

# Nexi Remuneration Policy

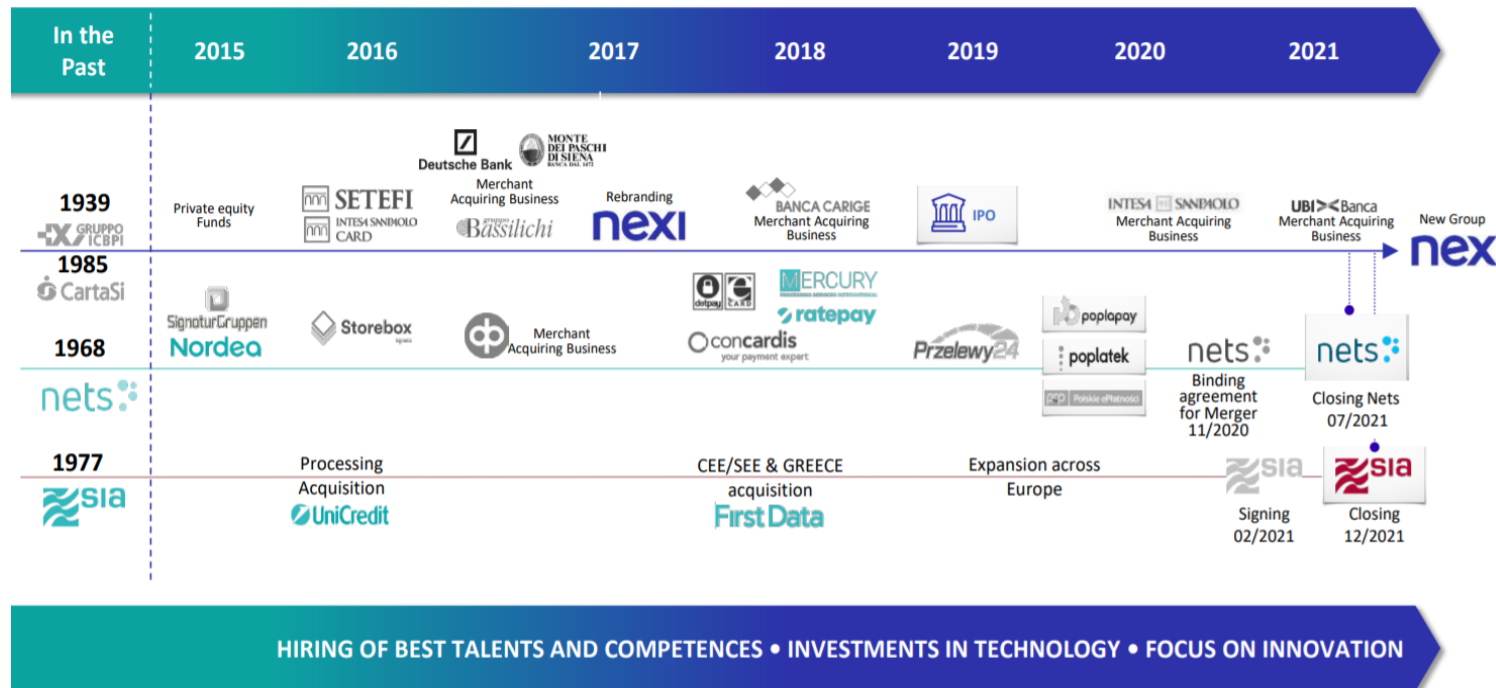
Brief Presentation

March 2022

# About Us: Nexi's transformation process to become The European PayTech

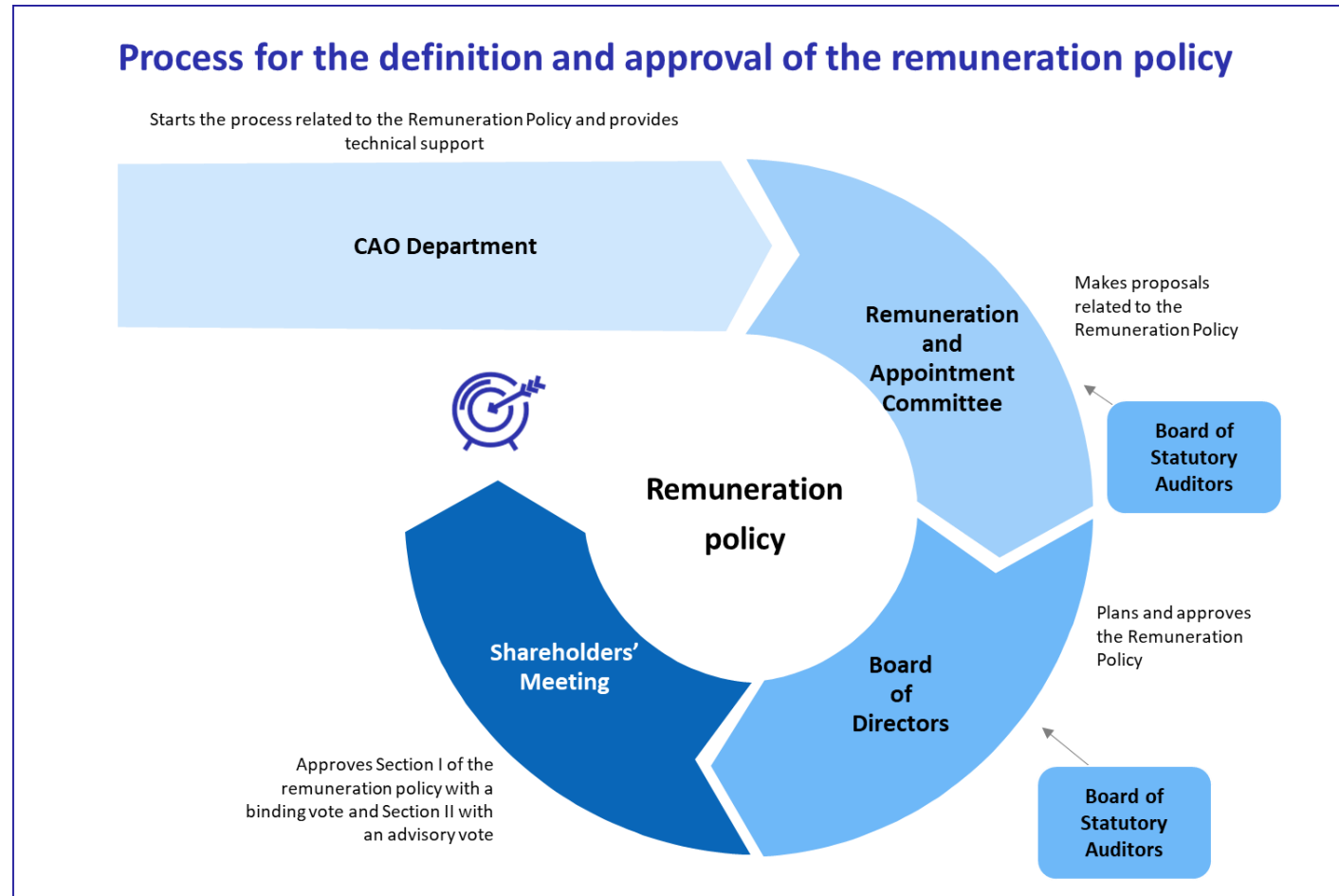
In recent years, the Nexi Group has experienced an **important transformation process**, steadily expanding its offer through growth based on the development of new products and services, and on the implementation of synergistic takeovers.

In particular, thanks to the mergers completed in 2021 with the Nets Group and the SIA Group, **Nexi has become the leading paytech in Europe**, with a portfolio of best-in-class solutions, technologies and expertise in all digital payment areas.



## Governance: the process for the definition and approval of the remuneration policy

In line with the applicable law on this matter and the guidelines of the Corporate Governance Code, the **process for the definition and approval of the remuneration policy** is developed according to the following phases and involves the following bodies and persons:



## Purposes of the Remuneration Policy

The **guidelines** of the remuneration policy **reflect and support Nexi's business strategy and values**, with the aim of **strengthening its leadership in the management and development of resources among listed companies** with a particular **focus on the fintech sector**.

### PURPOSES

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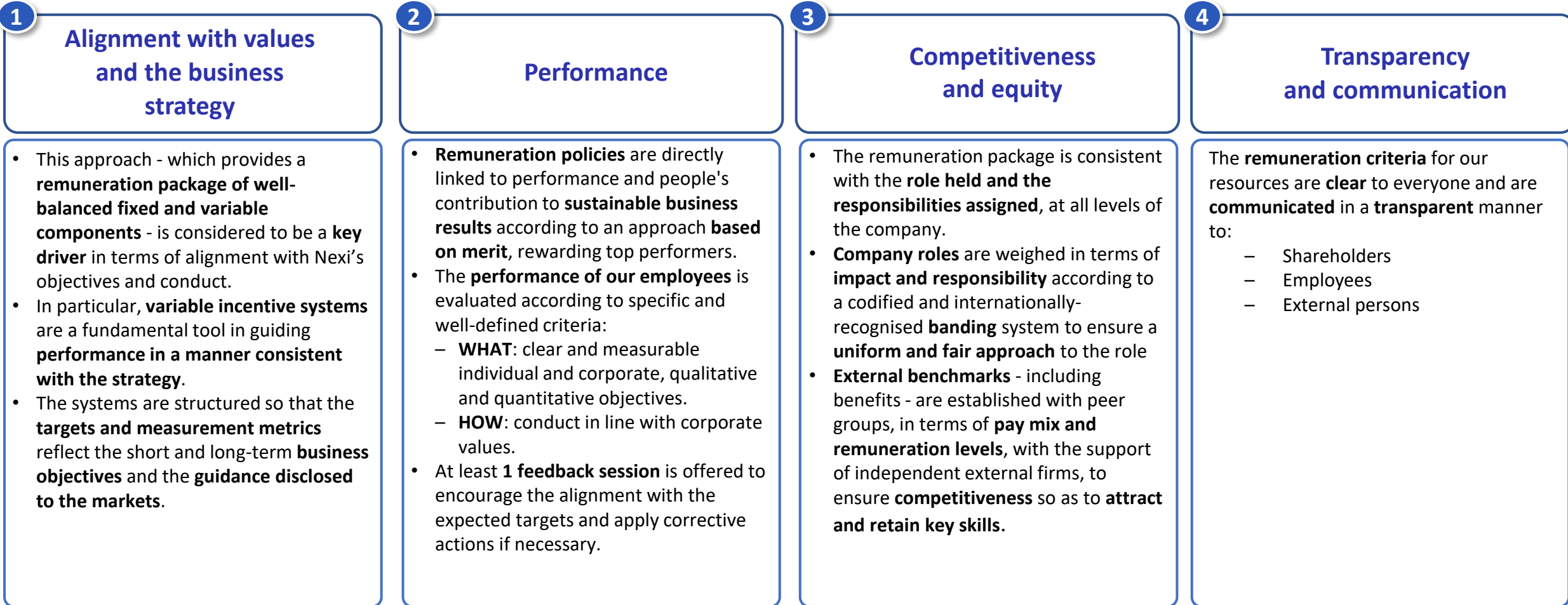


REMUNERATION  
POLICY

- Create lasting value for shareholders, while also respecting the interests of our customers and employees
- Pursue and ensure the sustainable growth of the organisation in the medium-long term, in line with the guidelines of the Company's development plan, through the informed management of corporate risks;
- Attract, motivate and retain people whose attitudes, passions, skills and experiences are a key factor in Nexi's success;
- Develop a culture based on recognising merit, through remuneration systems linked to results achieved in the short and medium term, as well as to conduct.

# Principles of the Remuneration Policy

The guidelines of the remuneration policy are based on the following **principles that guide the remuneration plans and consequent actions**:



# Key remuneration elements: overview

## Gross Annual Salary (RAL)

- It is the **fixed component** of the total remuneration which recognises the services provided even if the variable components are not paid.
- It is defined in **line** with the **responsibilities** and **impact** of the **role** and taking into account the relevant **benchmarks**.

## Short-Term Variable Incentive Plan (MBO)

- The **MBO** or Management By Objectives is the **plan** based on the **short-term** results achieved over a period of 1 year against measurable specific and complementary objectives.
- The **achievement** of the **objectives** is linked to **economic/monetary incentives**, paid within the first half of the financial year after the financial year in question.

## Long-Term Variable Incentive Plan (LTI)

- The LTI is a **long-term incentive plan** that grants rights to receive **ordinary Nexi shares** free of charge to a selected panel of Company employees (according to banding\* and performance\*\* criteria), over a medium-long (three-year) period which vest upon achievement of specific objectives.

## Welfare & Benefits

- **Benefits** represent an important part of the remuneration package as a **supplementary element** of the other remuneration elements, in a broader logic of **sustainable welfare**.
- They are differentiated by category of recipients and type; they are in line with market practices, and are consistent with applicable laws and the provisions of collective bargaining agreements.

## Other Instruments

- **Post-employment benefits** and **non-compete agreements** are instruments used to protect the Company from potential litigation and/or competitive risks in the case of termination of the employment relationship.
- They are consistent with the remuneration received, **in line with the provisions of the law and applicable collective bargaining agreements**.
- There is also a **Directors & Officers (D&O) policy**, covering the Civil Liability of the Company's Management and Control bodies.




# Executive summary for CEO/GM

ELEMENT	CHARACTERISTICS*
RAL	Fixed remuneration for the position of General Manager
<b>SHORT-TERM VARIABLE INCENTIVE PLAN (MBO)</b>	<p><b>Entry gate</b> from which the payment of the incentive is permitted: Group EBITDA <math>\geq</math> 85% of the target value. Similarly, even if the other objectives are achieved, no MBO is paid if the individual objectives assigned to the individual beneficiary are not achieved. <b>Malus and clawback clauses</b> are provided</p> <p><b>Key Performance Indicators (“KPIs”) and weights:</b></p> <ul style="list-style-type: none"> <li>• Group EBITDA (40%)</li> <li>• Group Operating Free Cash Flow (20%)</li> <li>• Group Revenues (20%)</li> <li>• Individual objectives (20%):               <ul style="list-style-type: none"> <li>- Operational excellence: Group Cash Synergies (10%);</li> <li>- <b>Sustainability-ESG/Customer Centricity:</b> Net Promoter Score (5%);</li> <li>- <b>Sustainability-ESG/People Value:</b> Engagement Index People Survey (5%).</li> </ul> </li> </ul>
<b>LONG-TERM VARIABLE INCENTIVE PLAN (LTI)</b>  <b>- Subject to AGM 2022 approval</b>	<p>Granting of rights to receive Nexi ordinary shares (<b>Performance Shares</b>) free of charge, on the basis of performance criteria over a medium-long (three-year) period. <b>Malus and clawback clauses</b> are provided</p> <ul style="list-style-type: none"> <li>• <b>Granting frequency:</b> rolling (3 granting cycles: 2022-2024; 2023-2025; 2024-2026)</li> <li>• <b>Performance period:</b> three years</li> <li>• <b>Entry gate:</b> three-year Operating Cash Flow <math>\geq</math> 80% of the Operating Cash Flow Target</li> <li>• <b>Performance indicators:</b> <ul style="list-style-type: none"> <li>- (50%) Relative Total Shareholder Return (TSR)</li> <li>- (50%) Cumulative Operating Cash Flow</li> </ul> </li> <li>• <b>Holding Period:</b> 1 year for 50% of the shares vested</li> </ul>
<b>BENEFITS</b>	<b>Main types:</b> Complementary social security; Supplementary health care; Insurance coverage (medical expenses, death, permanent disability); Car for personal and business use
<b>OTHER INSTRUMENTS</b>	Payments in the case of cessation from office or termination of the employment relationship; D&O policy. No non-compete agreement is provided

\*For more details, please see [Section I of the Report on the remuneration policy and compensation paid](#) approved by the Board of Directors on 10 March 2022.

## Executive summary for CEO/GM

The **remuneration policy** is a **key part of Nexi's strategy** and **represents one of its implementing elements in accordance with the Group's values**. The **strategic drivers** are indeed **reflected in the variable incentive systems**: the short-term incentive plan (MBO) and the long-term incentive plan (LTI) set out targets and measurement metrics in line with the medium-long term business objectives and with the guidance disclosed to the markets.

STRATEGIC DRIVERS	SHORT-TERM - MBO						LONG-TERM - LTI	
	EBITDA	REVENUES	OP. CASH FLOW	CASH SYNERG.	NPS CUSTOMER	PEOPLE ENG.	RELATIVE TSR	CUM. OP. FLOW
 GROWTH	●	●	●	●		●	●	●
 TECHNOLOGY			●		●	●	●	●
 EXCELLENCE	●		●	●	●	●	●	●
 PEOPLE						●	●	●
 DEVELOPMENT	●	●					●	
 SUSTAINABILITY					●	●		



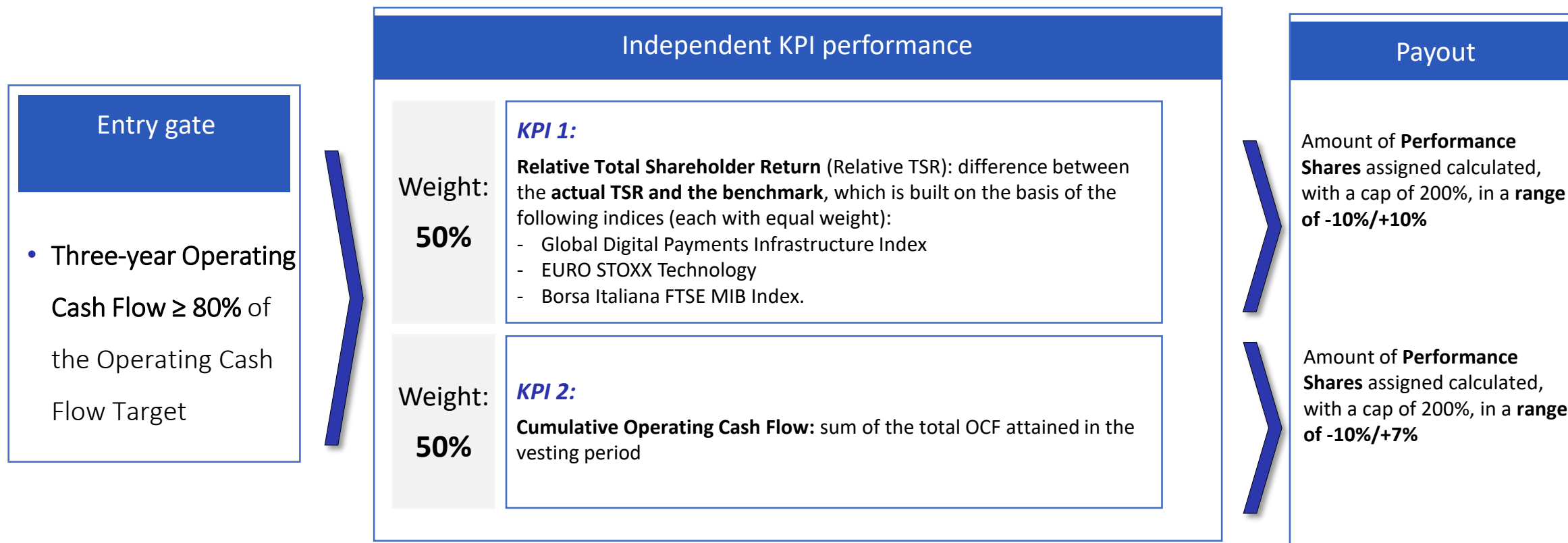
## CEO/GM: Short-Term Incentive Plan (MBO)

The **objectives of the MBO** are **closely related to the Company's strategic drivers** that focus on **profitable growth**, innovation and technological/digital transformation, **operational excellence**, **people** and **value creation**, and are **in line with the strategy, budget, guidance disclosed to the markets at the beginning of the year** and the Company's annual economic-financial plans.

For more details, please see **Section I** of the **Report on the remuneration policy and compensation paid** approved by the Board of Directors on 10 March 2022.

Entry Gate		GROUP EBITDA ≥ 85% of target			
Type of objectives		KPIs		PAYOUT RANGE	PAYOUT
CORPORATE OBJECTIVES	ECONOMIC AND FINANCIAL	GROUP EBITDA (40%)		90% - 105%	<p>If the level of achievement of the objective is equal to or under the minimum value, the payout (amount of the incentive paid against the target) is equal to zero; if the level of achievement of the objective is equal to the target, the payout is equal to 100% of the target incentive; if the level of achievement is equal to or higher than the maximum value, the payout is equal to 200% of the target incentive.</p>
		GROUP OPERATING FREE CASH FLOW (20%)		90% - 105%	
		GROUP REVENUES (20%)		90% - 105%	
INDIVIDUAL OBJECTIVES	STRATEGIC PROJECTS AND SUSTAINABILITY	OPERATIONAL EXCELLENCE: CASH SYNERGIES (10%)		90% - 105%	
		ESG/CUSTOMER CENTRICITY: NET PROMOTER SCORE (5%)		weighted average of the individual NPS	
		ESG/PEOPLE VALUE: EMPLOYEE PEOPLE SURVEY / ENGAGEMENT INDEX BALANCED (5%)		90% - 105%	

# CEO/GM: Long-Term Incentive Plan (LTI)



- The **Relative Total Shareholder Return (Relative TSR)** is the difference between the actual TSR and the benchmark.
- The actual TSR, namely, the total return on investment for the shareholder, is an indicator that measures the creation of value for said shareholder and is calculated by summing to the change in the share price during the vesting period the effect of the dividends per share paid in the same period, according to the following formula:

$$\text{TSR} = \frac{(\text{Final Price} - \text{Initial Price} + \text{Dividends})}{\text{Initial Price}}$$

- Initial price: the arithmetic mean of the share prices recorded in the thirty trading days prior to the beginning of the vesting period
- Final price: the arithmetic mean of the share prices recorded in the last thirty trading days of the vesting period.

For more details, please see [Section I](#) of the [Report on the remuneration policy and compensation paid](#) approved by the Board of Directors on 10 March 2022.

## Executive summary for Executives with Strategic Responsibilities

ELEMENT	CHARACTERISTICS*
<b>RAL</b>	Proportionate to the role held and the responsibilities assigned.
<b>SHORT-TERM VARIABLE INCENTIVE PLAN (MBO)</b>	<p>Entry gate from which the payment of the incentive is permitted: Group EBITDA <math>\geq</math> 85% of the target value. Similarly, even if the other objectives are achieved, no MBO is paid if the individual objectives assigned to the individual beneficiary are not achieved.</p> <p><b>Malus and clawback clauses are provided</b></p> <p><b>Key Performance Indicators (KPIs):</b></p> <ul style="list-style-type: none"> <li>• Group EBITDA</li> <li>• Economic, financial and non-financial objectives related to the specific responsibilities of the BU/Area</li> <li>• Individual objectives including Sustainability/People Value: Engagement Index</li> </ul>
<b>LONG-TERM VARIABLE INCENTIVE PLAN (LTI)</b>  <b>- Subject to AGM 2022</b>	<p>Granting of rights to receive Nexi ordinary shares (<b>Performance Shares</b>) free of charge, on the basis of performance criteria over a <b>medium-long (three-year) period</b>.</p> <p><b>Malus and clawback clauses are provided</b></p> <ul style="list-style-type: none"> <li>• <b>Granting frequency:</b> rolling (3 granting cycles: 2022-2024; 2023-2025; 2024-2026)</li> <li>• <b>Performance period:</b> three years</li> <li>• <b>Entry gate:</b> three-year Operating Cash Flow <math>\geq</math> 80% of the Operating Cash Flow Target</li> <li>• <b>Performance indicators:</b> <ul style="list-style-type: none"> <li>- (50%) Relative Total Shareholder Return (TSR)</li> <li>- (50%) Cumulative Operating Cash Flow</li> </ul> </li> <li>• <b>Holding Period:</b> 1 year for 50% of the shares vested</li> </ul>
<b>BENEFITS</b>	<b>Main types:</b> Complementary social security; Supplementary health care; Insurance coverage (medical expenses, death, permanent disability); Car for personal and business use.
<b>OTHER INSTRUMENTS</b>	Payments in the case of termination of the employment relationship; non-compete agreements; D&O policy

\*For more details, please see [Section I](#) of the [Report on the remuneration policy and compensation paid](#) approved by the Board of Directors on 10 March 2022.