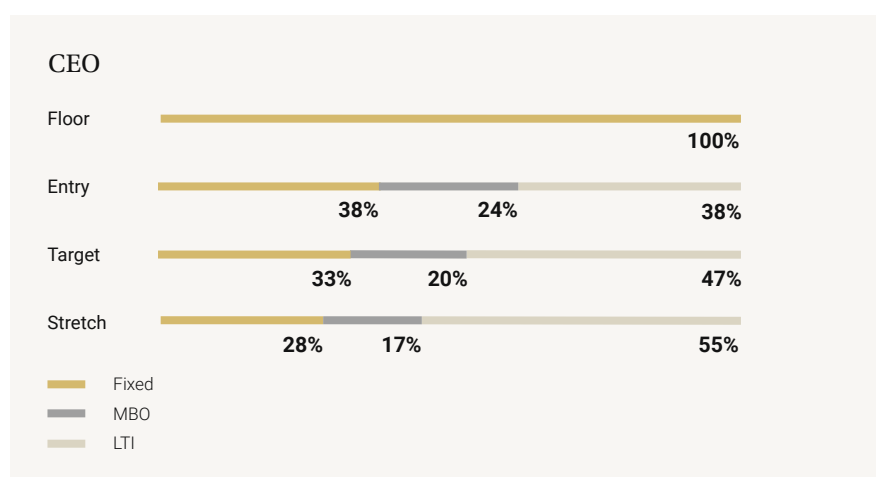
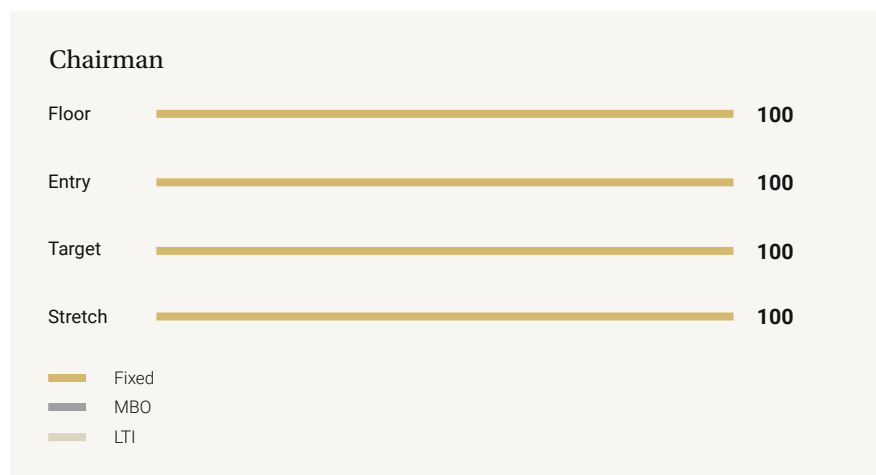
- a **medium/long-term variable component**, through participation in the share-based incentive plans approved by the Annual General Meeting.

The Chief Executive Officer, if appointed during the term of office of the Board of Directors, can be the recipient of (i) a one-off sign-on bonus or sums paid as reimbursement of 'initial accommodation' expenses and (ii) sums by way of accommodation allowance in relation to the particular personal and/or family situations of the individuals.

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In view of the Chairman's special, well-established relationship and bond with the Company and the De' Longhi Group, as regards the ratio between the fixed and variable components in the overall package, there is no risk of unbalanced guidance on his part over the short term that could compromise the focus on the growth and sustainability of the Company's medium/long-term results.

The entry point, target and maximum level pay mix for each Executive Director (i.e. the percentage weight of the different components with respect to the target annual total remuneration) is shown below and, as regards the medium/long-term variable component, it takes into account the estimated value of the expected benefit of the 2024-2026 Performance Share Plan.



Note: the percentages and values relating to the fixed remuneration of the Chairman and the Vice-Chairman and Chief Executive Officer also include remuneration received for the office of member of the Board of Directors of the Company and member of the administrative bodies of other subsidiaries of the Group.

It should be noted that, compared to the previous 2023 Policy, this Policy does not provide for any changes in the amounts paid to the Chairman and the Vice-Chairman and Chief Executive Officer currently in office, as a fixed component. For the Vice-Chairman and Chief Executive Officer currently in office, on the other hand, an increase in the short-term variable component (MBO) is envisaged, as well as his potential inclusion among the beneficiaries of the new 2024-2026 Performance Share Plan intended for the Chief Executive Officer, the General Manager and a limited number of the Group's top managers (for further details, see Section I, subsections 3.5 and 3.6 of the Report, respectively).

3.2 Compensation of the General Manager

The General Manager's compensation is composed of the following elements:

- a **gross annual fixed component** ("GAR") which is defined according to the chosen positioning compared to the reference market, the levels of responsibilities and complexities managed, as well as the professional skills, experience and development potential.

This compensation component is adjusted over time, in accordance with the market developments, by assessing the abilities and professional skills acquired and mainly the results produced and potential developed;

- a **gross annual variable component** ("MBO") awarded once predefined financial and non-financial business performance targets are achieved (the latter include specific ESG objectives linked to the Group's sustainability strategy), defined in quantitative terms with regard to the position held in the company (for further details, see Section I subsection 3.5 of the Report) to be paid without deferment of any amounts accrued;

- a **medium/long-term variable component**, through participation in the share-based incentive plans approved by the Annual General Meeting (for further details, see Section I, subsection 3.6 of the Report).

In consideration of the importance of the role held, the fixed component attributed may include sums recognised as non-competition agreements and/or stability agreements, the amount of which will be predetermined in relation to the duration and extent of the restrictions on the related agreements. These amounts will not in any case exceed 50% of the GAR attributed and will be proportionate to the duration of the constraints envisaged.

The General Manager, if newly appointed, can be the recipient of (i) a one-off sign-on bonus or sums paid as reimbursement of 'initial accommodation' expenses and (ii) sums by way of accommodation allowance in relation to the particular personal and/or family situations of the individuals.

The amounts accrued for the variable component of the compensation are subject to a partial deferment, which is limited to the medium/long term variable component (for further details on this matter, reference is made to Section I, subsection 3.6 of the Report).

In line with the recommendations of the Corporate Governance Code, the variable components of the remuneration of the General Manager are subject to the application of ex-post correction mechanisms at contract level, which envisage the possible restitution of all or part of the amounts paid (clawback), or the non-payment of compensation accrued but not yet paid (malus), if they have been determined based on data that in the following three years prove to be manifestly incorrect or the result of manipulation or unlawful behaviour.

As in the case of the Executive Directors, the fixed component of the compensation recompenses the position held in terms of breadth of responsibilities

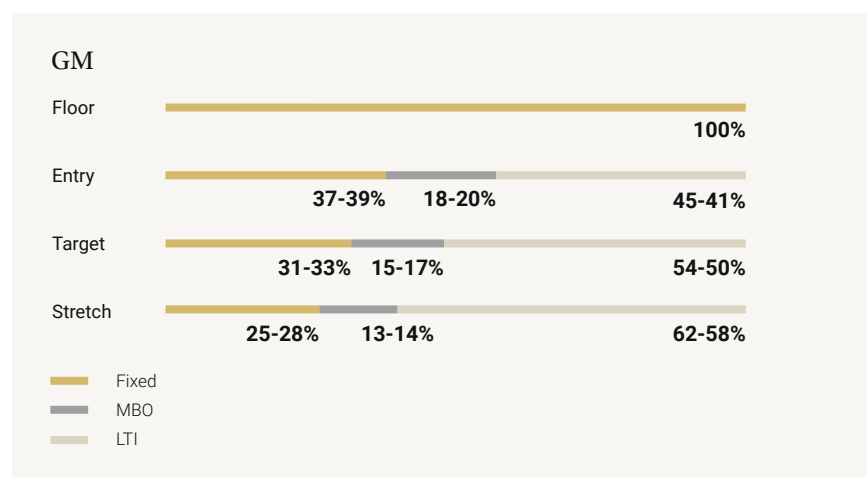
and impact on the business also for the General Manager, reflecting the experience, skills and competencies required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to the business results. This fixed component is also defined taking into account the working conditions in which they operate, including, but not limited to, the geographical location of the role and the frequency and destination of business trips.

The variable component of the compensation is designed to recognise the results achieved by management, establishing a link between pay and performance. The incentives reward the achievement of performance targets, both financial and non-financial, defining the payment of a variable bonus. There are fixed upper limits on the variable component of the remuneration linked to incentive schemes.

The relationship between the fixed and variable components in the total package for the General Manager is structured in such a way that it focuses attention on the growth and sustainability of the results over the medium/long term, reducing the risks of unbalanced guidance in the short term.

The entry point, target and maximum level pay mix for the General Manager (i.e. the percentage weight of the different components with respect to the target annual total remuneration) are shown below and, with regard to the medium/long-term variable component, takes into account the Stock Options Plan 2020-2027 (2024 fair value, constant for the three levels of performance) and the estimated value of the expected benefit of the 2024-2026 Performance Share Plan.

It should be noted that, compared to the previous



2023 Policy, this Policy provides for the General Manager:

- a change in the amounts paid as fixed component (+15%) and short-term variable component (MBO);
- his potential inclusion among the beneficiaries of the new 2024-2026 Performance Share Plan intended for the Chief Executive Officer, the General Manager and a limited number of the Group's top managers. In this regard, it should be noted that the new 2024-2026 Performance Share Plan would, if approved by the Annual General Meeting, replace the medium/long-term incentive schemes previously in place at the Company (for further details, see Section I, subsections 3.5 and 3.6 of the Report, respectively).

3.3 Compensation of Key Managers with Strategic Responsibilities

Remuneration of the Key Managers with Strategic Responsibilities consists of the following elements:

- a **gross annual fixed component** ("GAR") which is defined according to the chosen positioning compared to the reference market, the levels of responsibilities and complexities managed, as well as the individual's professional skills, experience and development potential.
This compensation component is adjusted over time, in accordance with the market developments, by assessing the abilities and professional skills acquired and mainly the results produced and potential developed;
- a **gross annual variable component** ("MBO") awarded once predefined financial and non-financial business performance targets are achieved (the latter include specific ESG objectives linked to the Group's sustainability strategy), defined in

quantitative terms with regard to the position held in the company (for further details, see subsection 3.5) to be paid without deferment of any amounts accrued;

- a **medium/long-term variable component**, through possible participation in the share-based incentive plans approved by the Annual General Meeting (for further details, see Section I, subsection 3.6 of the Report).

In consideration of the importance of the role held, the fixed component attributed may include sums recognised as non-competition agreements and/or stability agreements, the amount of which will be predetermined in relation to the duration and extent of the restrictions on the related agreements. These amounts will not in any case exceed 50% of the GAR attributed and will be proportionate to the duration of the constraints envisaged.

The amounts accrued for the variable component of the compensation are subject to a partial deferment, which is limited to the medium/long term variable component (for further details on this matter, reference is made to Section I, subsection 3.6 of the Report).

Consistent with the provisions of the Corporate Governance Code, the variable components of the remuneration for Key Managers with Strategic Responsibilities are also subject to the same claw-back or malus clauses provided for Executive Directors and the General Manager.

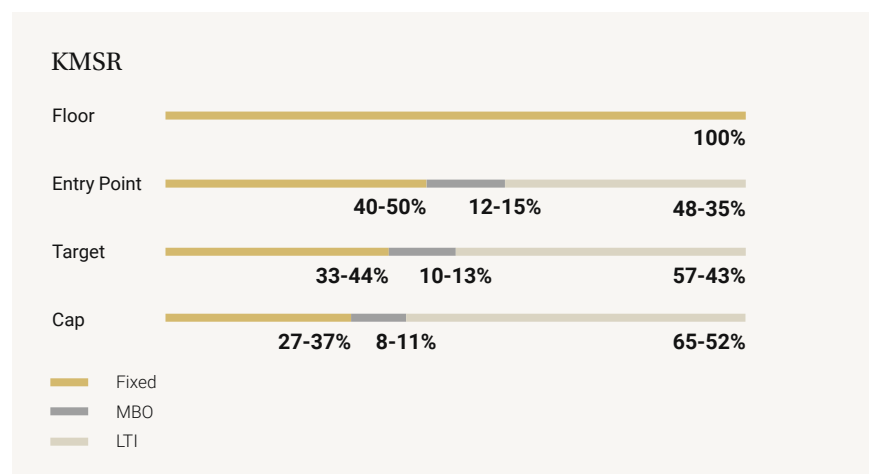
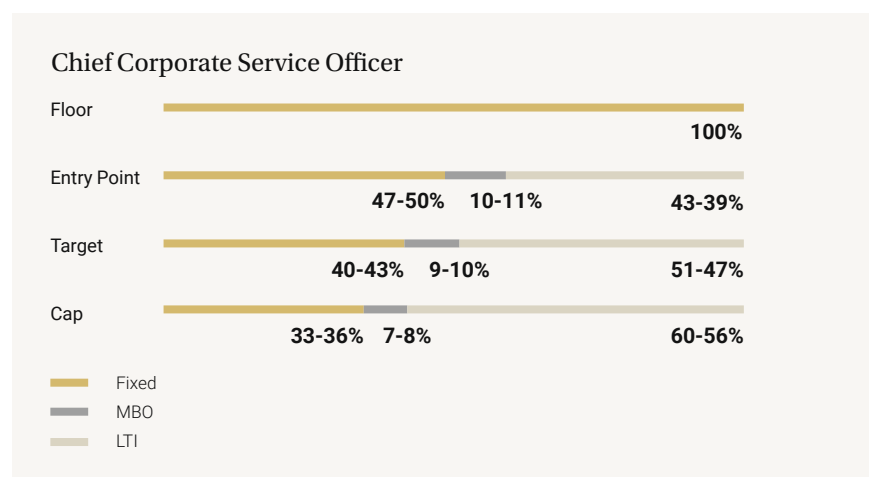
The same applies to the purposes and methods of defining the fixed component of remuneration, as well as the purposes, characteristics and upper limits on the variable component of the remuneration linked to monetary incentive schemes.

The relationship between the fixed and variable components in the total package for Key Managers with Strategic Responsibilities is structured in such a way that it focuses management's attention on the growth and sustainability of the results over the

medium/long term, reducing the risks of unbalanced guidance in the short term.

The entry point, target and maximum level pay mix for the Key Managers with Strategic Responsibilities (i.e. the percentage weight of the different components with respect to the target annual total remuneration) are shown below and, with regard to the medium/long-term variable component, takes into account the Stock Options Plan 2020-2027 (2024 fair value, constant for the three levels of performance) and the estimated value of the expected benefit of the 2024-2026 Performance Share Plan.

The attached tables show the pay mix of the Chief Corporate Services Officer separately (given her office as a member of the Board of Directors of the Company) from the other Key Managers with Strategic Responsibilities.



Should the Annual General Meeting approve the new 2024-2026 Performance Share Plan - intended, as already mentioned, also for a limited number of the Group's top managers - this incentive scheme would replace the medium/long-term incentive schemes previously in place at the Company (i.e. the Stock Options Plan 2020-2027 and the LTI Cash 2021-2023). For further details, see Section I, subsection 3.6, of the Report.

For Key Managers with Strategic Responsibilities, the following additional benefits may be provided: (i) a one-off sign-on bonus or sums paid as reimbursement of 'initial accommodation' expenses and (ii) sums by way of accommodation allowance in relation to the particular personal and/or family situations of the individuals.

3.3.1 Compensation of the Manager responsible for drafting the company accounts (Financial Reporting Officer)

The remuneration of the Financial Reporting Officer is determined, in compliance with subsection 3.3 above, in line with the tasks assigned to them.

The rationale behind the awarding and determination of such compensation corresponds to that regarding the compensation for Key Managers with Strategic Responsibilities.

Note: for all the beneficiaries, the percentage reflects the expected value, on an annual basis, of the 2024-2026 Performance Share Plan that will be submitted to the Annual General Meeting of 19 April 2024 for approval.

3.4 Compensation of the Internal Audit Manager

The compensation of the Internal Audit Manager is defined, in line with the role and tasks assigned to him, by the Board of Directors, upon the proposal of the Director responsible for the Internal Control and Risk Management System and having heard the opinion of the Control and Risks Committee and the Board of Statutory Auditors.

The rationale behind the awarding and determination of such compensation are in line with the remuneration policy for Key Managers with Strategic Responsibilities with regard to the annual fixed component and the short-term variable component (MBO), and may envisage participation in medium/long-term cash incentive plans.

3.5 Short-term incentives: Annual variable component (MBO)

The MBO represents the annual variable component of the remuneration paid once predefined values of short-term business performance indicators are reached. Its function is to direct management's action to pursuing the financial and non-financial targets defined for the year.

These performance indicators are linked to an incentive scale which expresses the bonus matured in relation to the respective degree of achievement, which will be evaluated by reference, as far as financial objectives are concerned, to the figures in the consolidated financial statements as approved by the Board of Directors, stripped of any extraordinary items. It envisages, for each of these indicators, an on/off scale, while for the other indicators, some minimum values, under which the Company does not pay the incentive (so-called entry point), and maximum values above which the Company will always pay the amount (including overachievement), namely the maximum percentage decided.

In particular, the performance indicators of the MBO are those given below.

i. With regard to the **Vice-Chairman and Chief Executive Officer**:

- a. in relation to the office of Chief Executive Officer
 - Group EBITDA³ (30% weight);
 - Group Net Revenues⁴ (25% weight);
 - Group Free Cash Flow⁵ (20% weight);
 - ESG targets linked to the sustainability strategy⁶ (15% weight);
 - Market Share⁷ (10% weight).

b. in relation to the employment relationship as a Key Manager with Strategic Responsibilities of the Company

- Group EBITDA (30% weight);
- Group Net Revenues (25% weight);
- Group Free Cash Flow (20% weight);
- 'Professional Division Project'⁸ (15% weight);
- Merger & Acquisitions (10% weight).

iii. With regard to the **General Manager**:

- Group EBITDA (30% weight);
- Group Net Revenues (25% weight);
- Group Free Cash Flow (20% weight);
- ESG targets linked to the sustainability strategy (15% weight);
- Market Share (10% weight).

iv. With regard to **Key Managers with Strategic Responsibilities**:

- Group EBITDA (30% weight);
- Group Net Revenues (25% weight);

- Group Free Cash Flow (20% weight);
- ESG targets linked to the sustainability strategy (15% weight);
- Financial or non-financial target⁹ (10% weight).

The weight of the MBO (expressed as a percentage) linked to the fixed component is:

- i. for the Vice-Chairman and **Chief Executive Officer**, 75% of the total fixed compensation recognised in relation to the powers assigned and the current employment relationship as executive of the Company, up to a maximum of 150% of the total of such fixed compensation, based on the achievement of results that give access to the approved levels of overachievement;
- ii. for the **General Manager**, 50% of the total GAR and non-competition agreement recognised in relation to the current employment relationship as executive of the Company, up to a maximum of 100% of the total of such fixed compensation, based on the achievement of results that give access to the approved levels of overachievement;
- iii. for **Key Managers with Strategic Responsibilities**, 30% of the GAR and non-competition agreement, if any, up to a maximum of 60%, based on the achievement of results that give access to the approved levels of overachievement.

The tables below show, for each 2024 performance indicator, the relationship between the different levels of achievement of the targets and the related measures of the variable component that will be paid out.

3 The 'Group EBITDA' corresponds to the operating profit for FY 2024 (as reported in the 2024 consolidated financial statements), from which the depreciation and amortisation of tangible and intangible assets and non-recurring income and expenses are excluded, which are presented in the income statement.

4 Group Net Revenues means the Group's revenues from sales and other operating income, as reported in the Group's audited consolidated financial statements for 2024.

5 Group Free Cash Flow is defined as the cash flow from current operations and changes in working capital, net of capital expenditure as reported in the 2024 financial statements.

6 ESG targets linked to the Company's sustainability strategy are represented by: (i) 'Reduce products' environmental impact': increase the % of products with polystyrene-free packaging and with digital user manuals; (ii) 'DE&I Programme': define common HR guidelines for personnel recruitment and employer branding; define common guidelines to ensure balanced shortlists of candidates and review of the job descriptions used for search and selection processes; (iii) 'Responsible Supply Chain': finalise at least 30 new social audits of component suppliers.

7 Specific target for the Group's market share in the main product categories/markets with respect to 2023.

8 The 'Professional Division Project' refers to the definition of the governance and integration of the professional division within the De' Longhi Group and the preparation of a plan for potential synergies.

9 In the case of the Chief Corporate Services Officer, the target is the 'preparation and start of implementation of a multi-year development plan aimed at supporting the growth of the resources identified as having the greatest potential, in order to prepare them for roles with broader responsibilities.'

2024 Objectives	V-C and CEO (in relation to office of CEO General Manager)			
	Weight	Entry Point	Target	Stretch
EBITDA	30%	18%	30%	75%
Net Revenues	25%	20%	25%	63%
Free Cash Flow	20%	16%	20%	35%
ESG KPIs	15%	0%	15%	15%
Market Share	10%	0%	10%	12%
Total	100%	54%	100%	200%
MBO cap: double the base MBO				

2024 Objectives	Key Managers with Strategic Responsibilities			
	Weight	Entry Point	Target	Stretch
EBITDA	30%	18%	30%	75%
Net Revenues	25%	20%	25%	63%
Free Cash Flow	20%	16%	20%	35%
ESG KPIs	15%	0%	15%	15%
Financial or non-financial KPIs	10%	0%	10%	12%
Total	100%	54%	100%	200%
MBO cap: double the base MBO				

2024 Objectives	V-C and CEO (in relation to employment contract as KMSR)			
	Weight	Entry Point	Target	Stretch
EBITDA	30%	18%	30%	75%
Net Revenues	25%	20%	25%	63%
Operating Cash Flow	20%	16%	20%	35%
Project Professional Division	15%	0%	15%	15%
M&A Activities	10%	0%	10%	12%
Total	100%	54%	100%	200%
MBO cap: double the base MBO				

It should be noted that, if a performance indicator achieves a result between two levels, the variable component will accrue proportionally.

3.6 Medium/long-term incentives

The medium/long-term incentives represent the medium/long-term variable component of remuneration; as a whole these systems direct the action and efforts towards the Group's industrial performance, with an expected positive effect also in terms of appreciation of the De' Longhi share price. In this way the medium/long-term incentives have the function of directing management action to the pursuit of the company's strategy, long-term interests and sustainability of the Company and Group, aligning the remuneration of top management with the interests of shareholders and increasing the motivation and loyalty of the beneficiaries of these incentive schemes.

The medium/long-term incentive schemes envisaged in this Policy are based on financial instruments and are intended to create value for shareholders in the medium/long term; these plans are represented, in particular, by:

- i. the existing Stock Options Plan 2020-2027, which rewards the appreciation of the price of the De' Longhi share on the Euronext Milan market, and
- ii. the new 2024-2026 Performance Share Plan, which will be submitted to the Annual General Meeting for approval, which will be convened for 19 April 2024, linked to the achievement of financial and non-financial performance objectives (the latter relating to specific ESG objectives linked to the Group's sustainability strategy) defined in the 2024-2026 Business Plan and also taking into account the Total Shareholder Return (TSR¹⁰), as well as the benefit deriving from the appreciation of the price of the De' Longhi share on the Euronext Milan market¹¹.

Stock Options Plan 2020-2027

The Annual General Meeting held on 22 April 2020 approved, upon the proposal of the Board of Directors and the Remuneration and Appointments Committee of the Company and with the favourable opinion of the Board of Statutory Auditors, the Stock Options Plan 2020-2027, for the Chief Executive Officer in office at the date the options are assigned and a limited number of the Group's top managers, associated with an increase in the Share price on the Euronext Milan market.

This plan envisages the assignment of a maximum 3,000,000 options free of charge, each of which gives the individual beneficiary the right (i) to purchase one De' Longhi share held in the Company's portfolio on the Date of Subscription, or, if the treasury shares held in the Company's portfolio are not

sufficient, (ii) to subscribe to a newly issued De' Longhi share resulting from the capital increase resolved upon to service the plan.

The purchase or subscription price of each share is €16.982 (the arithmetical average of the official prices recorded for the Shares on Euronext Milan in the 180 calendar days before the date for the approval of the plan itself and its Rules by the Company's Annual General Meeting).

At the date of the Report, no further assignments are permitted, since 18 months have elapsed since the date of the Annual General Meeting (22 April 2020) that approved the Plan, indicated in the Rules of the Plan as the maximum time limit for the inclusion of new beneficiaries.

It should be noted that the second and last vesting period provided for in the Plan rules expires in April 2024.

For the description of the 'Stock Options Plan 2020-2027', reference is made to the 'Report on the Stock Options Plan 2020-2027 with the Plan Rules and Information Document pursuant to Art. 84-bis of the Issuers' Regulation', available on the Company's website www.delonghigroup.com, in the section 'Governance' - 'Corporate Bodies' - 'AGM Archive' - '2020' - 'Annual General Meeting of 22 April 2020'.

2024-2026 Performance Share Plan

The Company's Board of Directors, at the meeting held on 12 March 2024, approved, upon the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors, the proposal of a new medium/long-term incentive plan called the '2024-2026 Performance Share Plan', for the Chief Executive Officer, the General Manager and a limited number of the Group's top managers, which will be submitted for approval to the Annual General Meeting con-

vened in a single call for 19 April 2024.

This plan is based on the assignment of rights to receive ordinary shares (Performance Shares) of the Company free of charge upon the achievement of performance objectives defined in the 2024-2026 Business Plan, as well as a TSR target.

Once the vesting period has ended (2024-2026), based on the degree of actual achievement of the above objectives, the beneficiaries will be granted De' Longhi Shares by the Company, and in particular: (i) treasury shares held in the Company's portfolio at the allotment date, following purchases made on the market, also to service the 2024-2026 Performance Share Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the Consolidated Law on Finance and the Issuers' Regulation; or, (ii) shares from the capital increase, free of charge and possibly in multiple tranches, pursuant to Article 2349 of the Civil Code, for a maximum nominal amount of €1,800,000.00, and for a maximum of 1,200,000 Shares for the resolution of which the Annual General Meeting of 19 April 2024 will be called upon to provide the Board of Directors with specific powers pursuant to Article 2443 of the Civil Code.

The main features of the plan are summarised below:

- **Beneficiaries:** the Chief Executive Officer, the General Manager and a limited number of the Group's top managers.
- **Purposes:** (i) to ensure that the interests of top management are increasingly aligned with the pursuit of the sustainable success of the Company and the De' Longhi Group, through the creation of long-term value for shareholders and stakeholders; (ii) to maintain the alignment of the De' Longhi Group's most critical profiles with company objectives; (iii) to guarantee the continuity of engagement and retention of Beneficiaries in the

10 The TSR measures the total return for a shareholder, given by the sum of the change in the share price during a reference period and any dividends paid during that same period.

11 It should be noted that the vesting period of the LTI Cash Plan 2021-2023 ended on 31 December 2023 and that, as a result of the deferral provided for in the plan itself, the relevant amounts accrued and set aside in the financial statements will be paid out during 2024 (for further information, please refer to Section II of the Report and subsection 3.6 of Section I of the 2023 Annual Report on Remuneration available on the website www.delonghigroup.com section 'Governance' - 'Corporate Bodies' - 'AGM Archive' - '2023' - 'Annual General Meeting of 21 April 2023').

12 For the purposes of verifying the degree of actual achievement of the performance targets, that reference will be made to data in the financial statements as approved by the competent corporate bodies, without prejudice to the right of the RAC and the Board of Directors to use so-called normalised data to take account of extraordinary events and conditions not envisaged in the assumptions of the approved original business plan.

long term, ensuring the competitiveness of their remuneration in the market; and (iv) to preserve the coherence of the incentive schemes with the company's strategic development;

- **Characteristics of the Plan:** the plan is a closed three-year plan that provides for the assignment to the beneficiaries of rights to receive a certain number of ordinary shares of De' Longhi S.p.A. free of charge, over a medium/long-term period (three years); on this point it should be noted that:

- the shares granted are ordinary shares of the Company and their transfer of ownership to the employee is conditional upon the achievement of predetermined company performance objectives over a specific period of time;
- the vesting period is 3 years, from 1 January 2024 to 31 December 2026;
- there is a two-year holding period on the post 'sell-to-cover' portion of 50% of the shares;

- **Performance indicators**¹³ to which the vesting of the right to receive shares in the Company free of charge is linked:

- Cumulative Group EBITDA¹⁴ (35% weight)
- Cumulative Group Net Revenues¹⁵ (35% weight)
- Cumulative Group Free Cash Flow¹⁶ (20% weight)
- Relative TSR¹⁷ (10% weight)
- Correction factor: ESG indicators (-15%/+15%).

There is a maximum limit on the number of shares to be allotted to the Beneficiaries equal to 140% of the assigned Shares.

The indicators linked to ESG issues as well as the targets of the performance objectives will be identified by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee,

having consulted the Board of Statutory Auditors as appropriate, after the 2024-2026 Performance Share Plan is approved by the Annual General Meeting;

- **Clawback/malus clause:** in line with the Corporate Governance Code, on the benefits deriving from the 2024-2026 Performance Share Plan, ex post correction mechanisms will be applied at contractual level that, in the presence of particular circumstances, grant the Company the right to require from beneficiaries, within 36 months after the allotment of the shares, the restitution

of all or part of the allotted shares or their monetary equivalent at the time of allotment (claw-back) or not to allot any shares deriving from the rights not yet vested or already vested but not yet allotted (malus). In particular, such clauses shall operate should even one of the following circumstances occur: (i) the economic/financial data and information on the basis of which the evaluation of the performance objectives was carried out prove to be manifestly erroneous or false; (ii) the beneficiary has been guilty of wilful or negligent conduct, which was a determining factor for the allotment of the shares.

Performance indicators	% weight	Performance levels / payout		
		Entry Point	Target	Stretch
Cumulative EBITDA	35%	21%	35%	45.5%
Cumulative Net Revenues	35%	28%	35%	45.5%
Cumulative Free Cash Flow	20%	16%	20%	26%
TSR DLG / TSR FTSE Mid Cap	10%	5%	10%	13%
Total	100%	70%	100%	130%
ESG indicators		-15 % points / neutral range / + 15 % points		
% Cap '2024-2026 Performance Share Plan'				140%

13 The performance indicators (Cumulative EBITDA, Cumulative Net Revenues and Cumulative Free Cash Flow) to which the vesting of the performance shares under the 2024-2026 Performance Share Plan is linked are also used as performance indicators for the 2024-2026 LTI Cash plan intended for a group of the Group's top managers and key people (who are not among the beneficiaries of the 2024-2026 Performance Share Plan), so as to ensure consistency in the orientation of the action of the Group's management as a whole.

14 The cumulative Group EBITDA for the three-year period 2024-2026 corresponds to the operating profit for each financial year (as reported in the 2024, 2025 and 2026 consolidated financial statements), from which the depreciation and amortisation of tangible and intangible assets and non-recurring income and expenses are excluded, which are presented in the income statement.

15 Cumulative Group Net Revenues means the Group's revenues from sales and other operating income, as reported in the Group's audited consolidated financial statements for 2024, 2025 and 2026.

16 Cumulative Group Free Cash Flow is the cash flow from current operations and changes in working capital, net of capital expenditure, accumulated over the three-year period 2024-2026 (as reported in the financial statements for 2024, 2025 and 2026).

17 The relative TSR index is given by the ratio between the TSR of the De' Longhi share over the three-year period 2024-2026 and the TSR of the FTSE Mid Cap index over the same reference period.

For a detailed description of the '2024-2026 Performance Share Plan' reference is made to the 'Directors' Report on the fourth item on the agenda for the ordinary part of the Annual General Meeting convened in ordinary and extraordinary session for 19 April 2024', with the annexed Information Document pursuant to Art. 84-bis of the Issuers' Regulation, as well as the 'Directors' Report on the second item on the agenda for the extraordinary part of the Annual General Meeting convened in ordinary and extraordinary session for 19 April 2024', both published on the Company's website www.delonghi-group.com, in the section 'Governance' - 'Corporate Bodies' - 'Annual General Meeting 2024'.

3.7 Non-monetary benefits

The compensation for Executive Directors, including the Chief Executive Officer, the General Manager, Key Managers with Strategic Responsibilities and Internal Audit Manager of the Company includes various types of non-monetary benefits. In particular, the following may be envisaged:

- the assignment of company cars (also for personal use), including different categories/values of car depending on the position held in the company. The Company usually charges each employee for the personal use of the vehicle for the year 2023 up to a maximum of €2,040.00 annually, inclusive of VAT, and ensures that tax and social security contributions are applied to any residual amount of the benefit;
- FASl insurance coverage for reimbursement of additional medical expenses for the executive and his/her family unit;
- travel insurance;
- insurance for permanent disability due to illness (IPM).

The Company also provides a so-called D&O

(Directors & Officers) policy that provides all directors, the Key Managers with Strategic Responsibilities and other managers of the Company or of Companies in the Group with insurance coverage for any third party liability in the performance of their duties. This policy also covers any legal costs.

In view of specific personal and/or work circumstances, the pay package of the Executive Directors, the General Manager and Key Managers with Strategic Responsibilities can include the provision of accommodation at the expense of the Company (which, as a benefit, is duly subject to taxation and social security contributions), and the reimbursement of children's school fees abroad if part of the conditions agreed upon employment, i.e. in particular situations such as, for example, when the place of work is transferred abroad.

3.8 Treatment in the event of resignation, dismissal without just cause or termination of employment

3.8.1 Indemnity

Non-Executive Directors, Chairman and Vice-Chairman

For Non-Executive Directors and for the Chairman and the Vice-Chairman and Chief Executive Officer (in relation to the latter also with regard to the existing employment relationship as executive of the Company) no indemnities are envisaged in the event of termination of office for any reason.

Limited to the employment relationship existing with the Vice-Chairman and Chief Executive Officer, in the event of termination of the relationship, the provisions of the relevant national collective agreement, if any, shall apply to the notice period and any indemnities.

General Manager

For the General Manager, the agreements in place

provide that, in the event of termination by the company for objective reasons, an indemnity is envisaged which is equal to 24 months' salary, including the right to prior notice, calculated taking into account the individual's salary, as executive of the Company, and the average amount received as MBO in the last three years of the employment relationship. This amount shall be entirely in lieu of any sum or indemnity provided for by law, by the CCNL or by any source in the event of dismissal or revocation for any reason that is unlawful, unjustified and/or contrary to the applicable provisions of law. With regard to the notice period, the provisions of the above-mentioned CCNL apply.

The non-competition agreement for the General Manager provides for a clause on non-competition and non-solicitation of the Company's employees and/or customers for a period of 24 months from the date of termination of employment, in exchange for the payment of a consideration equal to 30% of the individual's salary (TEI) at that time.

During the period of employment, the Company pays the total gross annual sum of €90,000.00. Upon termination of the employment relationship, on the basis of the results of the amount due, less the amount already paid during the employment relationship, the Company shall pay any amount still due, in two equal instalments, the first 12 months after the end of the employment relationship, the second at the end of the restriction period.

Key Managers with Strategic Responsibilities

For the Key Managers with Strategic Responsibilities no individual agreements are envisaged which regulate *ex ante* the economic aspects arising from early termination of employment by the Company or for any other cause, except as provided for in any non-competition agreements in force. In the event of termination of the employment relationship, the

provisions of the relevant national collective agreement, if any, shall apply and any supplementary treatment may be agreed individually at the time of termination.

The CCNL (National Collective Employment Agreement) in force provides, in the case of individual dismissal, for:

- a notice period of between 6 months and 12 months (depending on length of service in the company);
- an additional indemnity of between 4 months' and a maximum of 24 months' pay (depending on length of service in the company), if the dismissal is found to be unjustified.

3.8.2 Effects on rights granted under share-based or cash incentive plans

Short-term incentives (MBOs)

The right to the annual variable component of remuneration (MBO) and the related economic payment cease, as a rule, in the event of termination of the relationship, either by the beneficiary or at the initiative of the company, during the year of reference. This is without prejudice to more restrictive agreements in individual contracts, as well as any better terms agreed at the time of termination of employment.

Medium/long-term incentives - monetary remuneration plans

The rules of the LTI Cash Plan 2021-2023, approved by the Board of Directors of the Company on 29 July 2021, envisage the following effects in the event of termination of office and/or employment of the beneficiaries:

- i. in the event of termination during the performance period in the bad leaver or good leaver hypothesis, no payment will be made to the plan participant regardless of the level of achievement of the performance targets during the period between the start date of the plan and the termination date;
- ii. in the event of termination of employment in the good leaver hypothesis, after the end of the performance period but before the date of payment of the bonus, the amounts accrued will be paid in full to the plan participant on the dates envisaged in the plan rules;
- iii. in the event of termination in the leaver hypothesis, the sums accrued *pro rata temporis* in the period between the start of the performance period and the date of termination shall be paid to the participant (in the event of the participant's death, the sums shall be paid to the participant's legal heirs or successors in title) together with the severance pay.

The Board of Directors, on the proposal of the Chief Executive Officer, after hearing the opinion of the Remuneration and Appointments Committee, may decide on a lump sum or otherwise more favourable formulas for particular cases.

Medium/long-term incentives - share-based remuneration plans

For the description of the treatments under the 'Stock Options Plan 2020-2027' in the event of termination of beneficiaries' office and/or employment relationship, reference is made to the 'Report on the Stock Options Plan 2020-2027 with the Plan Rules and Information Document pursuant to Art. 84-bis of the Issuers' Regulation', available on the Company's website www.delonghigroup.com, in the section 'Governance' - 'Corporate Bodies' - 'AGM Archive' - '2020' - 'Annual General Meeting of

22 April 2020'.

For the description of the treatments under the 2024-2026 Performance Share Plan (which will be submitted to the Annual General Meeting on 19 April 2024 for its approval) in the event of termination of beneficiaries' office and/or employment relationship, reference is made to the 'Directors' Report on the fourth item on the agenda of the ordinary part of the Annual General Meeting convened in ordinary and extraordinary session for 19 April 2024' with the annexed Information Document pursuant to Article 84-bis of the Issuers' Regulation, publishes on the Company's website www.delonghigroup.com, in the section 'Governance' - 'Corporate Bodies' - 'Annual General Meeting 2024'.

3.8.3 Non-monetary benefits - consultancy agreements

Existing agreements do not provide for the assignment or maintenance of non-monetary benefits to Executive Directors, General Manager and Key Managers with Strategic Responsibilities after termination of employment. This is without prejudice to any supplementary treatment agreed individually at the time of termination.

Similarly to benefits, existing agreements do not provide for consultancy contracts for a period after termination of the relationship.

3.9 Compensation of members of the Board of Statutory Auditors

The compensation of the standing members of the Board of Statutory Auditors is determined by the Annual General Meeting following the proposal of the Board of Directors or by the same shareholders and consists of a gross annual fixed component.

As for the directors, the Company also envisages for statutory auditors a so-called D&O (Directors & Officers) policy that provides insurance coverage for any third party liability in the performance of their duties. This policy also covers any legal costs.

3.10 Permitted derogations from this Policy

In Exceptional Circumstances - understood, in line with the provisions of Art. 123-ter(3-bis) of the Consolidated Law on Finance, as exclusively those situations in which the derogation from the Remuneration Policy is necessary for the purpose of pursuit of long-term interests and the Company's sustainability as a whole and in order to ensure its ability to stay in the market - the Company may derogate temporarily from this Policy.

By way of example and without limitation, the following constitute Exceptional Circumstances:

- i. the need to replace, due to unforeseen events, a chief executive officer and the need to negotiate a pay package quickly, where the constraints contained in the approved Policy could limit the Company's ability to attract managers with suitable professional skills to manage the business;
- ii. significant changes in the perimeter of the company's activity during the period that the Remuneration Policy is valid, such as the disposal of a company/branch of business on which the performance targets of the Remuneration Policy were based or the acquisition of a significant business not envisaged for the purposes of preparing the Policy;
- iii. the occurrence, at national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or the markets in which it operates, which significantly

affect the Company's results.

If the conditions are met, the elements of the Policy from which the Company may decide to derogate are as follows:

- variation of the performance targets and/or their respective weights, relating to the 2024 MBO and the 2024-2026 Performance Share Plan;
- attribution of a lump-sum monetary bonus (in any case not exceeding the value envisaged for the annual MBO);
- attribution of particular indemnities in view of specific personal and/or working conditions;
- type of benefits recognised.

These derogations may be approved by the Board of Directors, upon the proposal or after consulting the RAC with reasoned decision and applying the 'RPT Procedure', even in the event of any exclusion or derogation permitted by the same procedure.

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Section II

Compensation paid during 2023
and other information



Information on the remuneration paid in 2023 to the executive and non-executive directors, statutory auditors, the General Manager and Key Managers with Strategic Responsibilities of De'Longhi S.p.A., is provided below (certain items are illustrated and further information can also be found in Section I of the Report), together with comparative information for the last five years on the annual change in the total remuneration of executive directors/members of corporate bodies with respect to the Company's results, as well as the average gross annual remuneration of employees.

For a correct understanding of the information and data provided below, it should be noted that:

- the new General Manager, Mr Nicola Serafin, took office on 1 January 2023;
- the vesting period of the LTI Cash Plan 2021-2023 ended on 31 December 2023; the related bonuses will be paid, based on the deferral provided for in the plan itself, during 2024.

On this point, the remuneration policy defined for the 2023 financial year (**2023 Policy**) was reviewed by the Remuneration and Appointments Committee during the periodic assessment that was conducted by the Committee at its meeting held on 7 March 2024, which also saw the participation of the Chair of the CRC and the Board of Statutory Auditors.. As a result of the assessment, the RAC and CRC (via its chair) confirmed that the remuneration paid to the Company's directors, statutory auditors, the General Manager as well as to the Key Managers with Strategic Responsibilities during the 2023 financial year, is consistent and complies with the 2023 Policy.

It should be noted that, availing itself of the derogation option in the presence of Exceptional Circumstances provided for in subsection 3.10 of the 2023 Policy, at the meeting held on 28 July 2023, the Company's Board of Directors, upon the proposal and reasoned favourable opinion of the Remuneration and Appointments Committee pursuant to the RPT Procedure, and with the favourable opinion of the Board of Statutory Auditors, approved a derogation from the 2023 Policy (the **'Derogation'**), concerning a variation of the performance objectives of the LTI Cash Plan 2021-2023 originally determined and reported in subsection 3.6.1 of the 2023 Policy.

For the reasons described below (see subsection 4 of this Part One, Section II of the Report), the Derogation entailed, in particular, the inclusion of entry points (already provided for in the previous LTI Cash plans adopted by the Company).

1. Compensation of the members of the Board of Directors during 2023

During the financial year 2023, the Board of Directors was composed of the following directors.

- Executive Directors: GIUSEPPE DE' LONGHI (Chairman), FABIO DE' LONGHI (Vice-Chairman) and SILVIA DE' LONGHI (who also serves as the Group's Chief Corporate Services Officer);
- Non-Executive Directors: MASSIMILIANO BENEDETTI, FERRUCCIO BORSANI, LUISA MARIA VIRGINIA COLLINA, CARLO GROSSI and MICAELA LE DIVELEC LEMMI (all independent pursuant to the CLF and the Corporate Governance Code),

CRISTINA PAGNI and STEFANIA PETRUCCIOLI (both independent pursuant to the CLF) and CARLO GARAVAGLIA.

During 2023, the composition of the three committees established within the Board of Directors, was as follows:

- for the **Control and Risks, Corporate Governance and Sustainability Committee**: the directors, LUISA MARIA VIRGINIA COLLINA (acting as Chair) and MICAELA LE DIVELEC LEMMI (both independent pursuant to the CLF and the Corporate Governance Code) and STEFANIA PETRUCCIOLI ((independent as per CLF);
- for the **Remuneration and Appointments Committee**: the directors, CARLO GROSSI (acting as Chair) and FERRUCCIO BORSANI (both independent pursuant to the CLF and the Corporate Governance Code) and CARLO GARAVAGLIA (non-executive director);
- for the **Independent Committee**: the independent directors pursuant to the CLF and the Corporate Governance Code, LUISA MARIA VIRGINIA COLLINA (acting as Chair), MASSIMILIANO BENEDETTI and MICAELA LE DIVELEC LEMMI.

a) Compensation of the Non-Executive Directors

The Annual General Meeting held on 20 April 2022 set the annual gross remuneration of each member of the Board of Directors appointed for the three-year period 2022-2024 at €50,000, authorising the Board of Directors to define any further remuneration for directors vested with special duties in

accordance with the memorandum of association, pursuant to Art. 2389(3) of the Civil Code.

At the meeting held on 20 April 2022, the Board of Directors resolved to set the compensation for participation in the three committees established within the Board, and that this compensation be represented, for the three-year period 2022-2024, by the attribution of an attendance fee for participating in each meeting of the committees by the members belonging to them, and quantifying said compensation in the following amounts: (i) €2,500 for the Chairs and (ii) €2,000 for the other members, for each meeting they attend of the committee they belong to.

The members of the Board of Directors are reimbursed for documented expenses incurred in carrying out their duties.

Details of the compensation paid during 2023 to non-executive directors are shown in Table 1 of Part Two of this Section II of the Report to which reference should be made.

b) Compensation of the Chairman of the Board of Directors

In application of the 2023 Policy, the following compensation was paid to Giuseppe de' Longhi as the gross annual **fixed component**:

- €50,000.00 gross in relation to the office of member of the Board of Directors;
- €950,000.00 gross in relation to the powers that have been attributed to him under Art. 2389(3) of the Civil Code.

By the express preference of the party concerned, the Chairman's compensation for 2023 also does not include a variable component.

Giuseppe de' Longhi also received other compensation from subsidiaries for the positions held as director, indicated and better specified in Table 1 of Part Two of this Section II of the Report, to which reference should be made.

c) Compensation of the Vice-Chairman and Chief Executive Officer

In application of the 2023 Policy, the following compensation was paid to Fabio de' Longhi in 2023,

- i. as the gross annual **fixed component**:
 - €50,000.00 gross in relation to the office of member of the Board of Directors;
 - €535,000.00 gross in relation to the powers that have been attributed to him under Art. 2389(3) of the Civil Code;
 - €320,000.00 gross in relation to his employment relationship as executive of the Company;
- ii. as the gross annual variable component (MBO):
 - €584,640.00 gross in relation to the office of CEO of the Company (against a target potential of €348,000.00 gross up to a maximum of €696,000.00 gross including overachievement, approved for FY 2023);
 - €322,560.00 gross in relation to the employment relationship with the Company (against a target potential of €192,000.00 gross up to a maximum of €384,000.00 gross including overachievement, approved for FY 2023).

By the express preference of the party concerned, the Vice-Chairman and Chief Executive Officer's compensation for 2023 also does not include a medium/long-term variable component.

Fabio de' Longhi also received other compensation from subsidiaries for the positions held as director, indicated and better specified in Table 1 of Part Two of this Section II of the Report to which reference should be made.

Fabio de' Longhi was also recognised non-monetary benefits for an equivalent value of €27,442.00 gross.

On the basis of the above elements and that additionally set out in Table 1 of Part Two of this Section II of the Report, the fixed remuneration paid for the financial year 2023 to the Vice-Chairman and Chief Executive Officer is equal to 1.16 times the total variable remuneration accrued (consisting of the MBO 2023), since he waived the medium/long-term variable component.

As regards the Stock Options Plan 2020-2027, it should be noted that Fabio de' Longhi is not one of its beneficiaries.

d) Compensation of the General Manager

In application of the 2023 Policy, Nicola Serafin was paid the following compensation in FY 2023:

- i. as the gross annual **fixed component**, €641,346.00 gross in relation to his employment relationship as executive of the Company (of which €72,500.00 under a non-competition agreement);
- ii. as the gross annual **variable component** (MBO), €456,960.00 gross in relation to the

employment relationship with the Company (against a target potential of €272,000.00 gross up to a maximum of €544,000.00 gross including overachievement, approved for FY 2023);

As regards the **medium/long-term variable component**, it should be noted that:

- iii. the vesting period of the LTI Cash Plan 2021-2023 ended on 31 December 2023; as a result of the results achieved, the amount accrued for 2023 is equal to €572,000.00 gross, which will be paid out during 2024 on the dates specified in the plan rules;
- iv. on 31 December 2023, the General Manager exercised 20,000 options out of the 300,000 options granted with reference to the Stock Options Plan 2020-2027 (see Table 2 of Part Two of this Section II of the Report for further details). The fair value for the year 2023 relating to participation in the aforementioned plan is €254,692.00.

Nicola Serafin did not receive other compensation from subsidiaries for positions held as director.

Nicola Serafin was also recognised non-monetary benefits for an equivalent value of €20,078.00 gross.

On the basis of the above elements, the fixed remuneration paid for the financial year 2023 to the General Manager was equal to 0.50 times the total variable remuneration accrued (consisting of the 2023 MBO, the portion of variable remuneration pertaining to the financial year relating to the LTI Cash Plan 2021-2023 and the 2023 fair value of the Stock Options Plan 2020-2027).

e) Compensation of the director also holding the role of the Group's Chief Corporate Services Officer

In application of the approved 2023 Policy, Silvia de' Longhi:

- i. was paid as the gross annual **fixed component**, the following compensation:
 - €50,000.00 gross in relation to the office of member of the Board of Directors;
 - €260,000.00 gross in relation to her employment relationship as executive of the Company;
- ii. accrued as the gross annual **variable component** (MBO) a compensation of €131,040.00 gross in relation to the employment relationship as executive of the Company (against a target potential of €78,000 gross up to a maximum of €156,000.00 gross including overachievement, approved for FY 2023);

As regards the **medium/long-term variable component**, it should be noted that:

- i. the vesting period of the LTI Cash Plan 2021-2023 ended on 31 December 2023; as a result of the results achieved, the amount accrued for 2023 is equal to €199,680.00 gross, which will be paid out during 2024 on the dates specified in the plan rules;
- ii. as regards the Stock Options Plan 2020-2027, it should be noted that Silvia de' Longhi is not one of its beneficiaries.

Silvia de' Longhi also received other compensation from subsidiaries for the positions held as director, indicated and better specified in Table 1 of Part Two of this Section II of the Report, to which reference should be made.

Silvia de' Longhi was also recognised non-monetary benefits for an equivalent value of €11,351.00.

On the basis of the above elements and that additionally set out in Table 1 of Part Two of this Section II of the Report, the fixed remuneration paid for the financial year 2023 to Silvia de' Longhi was equal to 1.03 times the total variable remuneration accrued (consisting of the 2023 MBO and the portion of variable remuneration pertaining to the financial year relating to the LTI Cash Plan 2021-2023).

With reference to the short-term variable components of remuneration accrued by the Executive Directors and General Manager during 2023, in addition to the above, the targets defined for the various objectives and their level of achievement are specified below.

- Group EBITDA (30% weight); target €380.7 million, result €444.2 million. Bonus accrued: 71 percentage points.
- Group Net Revenues (20% weight); target €3,063.7 million, result €3,075.9 million. Bonus accrued: 22 percentage points.
- Group Operating Cash Flow (10% weight); target €317.3 million, result €584.3 million. Bonus accrued: 25 percentage points.
- ESG targets (10% weight) - upon the proposal of the RAC and having heard the opinion of the Board of Statutory Auditors, on the basis of the activities and projects carried out¹⁸ and the results achieved, the Board of Directors resolved to recognise 100% of the target bonus, equal to 10 percentage points.
- Market Share (10% weight); target: maintain 2022 share, result: +0.33%. Bonus accrued: 12 percentage points.

With regard to the non-financial objectives, linked to the extraordinary activities and projects in 2023

included in the MBO of Silvia de' Longhi (25% weight)¹⁹, on the proposal of the RAC and having heard the opinion of the Board of Statutory Auditors, on the basis of the projects carried out and results achieved, the Board of Directors resolved to recognise a bonus equal to 35 percentage points.

With reference to the medium/long-term variable components of remuneration accrued by the Executive Directors during 2023, in addition to the above and taking into account the contents of the Derogation approved by the Company's Board of Directors on 28 July 2023, the targets defined for the various objectives and their level of achievement are specified below.

- Cumulative Group EBITDA (60% weight); target €1,275.6 million, result €1,321.2 million. Bonus accrued: 68 percentage points.
- Group Net Revenues (30% weight); target €3,104.4 million - result €3,075.9 million. Bonus accrued: 29 percentage points.
- CFEx - Months of Stock Coverage (10% weight); stretch target 3.5 - result 3.0 Bonus accrued: 15 percentage points.
- Correction Factor (Cumulative Operating Cash Flow); bonus threshold > €1,270.2 million - result €1,282.3 million²⁰. Bonus accrued: percentage points.
- Total bonus accrued: 122% of the target bonus value.

The RAC, at its meetings on 15, 22 and 26 February and 5 and 7 March 2024, reviewed the activities carried out and the results achieved against the targets set in the 2023 MBOs and LTI Cash Plan 2021-2023 for Executive Directors and the General Manager.

Based on the overall proposal formulated by the

RAC, on 12 March 2024 the Board of Directors resolved to accrue the bonuses relating to the 2023 MBOs and the LTI Cash Plan 2021-2023 in the amounts indicated above.

On 12 March 2024, the Board of Directors approved the results relating to the 2023 financial year.

Based on these results, the Company has set aside in the financial statements the amounts mentioned above with reference to participation in the LTI Cash Plan 2021-2023 by the General Manager and the Chief Corporate Services Officer. The amount set aside in financial statements for 2023 was equal to the difference between 122% of the target bonus for the three years of the plan's vesting (2021-2023), minus the amount set aside in the financial statements for years 2021 and 2022, compared to a maximum amount provided for under the plan rules, of 160% of the target bonus. Payment of these bonuses for the year 2023 is deferred to 2024 and is subject to the fulfilment of the conditions indicated in the rules of the aforementioned plan.

Furthermore, in accordance with the provisions of the approved 2023 Policy approved by the Annual General Meeting, the amounts accrued by Nicola Serafin and by Silvia de' Longhi are subject to:

- partial deferment which is limited to the medium/long-term variable component deriving from the LTI Cash Plan 2021-2023;
- the application of ex-post correction mechanisms at contract level which envisage the possible restitution of all or part of the amounts paid (clawback), or the non-payment of compensation accrued but not yet paid (malus), if they have been determined based on data that in the following three years prove to be manifestly incorrect or the result of manipulation or unlawful behaviour.

18 It should be noted that the ESG targets set out in the 2023 MBO were the following: (i) **Responsible Supply Chain**: define a methodology and work plan for monitoring the social, environmental and health and safety performance of suppliers. Set up a team of inspectors. Carry out at least 5 pilot inspections; (ii) **Sustainable products**: implement the new eco-design guidelines in at least two NPD projects planned in the pipeline in each product category (*Home, FACM and Pump, Food Preparation*) as a pilot project by the end of 2023. The guideline checklist aims to assess improvement over time, comparing it with previously developed products; (iii) **Health and safety**: guiding individual behaviour through training and communication initiatives on health and safety issues.

19 It should be noted that the 2023 extraordinary activities and projects assigned were the following: (i) **Group IoT Project** (IT and R&D structures): redesign of the IoT architecture and internalisation of software development; (ii) **Corporate Welfare**: the feasibility project for the realisation of a company crèche in Treviso for the children of employees; (iii) **Succession Plan for the Group's top management**: identification of candidates for the succession of key roles and initial definition of individual development plans.

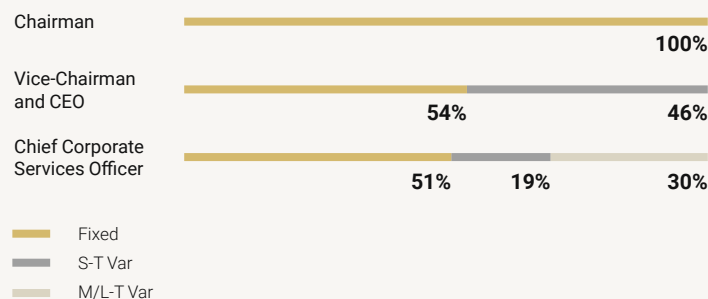
20 Normalised value (totalling €43.4 million) to take into account certain extraordinary events and conditions not envisaged in the assumptions of the approved business plan.

In FY 2023, the Company did not apply the *claw-back* and *malus* clauses contemplated by the 2023 Policy.

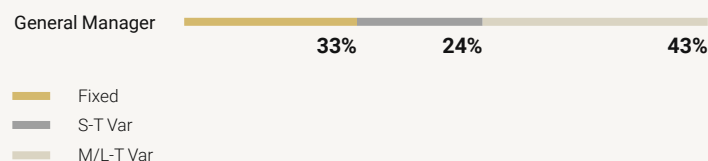
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The pay mix related to total remuneration accrued in 2023 for each Executive Director and the General Manager is shown below. On this point, it should be noted that the values relating to the different components (i.e. fixed, short-term variable and medium/long-term variable) are those shown in Tables 1, 2 and 3B included in Part Two of this Section II of the Report, to which reference should be made.

Pay Mix of Executive Directors



Pay mix of General Manager



2. Compensation of the members of the Board of Statutory Auditors during 2023

In 2023, the Board of Statutory Auditors of the Company was composed of: CESARE CONTI (acting as Chair), ALESSANDRA DALMONTE and ALBERTO VILLANI.

The Annual General Meeting of 20 April 2022 set, for the three-year period 2022-2024, the annual compensation of the Chair of the Board of Statutory Auditors at €70,000.00 gross and the compensation of each of the two standing members at €48,000.00 gross.

Alessandra DalmonTE and Alberto Villani also received other compensation from subsidiaries for the positions held as statutory auditor, indicated and better specified in Table 1 of Part Two of this Section II of the Report, to which reference should be made.

3. Compensation of Key Managers with Strategic Responsibilities in 2023²¹

In application of the approved 2023 Policy, six additional Key Managers with Strategic Responsibilities:

- i. were paid in total as a gross **annual fixed component** the amount of €1,783,315.00 gross in relation to their employment relationships as executives of a company in the Group (of which €26,250.00 under a non-competition agreement);
- ii. accrued in total as a gross annual **variable component** (MBO) the amount of €796,320.00 gross in relation to their employment relationships as executives of the Company (against a target potential of €474,000.00 gross up to a maximum of €948,000.00 gross including over-achievements approved for FY 2023);

²¹ It should be noted that the remuneration stated in this paragraph was calculated considering the full annual amount of the remuneration paid for 2023 to the 3 persons identified by the Board of Directors as new KMSR on 13 March 2023.

iii. accrued in total as the **medium/long-term variable component** (MBO), the following compensation:

- €1,020,448.00 gross relating to the accrued amount of the LTI Cash Plan 2021-2023 for the year 2023;
- €676,994.00 gross for the year relating to the fair value of the Stock Options Plan 2020-2027.

As regards the medium/long-term variable component, it should be noted that, during FY 2023, the Key Managers with Strategic Responsibilities exercised 200,350 options out of the 980,000 options assigned and not yet exercised at the start of the year with reference to the Stock Options Plan 2020-2027.

A Key Manager with Strategic Responsibilities, holder of 170,000 options, left the company in 2023 and therefore these options expired (their fair value for the years 2020, 2021 and 2022 had amounted to a total of €578,286.00).

Please refer to Table 2 of Part Two of this Section II of the Report for further details.

As regards the variable components of remuneration accrued by the Key Managers with Strategic Responsibilities during 2023, the same considerations outlined above with reference to executive directors apply.

For more information on the remuneration paid to the Company's Key Managers with Strategic Responsibilities during the 2023 financial year, in compliance with the 2023 Policy, reference is made to the cumulative data indicated in the tables in Part Two of this Section II of the Report.

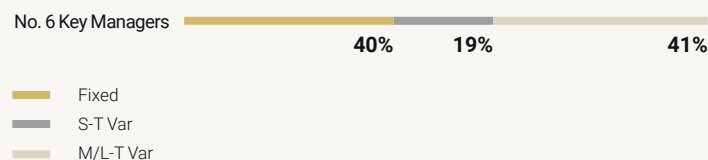
Moreover, Key Managers with Strategic Responsibilities were recognised non-monetary benefits for a total equivalent value of €152,481.00.

On the basis of the above elements and that additionally set out in Table 1 of Part Two of this Section II of the Report, the fixed remuneration paid cumulatively for the financial year 2023 to the Key Managers with Strategic Responsibilities was equal to 0.72 times the total variable remuneration accrued (consisting of the 2023 MBO and the portion of variable remuneration pertaining to the financial year relating to the LTI Cash Plan 2021-2023 and the 2023 fair value of the Stock Options Plan 2020-2027).

The pay mix related to total remuneration accrued in total by Key Managers with Strategic Responsibilities in 2023 is shown below. On this point, it should be noted that the values relating to the different components (i.e. fixed, short-term variable and medium/long-term variable) are those shown in Tables 1, 2 and 3B included in Part Two of this Section II of the Report, to which reference should be made.



Pay mix of Key Managers with Strategic Responsibilities



4. Derogation from the 2023 Remuneration Policy

On 28 July 2023, the Board of Directors of De' Longhi approved - upon the proposal of the Remuneration and Appointments Committee (which, in application of the RPT Procedure, issued a non-binding favourable opinion) and subject to the favourable opinion of the Board of Statutory Auditors - a derogation from the 2023 Policy for Exceptional Circumstances, pursuant to and for the purposes of Art. 123-ter(3-bis) of the CLF and in compliance with subsection 3.10 of the 2023 Policy (the '**Derogation**').

In accordance with the provisions of Art. 123-ter of the CLF, subsection 3.10 of the 2023 Policy expressly envisaged the possibility to derogate from the 2023 Policy itself and - in addition to regulating the procedural conditions under which the Derogation could be applied (i.e. application of the RPT Procedure) - indicated: (i) as elements of the 2023 Policy from which it was possible to derogate if the prerequisites required by law were met, the '*variation of performance targets and/or their respective weights, relating (...) to the LTI Cash Plan 2021-2023*', and (ii) as possible Exceptional Circumstances, '*the occurrence, at national or international level, of extraordinary and unforeseeable events concerning the Company and/or the sectors and/or the markets in which it operates, which significantly affect the Company's results*'.

In particular, the Exceptional Circumstances underlying the Derogation can be traced back to the Russian-Ukrainian conflict that has been ongoing since February 2022, which has not only significantly affected those markets, but has also triggered a series of consequences at the global macro-economic level that, in 2022, had a significant negative impact on the Group's revenues and EBITDA, potentially jeopardising the achievement of the

performance targets envisaged in the LTI Cash Plan 2021-2023 (drafted before this conflict could have even been predicted) and the accrual of the related bonuses, for reasons not attributable to the beneficiaries of the Plan itself.

The Derogation concerned the medium- and long-term variable remuneration of the De' Longhi Group's top management and key people and entailed a change in the performance targets of the LTI Cash Plan 2021-2023 set out in the relevant rules and reported in subsection 3.6.1 of the 2023 Policy.

In particular, the Derogation was introduced in the LTI Cash Plan 2021-2023, an entry point of 94% was introduced for just the 2021-2023 Cumulative EBITDA and 2023 Net Revenue targets envisaged and defined by the Plan itself, upon the achievement of which the related bonus will accrue at 70%; with the Derogation, it was also envisaged that between the entry target and the target level, the bonus will accrue in a linear manner between 70% and 100%.

In this regard, it should be noted that, in its reasoned favourable opinion issued pursuant to the RPT Procedure, the Remuneration and Appointments Committee specified that, in view of the aforementioned effects attributable to the Russian-Ukrainian conflict, it first assessed the feasibility and related consequences of: (i) a possible reduction of the performance targets envisaged under the LTI Cash Plan 2021-2023, or (ii) from the use, for the purposes of verifying the degree of achievement of the performance targets, of so-called 'normalised' data.

In particular, the Remuneration and Appointments Committee first verified that the two hypotheses described above (both of which are permitted under the rules of the LTI Cash Plan 2021-2023 and highlighted in the 2023 Policy) would be applicable and analytically quantifiable. It then noted that,

given the presence of stretch targets on both cumulative EBITDA 2021-2023 and Net Revenues 2023, with a payout of 150% upon achieving the maximum result under the LTI Cash Plan 2021-2023, the adoption of the two methods could have generated a distorting effect, risking significant overachievement levels to be accrued upon even slightly exceeding the adjusted and reduced targets.

In order to avoid this distorting effect, the Remuneration and Appointments Committee evaluated, as an alternative, the adoption of a variation of the performance targets set originally through the inclusion of entry points (among other things, already provided for in the previous LTI cash plans adopted by the Company), a solution that would also have allowed for the extraordinary events that occurred to be taken into account, but which required a derogation from the 2023 Policy. After careful consideration, the Remuneration and Appointments Committee, having ascertained that the modification under consideration fell within a derogation permitted by the 2023 Policy, came to prefer this solution since it would not have exposed the Group to the risk of having to recognise overachievement for result levels below the targets set originally, and that it appeared more in line with the rationale of this adjustment and also with the achievement of the medium- and long-term interests of the Company and other stakeholders.

For the purposes of approving the Derogation, the procedural requirements set out in subsection 3.10 of the 2023 Policy were observed and therefore, the RPT Procedure applied. In particular, the procedure followed by the Company primarily saw the involvement of the Remuneration and Appointments Committee (also responsible for transactions with related parties of lesser significance concerning the remuneration of directors), which examined the issue, in the presence of the Board of Statutory

Auditors, during the meetings held on 5, 10 and 18 July 2023, at the last meeting formulating its reasoned favourable opinion after noting that the Derogation would have constituted a 'Transaction of Lesser Significance' within the meaning of Article 1 of the RPT Procedure; this is because the additional amount for Key Managers with Strategic Responsibilities resulting from the introduction, among the Plan's performance targets, of the entry points for cumulative EBITDA 2021-2023 and Net Revenues 2023, subject to the Derogation, would not have resulted in exceeding the 5% threshold for any of the materiality ratios set out in Annex 3 to the RPT Regulation.

The Derogation was submitted by the Remuneration and Appointments Committee to the Board of Directors at the board meeting held on 28 July 2023, accompanied by the non-binding reasoned favourable opinion, issued by the Committee itself pursuant to the RPT Procedure; at that meeting, the Board of Directors, having heard the favourable opinion of the Board of Statutory Auditors, approved the Derogation to the 2023 Policy proposed by the Remuneration and Appointments Committee, at the same time resolving on the amendments to the LTI Cash Plan 2021-2023 in order to update its provisions to the Derogation.

It should be noted that the results achieved by the Group are fundamentally in line with or exceeding the targets originally set in the LTI Cash Plan 2021-2023 and therefore made the Derogation essentially devoid of any concrete effects.

5. Comparative information for the last 5 years

The enclosed tables show the comparison for the last 5 years between the annual change in the total remuneration of directors and statutory auditors in relation to the company's results as well as the aver-

age gross annual remuneration of employees.

For a more effective comparison of these trends, a representation by index numbers has been used (see Table A below), including a graphical representation (see Table B below).

The remuneration of the Chairman, the Non-Executive Directors and the members of the Board of Statutory Auditors does not include any variable components.

The Chairman's remuneration was represented by considering all fixed components of remuneration received from the Company and its subsidiaries and associates.

The Chief Executive Officer's remuneration was represented by considering all fixed components of remuneration received from the Company and its subsidiaries and associates. In addition, as of FY 2023, his remuneration again includes a short-term variable component (a component he had waived for FY 2020). He is not, however, the beneficiary of a medium/long-term variable remuneration since at the time of his appointment as Chief Executive Officer, effective from 1 September 2022, the LTI Cash Plan 2021-2023 was nearing expiry and the terms provided for his possible inclusion as a beneficiary of the Stock Options Plan 2020-2027 had elapsed.

The remuneration of the Chief Corporate Services Officer (who is also a member of the Board of Directors) has been represented by considering all the fixed components of remuneration, the amounts received as an annual variable component (MBO) and those received as a medium-term variable component through participation in the LTI Cash Plans 2018-2020 and 2021-2023 and the Stock Options Plan 2016-2022 which ended in December 2022. The Chief Corporate Services Officer is not among the beneficiaries of the Stock Options Plan 2020-2027.

With regard to the remuneration data underlying the

index numbers shown in Table A, the following should be noted:

- the remuneration of the Non-Executive Directors includes the gross annual remuneration attributed by the Annual General Meeting to each member of the Board of Directors, while it does not include the remuneration established by the Board of Directors for participation in board committees;
- the remuneration of the Statutory Auditors includes the gross annual remuneration attributed by the Annual General Meeting to member of the Board of Statutory Auditors;
- the remuneration of all the persons indicated does not include the value related to any non-monetary benefits granted to them;
- the average gross annual remuneration of employees was calculated taking into account:
 - the monthly remuneration due (on a full-time equivalent basis) for the salary months paid;
 - assuming presence for the entire year with reference to staff hired and/or leaving during the year;
 - recurring remuneration paid (such as sums relating to non-competition agreements);
 - variable components such as bonuses and allowances, overtime, performance bonuses, MBOs, any lump-sum bonuses.

As regards the net revenues and EBITDA figures, their development starting from 2021 reflects the acquisition of *Capital Brands Holdings inc.*, which took effect on 1 January 2021 and the entry of the Swiss group Eversys into the De' Longhi Group's consolidation scope, with effect from 1 April 2021.

Considering that the Company is a holding company, with the aim of providing a more meaningful representation of the aforementioned trends, the staff remuneration data refer to the employees of

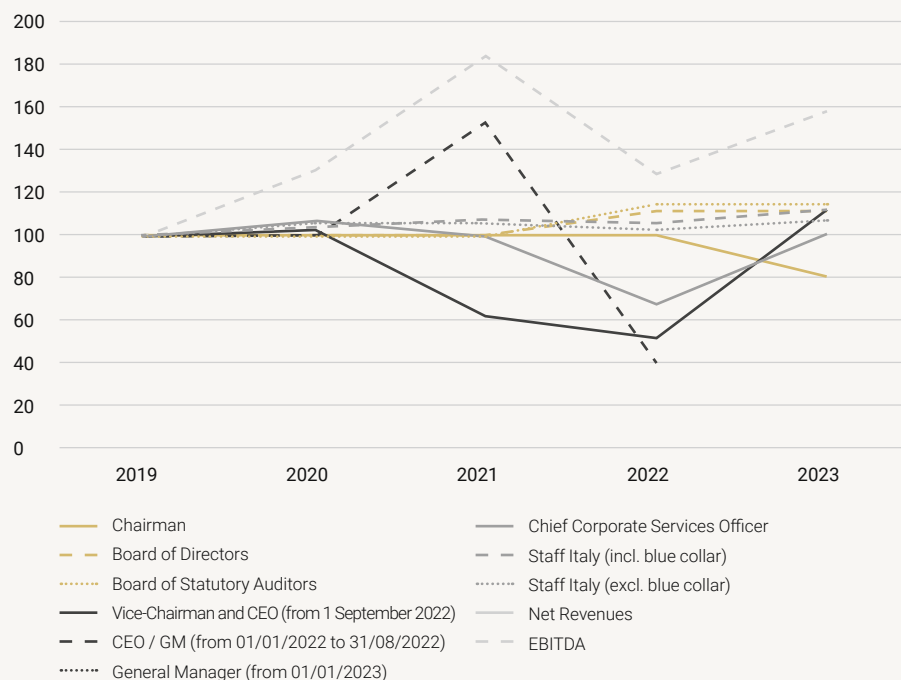
the Group's Italian companies (represented in the two versions, including and excluding blue collar workers).

Finally, the figures for net revenues and EBITDA are taken from the consolidated financial statements approved by the Board of Directors.

Table A: information provided using index numbers

Year	2019	2020	2021	2022	2023
Chairman	100	100	100	100	81
Board of Directors	100	100	100	111	111
Board of Statutory Auditors	100	100	100	115	115
Vice-Chairman and CEO (from 1 September 2022)	100	102	62	52	111
CEO / GM (from 01/01/2022 to 31/08/2022)		100	152	39	
General Manager (from 01/01/2023)					100
Chief Corporate Services Officer	100	107	99	68	101
Staff Italy (incl. blue collar)	100	105	108	106	112
Staff Italy (excl. blue collar)	100	105	106	102	107
Net Revenues	100	112	153	150	146
EBITDA	100	131	184	129	158

Table B: information provided using index numbers



6. Information on the vote expressed by the Annual General Meeting on Section II of the report on the previous financial year

As shown in the table below, the Annual General Meeting of 21 April 2023 - in which a total of 493 shareholders participated by proxy for 137,492,733 ordinary shares equal to 91.018624% of the ordinary capital and 218,452,393 votes equal to 93.727505% of the voting rights attributed to the capital - expressed a positive opinion on Section II of the 2023 Annual Remuneration Report.

2.2 Advisory vote on the 'Compensation paid in 2022' indicated in Section II, in accordance with Article 123-ter(6) of Legislative Decree No. 58/98

	No. Shareholders (own behalf)	No. Votes	% of votes present or represented	% of total voting rights
In favour	185	199,692,223	91.412239	85.678411
Against	307	18,758,827	8.587146	8.048518
Abstaining	1	1,343	0.000615	0.000576
Non voting	0	0	0.000000	0.000000
Total	493	218,452,393	100.000000	93.727505

With a view to further improving the disclosure of information on the remuneration of its management, also taking into account the regulatory obligations introduced by Consob in implementation of SHRD 2, this Section II of the Report has been prepared paying particular attention to providing a detailed, clear and comprehensible representation of each of the items that make up the remuneration paid in 2023 to Directors, including the Vice-Chairman and Chief Executive Officer, General Manager, Statutory Auditors and Key Managers with Strategic Responsibilities, highlighting its compliance with the contents of the 2023 Policy approved by the Annual General Meeting and the Derogation approved by the Board of Directors with reasoned resolution, upon the proposal of the Remuneration and Appointments Committee, in agreement with the Chief Executive Officer, having heard the opinion of the RAC.

This representation has been prepared with the further purpose of highlighting both its consistency and congruity with the 2023 Policy approved by the Annual General Meeting, and the way in which the different components of the Policy have contributed to the achievement of the company results in 2023 and the results expected with reference to the mid-term plan 2021-2023.

On this point, reference is also made to the comparative information for the last five financial years between the annual change in the total remuneration of members of the corporate bodies in relation to the Company's results as well as the average gross annual remuneration of employees, included in section 4 of this Part One of this Section II of the Report.

The Tables in this Part Two of Section II of the Report show analytically the compensation paid in 2023 for any reason and in any form by the company and its subsidiaries and associates.

The information in Tables 1, 2, and 3B is provided separately with reference to the positions held in the Company and any positions held in subsidiaries and associates.

This includes all persons who, during 2023, held, even for a fraction of the period, the position of member of the Board of Directors, of the Board of Statutory Auditors, General Manager or Key Manager with Strategic Responsibilities.

1. Compensation paid during 2023

The Table below contains the compensation paid during the year ending 31 December 2023 to the members of the Board of Directors and those of the Board of Statutory Auditors, and the Other Key Managers with Strategic Responsibilities.



Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Giuseppe de' Longhi	Chairman of the Board of Directors	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)						€ 1,000,000		
(II) Compensation from subsidiaries and associates				€ 950,000 ^(b)								
				€ 300,000 ^(a)						€ 300,000		
(III) Total				€ 1,300,000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 1,300,000	€ 0	€ 0
Fabio de' Longhi	Vice-Chairman & KMSR CEO (from 01 Sept 22)	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)		€ 584,640 ^(f)		€ 27,442 ⁽ⁱ⁾				
				€ 535,000 ^(b)		€ 322,560 ^(e)				€ 1,839,642		
				€ 320,000 ^(c)								
(II) Compensation from subsidiaries and associates				€ 150,000 ^(a)						€ 150,000		
(III) Total				€ 1,055,000	€ 0	€ 907,200	€ 0	€ 27,442	€ 0	€ 1,989,642	€ 0	€ 0

Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Massimiliano Benedetti	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
				€ 50,000 ^(a)	€ 28,000					€ 78,000		
					€ 28,000	€ 0	€ 0	€ 0	€ 0	€ 78,000	€ 0	€ 0
Borsani Ferruccio	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
				€ 50,000 ^(a)		€ 26,000				€ 76,000		
				€ 50,000	€ 0	€ 26,000	€ 0	€ 0	€ 0	€ 76,000	€ 0	€ 0
Luisa Maria Virginia Collina	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
				€ 50,000 ^(a)	€ 50,000					€ 100,000		
				€ 50,000	€ 50,000	€ 0	€ 0	€ 0	€ 0	€ 100,000	€ 0	€ 0

Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Silvia de' Longhi	Director & KMSR	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)		€ 131,040 ^(e)			€ 11,351 ^(f)	€ 652,071		
(II) Compensation from subsidiaries and associates				€ 260,000 ^(c)		€ 199,680 ^(g)						
(II) Compensation from subsidiaries and associates				€ 30,000 ^(a)						€ 30,000		
(III) Total				€ 340,000	€ 0	€ 330,720	€ 0	€ 11,351	€ 0	€ 682,071	€ 0	€ 0
Carlo Garavaglia	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)	€ 24,000					€ 74,000		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 50,000	€ 24,000	€ 0	€ 0	€ 0	€ 0	€ 74,000	€ 0	€ 0
Carlo Grossi	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)	€ 32,500					€ 82,500		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 50,000	€ 32,500	€ 0	€ 0	€ 0	€ 0	€ 82,500	€ 0	€ 0

Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Micaela Le Divelec Lemmi	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)	€ 40,000					€ 90,000		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 50,000	€ 40,000	€ 0	€ 0	€ 0	€ 0	€ 90,000	€ 0	€ 0
Cristina Pagni	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)					€ 10,000 ^(b)	€ 50,000		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 50,000	€ 0	€ 0	€ 0	€ 0	€ 10,000	€ 60,000	€ 0	€ 0
Stefania Petruccioli	Director	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 50,000 ^(a)	€ 12,000					€ 62,000		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 50,000	€ 12,000	€ 0	€ 0	€ 0	€ 0	€ 62,000	€ 0	€ 0

Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Cesare Conti	Chair of Board of Statutory Auditors	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 70,000 ^(a)						€ 70,000		
(II) Compensation from subsidiaries and associates												
(III) Total				€ 70,000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 70,000	€ 0	€ 0
Alessandra Dalmonte	Standing Auditor	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 48,000 ^(a)						€ 48,000		
(II) Compensation from subsidiaries and associates				€ 32,000 ^(b)						€ 32,000		
(III) Total				€ 80,000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 80,000	€ 0	€ 0
Alberto Villani	Standing Auditor	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 48,000 ^(a)						€ 48,000		
(II) Compensation from subsidiaries and associates				€ 32,000 ^(b)						€ 32,000		
(III) Total				€ 80,000	€ 0	€ 0	€ 0	€ 0	€ 0	€ 80,000	€ 0	€ 0

Table 1 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Compensation paid during 2023 to members of the board of directors and board of statutory auditors, general managers and other key managers with strategic responsibilities (in office at 31 December 2023)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and surname	Office	Period during which the position was held	Expiry of office	Fixed compensation	Compensation for participation in committees	Non-equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Indemnity at end of office or termination of employment
						Bonuses & other incentives	Share in profits					
Serafin Nicola	General Manager	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 568,846 ^(c)		€ 456,960 ^(e)		€ 20,078 ⁽ⁱ⁾		€ 1,690,384	€ 254,692 ^(l)	
				€ 72,500 ^(d)		€ 572,000 ^(e)						
(II) Compensation from subsidiaries and associates												
(III) Total				€ 641,346	€ 0	€ 1,028,960	€ 0	€ 20,078	€ 0	€ 1,690,384	€ 254,692	€ 0
No. 7	Key Managers with Strategic Responsibilities	01/01/2023 31/12/2023	Approval 2023 fin. statements									
(I) Compensation in the company preparing the financial statements				€ 1,757,065 ^(c)		€ 796,320 ^(e)		€ 152,481 ⁽ⁱ⁾		€ 3,726,314	€ 676,994 ^(l)	€ 230,000 ^(m)
				€ 26,250 ^(d)		€ 1,020,448 ^(e)						
(II) Compensation from subsidiaries and associates												
(III) Total				€ 1,783,315	€ 0	€ 1,816,768	€ 0	€ 152,481	€ 0	€ 3,726,314	€ 676,994	€ 230,000

NOTES:

- (a) emoluments approved by the Annual General Meeting, even if they have not been paid. It should be specified that it is company practice to pay the emolument to members of the Board of Directors in December each year in relation to the entire financial year, while the members of the Board of Statutory Auditors are paid on a pro rata temporis basis;
- (b) compensation received for the performance of special duties, pursuant to Art. 2389(3) of the Civil Code (e.g. by the Chairman and Vice-Chairman). It should be specified that it is company practice to pay the emolument in December each year in relation to the entire financial year;
- (c) fixed compensation from employment gross of income tax and social security contributions payable by the employee, excluding obligatory collective social security costs payable by the Company and provision for severance indemnities;
- (d) non-competition agreement in relation to the employment relationship gross of income tax and social security contributions payable by the employee, excluding obligatory collective social security costs payable by the Company and provision for severance indemnities;
- (e) the 2023 MBO related to the employment relationship, even if not yet paid;
- (f) the 2023 MBO related to the term of office as CEO, even if not yet paid;
- (g) LTI Cash Plan 2021-2023, not yet paid;
- (h) compensation component for Supervisory Board;
- (i) non-monetary benefits related to the office of director and/or employment relationship;
- (l) fair value related to the Stock Options Plan 2020-2027;
- (m) one-off bonus awarded following resignation as CEO/GM (see section 4, Part One, Section II of the Report).

2. Stock options assigned to members of the board of directors, general managers and other key managers with strategic responsibilities

The table below shows the stock options assigned to members of the Board of Directors and Key Managers with Strategic Responsibilities.

Table 2 - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Stock options assigned to members of the board of directors, general managers and other key managers with strategic responsibilities

			Options held at the beginning of the financial year			Options awarded during the financial year						Options exercised during the financial year			Options expired during the financial year	Options held at the end of the financial year	Options pertaining to the financial year
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)=(2)+(5)-(11)-(14)	(16)
Name and surname	Office	Plan	Number of options	Exercise price	Possible exercise period (from - to)	Number of options	Exercise price	Possible exercise period (from - to)	Fair value at award date	Date of award	Market price of underlying shares at the award of options	Number of options	Exercise price*	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair Value (*)
Nicola Serafin	General Manager (01.01.2023 - 31.12.2023)																
(I) Compensation in the company preparing the financial statements		Stock Options Plan 2020-2027 (Board Resolution 27.04.2020)	150,000	€ 16.982	from May 2023 to December 2027							20,000		30,44		130,000	84,825
			150,000	€16.982	from May 2024 to December 2027											150,000	169,867
(II) Total			300,000									20,000			0	280,000	254,692
Numero 5**	Key Managers with Strategic Responsibilities																
(I) Compensation in the company preparing the financial statements		Stock Options Plan 2020-2027 (Board Resolution 27.04.2020)	490,000	€ 16.982	from May 2023 to December 2027							200,350	16,982	25,10	85,000	204,650	225,602
			490,000	€16.982	from May 2024 to December 2027										85,000	405,000	451,392
(II) Total			980,000									200,350			170,000	609,650	676,994

Note:

* weighted average price of the underlying shares at the exercise date, between a minimum of €23.04 and a maximum of €30.71

** of the five KMSRs beneficiaries of the Stock Options Plan, one of whom left office on 27 January 2023 (holder of 170,000 options) Of the other four, three were included among the KMSR listed in the Table published the previous year, covering the FY 2022.

3. Monetary incentive plans for members of board of directors, general manager and other key managers with strategic responsibilities

The Table below contains the monetary incentive plans awarded during the year ending 31 December 2023 to members of the board of directors and key managers with strategic responsibilities.

Table 3B - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Monetary incentive plans in favour of members of the Board of Directors, General Managers and other Key Managers with Strategic Responsibilities

(A) Name and surname	(B) Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred	Deferment Period	No longer payable	Payable / Paid	Still Deferred	
Fabio de' Longhi	Vice-Chairman CEO								
(I) Compensation in the company preparing the financial statements		2023 MBO ref. office of Chief Executive Officer award resolution BoD 13 March 2023 maturation resolution BoD 12 March 2024	€ 584,640						
		2023 MBO ref. employment relationship as KMSR award resolution BoD 13 March 2023 maturation resolution BoD 12 March 2024	€ 322,560						
(II) Compensation from subsidiaries and associates									
(III) Total			€ 907,200	€ 0		€ 0	€ 0	€ 0	€ 0

Table 3B - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Monetary incentive plans in favour of members of the Board of Directors, General Managers and other Key Managers with Strategic Responsibilities

(A) Name and surname	(B) Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred (2024)	Deferment Period	No longer payable	Payable / Paid	Still Deferred	
Nicola Serafin	General Manager								
(I) Compensation in the company preparing the financial statements		2023 MBO award resolution BoD 13 March 2023 maturation resolution BoD 12 March 2024	€ 456,960						
		LTI Cash Plan 2021-2023 (a) award resolution: BoD 29 July 2021 maturation resolution BoD 12 March 2024		€ 572,000	2024			€ 770,000	
(II) Compensation from subsidiaries and associates									
(III) Total			€ 456,960	€ 572,000		€ 0	€ 0	€ 770,000	€ 0

Note:

(a) the value in column (2)(B) is equal to the provision in the financial statements of the bonus accrued for the 2023 financial year in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets

(b) the value in column (3)(C) is equal to the provisions in the financial statements of the bonus accrued for FY 2021 and 2022 in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets by the KMSRs who are still beneficiaries of the Plan

Table 3B - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Monetary incentive plans in favour of members of the Board of Directors, General Managers and other Key Managers with Strategic Responsibilities

(A) Name and surname	(B) Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred (2024)	Deferment Period	No longer payable	Payable / Paid	Still Deferred (2024)	
Silvia de' Longhi	Director & Key Manager with Strategic Responsibilities								
(I) Compensation in the company preparing the financial statements		2023 MBO ref. employment relationship as KMSR award resolution BoD 13 March 2023 maturation resolution BoD 12 March 2024	€ 131,040						
		LTI Cash Plan 2021-2023 (a) award resolution: BoD 29 July 2021 maturation resolution BoD 12 March 2024		€ 199,680	2024			€ 268,800	
(III) Total			€ 131,040	€ 199,680		€ 0	€ 0	€ 268,800	€ 0

Note:

(a) the value in column (2)(B) is equal to the provision in the financial statements of the bonus accrued for the 2023 financial year in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets

(b) the value in column (3)(C) is equal to the provisions in the financial statements of the bonus accrued for FY 2021 and 2022 in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets by the KMSRs who are still beneficiaries of the Plan

Table 3B - Annex 3A, Scheme 7-bis of the Issuers' Regulation

Monetary incentive plans in favour of members of the Board of Directors, General Managers and other Key Managers with Strategic Responsibilities

(A) Name and surname	(B) Office	(1) Plan	(2) Bonus for the year			(3) Bonus for previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable / Paid	Deferred (2024)	Deferment Period	No longer payable	Payable / Paid	Still Deferred (2024)	
No. 7 Key Managers with Strategic Responsibilities (a)									
(I) Compensation in the company preparing the financial statements		2023 MBO award resolution BoD 13 March 2023 maturation resolution BoD 12 March 2024	€ 796,320						
		LTI Cash Plan 2021-2023 (a) award resolution: BoD 29 July 2021 maturation resolution BoD 12 March 2024		€ 1,020,448	2024	€ 313,600		€ 1,373,680	
(II) Compensation from subsidiaries and associates									
(III) Total			€ 796,320	€ 1,020,448		€ 313,600	€ 0	€ 1,373,680	€ 0

Note:

- (a) 1 KMSR resigned in December 2022 and their employment ended on 27 January 2023. Therefore they were no longer a beneficiary of the LTI Cash Plan 2021-2023 as of the 2023 Report
- (b) the value in column (2)(B) is equal to the provision in the financial statements of the bonus accrued for the 2023 financial year in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets by the KMSRs who are still beneficiaries of the Plan
- (c) for FY 2021 and 2022, the value in column (3)(A) is equal to the release of the provision in the financial statements of the bonus accrued for the 2021 financial year in relation to one KMSR no longer being a beneficiary of the LTI Cash Plan 2021-2023
- (d) the value in column (3)(C) is equal to the provisions in the financial statements of the bonus accrued for FY 2021 and 2022 in relation to the LTI Cash Plan 2021-2023 against achievement of the set targets

4. Interests held by the members of the board of directors and the board of statutory auditors, general managers and key managers with strategic responsibilities at 31 december 2023

The Table below shows the interests held during the period from 31 December 2022 to 31 December 2023 in De' Longhi S.p.A. and in the companies it controls as at 31 December 2023, by the Company's directors, statutory auditors and key managers with strategic responsibilities as well as by their spouses, unless legally separated, and minor children, whether directly or by means of subsidiaries, trust companies or via a third party, resulting from the shareholders' register, from the communications received and from other information acquired.

Table 1 - Annex 3A, Scheme 7-ter of the Issuers' Regulation

Interests held by the members of the Board of Directors, Board of Statutory Auditors and General Managers

Name and surname	Office	Investee company	Number of shares held at the end of the previous financial year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current financial year
Giuseppe de' Longhi	Chairman of the Board of Directors	De'Longhi S.p.A.	30,000			30,000
Fabio de' Longhi	Vice-Chairman, Chief Executive Officer & Key Manager with Strategic Responsibilities	De'Longhi S.p.A.	321,855 ^(a)			321,855 ^(a)
Nicola Serafin	General Manager	De'Longhi S.p.A.	1,400	20,000	14,859	6,541
No. 6 ^(b)	Key Managers with Strategic Responsibilities	De'Longhi S.p.A.	170	200,350	174,723	25,797
Persons who left office during the year						
No.1 ^(c)	Key Manager with Strategic Responsibilities	De'Longhi S.p.A.	900	N/A	N/A	N/A

Notes:

(a) Of which 100,000 owned by spouse.

(b) Nicola Serafin, included in Table 7 for FY 2022 among the KMSR, was appointed General Manager effective as of 1 January 2023 (he held 1,400 shares as at 31 December 2022).

(c) KMSR left on 17 January 2023 (holder of 900 shares as at 31 December 2022)

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