



## REMUNERATION REPORT

### REMUNERATION OF DIRECTORS

#### Introduction

It is worth highlighting that the main financial results in 2023 that could influence the Group Remuneration were:

- a) Net cash of EUR 217.6 million (net cash of EUR 95.5 million in 2022)
- b) EBIT at EUR 278.3 million (EUR 204.4 million in 2022).

The Board of Directors was renewed by the Shareholders' Meeting of 20 April 2023 for a three-year term, reducing the number of members from 10 to 8, of which one Executive Director and seven Non-Executive Directors.

The Board then established the Board Committees, appointing the members of the Audit Committee, the Remuneration and Nomination Committee and the Sustainability Committee as well as their respective Chairmen by resolution of 27 April 2023.

This report (hereinafter the "**Remuneration Report**") consists of the following sections:

- = **Section I**, which illustrates the policy of Cementir Holding N.V. (hereinafter "**Cementir Holding**" or "**Company**") regarding the remuneration of Executive and Non-Executive Directors (hereinafter, jointly, "**Directors**") for 2024, as well as the procedures used for the adoption and implementation of the policy. The Remuneration Policy for 2024, effective from 1 January 2024, remained unchanged compared to the previous year.
- = **Section II**, which describes how the remuneration policy was implemented with reference to Directors and indicates the amounts paid during 2023 to Directors, providing a representation of each remuneration component.

Please refer to the terms of the 2023 Remuneration Policy, effective from 1 January 2023, approved by the Shareholders' Meeting on 20 April 2023 with 93.05% of the votes cast and available on the Company's website, [www.cementirholding.com](http://www.cementirholding.com). There have been no deviations or derogations from the approved Policy.

The 2022 Remuneration Report was submitted to the non-binding and advisory vote of the General Meeting on 20 April 2023 and received the favourable vote of the overwhelming majority of shareholders, amounting to 94.40% of the votes cast, with only 5.60% voting against.

Given the broad consensus received, it was therefore deemed appropriate to maintain the same approach for this Remuneration Report, without substantial changes to its structure and level of disclosure.

In this Remuneration Report, Cementir Holding intends to strengthen the transparency of the contents of its remuneration policies and their implementation, allowing investors to obtain information on remuneration, including variable remuneration, and enabling them to make an even more accurate assessment of the Company, thereby enabling shareholders to act in an informed manner when exercising their rights.

The Remuneration Report shall be drawn up in accordance with articles 2: 135, 2: 135a and 2: 135b of the Dutch Civil Code (hereinafter "**DCC**") and Chapter 3 of the Dutch Corporate Governance Code (hereinafter the "**Code**"). It was approved by the Board of Directors upon proposal of the Remuneration and Nomination Committee (hereinafter also the "**Committee**" in this Remuneration Report) at the meeting of 8 March 2024. Section I is to be submitted to the approval of the Shareholders' Meeting called for 22 April 2024. Section II is to be submitted to the advisory vote of the Shareholders' Meeting called for 22 April 2024.



The Remuneration Report is made available on the Company's website ([www.cementirholding.com](http://www.cementirholding.com)) after the General Meeting and will be accessible for 10 (ten) years, in compliance to the procedures and within the terms prescribed by current regulations. <http://www.cementirholding.com>.

## SECTION I – REMUNERATION POLICY 2024

This section of the Remuneration Report describes, in a comprehensive manner, the principles and guidelines with which Cementir Holding determines and monitors the remuneration policy and its implementation within the Company (hereinafter the “**Remuneration Policy**” or the “**Policy**”).

The Policy has the primary objective of creating sustainable value over the medium to long-term by creating a strong bond between individual performance and the Group on the one hand, and remuneration on the other.

The Remuneration Policy summarises the remuneration policies applied within the Group and aimed at ensuring a fair and sustainable remuneration system, in line with the long-term corporate strategies and objectives, with regulations and with Stakeholders' expectations.

The total remuneration of Directors, which is deemed appropriate to the size and structure of the Group, the sector of activity carried out and the level of complexity of the business, contributes to the long-term performance of the Company as it enables the Company to attract and retain qualified and experienced Directors, motivating them to achieve the Company's business, financial and strategic objectives and their implementation for the creation of long-term sustainable value for all stakeholders consistent with the Company and Group's founding values and culture.

The Policy also aims to attract and retain members of staff with the professional qualities necessary to manage and operate successfully in an international environment characterised by competitiveness and complexity, recognising and rewarding good performance.

Cementir Holding intends to adopt a competitive remuneration system that guarantees the delicate balance between strategic objectives and the recognition of the merits of Group employees. By using short and medium to long-term variable remuneration components, the Policy is designed to facilitate the alignment of staff interests with the pursuit of the overriding objective - value creation - and the achievement of financial and sustainability goals. This objective is pursued also by linking a significant part of remuneration to the achievement of set performance targets, by means of both the short-term incentive scheme (STI) and the long-term incentive scheme (LTI). The LTI concerns selected employees only.

The principles applied in defining the Policy are intended to ensure that Cementir Holding is appropriately competitive in its sector and international markets, are in particular:

- the promotion of merit and performance to reward actions and behaviours that reflect the values of the company, the principles of the code of ethics and the strategic objectives;
- external competitiveness and internal fairness to make sure that pay packages are in line with best practices, and to ensure that they are consistent with the complexity and responsibilities of the role;
- aligning the interests of Management with those of the Shareholders and with the medium-and long-term strategies of the Company;
- aligning the values of the Cementir culture (e.g. sustainability, value of people, etc.) and the model of leadership and skills in line with business objectives, starting from 2021, the skills deriving from the culture of the Cementir Group are also assessed in the context of the STI as a further confirmation and strengthening of the inclination towards the values of the corporate culture;
- the inclusion of specific quantitative KPIs linked to ESG objectives in the STI plan, contributing to the implementation of the corporate strategy and the pursuit of long-term interests and sustainability objectives;
- a focus on rewards and retention purposes based on meritocracy;



- the consideration of the point of view of the Executive-Director and the Board in its entirety, as also provided for by the Code;
- balancing continuity with the choices already made in the past and endorsed by shareholders and the approval of the General Meeting of the proposals presented and, at the same time, a periodic assessment in the light of the international trend, the market practice for comparable companies and the regulatory changes;
- transparency regarding the remuneration system implemented and envisaged for the following year, in accordance with the provisions of the Code and applicable legislation.

## 1.1 DEFINITION AND APPROVAL OF THE REMUNERATION POLICY

### Parties involved in the Remuneration Policy

The definition of the Remuneration Policy is the result of a clear and transparent process in which the Company's *Remuneration and Nomination Committee* and Board of Directors play a central role.

The Policy is submitted for the approval of the General Meeting by the Board of Directors on the recommendation of the *Remuneration and Nomination Committee*. The Policy is deemed approved with the favourable vote of at least  $\frac{3}{4}$  of the votes cast at the General Meeting. In case the Policy is not approved by the General Meeting, the Company applies the existing policy and submits to the approval of next General Meeting a revised policy.

The bodies and parties involved in the remuneration policies approval process are listed below, along with a precise indication of their roles in the process.

### General Meeting

With regard to remuneration, the General Meeting:

- adopts the remuneration policy upon proposal of the Board, pursuant to Art. 7.4.1 of the Company's Articles of Association;
- determines the compensation for the Executives and Non-Executive Directors as well as for the members of the board committees (*Audit Committee*, *Remuneration and Nomination Committee* and *Sustainability Committee*), in accordance with the remuneration policy, as provided for in Art. 7.4.2 of the Company's Articles of Association;
- expresses a vote, each year, on the first section of the remuneration report, i.e. on the Remuneration Policy;
- receives adequate disclosure about the implementation of remuneration policies and express an advisory vote, each year, on the second section of the Remuneration Report, i.e. on the report on compensation paid;
- resolves on any remuneration plans based on shares or other financial instruments and intended for Directors, employees and other workers, including Key Executives.

### Board of Directors

With regard to remuneration, the Board of Directors:

- submits a remuneration policy proposal to the General Meeting pursuant to Art. 7.4.1 of the Articles of Association, drawn up with the support of the *Remuneration and Nomination Committee*;
- develops the strategy for realising long-term value creation;



- approves the Remuneration Report pursuant to Articles 2:135 and 2:135a DCC, to be presented at the annual General Meeting;
- prepares any remuneration plans based on stocks or other financial instruments and submits them to the General Meeting for approval;
- implements the remuneration plans based on shares or other financial instruments, after authorisation from the General Meeting.

### Non-Executive Directors

The Non-Executive Directors are responsible for overseeing the following within their remit:

- the performance of the Executive Directors;
- the development of a general strategy, including the strategy for realising long-term sustainable value creation.

### Executive Directors

The Executive Director, who in this case also assumes the role of CEO pursuant to Art. 7.1.2 of the Articles of Association:

- sets performance targets for the Cementir Group;
- submits to the *Remuneration and Nomination Committee* the stock incentives, stock options, corporate shareholding and other types of incentive plans, motivating and retaining the managers of the Group companies controlled by the Company or, as the case may be, assisting the Committee in their drafting, with the support also of the Group's Human Resources department;
- enforces the Company's Remuneration Policy in accordance with this document.

### Remuneration and Nomination Committee

In accordance with the recommendations contained in the Code and the Board of Directors Rules, the *Remuneration and Nomination Committee*:

- prepares the Board's decision-making (including proposals of the Board for the General Meeting) regarding the determination of the remuneration of individual Directors, including severance payments;
- submits a proposal to the Board concerning the remuneration of each Director. The proposal is drawn up according to the remuneration policy that has been established and in any event it covers:
  - (a) the objectives of the strategy for the implementation of long-term sustainable value creation within the meaning of Best Practice provision 1.1.1 of the Code;
  - (b) the scenario analyses carried out in advance;
  - (c) the pay ratios within the Company and the Group;
  - (d) the development of the market price of the shares;
  - (e) an appropriate ratio between the variable and fixed remuneration components. The variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
  - (f) if shares are being awarded, the terms and conditions governing this. Shares should be held for at least five years after they are awarded; and



- (g) in the case of the assignment of share options, the terms and conditions governing them, as well as the terms and conditions for the exercise of share options. Share options may not be exercised during the first three years after they have been awarded.



## Human Resources

The Company's HR Department is involved in defining and approving the proposals for the remuneration plan of the Company's personnel, monitoring and checking that those proposals are fully implemented with the aim of collecting market data in terms of practice, policies and benchmarking and if necessary, resorting to advice from independent experts.

## Composition and activities of the Remuneration and Nomination Committee

As of the date of approval of this Report, the *Remuneration and Nomination Committee* is made up of three Non-Executive Directors, all independent, appointed by the Board of Directors at the meeting of 27 April 2023:

### Composition of the Committee

<i>Annalisa Pescatori</i>	<i>Non-Executive independent Director and Chairwoman of the Committee</i>
<i>Benedetta Navarra</i>	<i>Non-Executive independent Director and member of the Committee</i>
<i>Adriana Lamberto Floristan</i>	<i>Non-Executive independent Director and member of the Committee</i>

The *Remuneration and Nomination Committee* provides advice and submits proposals to the Board of Directors, and supervises to ensure that the Remuneration Policy is defined and applied; specifically it prepares the Board of Directors' decision-making regarding the:



- periodical assessment of size and composition of the Board and its Committees, and the proposal for the profile of the Board also in regard to the professional roles whose presence within the Board or the Board Committees is deemed necessary in order for the Board to express its strategy to shareholders before the new Board is appointed, also taking into account the results of the annual assessment of the Board and the Board Committees as required by the Code;
- drawing up of selection criteria and appointment procedures for Executive Directors and Non-Executive Directors;
- drawing up of a succession plan for Executive Directors and Non-Executive Directors;
- proposal of candidates for the office of Executive and Non-Executive Directors;
- supervision of the policy of the Board regarding the selection criteria and appointment procedures for senior management;
- developing the Company's diversity, equity and inclusion policy for the composition of the Board and certain employees in senior management positions.

In addition:

- submits proposals to the Board of Directors regarding the remuneration policy for Executive and Non-Executive Directors, periodically assessing the performance of individual Executive Directors and Non-Executive Directors and reporting this to the Board;
- submits proposals or provides opinions to the Board of Directors regarding the remuneration of Executive and Non-Executive Directors with specific duties, and on the setting of performance targets related to the variable-pay component;
- evaluates and formulates proposals to the Board of Directors with regard to stock incentive, stock option, corporate shareholding and similar plans aimed to motivate and retain the managers and employees of the Group companies controlled by the Company;
- reports to the Board on the ways it performs its duties;
- examines the annual Remuneration Report to be approved by the Board and submitted to the vote of the General Meeting as part of the annual financial reports;
- provides opinions on issues submitted to it from time to time for screening by the Board of Directors, concerning remuneration or any pertinent or related topics.

The Non-Executive Directors, including those forming the *Remuneration and Nomination Committee*, can access the information and contact Company departments as necessary, in order to fulfil their duties.

The *Remuneration and Nomination Committee* meets during each financial year according to a calendar scheduled by the beginning of such year and any time it may deem appropriate, upon notice issued by the Chairman of the Committee, so as to ensure the correct execution of its tasks. No Executive Director shall participate to any Committee meeting where proposals related to their remuneration are discussed.

Meetings of the *Remuneration and Nomination Committee* are attended - when deemed appropriate and at the invitation of the Committee - by Company's management (General Counsel and Chief Human Resources Officer).

Annually, on the occasion of the approval of the financial statements, the Remuneration and Nomination Committee reports to the Board in relation to its work.

During 2023, the Remuneration and Nomination Committee met on 8 March, 8 May and 3 November. During these meetings, the Remuneration and Nomination Committee examined and discussed, among other things, the remuneration policy and the report on remuneration drawn up in accordance with Art. 2:135a of the Dutch



Civil Code and Best Practice provision 3.1 and following of the Code, as well as the report concerning the activity carried out by the Committee in 2022, drawn up in accordance with Best Practice provision 2.3.5 of the Code; discussed the annual assessment carried out by the members of the Committee pursuant to Best Practice provision 2.2.6 of the Code; updated the Board Profile on the occasion of the examination of the candidacy proposals to be discussed in the Board; discussed and verified the independence requirements in the context of the review of the requirements for membership in the Euronext Star Milan segment; verified the achievement of the gender diversity targets set for 2022 and approved the proposed DE&I targets for 2023, determined in accordance with current legislation, to be submitted to the Board of Directors for approval. The Remuneration and Nomination Committee also examined and discussed the state of implementation of the LTI plans with particular reference to the payment of the fees provided for under the LTI 2020-2022 Plan as well as the allocation criteria and the setting of the objectives relating to the 2023-2025 LTI Plan; also examined the assigned ESG objectives included in the STI Plan; finally, received the periodic update on the Succession Plan for the Company's personnel.

### **Independent experts who contributed to preparing the Remuneration Policy**

As mentioned in the previous years' Reports, in 2020, the Company took advantage of the advice of the independent expert Korn Ferry to conduct international benchmark analyses and to align the Remuneration Policy, reiterated in substantially the same way in subsequent years, with the best practices of competitors and the market.

## **1.2 CONTENT OF THE REMUNERATION POLICY**

### **1.2.1 Content of the Remuneration Policy and main changes compared to 2023**

The Policy determines the principles and guidelines adopted by the Board in order to define the remuneration of its members and in particular of Executive and Non-Executive Directors as well as members of the Committees. It provides detailed information to ensure stakeholders receive more information about pay policies, practices adopted and results achieved, and it shows that the policies are consistent with the Company's business strategy and performance.

The 2024 Remuneration Policy does not envisage substantial changes compared to that approved in 2023:

- confirming the simplification and standardisation of the overall structure of the short-term variable incentive system, thanks mainly to the digitalisation of the process through an online definition and subsequent assessment platform;
- continuously strengthening the number and relevance of the objectives related to the company's sustainability strategy at different organisational levels, confirming the extension of the audience of interested parties for all ESG issues.

As a result of the establishment of the Sustainability Committee, a benchmark analysis was carried out by the Company's departments (in particular the Human Resources department with the contribution of the Legal Department) to verify alignment with the market and the Remuneration Policy was reviewed with reference to market practices.

The Policy also maintains and confirms the medium and long-term incentive system applied in previous years.

The Remuneration and Nomination Committee, at its meeting on 8 March 2024, reviewed this report and the criteria selected to assess the variable remuneration of the Executive Director and the performance of the strategic executives and Group personnel receiving variable remuneration. The *Remuneration and Nomination*



*Committee* then assessed the Remuneration Policy from the point of view of its consistency with the objectives of the Company and Group, with particular reference to its suitability to contribute to the creation of long-term value. In particular, the ESG objectives included for some beneficiaries of the incentive plan addressed to Group employees were illustrated and discussed in detail, as a further demonstration of the Company's ongoing commitment to pursuing sustainability objectives. Finally, it concluded that the criteria established for both short-term variable remuneration and medium and long-term variable remuneration, insofar as they are applicable to the respective recipients, fully meet these requirements and appear consistent and appropriate to support the implementation of the strategic objectives. It therefore decided to propose the 2024 Remuneration Policy to the Board of Directors, taking into account the Executive Director's views on the level and structure of his remuneration.

During 2024, a study will be launched aimed at the possibility of introducing sustainability-related objectives in the variable component of the Group CEO & Chairman.

### **1.2.2 Description of fixed and variable pay components with particular regard to their weightings within the overall remuneration, and distinguishing between the short and medium and long-term variable components**

The remuneration of Directors has been defined as follows, with reference to the fixed and variable components:

#### **Remuneration of the Board of Directors**

The Remuneration Policy for the Board of Directors set by the General Meeting of 20 April 2023 includes the following elements:

- A. remuneration of Directors for the office and for attendance at Board meetings;
- B. remuneration of the Executive Director (who also holds the position of CEO) for the performance of executive functions, powers and responsibilities;
- C. remuneration of Non-Executive Directors;
- D. remuneration of members of the *Audit Committee*, the *Remuneration and Nomination Committee* and the Sustainability Committee.

#### *Remuneration of Directors*

The remuneration to be paid to Directors (see letter A) shall be in the form of an allowance for attendance at each meeting of the Board of Directors and of a fixed annual payment for the office of Director, payable to each Director (both Executive and Non-Executive Directors) and approved, in accordance with the provisions of the law, by the General Meeting.

The current annual remuneration of all Directors is:

- a fixed annual allowance of EUR 5,000.00;
- a participation token of EUR 1,000.00 for each board meeting in which they participate in presence or by teleconference, except for written resolutions.

Directors are entitled to reimbursement of the reasonable expenses incurred because of their office on the basis of the arrangements with the Company.

The same is confirmed as policy for 2024.





### Remuneration of Directors with specific duties

The compensation to be paid to Directors with specific duties (letters B and D above) is determined, upon proposal of the *Remuneration and Nomination Committee*, taking into account the commitment actually required from each of them and any powers vested in addition to the compensation due to all Directors.

The following Directors have specific duties within the Board of Directors of the Company:

- (i) the Chairman of the Board of Directors;
- (ii) the CEO;
- (iii) the Directors who participate in the Board Committees (*Audit Committee, Remuneration and Nomination Committee and Sustainability Committee*).

The Non-Executive Directors (i) appointed as members of the *Remuneration and Nomination Committee*, the *Audit Committee* and the *Sustainability Committee* and (ii) who are appointed as Chairman of such Committees, shall receive an additional compensation, commensurate with the commitment required from each of them in the performance of their aforesaid duties.

### Remuneration of Chairman and CEO.

The annual gross remuneration of the Chairman of the Board of Directors and the CEO generally includes the following elements:

- a fixed component;
- a variable component determined according to the Group's performance and tied to predetermined, measurable parameters connected to the creation of shareholder value in a medium/long-term time span.

In determining the remuneration of the Chairman and of the CEO, the Board of Directors takes into account (i) the specific content of the vested powers and/or (ii) the functions and the role actually served within the Company, thereby assuring that the provision of a possible variable component is consistent with the nature of assigned duties.

In particular, remuneration is determined on the basis of the following criteria:

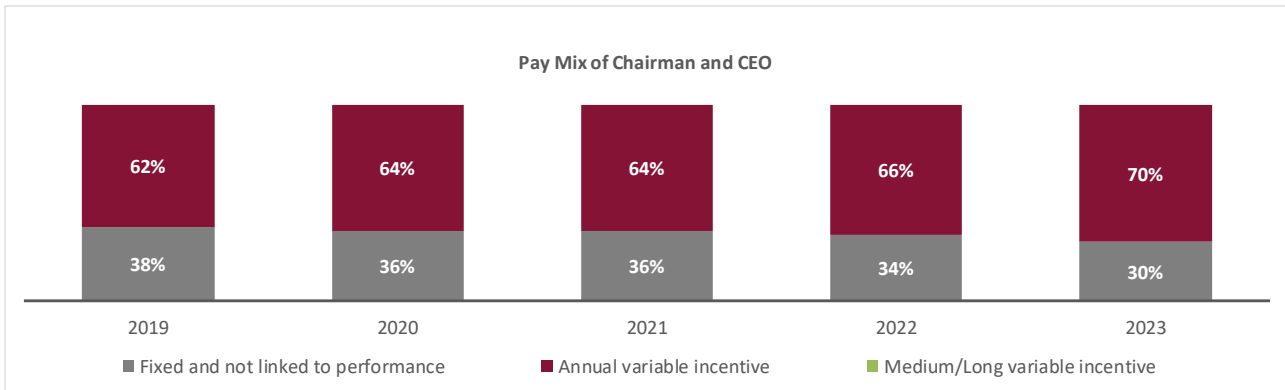
- correct balance between the fixed component and the variable component in accordance with the Company's strategic goals and its risk management policy, also taking into account the industry in which it operates and the characteristics of its business;
- provision of maximum limits for the variable components, provided that the fixed component shall be sufficient to remunerate the performance of the Chairman and of the CEO should the variable component not be paid;
- the parameters, economic results and any other specific objectives to which the payment of the variable components is tied are predetermined, measurable and connected to the creation of shareholder value in a medium/long-term time span.

In detail, in line with the resolution approved in previous years, the variable component is set at 2% of the cash flow produced by the Group in the year of reference and is defined according to a formula that enables a quick reference with the consolidated accounts figures, from which the fixed pay component should be deducted. The variable component, which is pre-tax and may have a value of zero or more, may be calculated and paid in advance as an interim payment when the Board of Directors approves the Group's half-yearly financial statements; When the Group's annual financial statements are approved by the General Meeting, the variable component is finally determined and the balance is paid out. The fixed component is also confirmed consistently with previous years. The fixed component proposed for the Chairman and Chief Executive Officer is EUR 1.8 million per year before taxes, payable on a monthly basis.



The reference to operational cash flow generated by the Group has been identified as it is considered that this value, more than others, represents the link between annual performance (short-term) and the value of the company, and therefore appropriately aligns the results obtained by the CEO with the objective of creating value for all shareholders.

The following is the historical trend of the pay mix, i.e. the percentage weight of the various components of remuneration in relation to Annual Total Compensation (excluding benefits):



As the Chairman and CEO expresses the will of the Company's controlling shareholders and is a shareholder himself, there is an alignment of the interests of the Executive Director with the interest of all shareholders and stakeholders of the Company, consequently there is no need for an (additional) medium/long-term incentive plan.

#### Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors is not tied to the Group's economic-financial results or based on short or medium-term incentive plans or based on financial instruments.

Remuneration of Non-Executive Directors proposed for 2024 confirms the structure and the order of magnitude defined in the previous years.

The annual remuneration of Non-Executive Directors consists of:

- a fixed annual allowance of EUR 5,000 determined for all Directors (see letter A above);
- an attendance fee of EUR 1,000 per board meeting, determined for all directors (see letter A above).

#### Remuneration of Committee members

In addition to the remuneration of Non-Executive Directors, the Remuneration Policy provides for an additional remuneration for the participation in board committees (currently Audit Committee, Remuneration and Nomination Committee and Sustainability Committee), differentiated according to the time and effort dedicated to the performance of the tasks of these committees.

Specifically, it:

- an annual remuneration of EUR 30,000 for each position held by the Non-Executive Directors as Chairmen of the Committees;
- an annual fee of EUR 20,000 for each position held by the Non-Executive Directors as members of the Audit Committee and Remuneration and Nomination Committee;



- an attendance fee of EUR 1,000 for each meeting of the Sustainability Committee attended in attendance or by teleconference by Non-Executive Directors.

### **Short-Term Incentive and Long-Term Incentive Schemes**

In addition to the remuneration described above for Executive and Non-Executive Directors, Cementir Holding NV adopts, for the managers within the Company, a compensation scheme to create value, for its Stakeholders, achieving ever-improving performance levels within the sustainable value creation structure that is the Company's true objective.

#### **Short-term variable component - STI (Short Term Incentive)**

The variable component is based on a Short-Term Incentive (STI) Plan. The system assesses the performance of the Company and of the beneficiary on an annual basis and directs the actions of the management towards strategic objectives in line with the Group's short-term business priorities.

In 2021, the structure of the short-term incentive system was confirmed, based on the financial objectives of the Group and/or the subsidiaries (access system Gate). In addition, objectives were defined with indicators linked to individual performance, as well as skills related to the leadership model. Each target (corporate and individual) is matched with a minimum performance, target performance and maximum performance level, correlated to the payout curve within the range 90%-120%.

In 2021, a fully digitalised performance appraisal system was used for the first time within the Group, by means of a dedicated Performance Management platform that also enables the management of the short-term incentive system and the related assessment of results achieved.

Therefore, the same will continue to be based on the Group's and/or subsidiaries' financial targets, which are the factor that enables access (Gate) to the system. Each target will be matched with a minimum performance, target performance and maximum performance level, correlated to the payout curve within the range 90%-120%. Other individual objectives should be defined on the basis of indicators linked to company performance and/or individual performance (including sustainability) specific to the role, while skills have been assessed in relation to the organisational position of reference. The total individual performance assessment is defined according to a rating scale ranging from 1- Unsatisfactory to 5- Exceptional and which will measure the "What" of the objectives, but also the "How" ensuring adherence to company values.

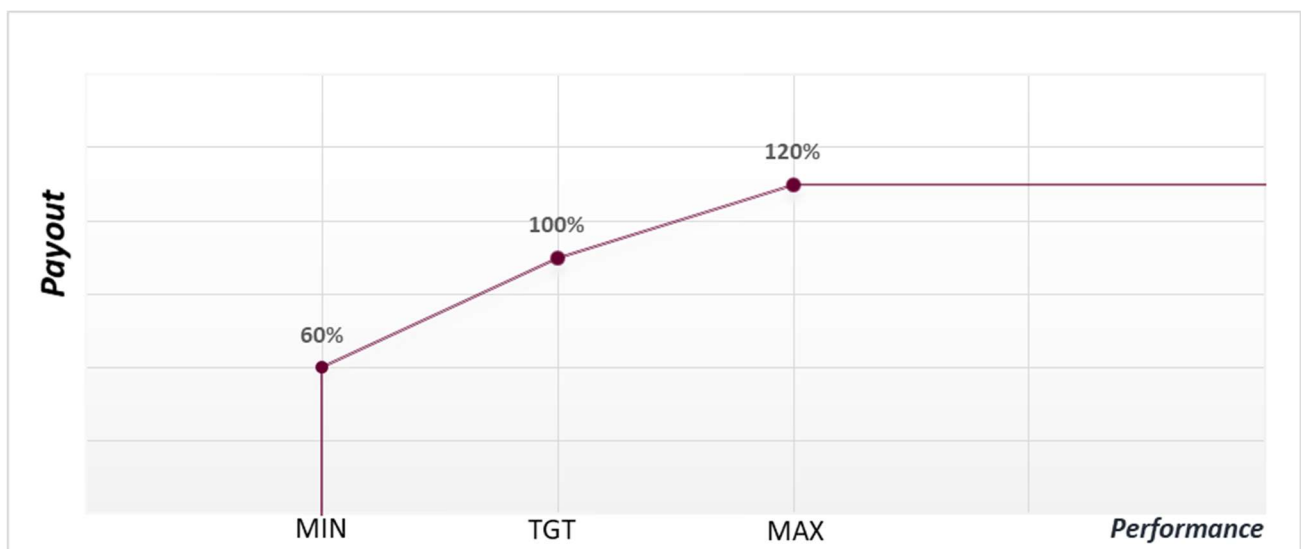
The combination of corporate and individual objectives, as well as skills will entitle to a variable bonus payment.

For the purposes of incentivisation and the final bonus, overall performance, taking into account the entry gate and performance results, cannot be less than 60%.



The structure and weighting of the various objectives, which is standardised at the Group level, is shown in the following table:

<b>30% Weighting</b>	<b>70% Weighting</b>
<p><b>Group targets</b></p> <ul style="list-style-type: none"> <li>• Economic-Financial Targets (Gate)               <ul style="list-style-type: none"> <li>○ EBIT (20%)</li> <li>○ NCF (10%)</li> </ul> </li> </ul>	<p><b>Individual targets 80%</b></p> <ul style="list-style-type: none"> <li>• Targets based on Operational Projects/Results and sustainability of earnings</li> <li>• Organisational Development and Growth Targets</li> </ul> <p><b>Cementir Leadership Competencies Model 20%</b></p>



In order to encourage managers to pursue their annual budget targets, the short-term incentive plan is addressed to all managers within the Group with exactly the same scheme as described above. Target incentive levels expressed as percentages of fixed remuneration, depend on the responsibility and complexity of the role covered, whilst maintaining a single structure throughout the Group.

### Medium/Long Term Incentive – LTI

The LTI plan is intended for Key Executive and a selected group of managerial staff, chosen from those who have the greatest impact on the Group’s medium/long-term results.

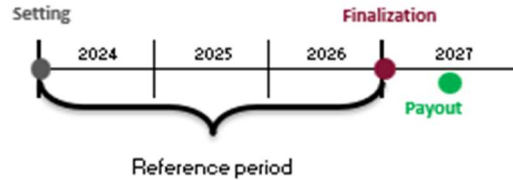
As the CEO is also a major shareholder, he does not participate in this plan.

The LTI plan consists of three-year cycles based on the medium/long-term performance of the Group in relation to the existing Business Plan, and it has the following aims:

- Incentivise the aforementioned Key Executives to achieve the objectives set out in the Business Plan;
- To converge the interests of Key Executives with those of shareholders to create sustainable medium/long-term value;
- To introduce a motivation and retention plan.

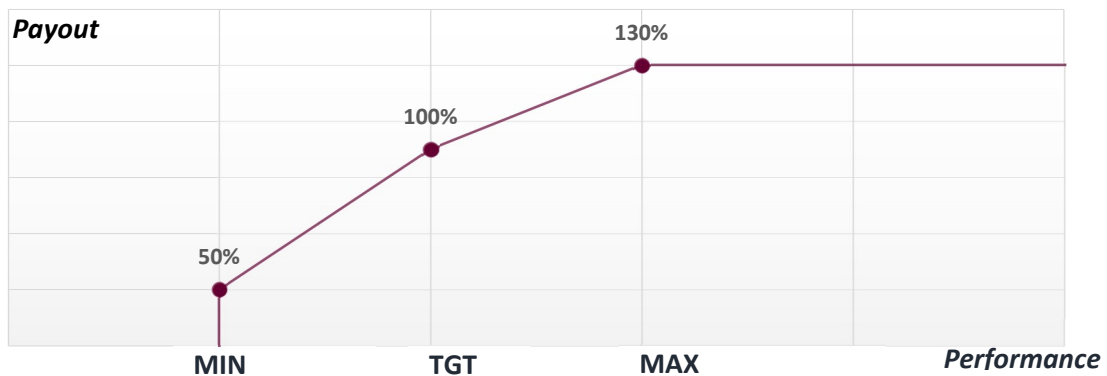


The LTI also provides for the annual award of the right to receive a monetary performance bonus measured over a three-year period, in line with the company's medium-term strategic planning (vesting period).



Bonus opportunities for recipients differ and amount to either 30% or 40% of the annual gross remuneration to be awarded upon achievement of the target; the incentive payable at the end of the accrual period is determined on the basis of the performance achieved and varies from 50% to 130% of the value of the bonus.

This incentive may rise to up to 52% (the "cap") of gross annual remuneration upon achievement of levels of performance higher than the target levels.



Performances below the target will see a reduction in the bonus of up to 15% of gross annual salary, when a performance threshold is reached.

No bonus will be awarded if the results are below the threshold.

The award of the bonus depends on two performance conditions being met. These conditions operate separately, and each have a weighting of 50% in the calculation of the bonus:

- Three-year cumulative Free Cash Flow
- Three-year cumulative EBIT

The threshold, target and maximum amount are set in line with the Company's medium-term business plan.

### Clawback and malus clauses

A clawback clause applies to both the LTI and the STI. This allows the Board of Directors to ask the beneficiaries to return all or part of the bonuses paid if they find that the performance targets were achieved on the basis of inaccurate or untrue data.

During the 2023, no clawback is deemed required and consequently no clawback has been applied.



### **1.2.3 Criteria used in assessing performance targets underlying the award of shares, options, other financial instruments and variable pay components**

The criteria used in assessing performance targets is based on the financial results of the Group. For more information, refer to the contents of paragraph 1.2.2 above.

### **1.2.4 Information on the alignment of the Remuneration Policy and the pursuit of the Company's long-term interests and risk management policy**

As described above, the Remuneration Policy, inspired by the principles described in paragraph 1.2.1 above, pursues the objective of creating sustainable value over the medium to long-term, for the Company and its shareholders.

Therefore the remuneration of Executive Directors and key executives is structured so as to:

- ensure that the overall remuneration structure is adequately balanced between fixed and variable components, with the aim of creating sustainable value over the medium to long-term, for the Company;
- coordinate the variable remuneration with the achievement of operational and financial targets, in line with the creation of value over the medium to long-term and the actual results achieved by the Company;
- ensure that overall pay levels reflect the professional value of individuals and their contribution to creating sustainable value over the medium to long-term.

For Non-Executive Directors, please refer to paragraph 1.2.2.

In order to achieve challenging Group strategic objectives, the Board approved a compensation plan for the Company's executives to create value for its stakeholders by achieving increasingly better performance levels within the sustainable value creation structure that represents the ultimate goal pursued by the Company. The three-year cycles of the LTI plan are based on the medium/long-term performance of the Group in relation to the existing Business Plan. The sustainability objectives were approved and included in the short-term incentive and in the three-year business plan.

Metrics and targets, with particular reference to short-term ones, are being continuously assessed and monitored, with a view to a progressive improvement path to ensure an ever-increasing alignment between strategy, sustainability and incentive systems.

### **1.2.5 Vesting period, deferred payment schemes, indication of deferment periods and criteria used to determine them, as well as ex-post adjustment mechanisms and information about clauses on the inclusion of financial instruments in the portfolio after acquisition, with details of the holding periods and criteria used to determine them**

The Company has not adopted any Remuneration Plan based on shares or any other financial instruments nor does it award shares or other financial instruments as variable performance-based pay components. In addition, no clauses were determined for the retention in portfolio of financial instruments after their acquisition, meaning clauses that include the obligation of non-portability on a relevant portion of the shares awarded.



### **1.2.6 Policy on indemnities applied after termination of contract or resignation**

In general, for all Directors, there shall be no (i) indemnities in case of resignation or revocation without just cause or non-renewal, (ii) agreements prescribing the allocation or continuation of non-monetary benefits in favour of persons who have resigned from their office and, (iii) consulting agreements with the Directors for a period following termination of their employment.

In relation to the above, it should be noted that the Chairman and CEO is one of the main shareholders of the Company and that the remuneration of the other Directors takes the form of a participation fee and a fixed annual remuneration of a limited amount for each Director, thus limiting the risk of any claim relating in any way to the termination of the office of director and, in any case, the corresponding amount.

Directors that have an employment relationship with the Company or its Subsidiaries must comply in any case with current provisions related to Collective Labour Agreements for the termination of their employment relationship, in accordance with the legal procedures and requirements.

Where necessary, the Company may request the signature of a non-competition agreement by an outgoing Director, which includes the payment of an indemnity related to the terms and extension of such obligation.

The breach of this agreement will determine the refusal to pay the indemnity or its reimbursement, as well as an obligation to damage compensation for an agreed amount (i.e. the double of the agreed indemnity).

If employment with the Company is terminated for reasons other than just cause, efforts will be made to reach a termination agreement. Subject in any case to the obligations set out by law and/or by the employment agreement, the arrangements for the termination of employment with the Company are tailored on the basis of the relevant reference benchmarks and within the limits defined by courts and practice.

### **1.2.7 Information about insurance coverage, welfare or pension provision**

In line with best practices, a Directors & Officers (D&O) Liability insurance policy covering the liability of the Board of Directors towards third parties has been undersigned.

In case of employment relationship with the Company, pension or welfare provision are in line with the practices applied for managers of the Company.

### **1.2.8 Information about the use of benchmark pay policies from other companies**

The Remuneration Policy was devised by the Company without using as reference the policies of other companies. However, as part of the annual review prior to the preparation of the 2022 Remuneration Policy, a specific benchmark activity was carried out relating to the remuneration of non-executive directors using the information available in the remuneration reports published by companies considered comparable and which is also valid for the 2023 and 2024 Remuneration Policy, which re-proposed the 2022 Remuneration Policy.

The current Remuneration Policy is valid 1 (one) year and is therefore revised yearly by the Remuneration and Nomination Committee and by the Board of Directors and submitted to approval of the General Meeting.

## **1.3. Derogations and deviations**

The Board of Directors, with the abstention, if any, of the Director concerned, on the proposal of the Remuneration and Nomination Committee, may discretionally approve derogations or deviations from any part of the Remuneration Policy, where there are exceptional circumstances that provide compelling reasons for the deviation. However, such derogations may only be temporary until a new policy is adopted in the following circumstances: (a) in the event of changes in the corporate bodies, both by composition and by number or



skills; or (b) in additional exceptional circumstances. Exceptional circumstances are circumstances in which the deviation from the Remuneration Policy is necessary to pursue long-term interests and sustainability of the Company and/or to ensure its profitability.





## **SECTION II - PAYMENTS RECEIVED DURING 2023 BY THE MEMBERS OF THE BOARD OF DIRECTORS**

This section of the Report sets out the remuneration paid in 2023 to each member of the Board of Directors. This remuneration was paid in application of the principles as set out in the Remuneration Policy.

On 8 March 2024, the Remuneration and Nomination Committee verified the correct application of the Remuneration Policy approved in 2023.

### **PART I – REMUNERATION COMPONENTS**

#### **Remuneration of Directors**

##### **Fixed component**

The General Meeting of 20 April 2023 approved the proposed Remuneration Policy by a large majority of votes, assigning to all Directors, for their term of office, a fixed allowance of EUR 5,000.00, plus an attendance token of EUR 1,000.00 for each Board meeting they attend.

##### **Variable component**

The variable remuneration component was paid exclusively to the Executive Director, who also holds the position of CEO, in accordance with the 2023 Remuneration Policy approved by the General Meeting.

The compensation of Non-Executive Directors is not tied to the Group's economic-financial results or based on short or medium-term incentive plans or based on financial instruments.

##### **Monetary and non-monetary benefits**

In keeping with best practices, a Directors & Officers (D&O) Liability insurance policy covering the third-party liability of the governing bodies has been undersigned.

##### **Reimbursement of expenses**

Directors are entitled to reimbursement of the reasonable expenses incurred because of their office on the basis of the arrangements with the Company.

##### **Treatment/indemnities in case of termination from office**

As of the date of approval of this Report, no agreement has been entered into with any of the Directors that implies indemnity in the event of resignation or removal without just cause or termination of the office following a takeover bid, nor are there any agreements that provide for the transfer or continuation of non-monetary benefits in favour of the persons who have left office; in addition, there have been no consulting agreements with the Directors for a period after termination or agreements providing for compensation for non-compete commitments.



## Remuneration of Directors with specific duties

As of the date of approval of this report, the Directors with specific duties are:

- |                                   |                                                                                                                                 |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| ▪ Francesco Caltagirone           | Chairman and CEO<br>Chairman of the Sustainability Committee                                                                    |
| ▪ Adriana Lamberto Floristan      | Member of the Remuneration and Nomination Committee, of the Audit Committee of the Sustainability Committee                     |
| ▪ Annalisa Pescatori<br>Committee | Chairwoman of the Remuneration and Nomination<br>Committee<br>Member of the Audit Committee and the Sustainability<br>Committee |
| ▪ Benedetta Navarra               | Chairwoman of the Audit Committee<br>Member of the Remuneration and Nomination Committee and<br>Sustainability Committee        |

### (i) Remuneration of the Chairman and CEO

With reference to the remuneration of the Chairman and CEO Francesco Caltagirone, the General Meeting of 20 April 2023 confirmed with broad consensus the remuneration policy and remuneration already in force and unchanged from the previous term of office, as detailed here below and in the table in 2.2.1.

#### Fixed component

The fixed component is EUR 1.8 million per year before taxes, payable on a monthly basis.

#### Variable component

The variable components for 2023 were estimated at EUR 4,367 million, before tax. The achievement was calculated as 2% of Net Operating Cash Flow.

### (ii) Remuneration for participation in Board Committees

The General Meeting of 20 April 2023 approved the proposed Remuneration Policy and established an additional annual remuneration for participation in the Board Committees in addition to that approved for the office of Director and specifically, as detailed in the table below:

- For each position held by the Non-Executive Directors as Chairman of the Remuneration and Nomination Committee and the Audit Committee, a fixed annual compensation of EUR 30,000, before tax and any statutory surcharges;
- For the other members of the Remuneration and Nomination Committee and the Audit Committee, a fixed annual compensation of EUR 20,000 for each office held, before tax and statutory surcharges;
- for the Non-Executive Directors who are members of the *Sustainability Committee* an attendance fee of EUR 1,000 for each meeting they attend.

\*\*\*



### **Information on the compliance of remuneration with the Remuneration Policy and how the performance criteria have been applied**

In general, the practice applied by the Company is in line with the 2023 Remuneration Policy. In 2023, in fact, there were no deviations from the 2023 Remuneration Policy.

It is confirmed that the implementation of the 2023 Remuneration Policy has contributed to the creation of long-term sustainable value, as occurred also in previous years and to an increasing extent. The individual objectives assigned to the recipients of variable remuneration, in fact, are closely linked to the strategic objectives of the 2023-2025 Business Plan, which identify, among other things, the sustainability roadmap as one of the main interests to be pursued. As regards the recipients of the STI and LTI plans, these are objectively measurable and pre-determined targets, the achievement of which influences variable remuneration to the extent they have been achieved. As for the Directors, the Remuneration Policy provides for a variable component for the Executive Director only, who is also the representative of the majority shareholder and himself a substantial shareholder. This determines the implicit and automatic coincidence of the interests and objectives of the Executive Director with those of all shareholders, including minority shareholders, of the Company and, ultimately, the creation of long-term value.

## **PART II – COMPENSATION PAID IN FINANCIAL YEAR 2023**

### **Compensation paid to the members of the Board of Directors.**

The table below shows the compensation paid in Financial Year 2023, for any reason and in any form, by the Company. There is no compensation paid by subsidiaries of the Cementir Group to the members of the Board of Directors. It should be noted that the remuneration paid in the affiliates is disclosed within the context of the report on remuneration of the parent company Caltagirone S.p.A., published in accordance with the provisions of law applicable to listed companies, to which reference should be made.



## YEAR 2023

(EUR'000)

Name of Director, position	Fixed Remuneration					Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
	Token of presence BoD	Compensation approved by the Shareholders' Meeting or by the BoDs	Compensation for employee work	Compensation for participation in committees	Token of presence committees	Bonuses and other incentives				
<b>BOARD OF DIRECTORS</b>										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	6	1,805	80			4,367	18		6,277	70% variable remuneration 30% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	6	5							11	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	6	5							11	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	6	5						260	271	100% fixed remuneration
Annalisa Pescatori, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee, Member of the Audit Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Benedetta Navarra, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	4	3		33	1				41	100% fixed remuneration
Adriana Lamberto Floristan, Senior Non-Executive Independent Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee and Member of the Sustainability Committee	6	5		27	2				40	100% fixed remuneration
<b>DIRECTORS WHO LEFT THE OFFICE DURING 2023</b>										
Edoardo Caltagirone, Non-Executive Director	0	2							2	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	2	2		13					17	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	2	2		17	1				22	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and	2	2		17	1				22	100% fixed remuneration



Member of the Remuneration and Nomination  
Committee and of the Sustainability Committee

**MANAGEMENT WITH STRATEGIC RESPONSIBILITIES**

Executives with strategic responsibilities:**			3,999			1,787	493	6,279	28% variable remuneration 72% fixed remuneration
<b>TOTAL</b>	<b>49</b>	<b>1,843</b>	<b>4,079</b>	<b>140</b>	<b>6</b>	<b>6,154</b>	<b>512</b>	<b>260</b>	<b>13,043</b>

\* Consulting agreement

\*\* Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors

\*\*\* He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration. He is also considered a "Management with strategic responsibilities" in accordance with IAS 24 definition.



## YEAR 2022

(EUR'000)	Fixed Remuneration					Variable Compensation (non equity)	Non-monetary benefits	Other fees *	Total	Proportion of fixed and variable remuneration
	Token of presence BoD	Compensation approved by the Shareholders' Meeting or by the BoDs	Compensation for employee work	Compensation for participation in committees	Token of presence committees	Bonuses and other incentives				
<b>BOARD OF DIRECTORS</b>										
Francesco Caltagirone, Chairman of the Board of Directors and CEO***	5	1,805	81			3,667	18		5,576	66% variable remuneration 34% fixed remuneration
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	5	5							10	100% fixed remuneration
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	5	5							10	100% fixed remuneration
Edoardo Caltagirone, Non-Executive Director	0	5							5	100% fixed remuneration
Saverio Caltagirone, Non-Executive Director	5	5							10	100% fixed remuneration
Fabio Corsico, Non-Executive Director*	5	5						260	270	100% fixed remuneration
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	5	5		40					50	100% fixed remuneration
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	5	5		50	2				62	100% fixed remuneration
Adriana Lamberto Floristan, Non-Executive Independent Director, Member of the Sustainability Committee	3	5			1				9	100% fixed remuneration
<b>MANAGEMENT WITH STRATEGIC RESPONSIBILITIES</b>										
Executives with strategic responsibilities:**			3,190			1,539	550		5,279	29% variable remuneration 71% fixed remuneration
<b>TOTAL</b>	<b>43</b>	<b>1,850</b>	<b>3,271</b>	<b>140</b>	<b>5</b>	<b>5,206</b>	<b>568</b>	<b>260</b>	<b>11,343</b>	

\* Consulting agreement

\*\* Includes Group COO, Group CFO, Heads of Region and Business Unit Managing Directors

\*\*\* He also holds the position of Chairman of the Sustainability Committee for which he does not receive remuneration. He is also considered a "Management with strategic responsibilities" in accordance with IAS 24 definition..



### Stock options assigned to the members of the Board of Directors, to general managers and to the other Key Executives.

There are no stock-option plans for members of the Board of Directors nor for sake of completeness for the General Manager, other Key Executives or employees of the Company.

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

There are no incentive plans based on financial instruments other than stock options (restricted shares, performance share, share plan, etc.); for members of the Board of Directors, nor for sake of completeness for the General Manager, other Key Executives or employees of the Company.

During the year, the Group did not grant loans to Directors, while a loan was granted to a Key Executive and therefore has a receivable from them as of 31 December 2023.

The following table shows a comparison of the total remuneration of Directors over the last five years, based on Cementir Holding N.V. Directors in office as at 31 December 2023.

<b>Board of Directors (EUR thousands)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Francesco Caltagirone, Chairman of the Board of Directors and CEO	6,277	5,576	5,213	5,325	5,024
Alessandro Caltagirone, Non-Executive Director and Vice-Chairman	11	10	10	9	8
Azzurra Caltagirone, Non-Executive Director and Vice-Chairwoman	11	10	10	10	11
Saverio Caltagirone, Non-Executive Director	10	10	10	10	12
Fabio Corsico, Non-Executive Director*	271	270	270	234	236
Annalisa Pescatori, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee***	41				
Benedetta Navarra, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee***	41				
Adriana Lamberto Floristan, Senior Non-Executive Independent Director, Member of the Audit Committee, Member of the Remuneration and Nomination Committee and Member of the Sustainability Committee**	40	9			32
<b>Board of Directors who left the office in 2023 (EUR thousands)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Edoardo Caltagirone, Non-Executive Director	2	5	8	10	10
Paolo Di Benedetto, Senior Non-Executive Independent Director, Member of the Audit Committee and Member of the Remuneration and Nomination Committee	17	50	49	49	72
Chiara Mancini, Non-Executive Independent Director and Chairman of the Remuneration and Nomination Committee and Member of the Audit Committee and of the Sustainability Committee	22	62	60	60	52
Veronica De Romanis, Non-Executive Independent Director, Chairman of the Audit Committee and Member of the Remuneration and Nomination Committee and of the Sustainability Committee	22	62	60	60	52

\*\* Include consulting agreement

\*\* Director until 5 October 2019 and, again, from 21 April 2022

\*\*\*Director from 20 April 2023"





<b>Company results (millions of Euro)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
EBIT	278.3	204.4	197.8	157.2	151.7
<b>Average fixed remuneration on a FTE basis of employees (Euro)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Average fixed remuneration of a FTE	66,619	64,072	58,841	62,915	60,424

### Internal pay ratio

The internal pay ratio is a relevant factor to be considered in the assessment of the definition and implementation of the Remuneration Policy, in accordance with the Code.

The remuneration pay ratio for the Chief Executive Officer compared to the average remuneration of all employees of Group companies during 2023 is 94:1. This ratio includes the CEO's total direct compensation during 2023 for EUR 6,277 thousands, as shown in the table on Total direct compensation, pension and other benefits in this appendix, compared to the average compensation of all employees. The average compensation of all employees was calculated from the numbers as reported in Note 24.

In the previous 5 years, the ratio was:

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Pay Ratio	94	87	89	85	83

The average remuneration of each employee is EUR 66,619, which represents the total cost of EUR 202,855.6 thousand for the total 3,045 employees.

As can be seen from the above figures, the internal pay ratio is represented by comparing the remuneration of the sole Executive Director, as well as Group Chairman and CEO, with the average remuneration of personnel of all levels operating throughout the Group. It should be noted that the Cementir Group has offices across the world and, as well known, the geographical location has a strong impact on the rules and measures of remuneration with a consequent influence on the following internal pay ratio.