



# Remuneration Report 2023

 **amplifon**



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# Remuneration Report 2023

Prepared in accordance  
with Article 123-ter of  
Legislative Decree no. 58  
of February 24<sup>th</sup>, 1998  
and in compliance with  
Annex 3A, schedules 7-bis  
and 7-ter of CONSOB  
regulation no. 11971  
of May 14<sup>th</sup>, 1999 and  
following amendments



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OUR ANNUAL  
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FIND OUT  
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REPORT 2022



FIND OUT  
OUR REPORT ON  
CORPORATE GOVERNANCE  
AND OWNERSHIP STRUCTURE  
2022



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# LETTER FROM THE CHAIR OF THE REMUNERATION AND APPOINTMENTS COMMITTEE

**Dear Shareholders,**  
**As Chair of Amplifon's Remuneration and Appointments Committee, I am pleased to present the Remuneration Report for 2023.**

2022 saw the Group operating in a period characterized by a continuing scenario of uncertainty, linked to the current and complex geo-political situation with important economic, employment and social repercussions for the entire planet.

Despite the complexities and growing challenges posed by the macroeconomic framework, Amplifon has demonstrated its resilience and a strong ability to seize opportunities for growth and transformation, continuing to impress its leadership on the market. In fact, this path saw the Group achieve very positive economic and financial results, characterized by an increase in revenues of 8.8% compared to the previous year and an EBITDA of €525.3 million.

The Group consolidated its position, during 2022, within markets where it had already lead, conquering an even larger portion of the value chain both in the US market, leveraging the strategic businesses represented by Miracle-Ear and Amplifon Hearing Health Care, and in the Australian market, through three symbiotic businesses: Amplifon, Attune, and Bay Audio. The maturation path undertaken by the Group within the EMEA area was also fundamental, through organic growth supported by significant investments in marketing and customer proposition innovation with the progressive roll-out of the Amplifon Product Experience and the launch of Ampli-care.

These achievements have been possible thanks also to new opportunities for growth and development that Amplifon has identified over time, aiming to increase the skills of human capital, digitalization, attention to environmental sustainability and the appreciation of diversity.

Within this context, the Remuneration Policy continues to represent a powerful tool to support the implementation of the corporate strategy contributing to the achievement of sustainable success. In line with what has been planned for 2022, the Group's remuneration systems are based on the Pay for Performance philosophy and intend to combine several goals:

- ensure the management commitment in an objectively challenging and possible discontinuous context;
- support the achievement of performance targets, as well as the achievement of the medium-term guidelines contained in the Strategic Plan;
- develop a strong link with the value creation not only for shareholders, but also for all our stakeholders, achieving all the goals contained in the Group Sustainability Plan.

The 2023 Remuneration Policy aims to consolidate the involvement of key resources in achieving value creation goals, confirming Amplifon's strong commitment to sustainability: a process, which began



in 2020 through the implementation of the main goals of the Sustainability Plan within the performance evaluation system of top management, continued with the introduction in 2022 of a new incentive tool (Sustainable Value Sharing Plan) intended, in the first instance, for the Chief Executive Officer/General Manager and envisaged, starting from 2023, always on a voluntary basis, also for Key Managers with Strategic Responsibilities of the Group.

Considering that this tool can strengthen the clear link between remuneration and the economic, social and environmental value created, it is the Group's intention to extend the audience of recipients based on predefined criteria, resulting in this component an element of loyalty and effective incentive, in the interest of both the Company and the beneficiary.

During 2022, the Committee also worked on the design of the new long-term variable incentive Plan (Stock Grant Plan 2023-2028), which retraces the structure of the previous tool, having considered it fully responsive to the new challenges that the Group will

face in the coming years. This Plan, subject to approval by the Shareholders' Meeting, confirms Amplifon's desire and need to equip itself with a vehicle to achieve the medium and long-term goals defined in the Business Plan and ensure better alignment of management remuneration with the interests of shareholders.

Also this year we intend to continue to communicate in a complete, clear and transparent way to all stakeholders the principles on which our remuneration policy is based, the systems and processes that govern it, as well as the results of its application, in order to guarantee our shareholders all the necessary tools for an accurate evaluation of the Company and for the exercise of rights on an informed basis.

I am therefore hopeful, also on behalf of all my colleagues, that the efforts made by the Committee, the continuous improvement of the Report in terms of both content and disclosure and the choices made in line with the Remuneration Policy - approved at the last Shareholders' Meeting - are found to be appreciated and endorsed by all Shareholders.

**Maurizio Costa**  
**Chair of the Amplifon Remuneration and Appointments Committee**

# EXECUTIVE SUMMARY





# CHANGES IN THE REMUNERATION REPORT 2023

Considering the results of the voting at the 2022 Shareholders' Meeting, as well as the significant elements that Amplifon intends to further strengthen with a view to continuous alignment with market best practices, the main changes introduced into the Report on Remuneration Policy 2023 and Compensation Paid are summarized below:

## NEW DEVELOPMENTS IN REMUNERATION POLICY REPORT AND COMPENSATION PAID BY AMPLIFON

**Co-Investment** Plan (Sustainable Value Sharing Plan, SVSP) implemented from 2023 for KMSRs as well. In order to consolidate a policy of strong involvement of the company's key resources in pursuing the goals of the creation of value, the **Group wishes to extend the audience of recipients based on predefined criteria**, with this component becoming an effective retention and incentivizing element, in the interest of both the company and the beneficiary

pag 55-56;  
64-65

Greater clarity about the **positioning** of the **CEO's package** and the consistency between the **fairness** of the compensation and **growth path** of Amplifon

pag 17

Improvement of the level of disclosure in relation to the **connection** between **remuneration, strategy** and **sustainability**

pag 12-15;  
18-21

Under the scope of people empowerment, the representation of the **pay ratio** in conformity with GRI 2-21 and a greater focus on the **achievements** and **initiatives** in the area of D&I

pag 27-30

More **details** about the main **topics** (termination of the CEO and the use of lump sum) emerged during the **engagement meetings**

pag 23

# THE PILLARS OF THE REMUNERATION POLICY

Amplifon's Remuneration Policy is adopted by the Board of Directors, after a preliminary examination and upon the recommendation of the Remuneration and Appointments Committee, and is defined in line with the business strategy, the governance model implemented and the guidelines of the Code of Corporate Governance of Listed Companies.

Amplifon's Remuneration Policy is aimed at:

- Promoting the pursuit of corporate objectives, sustainable success and improving results in the medium-/long-term;
- Pursuing the value creation for all Group stakeholders (shareholders, employees, suppliers, customers, local communities);
- Providing incentive schemes with predetermined objectives, that can be measured and are consistent with the Group's Strategic Plan and Sustainability Plan;
- Attracting, retaining and motivating people with good professional skills, encouraging the commitment of key resources;
- Promoting actions and behavior that respond to Group values, in compliance with the principles of inclusion and diversity, equal opportunity, meritocracy and fairness, as set out in our Code of Ethics.

To this purpose, the Remuneration & Appointments Committee annually evaluates the quality of the contents of Amplifon's Remuneration Policy, taking into consideration the different elements that constitute the pillars.

<b>1. LINK BETWEEN REMUNERATION AND STRATEGY</b>  Our Policy is defined in line with the long-term strategy and goals, and is able to achieve the primary objective of creating sustainable value for our shareholders	<b>2. PAY FOR PERFORMANCE</b>  Our Policy makes it possible to focus our people on the achievement of short- and medium/long-term business targets. Performance is the main driver that guides the remuneration choices for our people	<b>3. ALIGNMENT WITH MARKET BEST PRACTICES</b>  Our Policy is assessed in the light of market best practices, through continuous monitoring of Italian and international trends
<b>4. CONTRIBUTION TO GROUP SUSTAINABILITY</b>  Our Policy promotes sustainable business success by linking the Group's economic and financial performance to sustainability (ESG) goals	<b>5. POINT OF VIEW OF SHAREHOLDERS AND INVESTORS</b>  Our Policy is the result of continuous dialog with our shareholders, with a view to constantly improving the content and level of disclosure consistent with the guidelines of the main institutional investors and proxy advisors	<b>6. PEOPLE EMPOWERMENT</b>  Our Policy is designed to attract, motivate and retain key resources, recognizing the quality and effectiveness of the individual contribution and promoting diversity and equal opportunity in the management of human resources

# I. CORRELATION BETWEEN STRATEGY AND REMUNERATION

**Amplifon is a leading global Company in the hearing care market, thanks to its extremely vast network which counts 9,250 points of sale and the professionalism and passion of around 19,400 employees and partners, in 25 Countries over 5 continents.**

The purpose of the Group is to ensure that every customer has a customized, distinctive listening experience through a unique formula: the combination of access to the most advanced technologies with the offering of the best application service and customized hearing solutions.

We transform the way that hearing care is perceived and experienced around the world, ensuring a natural and organic expectation for all who rely on the high-quality service and professionalism of our specialists.

We strive to understand each customer's unique needs, ensuring that they are presented with the best solution possible whilst delivering an amazing customer experience. We select, develop and nurture the very best talents who share our ambition to change the lives of millions of people around the world.

In this perspective, The Group's Remuneration Policy is defined in line with the long-term objectives and business strategy, in order to contribute to achieving sustainable results over a period of time and reaching the primary objective of the value creation for all our stakeholders.

This combination is reflected directly in the design and purposes of our incentive schemes, creating an immediate correlation between the business strategy and the rewarding system.



## LINK BETWEEN REMUNERATION AND STRATEGY

MBO SYSTEM	COMPETITIVE LEADERSHIP	FINANCIAL AND OPERATIONAL EFFICIENCY	SUSTAINABILITY OF THE BUSINESS
<i>EBITDA (performance parameter)</i>	■	■	
<i>Net Sales (performance parameter)</i>	■		
<i>Free Cash Flow (performance parameter)</i>		■	
<i>Specific KPIs linked to strategic business objectives (multiplier)</i>	■	■	■
<i>Specific KPIs linked to Sustainability Plan targets (multiplier)</i>			■
LTI SYSTEM			
<i>Net Financial Position (access gate)</i>		■	
<i>EBITDA (access gate)</i>	■	■	
<i>EBIT (performance parameter)</i>	■	■	
<i>Net Sales (performance parameter)</i>	■		
SUSTAINABLE VALUE SHARING PLAN			
<i>Total Shareholder Return</i>	■		■
<i>Product &amp; Service Stewardship: cost savings of customers and prospects generated by offering free hearing tests</i>			■
<i>People Empowerment: percentage of the back office population assessed as talents &amp; high performers to be part of the succession pipeline</i>			■
<i>Amplifon's financial contribution to the Amplifon Foundation (€ mln)</i>			■
<i>Ethical Behavior: number of batteries "saved" per year through increased penetration and use of rechargeable hearing aids</i>			■
CREATION OF VALUE FOR SHAREHOLDERS			

## 2. PAY FOR PERFORMANCE

Amplifon is the global leader in hearing care retail and has a market share of around 12% thanks to a solid strategy, careful planning and a strong execution capacity. Amplifon recorded a positive performance in 2022 too, consolidating its global leadership position.

### MAIN GOALS REACHED IN 2022

#### REVENUES

**2,119.1** € MLN

+8.8% VS 2021

#### CONSOLIDATING GLOBAL LEADERSHIP

The Group has consolidated its position in the markets where it was already a leader, conquering an even larger portion of the value chain both in the US market, leveraging the strategic businesses represented by Miracle-Ear and Amplifon Hearing Health Care, and in the Australian market, through three perfectly complementary businesses: Amplifon, Attune e Bay Audio.

#### EBITDA

**525.3** € MLN

+8.8% VS 2021

#### AMPLI-CARE ROLL-OUT

The roll-out of the digital platform has been launched during 2022, which will revolutionize the entire audiological experience for Amplifon customers. The roll-out of Ampli-care started by allowing Amplifon to offer a unique, innovative and engaging experience every day, to better support customers, for their specific needs, in a fluid and seamless audiological path on all the touchpoints.

#### NET PROFIT

**183.3** € MLN

+4.6% VS 2021

#### AMPLIFON X

In order to support the important acceleration in digital innovation, at the beginning of 2022 Amplifon X was created, a new agile division dedicated to the development of highly innovative digital solutions within a proprietary ecosystem of customer-centric omni-channel and omni-person solutions. Amplifon X is born from the integration of Otohub with the Group's digital area and, leveraging on important collaborations with institutions recognized all over the world, allows us to continue to redefine the standards of the audiological experience at a global level, consolidating the significant competitive advantage and creating a unique experience for our customers.

#### FREE CASH FLOW

**246.7** € MLN

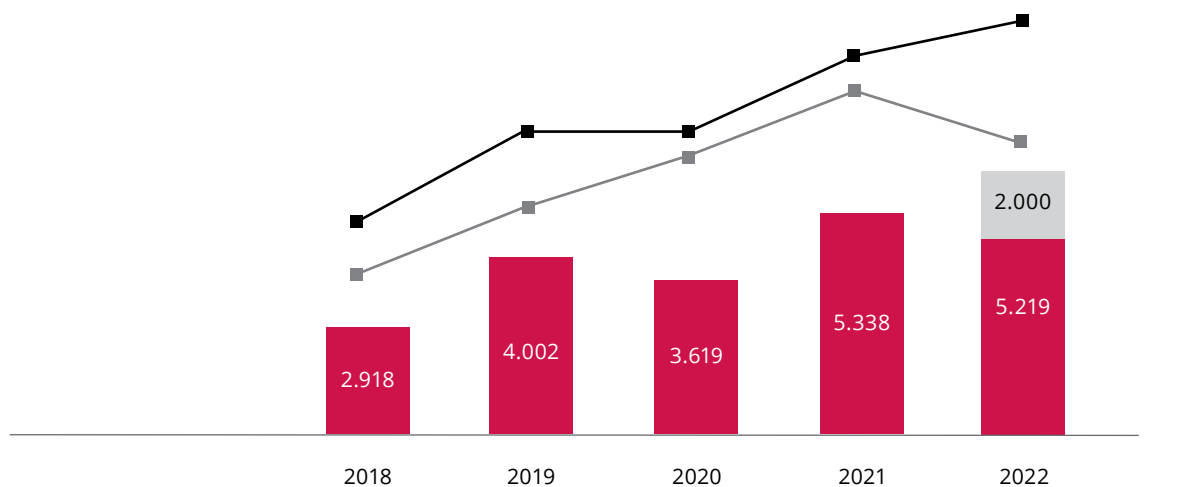
-3.2% VS 2021

#### BEST COMPANY IN INVESTOR RELATIONS IN THE "PHARMACEUTICAL & HEALTHCARE" SECTOR

Amplifon has been recognized as the best company in Europe in Investor Relations in the "Pharmaceutical & Healthcare" sector as part of the 2022 edition of the prestigious "All-Europe Executive Team" ranking of Institutional Investor, an independent research institute in the field of international finance.

In line with market best practices and consistent with the philosophy of the creation of sustainable value, the Group's approach to variable remuneration embraces a broad concept of performance, characterized by objectives directed at generating solid and profitable economic-financial results, together with positive impacts on all relevant stakeholders.

From this perspective, the growth path undertaken by the Group was accompanied by a constant growth in economic-financial results over the last five years.



■ Compensation CEO ('000 €) ■ Value generated for Shareholders (mio €) ■ Ebitda (mio €) ■ Special Award ('000 €)

Total Compensation CEO	2,918	4,002	3,619	5,338	7,219
Value generated for Shareholders (€ mln)	3,203	5,887	7,816	10,958	6,476
EBITDA (€ mln)	234	381	366	483	525

Note: the compensation figures reported for the Chief Executive Officer are consistent with Table 1 of Section II. It should be noted that the amount of the 2020 remuneration of the CEO/ GM is impacted by the measures taken in response to COVID-19. With reference to the "Special Award", it should be noted how this award was defined as a percentage of the value creation generated within a three-year period 2017-2019 and was paid in 2022 following approval by the Board of Directors of the 2021 Consolidated Financial Statements, since the condition to which the payment of the monetary premium was subject, represented by the permanence of the Chief Executive Officer and General Manager in the Group on said date, has been met.

From the analyses of Pay for Performance, it emerges that, as far as the period 2018-2022 is concerned, the Group, despite ongoing uncertainty with regards the financial markets, recorded a significant increase in the "value generated"<sup>1</sup> for its shareholders and a significant improvement in the Group's economic-financial performance. The increase of the CEO/ GM package consistently reflects this performance and in line with the Company's significant growth path in terms of economic-financial performance.

In confirmation of the challenging targets that the Group had set itself for 2022 and despite significant growth in terms of both revenue and EBITDA compared to the previous year, the short-term variable incentive that will be paid to the CEO/GM against the Group's performance recorded during 2022 is equal to €662,040, which corresponds to 44.14% of fixed remuneration, less than the incentive levels assigned: target (60% of fixed remuneration) and maximum (108% of fixed remuneration).

1 - The "value generated" for Shareholders is defined as being the trend of market capitalization over the last five years in the hypothesis of reinvestment of dividends distributed at the ex-dividend date.

### 3. ALIGNMENT WITH MARKET BEST PRACTICES

For the purpose of preparing the Remuneration Policy 2023, the Remuneration & Appointments Committee has taken into account, in continuity with previous years, national and international best practices, as well as the results of a benchmark analysis on the remuneration of the Chief Executive Officer/General Manager, non-executive Directors of the Board of Directors and Key Managers with Strategic Responsibilities of the Group.

Benchmarking analyses were conducted in 2023 with the support of specialized independent experts<sup>2</sup>, comparing the results, which are listed in the following table, with a panel of companies considered significant:

Role	Panel selection criteria	Peer Group
Chief Executive Officer/General Manager	Industrial companies of the FTSE MIB Index of Borsa Italiana, deemed significant by the Group, excluding Issuers that: <ul style="list-style-type: none"> <li>■ have a foreign matrix;</li> <li>■ involve the combination of the role of CEO and the reference shareholder position</li> </ul>	<b>FTSE MIB Index Peer Group (16 companies)</b> Campari, Diasorin, Enel, Eni, Erg, Ferrari, Interpump, Italgas, Leonardo, Moncler, Nexi, Pirelli, Prysmian, Snam, Terna, TIM
	Companies similar to Amplifon from a business perspective, identified based on the following drivers: <ul style="list-style-type: none"> <li>■ main competitors/players in Amplifon's value chain;</li> <li>■ companies operating in the optical retail sector;</li> <li>■ businesses operating in the healthcare sector</li> </ul>	<b>Business Peer Group (14 companies)</b> Cigna Corporation, Cochlear, Coloplast, Demant, EssilorLuxottica, Fielmann, Fresenius Medical Care, GN StoreNord, Philips Healthcare, Recordati, Siemens Healthineers, Smith & Nephew, Sonova, Strauman Group
Non-executive Members of the Board of Directors	Industrial companies belonging to the FTSE MIB Index of Borsa Italiana <sup>3</sup>	<b>Peer Group (24 Companies)</b> A2A, Atlantia, Buzzi Unicem, Campari, CNH Industrial, Diasorin, Enel, Eni, Ferrari, Hera, Interpump, Inwit, Italgas, Leonardo, Moncler, Nexi, Pirelli, Prysmian, Recordati, Saipem, Snam, Stellantis, Terna, TIM
Key Managers with Strategic Responsibilities	Similar companies identified on the basis of the following aspects: <ul style="list-style-type: none"> <li>■ International listed companies belonging to the FTSE MIB index or MID CAP Index of a comparable size / level of internationalization;</li> <li>■ unlisted Italian companies with a high internationalization profile;</li> <li>■ large global organizations, with European headquarters, present in Italy or with important Italian branch offices</li> </ul>	<b>Key Managers with Strategic Responsibilities – Peer Group (29 companies)</b> Angelini, Ariston Thermo, Autogrill, Bolton Group, Brembo, Campari, De' Longhi, Enel, Eni, Ferrari, Ferrero, Intercos, Iveco Group, Leonardo, Moncler, Nestlé, Nexi, Ovs, Pirelli, Saifilo, Saipem, Salvatore Ferragamo, Sky, Sisal, Snam, TIM, Terna, Vodafone, Whirlpool

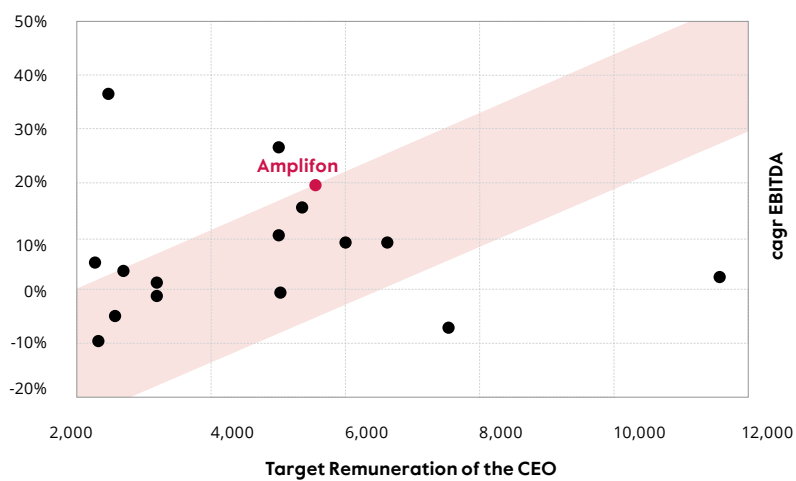
2 - The benchmark activities were carried out with the consulting firms Mercer and The European House – Ambrosetti.

3 - The benchmark analysis relating to non-executive Members of the Board of Directors was undertaken in 2022 in light of the renewal of the mandate of the Board for the 2022-2024 term.

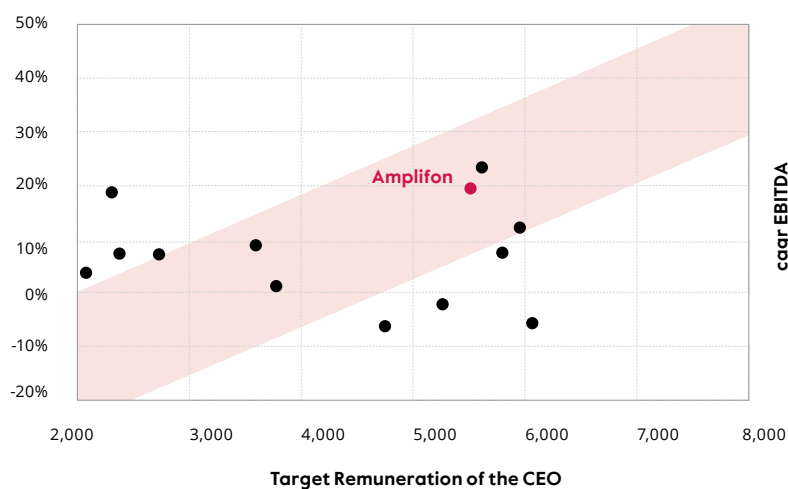
The Chief Executive Officer and General Managers benchmark analyses confirm, from a pay for performance perspective, a substantial consistency between the target remuneration package of the CEO of Amplifon and the offer envisaged for the Top Management of Amplifon's listed peers. When compared to the outstanding corporate performance that has distinguished the Group within the last three-year period (expressed in terms of EBITDA CAGR in the period 2020-2022), the remuneration positioning of the Chief Executive Officer / General Manager is seen to be in line with the offer envisaged by the Issuers which, like Amplifon, have distinguished themselves for significant economic and financial growth.

## CAGR EBITDA AND CEO'S TARGET REMUNERATION PACKAGE

### FTSE MIB PEER GROUP



### BUSINESS PEER GROUP



## 4. THE CONTRIBUTION TO THE GROUP'S SUSTAINABILITY

Amplifon's ongoing commitment to striving for sustainable success, by improving its environmental, social and governance practices, has led the Company to reach many important goals during the course of the year.

### THE FOUR AREAS OF COMMITMENT

### MAIN GOALS REACHED IN 2022

 <p><b>PRODUCT &amp; SERVICE STEWARDSHIP</b></p>	<p><b>SUPPLIER CODE OF CONDUCT</b></p> <p>At the beginning of 2022 our new Supplier Code of Conduct was approved, defining the principles and standards of conduct required of all suppliers and business partners, so that they commit to the proactive implementation of the principles and standards relating to business ethics, compliance, anti-corruption, human and labor rights, diversity and inclusion, health and safety, environment, etc.</p>
 <p><b>PEOPLE EMPOWERMENT</b></p>	<p><b>POLICY ON DIVERSITY, EQUITY, INCLUSION AND BELONGING</b></p> <p>Our new Policy with regard to Diversity, Equity, Inclusion and Belonging (DEIB) was approved in 2022, formalising the importance of diversity and inclusion for the Group. Amplifon is committed to promoting, in all aspects of the employment relationship, the various principles underlying the Policy (cultural background, gender, ethnic origins, disability, age). To support the implementation of this Policy, a Global Governance has also been established for DEIB topics which will make it possible to address the DEIB agenda at a global level.</p>
 <p><b>COMMUNITY IMPACT</b></p>	<p><b>"TOP EMPLOYER":</b></p> <p>At the end of 2022, Amplifon received the recognition, for the second consecutive year of "Top Employer" in Europe – in particular in Italy, France, Spain, Portugal, Germany and The Netherlands – as well as for the first time in the United States and in New Zealand. As part of the program which, in 2023, has certified and classified more than 2,000 companies in 121 Countries, Amplifon obtained such certification following the evaluation of our HR policies and strategies and their implementation contributing to the well-being of people, improvement of the work environment, education provided and career paths.</p>
 <p><b>ETHICAL BEHAVIOR</b></p>	<p><b>RATING ESG</b></p> <p>The results obtained in 2022 led to improvements in terms of ESG ratings. For the first time, Amplifon participated in the CDP Climate Change annual questionnaire, obtaining a C score on a scale from A to F, in line with the sector average. Furthermore, in 2022 Amplifon took part in the S&amp;P Corporate Sustainability Assessment 2022 (CSA), improving the total Score from 55 to 64. As a consequence, Amplifon was included in the Global Sustainability Yearbook 2023, which includes the ranking of the 708 top performers among the more than 7,800 companies evaluated by the CSA, and was also recognized as an Industry Mover having achieved the most significant improvement in the Industry compared to the previous year.</p>

Therefore, Amplifon considers of primary importance to have a Remuneration Policy that is capable of promoting sustainable success, including also the identification of non-financial parameters to which the performance of our Management is correlated.

In this regard, Amplifon's approach to sustainability is based on four pillars: providing excellent hearing care services, developing talents, supporting the communities in which the Company operates and complying with the highest regulatory, ethical and moral standards. This involves four areas of engagement translated into specific Goals that represent the objectives to which the Group is committed to support the creation of shared value.

In order to further strengthen Amplifon's commitment to sustainability, the Remuneration Policy aims to consolidate the involvement of key resources in achieving value creation goals: this process, which began in 2020 through the implementation of the main goals of the Sustainability Plan within the short-term variable incentive system (MBO) for Group Top Management (Chief Executive Officer / General Manager and Key Managers with Strategic Responsibilities)<sup>4</sup> then continued with the introduction of a new incentive tool, aimed at rewarding the generation of shared value with all Group stakeholders.









As further confirmation of Amplifon's increasing focus on sustainability, in 2021 an in-depth analysis was activated regarding the definition of a new rewards-based remuneration tool intended, at least in the first instance for 2022, for the Chief Executive Officer/General Manager, starting from 2023, also for the Key Managers with Strategic Responsibilities and to any additional beneficiaries based on predefined criteria, designed to ensure a strong bond with the value creation for shareholders and all our stakeholders.







This remuneration component aims at ensuring the protection of sustainability-related issues topics, by rewarding the achievement of milestones of the Group Sustainability Plan, as well as the value creation in the medium-long-term for the shareholders, as part of the premium related to the performance of the absolute Total Shareholder Return (TSR). This tool provides the possibility for recipients of voluntarily co-investing part of the accrued short-term incentive system (MBO) in Amplifon shares, enabling them to benefit from the Group's forecasted success over a three-year period via a matching system.

The Company may pay, on the basis of results achieved with respect to predefined performance targets, a defined number of actions (matched rights).

4 - For any further information on the goals and targets of the Group Sustainability Plan, please refer to the 2022 Sustainability Report.

With reference to the ESG sphere for the 2023-2025 cycle, performance is embodied in the achievement of four specific KPIs (one for each pillar of the Group Sustainability Plan) measured over a three-year period:

 <p><b>PRODUCT &amp; SERVICE STEWARDSHIP</b></p> <p>We aim to raise awareness and accessibility of hearing care by providing innovative experiences and listening to the needs of our customers</p> <div>   </div>	<p><b>GOALS</b></p> <p>Promote awareness of the importance of hearing, breaking down barriers and stigmatization</p> <hr/> <p>Facilitate access to hearing care and improve the life of as many people as possible</p> <hr/> <p>Promote increasingly innovative, engaging and digital solutions</p>	<p><b>TARGET</b></p> <p>Raise awareness about hearing care among more than 160 million people over the age of 55 through TV campaigns and telemarketing</p> <hr/> <p>Offer free hearing tests, generating a total saving of more than €700 million for customers and prospects</p> <hr/> <p>Achieve at least 85% global penetration of the Amplifon Product Experience (APE) in the addressable market of the various countries</p>	<p><b>KPIs</b></p> <p>Number of people over the age of 55 reached by awareness-raising campaigns per year</p> <hr/> <p>Annual financial saving for customers and prospects</p> <hr/> <p>APE penetration rate (in terms of units sold) in the addressable market</p>	<p><b>KPI of Sustainable Value Sharing Plan</b></p>
 <p><b>PEOPLE EMPOWERMENT</b></p> <p>We aim to attract, develop and retain the best talents to ensure the sustainability of the business, promoting diversity among our people</p> <div>   </div>	<p><b>GOALS</b></p> <p>Strengthen the leadership and functional skills of all employees globally</p> <hr/> <p>Ensure a solid succession pipeline for key roles</p> <hr/> <p>Ensure a healthy and inclusive winning workplace driven by communication and engagement</p> <hr/> <p>Promote equal opportunities at all levels of the business</p>	<p><b>TARGET</b></p> <p>Ensure training for back office and field force staff globally every year with unlimited access to the e-learning training platform</p> <hr/> <p>Ensure that a significant share of back office and field force staff is assessed as talents &amp; high performers to be part of the succession pipeline</p> <hr/> <p>Ensure a participation rate of at least 85% in the global engagement survey with at least 90% of respondents declaring themselves engaged (rating &gt;=3)</p> <hr/> <p>Maintain an appropriate level of gender representation in the global back office population (always above 50%) and in the global leadership population (always above 25%)</p>	<p><b>KPIs</b></p> <p>Average number of training days per person per year (back office; field force)</p> <hr/> <p>Percentage of talents &amp; high performers per year on the back office population</p> <hr/> <p>Percentage of talents &amp; career high performers per year on the field force population</p> <hr/> <p>Global engagement survey participation rate Percentage of respondents giving a rating &gt;=3 on a scale from 1 to 5</p> <hr/> <p>Percentage of female employees in the global back office population Percentage of female employees in the global leadership population</p>	<p><b>KPI of Sustainable Value Sharing Plan</b></p>

 <b>COMMUNITY IMPACT</b> We aim to promote social inclusion and to spread greater awareness about hearing-loss prevention, hearing well-being, responsible listening and the impact of noise pollution  	GOALS	TARGET	KPIs	KPI of Sustainable Value Sharing Plan
	<p>Support the activities of the Group Foundations to spread the "sound of inclusion"</p> <hr/> <p>Promote awareness about responsible listening among the younger generation</p> <hr/> <p>Increase awareness about the importance of hearing well-being and the impacts of noise pollution among communities</p>	<p>Contribute to the ramp-up of the Amplifon Foundation with approximately €3 million</p> <hr/> <p>Extend the "Listen Responsibly" program to new countries and involve a total of at least 40,000 students and 1,600 schools</p> <hr/> <p>Map at least 20,000 noise measurement from 6,000 people through the noise tracker of the "Listen Responsibly" app</p>	<p>Amplifon's financial contribution to the Amplifon Foundation (€ mln)</p> <hr/> <p>Number of students involved (total number of students)</p> <p>Number of schools involved (no. of total schools)</p> <hr/> <p>Number of mapped noise measurements (total no. of measurements)</p> <p>Number of users of "Listen Responsibly" app (total no. of users)</p>	
 <b>ETHICAL BEHAVIOR</b> We aim to encourage responsible and sustainable practices along the value chain and take action to reduce the environmental impact of our business  	GOALS	TARGET	KPIs	KPI of Sustainable Value Sharing Plan
	<p>Integrate sustainability criteria into the responsible management of the supply chain</p> <hr/> <p>Increase the use of renewable energy to limit the environmental impact of the business activities</p> <hr/> <p>Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries</p>	<p>Define a global supplier evaluation framework based on ESG risks by 2021, and implement this framework in a pilot country</p> <hr/> <p>Increase the use of certified renewable electricity to at least 70% of the electricity consumption of offices and direct shops, avoiding the related CO2e emissions</p> <hr/> <p>Increase the penetration and use of rechargeable hearing aids avoiding the use of more than 200 million batteries</p>	<p>Definition and pilot implementation of the global framework of ESG assessment for providers</p> <hr/> <p>Share of electricity purchased and certified as coming from renewable sources compared with the total electricity consumption for offices and direct shops (%)</p> <p>Quantity of CO2e avoided, Scope 2 - Location-based approach (LB) and Market-based approach (MB) - (tons of CO2e)</p> <hr/> <p>Total number of batteries "saved" per year (millions of batteries)</p>	

## 5. THE PERSPECTIVE OF SHAREHOLDERS AND INVESTORS

**Amplifon places great importance on the evaluations expressed by every stakeholder and encourages opportunities for discussions with our shareholders, potential investors, analysis and other parties from the financial markets.**

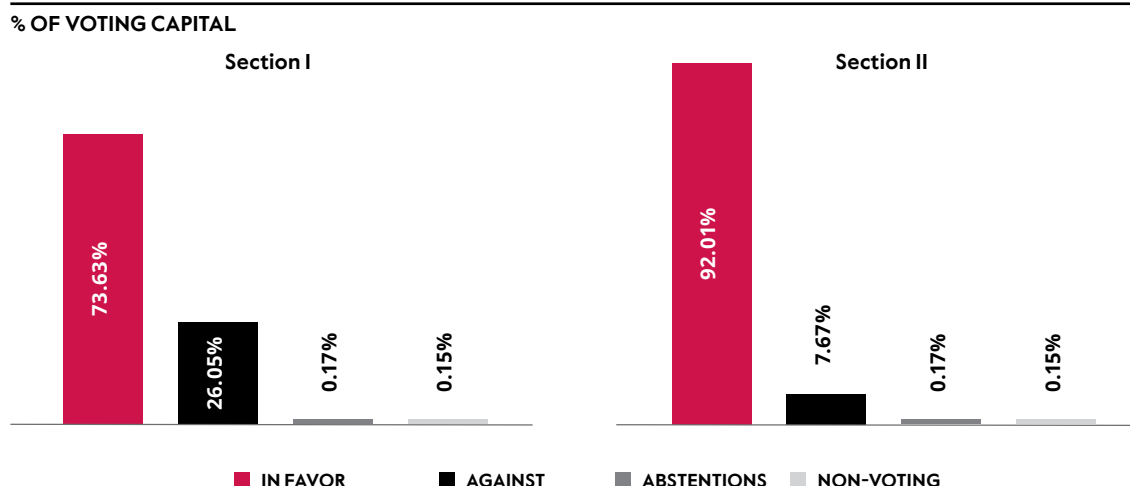
In this regard, on December 16<sup>th</sup>, 2021, in compliance with the provisions of art. 1, Recommendation 3 of the new Corporate Governance Code, the Board of Directors of Amplifon, on the proposal of the Chairman, in agreement with the Chief Executive Officer and subject to the favorable opinion of the Control, Risk and Sustainability Committee, approved an additional Policy for managing dialogue with the majority of shareholders and investors.

This policy, which is available on the Company's website in the Governance section (available at: <https://corporate.amplifon.com/it/governance/relazioni-e-procedure/documenti-societari/engagement-policy>), details the ongoing relationship between the Company and the general shareholders, potential investors and other stakeholders within the competences of the corporate functions whilst regulating the engagement activities prepared to promote dialogue between the Company and shareholders, defining the topics, regulating the procedures and identifying the individuals responsible for engagement activities and any further individual potentially involved.

Following the adoption of the aforementioned policy, during 2022 the Company received the requests for engagement from institutional investors mainly on topics related to climate change, diversity, remuneration, composition of social bodies and share buy-back plan. The Company responded extensively and promptly to all requests received.

In addition to the analysis of the topics raised by the activities of engagement with the market on the remuneration of senior management bodies, over 2022 the Company analyzed the voting results expressed by shareholders on the Remuneration Policy and the voting indications expressed by its reference investors and by the main proxy advisors.

### REMUNERATION REPORT VOTES



The Group's Remuneration Policy was approved by the Shareholders' Meeting on April 22<sup>nd</sup>, 2022 with 73.63% of the voting capital in favor. The analyses of the shareholders' meeting votes were also included in the examination of the feedback received in the meetings conducted during the year, with the aim of closely examining the considerations expressed by the latter with regard to the 2022 Remuneration Policy.

This dialogue provided the Remuneration and Appointments Committee, as well as the relevant functions, with valuable feedback and insight from investors and the market on the characteristics of the Group's Remuneration Policy. With a perspective to continuous improvement, the Company has therefore deemed it appropriate here to ensure greater clarity towards the market regarding the main topics in discussion:

- **Indemnities in the event of the CEO's resignation, dismissal or termination of employment:** in 2019, Amplifon carried out, with the support of specialized independent experts, an analysis aimed at verifying that the structure and amount (in terms of number of months) of the indemnities paid to the CEO in the various cases of future termination of the employment were aligned with the best Italian practices. The analysis confirmed that these indemnities are in line with the relevant parameters and practices: in this regard, it should be noted that the CEO, in addition to holding the position of Chief Executive Officer, has an employment relationship with the Company ("Dirigente"), within which he performs the role of General Manager of the Company, with application of the National Collective Labor Agreement for managers of companies in the Tertiary, Distribution and Services sector ("CCNL"). Taking into account the protections provided by the CCNL in the event of termination of employment on the initiative of the Company, in particular in terms of notice and supplementary indemnity, and the relevance of some parameters such as, for example, length of service and age, the agreements signed with the CEO provide for the payment in this case of an indemnity equal to 30 months, to be calculated including the fixed remuneration (as CEO/GM) increased by the incidence of fringes and flexible benefits and the short-term incentive (MBO), with the express exclusion of the incidence of other remuneration items, including long-term variable remuneration, which constitutes the most significant component of the remuneration package of the CEO/GM. This all-inclusive indemnity replaces the treatments provided by law and by the CCNL and is recognized upon signing a general and novative transaction in accordance with the law;
- **Possibility of paying entry bonuses, lump-sum or retention bonuses for top management resources:** Amplifon believes that said remuneration elements are justified to the extent that the Group needs to equip itself with multiple tools in order to actively compete within the labor market. In particular, in some circumstances the Company is required to externally recruit senior candidates for key strategic positions, compensating for the loss of any given benefits that may have been forfeited as a result of leaving their previous employer (e.g., short-term or long-term variable remuneration, benefits). In some cases, discretionary bonuses may be provided in order to stimulate international pathways, which shall therefore also be supported by discretionary interventions within the employee's remuneration package. To confirm the above, in 2022 the Issuer paid the Key Managers with Strategic Responsibilities €264,390 as discretionary bonuses. This amount includes €244,390 paid to two Executives as an entry bonus, defined during the hiring phase and provided by the contract, with a view of attraction to compensate for the loss of variable incentives within the company of origin. The value also considers €20,000 paid to an Executive in lieu of non-payment of the flexible benefit plan.

## 6. PEOPLE EMPOWERMENT

### A) OUR TOTAL REWARD STRATEGY

In line with the Group's strategic vision, Amplifon's Remuneration Policy is composed of instruments and logics applied to the whole corporate population, confirming the principle according to which the Group's growth goes hand in hand with the growth of individuals.

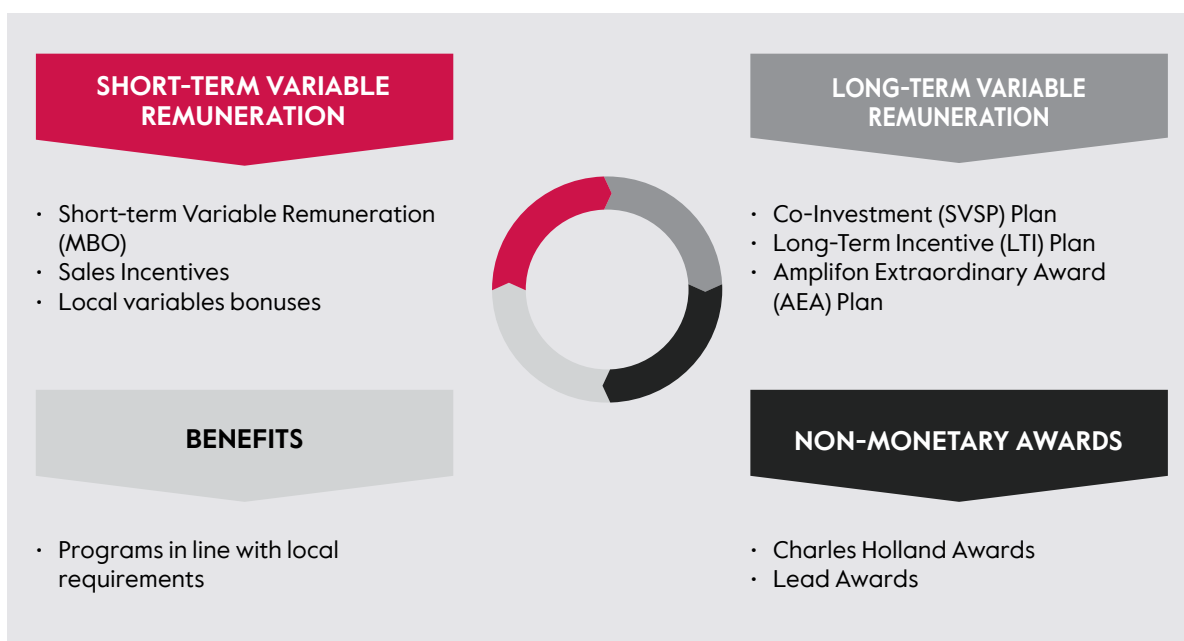
From this perspective, great value is placed on the recognition and rewarding of results and successes, valuing the contribution of every resource both in terms of economic results and customer service.

For this purpose, the Remuneration Policy was defined to support the "People Empowerment" pillar of our Sustainability Plan, thereby becoming:

- A distinctive identity element based on global consistency principles, in order to promote a One Company culture;
- Attractive, both for local markets and at an international level, recognizing the quality and effectiveness of individuals' contribution;
- A fundamental engagement tool for people in reaching their goals, challenging, but, at the same time, proportional and clearly communicated;
- Aimed at promoting diversity and equal opportunity in the management of human resources.

In this regard, the Group has been using for years a Total Reward system oriented to people's motivations, needs and values, defining a series of tools that allow the establishment of tailored reward strategies for individuals under the scope of a fair, global infrastructure:

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- Short-Term Variable Remuneration: the range of beneficiaries of our short-term incentive scheme (MBO) is very broad (for 2022 there were about 212 beneficiaries, considering only the Leadership Team), since the Group's intention is to enhance the value of its people and recognize their contribution to the Company's results. At local level, incentive plans are also defined for the back-office population (Local STI) and the sales force (Sales Incentives).
- Co-Investment Plan: the incentive tool, utilized in the first instance in 2022, aimed to benefit the Chief Executive Officer/General Manager and, starting from 2023, the Key Managers with Strategic Responsibilities, may be extended to a wider range of beneficiaries, in order to confirm a policy of strong involvement of the Company's key resources in underpinning goals of value creation.
- Long-Term Variable Remuneration: the beneficiaries of the Long-Term Incentive Plan (LTI) are managers occupying key Group positions at global, regional and local level, identified by virtue of the "band" to which the organizational position belongs, as part of the Amplifon banding system. In 2022, 97 LTI beneficiaries received assignments under the new Plan (there were 93 in 2021).
- The beneficiaries of the Amplifon Extraordinary Award (AEA) Plan, on the other hand, are recipients selected on the basis of retention, promotion and extraordinary performance logics. During the year, 129 beneficiaries received AEA assignments under the new Plan (there were 71 in 2021).
- Benefits: the Remuneration Policy also includes a customized package of benefits depending on regulatory requirements and market best practices in each of the Countries in which the Group operates. Every year, the employee benefit offering is improved with the goal of being in line with local and international compliance requirements, positioning Amplifon as a fair employer for our people and, at the same time, guaranteeing that employee benefits are considered as a key driver under the scope of the Total Reward Strategy of the Company, vital for improving the capacity to attract and retain talents.

By way of example, note the flexible benefit program offered to employees of Amplifon S.p.A and Amplifon Italia, that involves an allocation, to each resource, of a number of points to be used for the purchase of goods and services of their choice from a wide and varied basket (education, entertainment, personal services, etc.). Through the access to a digital tool, the program makes it possible to take advantage of differentiated services according to people's needs:

- For parenting support:
  - reimbursements for expenses incurred for the education of children such as nurseries, kindergartens, primary schools, secondary schools, degree courses and master's degree courses, masters and specialization schools;
  - reimbursement for expenses relating to the education of children, such as school and university textbooks, canteen services, public transport, summer and winter recreation centers, playrooms, before and after school, mobility, school trips and sports activities provided for in the training offer plan;

- For the health of employees and loved ones:
  - prevention, through the purchase of a check-up package or specialist visits to the best diagnostic centers throughout Italy;
  - reimbursements for expenses incurred by both the employee and children, spouse and parents for specialist medical examinations, dental care, visits made by physiotherapist, podiatrist, speech therapist;
  - reimbursements for both the employee, children, spouse and parents for specialist and laboratory tests, homeopathic medicines and products, purchase and rental of medical devices, lenses and glasses, medical certificates for sports activities;
- For those who are caregivers:
  - Services for the elderly, sick and disabled who require help at home;
  - Reimbursement of expenses incurred for services provided by health and social workers for the elderly and dependent persons;
  - Carers, care services in hospital or at places of hospitalization, etc.;
  - Residential and semi-residential benefits for the elderly (nursing homes, sheltered residences and retirement homes) and disabled people (rehabilitation institutions, centers and host communities);
- For self-care and time management:
  - Sport & Fitness – the platform offers hundreds of gyms and sports facilities to keep fit or to discover new disciplines, individual or team;
  - Travel – possibility to choose destinations around the world in real time;
  - Shopping – wide range of gift cards and shopping vouchers, from electronics to clothing, from fuel to large-scale distribution;
  - Culture and Leisure - possibility to participate in array of cultural initiatives and entertainment services, experiences and stays;
  - Relax and Wellness - wellness centers available for self-care;
  - Personal Training – programs and courses aimed at cultivating one's interest or developing new skills (technical or linguistic).

In North America, on the other hand, an Employee Benefit Policy is offered to all permanent employees who are employed for at least 20 hours per week. This Policy includes health insurance, additional coverage for dental, eye and otolaryngological care, a flexible spending account to cover additional personal care expenses, life insurance, coverage of transport costs for getting to the place of work, a supplementary pension plan and a psychological counselling service.

In order to complement the initiatives detailed above, the Group also offers its expatriate colleagues comprehensive health care insurance including a comprehensive benefit plan. This policy also guarantees expatriates (and family members) an adequate level of health care coverage during stays abroad in all the Countries of the world.

## B) DIVERSITY, INCLUSION AND EQUAL OPPORTUNITY: EQUAL PAY

As stated in the Code of Ethics, Amplifon pays the outmost attention to the issue of equal treatment and opportunities for men and women which, under the scope of protecting and safeguarding human capital, represents an opportunity for enrichment and vital innovation to ensure that business activities are carried out in a solid and sustainable manner.

### MAIN GOALS ACHIEVED IN 2022

#### AMPLIFON OBTAINS GENDER EQUALITY CERTIFICATION FROM THE WINNING WOMEN INSTITUTE

In October 2022 Amplifon was awarded with the Gender Equality Certification from the Winning Women Institute for Amplifon S.p.A. and Amplifon Italia, the first of its kind in Italy, based on the Dynamic Model Gender Rating system, which recognizes the long-term commitment of Italian companies in promoting and including diversity: two elements that underpin Amplifon's philosophy of fostering the principle of equal opportunities in all aspects of the employment relationship. The Gender Equality Certification specifically recognized the concrete results achieved by the Amplifon Group within the latest three-year period by one of the pillars of the Group's Sustainability Plan (Listening Ahead), which sees an opportunity in diversity for enriching and leveraging corporate performance. Additionally, the certification follows Amplifon's inclusion in the United Nations Global Compact and the Women's Empowerment Principles (WEPs), guiding principles for the promotion of gender equality and women's empowerment in the workplace and in communities.

#### PARTICIPATION IN THE UNGC ITALY "TARGET GENDER EQUALITY" ACCELERATOR

Amplifon took part in the first accelerator on gender diversity organized by the United Nations Global Compact Italy. Target Gender Equality represents a nine-month long training course which provides participating companies with the necessary knowledge and skills to set and achieve ambitious corporate goals for gender equality, from the perspective of increasing the impact on SDG 5 - Gender Equality of the United Nations Agenda 2030. Working in partnership with other companies, Amplifon had the opportunity to gain a clear understanding of Women's Empowerment Principles (WEPs), take part in capacity-building workshops and peer-to-peer learning groups on a national level, and to listen to expert witnesses on how to accelerate progress on gender equality.

#### MEMBERSHIP OF "VALORE D"

In July 2022 Amplifon became a member of Valore D, the leading association of businesses in Italy - currently standing at over 320, with a total of more than two million employees and an aggregate turnover of over €500 billion. For over ten years Valore D has been a pioneer in tackling the issue of gender equality and disseminating a culture of inclusion in support of innovation, progress and the growth of organizations in our country. Together with all other companies, which are united in the quest for a more inclusive working environment, Valore D is a promoter of change, based around the principal that "diversity equals power" and is not just a question of parity and equality, but a focal point for the economic and social growth of the country. Amplifon is committed to taking part in the association's initiatives in 2023.

#### DEIB GLOBAL GOVERNANCE

In 2022 the Company established a DEIB Global Governance which will guarantee the commitments of the leadership team - several members of the Executive Leadership Team will be responsible for working with the DEIB agenda and monitoring its progress - which will involve colleagues from various departments and geographic regions, implementing the most important activities. This moment represents another milestone in the Group's ongoing commitment with regard to the issues surrounding Diversity and Inclusion.

At Amplifon, diversity and inclusion represent opportunities for enrichment and innovation, which are fundamental to ensuring that business activities are carried out in a transparent and sustainable manner. The enhancement of our people, their diversity and inclusion policy are an essential ingredient to both the Group's people and ESG strategies.

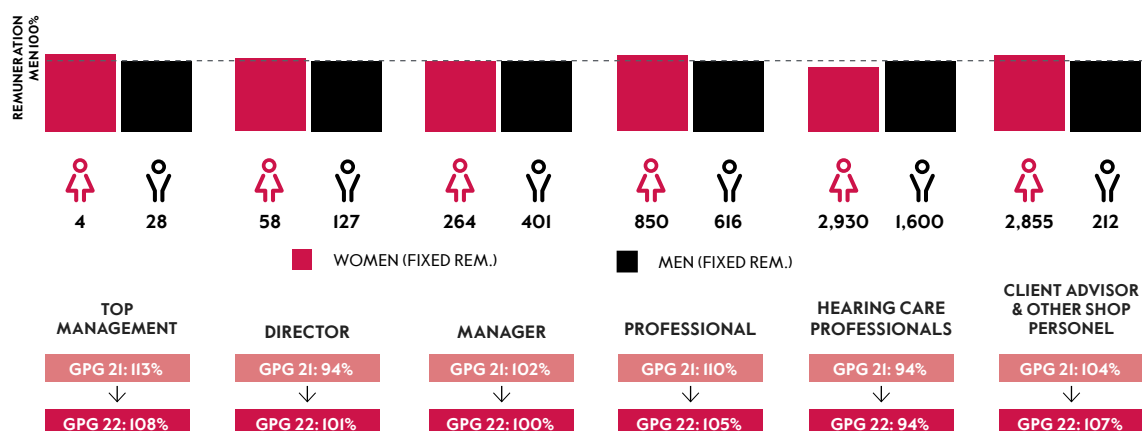
Strongly believing in the importance of equal pay for men and women at all levels, the Group ensures that all employees receive remuneration consistent with market standards and internal practices in order to guarantee a suitable level of both external competitiveness and internal equality: a diversified corporate population is in fact the key to building an organization able to adapt to the evolution of the surrounding context and achieve superior performance. As proof of this, from 2021 we carried out an initial monitoring of the Gender pay gap, taking into consideration different organizational clusters<sup>5</sup> to evaluate the organizational complexity of individual roles. This analysis, carried out also during 2022, neutralizes the effects of differences in complexity of role, in accordance with the United Nations principle of "equal pay for equal work", and allows precision and objectiveness in the evaluation of the relevant evidence. The evidence of the analyses conducted demonstrated that, within the Group and in line with what emerged during 2021, there is no difference in pay due to gender, thus excluding any distinction in the remuneration ratio, and that the ratio between the basic average salary (fixed remuneration) between women and men in 2022, is very balanced for both senior roles and the rest of the corporate population<sup>6</sup>.

This evidence confirms that the Amplifon's Remuneration Policy is actually based on the capacity to recognize the most appropriate remuneration according to the organizational position, individual performance, as well as skills and complexity required. Any pay difference between Amplifon's people is exclusively attributable to the above-mentioned factors, without in any way being influenced by other elements such as age, gender, culture, etc., and will, in any event, be subject to specific checks during the salary review process.

The initiatives undertaken during 2022 were focused, in the most part, at further reducing the organic and pay gap between women and men of the Group. Multiple development initiatives have been implemented in order to accelerate the process of enhancing female talent whilst encouraging the creation of an inclusive working environment.

## GENDER PAY GAP

### RATIO OF THE AVERAGE FIXED REMUNERATION BETWEEN WOMEN AND MEN (2022)



**GPG 2021-2022 COMPARISON: Amplifon has reduced the Gender Pay Gap within its organization**

- 5- Six organizational clusters were identified for the purpose of analyzing the gender pay gap: Top Management (composed of the Executives and General Managers of the major Countries), Directors; Managers; Professionals; Hearing Care Professionals; Client Advisors & other shop personnel.
- 6- In order to guarantee high-quality data, the analyses conducted involved 75% of employees, excluding interns and apprentices, staff on fixed-term contracts and some of the workforce in Joint Venture and minor Countries.

## C) EQUAL PAY: PAY RATIO

It is Amplifon's intention to ensure a high level of disclosure with regard to remuneration issues in line with national and international best practices.

As such, Amplifon has expanded the description of compensation monitoring activities and the working conditions of the company's employees at the time of said definition of the remuneration policy, calculating the described pay ratio in compliance with the standards in GRI 2-21.

GRI 2-21 then requires the reporting of the ratio between the total remuneration of the company's top management to the total annual remuneration of employees, also highlighting the ratio between the respective percentage increases.

This undertaking took into consideration the same perimeter used within the table comparing the changes for the last five financial years, given in Section II of this document, using the employees of Amplifon S.p.A. and Amplifon Italia as reference.

The Company therefore calculated the ratio with reference to the remuneration paid to the Chief Executive Officer and General Manager and the average remuneration of Italy and Corporate employees, taking the remuneration paid in 2022 as the basis for said calculation, represented as follows:

- The compensation taken into consideration for the Chief Executive Officer and General Manager includes all compensation reported in Table 1 of this Report. With reference to Short-Term Variable Remuneration (MBO), the incentive of each financial year is reported for each year, in line with Annex 3A- Schedule 7-bis of the Issuers' Regulation, introduced through Consob Resolution 18049 of December 23<sup>rd</sup>, 2011, later amended through Consob Resolution 21623 of December 10<sup>th</sup>, 2020. With reference, contrastingly to the Long-Term Variable Remuneration, the amounts considered for representation purposes were found to be in line with fair values of the individual cycles for each year and in line with the figures in Tables 1 and 3A of this Report;
- The compensation data for calculating the total average remuneration of employees, on the other hand, takes into consideration fixed remuneration, the short-term incentives paid to each beneficiary (MBO or sales incentives, any lump sum bonuses) or the Performance Bonus (compatibly with the offer for each band of the population), as well as for the sole beneficiaries of the Long-Term Variable Remuneration, the fair values of the individual cycles for each year, as per the definition for the Chief Executive Officer and General Manager.

## PAY RATIO

Pay Ratio	2021	2022
<b>Fixed Remuneration</b>		
CEO/GM Fixed Remuneration ('000 €)	1,411	1,480
%		+4.9%
Average Fixed Employee Remuneration ('000 €)	55	57
%		+4.8%
Median Fixed Employee Remuneration ('000 €)	39	41
%		+5.8%
Pay Ratio vs. Average Fixed Employee Remuneration	26	26
Pay Ratio vs. Median Fixed Employee Remuneration	36	36
<b>Total Remuneration</b>		
Total Remuneration CEO/GM ('000 €)	5,338	7,219
%		+35.2%
Average Total Employee Remuneration ('000 €)	71	81
%		+14.6%
Median Total Employee Remuneration ('000 €)	41	48
%		+17.3%
Pay Ratio vs. Average Total Employee Remuneration	75	89
Pay Ratio vs. Median Total Employee Remuneration	132	152

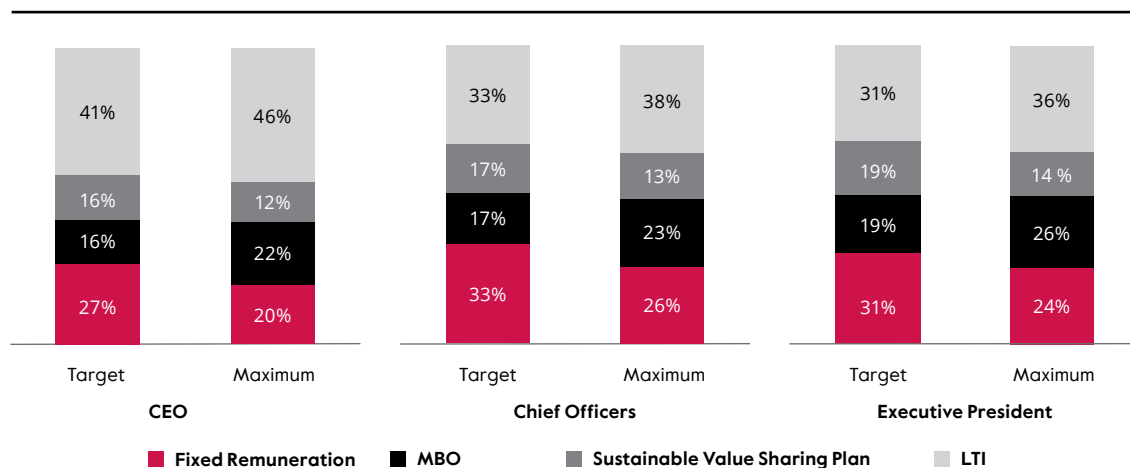


## CHARACTERISTICS OF THE REMUNERATION POLICY

Remuneration element	Purpose
<b>Fixed Remuneration</b>	Rewards skills, experience, the contribution of the role and continuity of performance.
<b>Short-Term Variable Remuneration (MBO)</b>	Promotes the achievement of relevant annual business targets, allowing the appreciation and reward of each beneficiary's contribution to the overall success of the Group.
<b>Long-Term Variable Remuneration</b>	Promotes the alignment of the interests of shareholders and the sustainability of value creation in the medium/long-term.
<b>Co-Investment plan</b>	Incentivizes the investment by the management, promoting stable participation in the share capital, combining the primary importance that sustainability issues represent for the Group with the value creation generated for shareholders.
<b>Benefits</b>	Integrate the remuneration packages in order to have a higher alignment with market standards.

7 - KMRSS = Key Managers with Strategic Responsibilities

## PAY MIX



## Implementation conditions

## Amounts / Values %

Remuneration level defined annually based on the positioning resulting from a Comparison with the reference market.

**CEO/GM and KMSRs<sup>7</sup>:** In order to ensure the competitiveness of the remuneration package, Amplifon uses a specialized consulting firm to carry out an annual benchmarking analysis of the remuneration position. The fixed remuneration for CEO/GM is equal to €1,500,000

**KPI:**

- Group EBITDA (weight 40%)
- Group Net Sales (weight 40%)
- Group Free Cash Flow (weight 20%)

**Multiplier/De-multiplier**

Result of the Performance Development Review process which considers performance in relation to individual and sustainability targets (from 0% to 120%).

**Cap:** there is a ceiling on the maximum pay-out that can be delivered of 180% of the target incentive.

Claw-back clause.

**CEO/GM:**

- Target: 60% of Fixed Remuneration
- Pay-out range: 0%-180% of the Target

**KMSRs:**

- Target: 50% of Fixed Remuneration (60% of Fixed Remuneration for the Executive Vice Presidents)
- Pay-out range: 0%-180% of the Target

**Stock Grant Plan 2023-2028**  
(2023-2025 cycle)

**Instrument:** Performance Share.

**Allocation frequency:** annual (rolling plan).

**Performance period:** three years.

**Access gate:** Net Financial position/EBITDA.

**KPI:** Group Cumulative EBIT matrix vs Group Cumulative Net Sales.

**Vesting date:** 2026

**Lock-up:** 30% of the shares for a period of one year.

Claw-back clause.

**CEO/GM:**

- Target: 150% of Fixed Remuneration
- Pay-out range: 0%-150% of the Target

**KMSRs:**

- Target: 100% of Fixed Remuneration
- Pay-out range: 0%-150% of the Target

**Sustainable Value Sharing Plan 2022-2027**

**Co-investment:** deferral, on a voluntary basis, of part or all of the MBO bonus accrued and conversion into Amplifon shares (co-invested rights)

**Matching:** depending on the level of achievement of pre-determined targets, Amplifon offers up to a maximum of 1 free share for every deferred share (matched rights)

**Performance period:** three years.

**KPI:**

- Absolute Total Shareholder Return (50%)
- ESG (50%) anchored to the 4 pillars of the Sustainability Plan: *Product & Services Stewardship, People Empowerment, Community Impact e Ethical Behavior.*

**Vesting date:** 2026

**CEO/GM and KMSRs:**

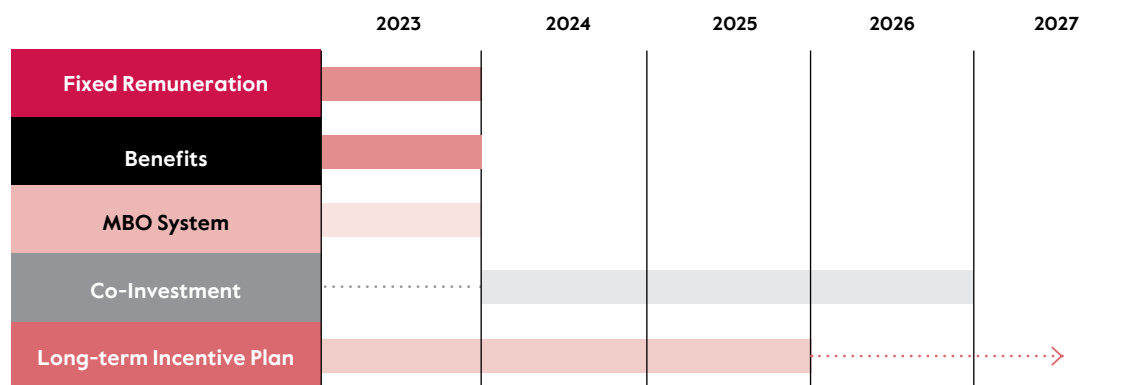
- Coinvested Rights: deferral, on a voluntary basis, of a share of the MBO bonus accrued up to a maximum of 100% of the MBO bonus target amount
- Matched Rights: free grant for each co-invested right of further shares, in a range from 0% to 100% of the co-invested shares, depending on the performance recorded in the three-year reference period

Continuously defined with the policy of previous years and in compliance with the provisions of collective bargaining and domestic legislation.

In addition to the compulsory benefits:

- Flexible Benefits Plan
- Supplementary health care coverage
- Company Car

## TIME FRAME OF THE REMUNERATION PACKAGE OF CEO/GM AND KMSRS



Note: dotted lines represent a period of lock-up or deferral.

## SECTION I

# REMUNERATION POLICY 2023



# I. GOVERNANCE MODEL

The primary goal of the governance model is to guarantee transparency and alignment of the remuneration practices within the Group in line with the Remuneration Policy principles and ensure that they comply with the Articles of Association of the Company and with the existing regulations.

## I.1. BODIES AND PARTIES INVOLVED

The process of defining the Amplifon Remuneration Policy involves a number of parties in line with the provisions of the relevant legislation, the Articles of Association and with the governance model of the Company. This process involves the following bodies with reference to the aspects of relative competence:

- a) **SHAREHOLDERS' MEETING**
- b) **BOARD OF DIRECTORS**
- c) **CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER**
- d) **REMUNERATION AND APPOINTMENTS COMMITTEE**
- e) **GROUP HUMAN RESOURCES DEPARTMENT**

### A) SHAREHOLDERS' MEETING

Shareholders' Meeting of Amplifon S.p.A.:

- approves the Board's overall remuneration to be assigned during each fiscal year;
- expresses a binding vote on Section I of the Remuneration Report;
- expresses an advisory vote on Section II of the Remuneration Report;
- approves the share incentive plans proposed by the Board of Directors granting the same Board the power to implement them.

### B) BOARD OF DIRECTORS

Each year, the Board of Directors (BoD) approves the Group's Remuneration Policy.

## COMPOSITION AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors currently in office was appointed by the Shareholders' Meeting called to approve the 2022 Financial Statements (April 22<sup>nd</sup>, 2022) and is made up of nine Directors. The Board of Directors composition is in line with the recommendations of the Corporate Governance Code in terms of **INDEPENDENT** Directors and the provisions concerning **GENDER MIX** (which require the least represented gender to be given at least two fifths of the seats on the Board) and ensures an **OPTIMAL SKILLS MIX**, through the professional persons whose presence can ensure a correct and effective work.

<b>Susan Carol Holland</b>	Examines and approves the strategic, business and financial plans of the Company and its parent Group, periodically monitoring their implementation
Non-executive Chairperson	
<b>Enrico Vita</b>	Assesses the general operating performance, taking into account, particularly, the information received from the delegated bodies and periodically comparing actual results with projected results
Chief Executive Officer and General Manager	
<b>Maurizio Costa</b>	Defines the corporate governance system of the Company and the structure of the Group, and defines the nature and level of risk compatible with the strategic objectives, including in its assessments all factors that could be relevant to the sustainable success of the Company
Non-executive and independent Director	
<b>Veronica Diquattro</b>	Assesses the adequacy of the organizational, administrative and accounting structure of the Company and its strategically important subsidiaries, with particular reference to the internal control and risk management system and the management of conflicts of interest
Non-executive and independent Director	
<b>Laura Donnini</b>	Ensures that all member of the Board of Directors and the Board of Statutory Auditors can take part, following their appointment and for the duration of their term of office, in initiatives aimed at providing them with adequate knowledge of the sectors of activity in which the Company operates and of the business dynamics
Non-executive and independent Director	
<b>Maria Patrizia Grieco</b>	Grants and revokes powers to and from one or more directors, without prejudice to matters reserved exclusively to the competence of the Board of Directors pursuant to Art. 2381 of the Italian Civil Code, as well as in relation to the provisions of Art. 20 of the Company's Articles of Association, defining the limits and the manner of exercise of such powers
Non-executive and independent Director	
<b>Lorenza Morandini</b>	Defines, on the proposal of the Remuneration and Appointments Committee, a policy for the remuneration of directors, auditors, key managers and the head of internal audit who are instrumental to the achievement of the sustainable success of the Company
Non-executive and independent Director	
<b>Lorenzo Pozza</b>	Determines, after examining the proposals of the Remuneration and Appointments Committee and after consulting with the Board of Statutory Auditors, the remuneration of the Chief Executive Officer and other directors invested with specific duties. Distributes the overall emolument decided by the Shareholders' Meeting
Non-executive and independent Director	
<b>Giovanni Tamburi</b>	Carries out, at least once a year, an assessment of the size, composition and functioning of the Board and its Committees, making, if necessary, recommendations regarding any professional persons whose presence on the Board is deemed appropriate
Non-executive Director	
	Assesses the appropriateness of adopting a succession plan for the executive directors and, if necessary, prepares, updates and implements such a plan with the assistance of the Remuneration and Appointments Committee
	On proposal of the Chair, formulated by agreement with the CEO, adopts and describes a policy for managing dialog with all shareholders, taking into account the engagement policies adopted by institutional investors and asset managers

**C) CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER**

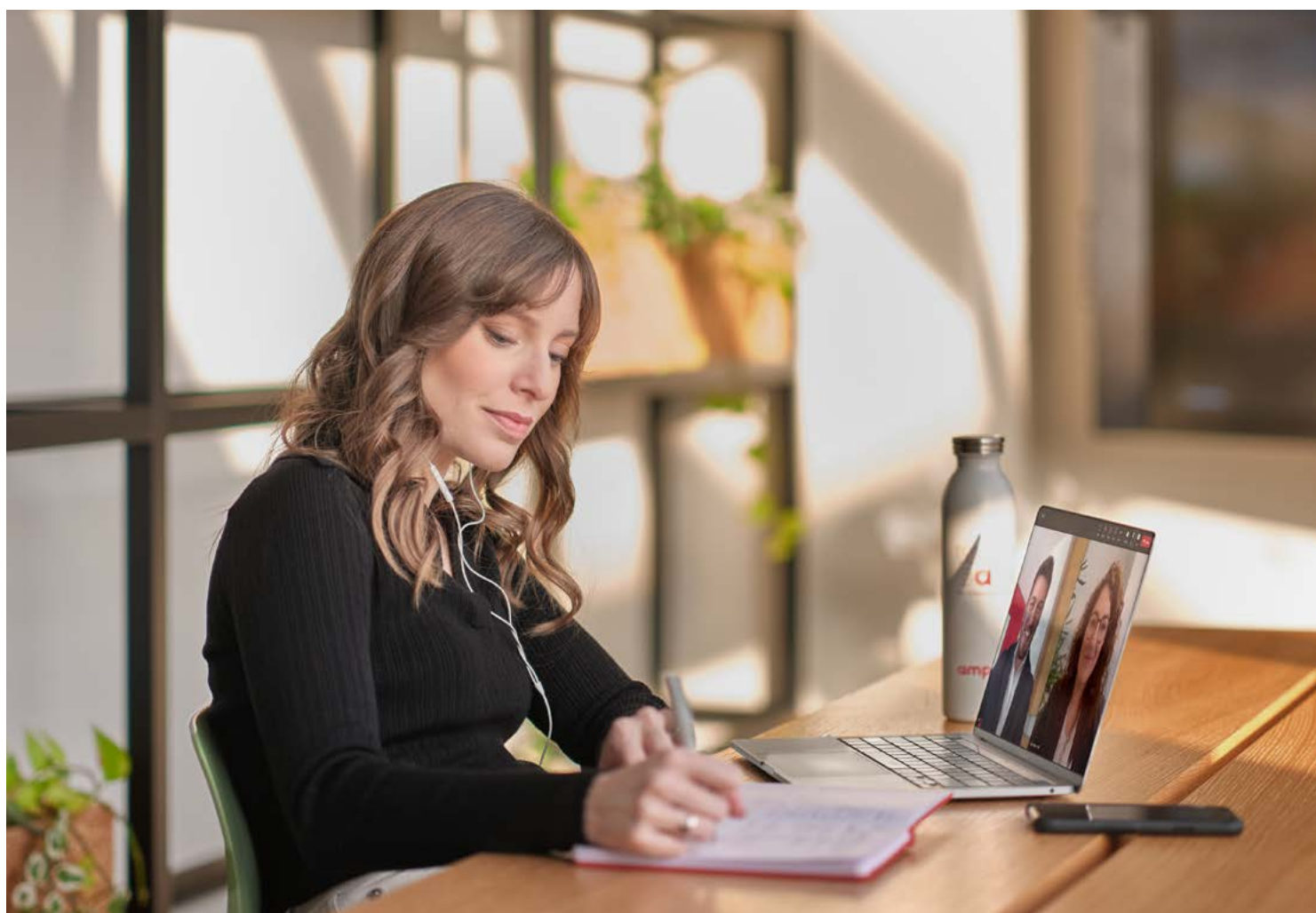
The Chief Executive Officer and General Manager (CEO/GM) with the support of the Group's Human Resources Department:

- defines the Group's Remuneration Policy by submission to the opinion of the Remuneration and Appointments Committee and to the Board of Directors approval;
- defines the remuneration packages for the Key Managers with Strategic Responsibilities in accordance with the Remuneration Policy approved by the Board of Directors.

**D) REMUNERATION AND APPOINTMENTS COMMITTEE**

The Remuneration and Appointments Committee plays a key role in the governance system related to the Group's Remuneration Policy. In line with the provisions of the guidelines of the Corporate Governance Code of Borsa Italiana, the Committee, in addition to the Chair of the Board of Directors, consists of three non-executive and independent Directors with adequate knowledge and experience in multinational companies.

The Chair of the Board of Statutory Auditors and, when relevant, the Secretary of the Board of Directors (Chief Legal Officer) and the Chief Financial Officer take part as guests in the Remuneration and Appointments Committee. Also invited, for aspects falling within his/her scope of competence, is the Chief HR Officer, who also performs technical secretarial functions for the Committee. The Chief Executive Officer and General Manager participates when invited by the Chair of the Committee to discuss specific points, however leaving the meetings when proposals concerning their own remuneration are discussed.

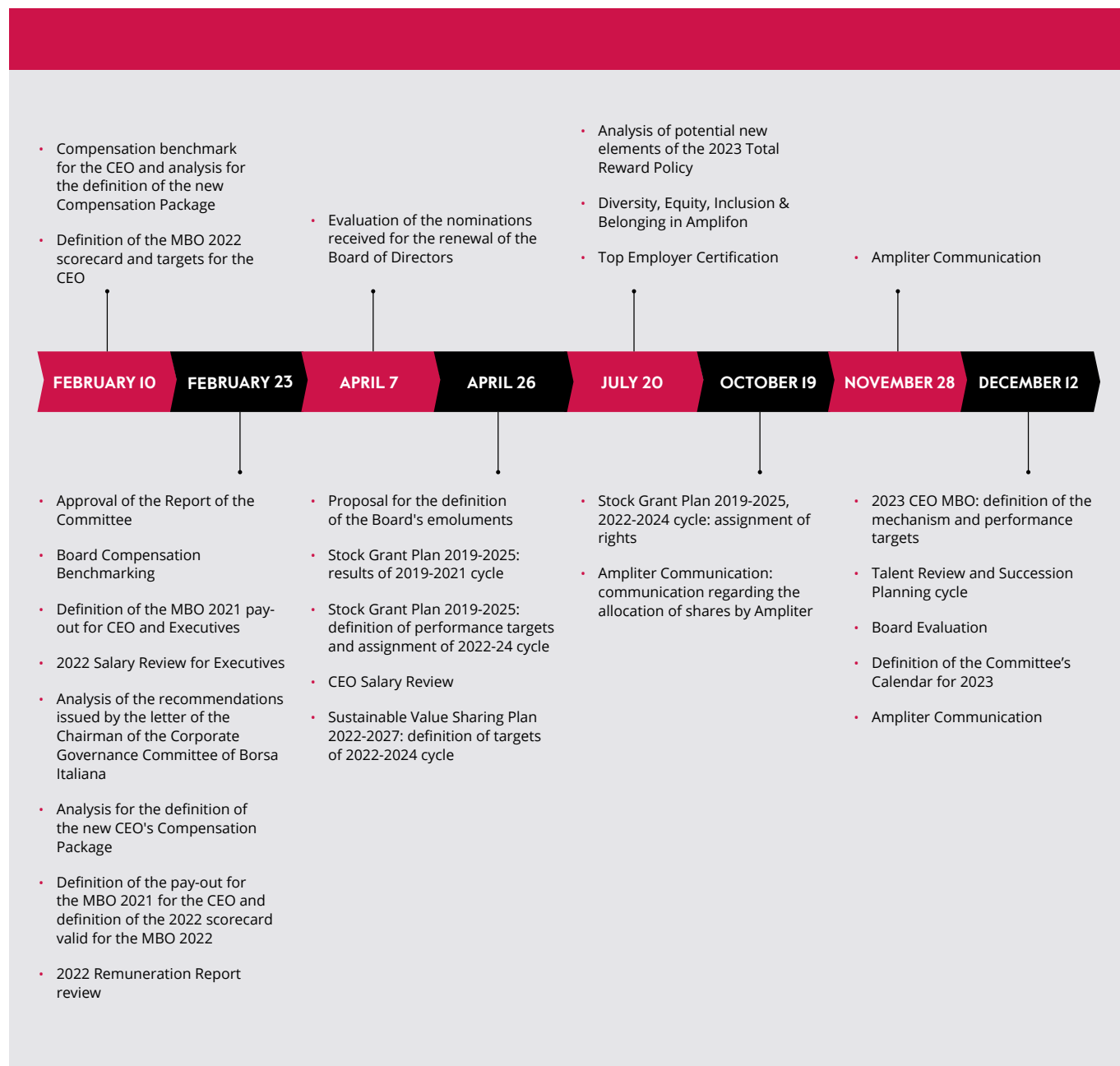


## COMPOSITION AND RESPONSIBILITIES OF THE REMUNERATION AND APPOINTMENTS COMMITTEE

The Committee was appointed by the Board of Directors at its meeting of April 22<sup>nd</sup>, 2022. The Remuneration and Appointments Committee is made up, in addition to the Chair of the Board of Directors, of three non-executive and independent Directors with adequate knowledge and experience in multinational companies

	FUNCTIONS OF THE REMUNERATION COMMITTEE	FUNCTIONS OF THE APPOINTMENTS COMMITTEE
<b>Maurizio Costa</b>  Chair of the Committee, Non-executive and independent Director	Assists the Board in preparing the Group's Remuneration Policy, which is instrumental to the sustainable success of the Company, and monitors its application	Supervises the self-assessment procedure, expresses opinions to the Board of Directors regarding the size and composition of the Board and its Committees, and issues recommendations regarding the expertise and professional and managerial persons (figures) deemed appropriate
<b>Susan Carol Holland</b>  Member of the Committee, Non-executive Chair of the Board of Directors	Presents proposals or expresses opinions to the Board of Directors on the remuneration of Key Executives and other Directors with special duties and on the setting of performance targets related to any variable component of such remuneration	Issues recommendations on the maximum number of offices deemed compatible with the effective performance of the office of Director or Auditor, and proposes candidates to the Board of Directors for the position of Director in cases of co-optation
<b>Veronica Diquattro</b>  Member of the Committee, Non- executive and independent Director	Presents proposals or expresses opinions to the Board of Directors on the general criteria for the remuneration of top management, with particular reference to: criteria and procedures for determining fixed remuneration; performance targets; benefits and other remuneration elements	Assists the Board of Directors with the presentation of any list by the outgoing Board, in order to ensure that the list is created and presented transparently
<b>Maria Patrizia Grieco</b>  Member of the Committee, Non- executive and independent Director	On the proposal of the CEO/GM, examines share-based incentive plans, including the beneficiaries, the number of shares/rights and the applicable regulations, for all Key Managers and submits them for approval by the Board of Directors	Expresses opinions to the Board of Directors in the preparation, updating and implementation of any succession plan for the CEO and any other executive Directors, and, on the proposal of the CEO, identifies the criteria for top management succession plans

NUMBER OF MEETINGS HELD	AVERAGE DURATION OF EACH MEETING	PERCENTAGE OF PARTICIPATION
8	1 hour and 30 minutes	94%



Note: For further detail with regard the allocation of shares to the Chief Executive Officer by Ampliter, please refer to the press release of January 5<sup>th</sup>, 2023 (<https://corporate.amplifon.com/it/investors/comunicati-stampa/assegnazione-azioni-ampliter>). It is pointed out that afore-mentioned assignment has been arranged in total autonomy by Ampliter, not providing for any monetary outlay to be paid by Amplifon and will be treated by the latter in accordance with IFRS 2

The Chairman of the Board of Statutory Auditors has always attended the above-mentioned meetings, when invited, and the secretary of the Board of Directors (Chief Legal Officer) and the Chief Financial Officer as well, when relevant. In addition, the Chief HR Officer has also been invited for aspects that fall within their jurisdiction, and has acted as the committee's technical secretary; no Director has taken part in the meetings of the Committee in which proposals are made regarding their remuneration. The Remuneration and Appointments Committee is expected to hold 5 meeting occasions during 2023, according to an already planned timetable.

In general, the Committee has the full right to access information and Company functions necessary for the performance of its duties via the Group HR Department.

## E) GROUP HR DEPARTMENT

The Group HR Department supports the CEO/GM and the Committee in defining the Group's Remuneration Policy by studying trends and market practices and providing the analysis necessary for the development of remuneration policies and alignment of the same to the highest quality standards.

In particular, with the support of the Company functions concerned:

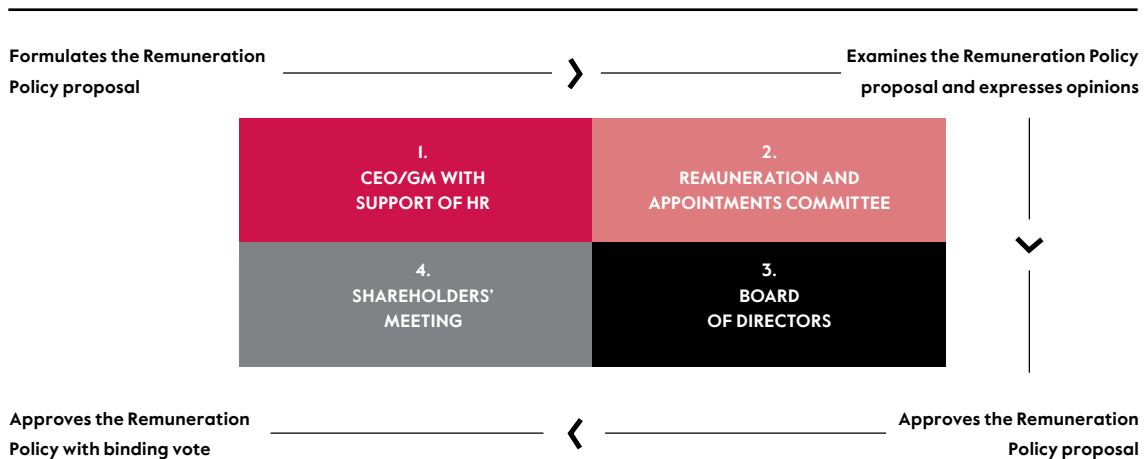
- proposes changes to the Remuneration Policies and the remuneration/incentive instruments associated with them and verifies the impact on the existing remuneration system;
- identifies and proposes possible indicators to be used to estimate the fixed and variable components of the total remuneration, respecting the criteria defined by the best practices, after assessing the roles within the organization and analyzing the reference markets;
- deals with the technical aspects related to the formulation and application of incentive plans based on financial instruments;
- supports management in the application of Remuneration Policies within the Group and ensures their consistency.

## 1.2. 2023 REMUNERATION POLICY APPROVAL PROCEDURE

The Policy is submitted annually to the approval of the Board of Directors by the Remuneration and Appointments Committee based on the proposal formulated by the CEO/GM with the support of the Group HR Department.

The 2023 Group Remuneration Policy (Total Reward Policy 2023) was examined with a positive opinion by the Remuneration Committee and subsequently approved by the Board of Directors at its meetings on March 1<sup>st</sup>, 2023.

Based on the Amplifon Remuneration Policy, the Group's HR Department ensures consistent management throughout the Group, while allowing adequate flexibility to respond to the specific needs of the various Countries.



## 1.3. THE DURATION OF THE REMUNERATION POLICY

In order to guarantee the continuous comparison with shareholders and facilitate involvement in the definition of the guidelines of the Company's Remuneration Policy and, at the same time, maintaining the necessary flexibility to respond promptly to future requirements in an extremely dynamic market context, the duration of this Remuneration Policy is one year.

The Company will therefore submit the Remuneration Policy for approval every year to the Shareholders' Meeting.

This Remuneration Policy is valid for the year 2023.

If the Shareholders' Meeting does not approve the Remuneration Policy, the Company will pay remuneration in conformity with the latest policy approved by the Shareholders' Meeting.

## 1.4. THE REMUNERATION POLICY DEROGATION PROCEDURE

In compliance with the provisions of Legislative Decree no. 49 of May 10<sup>th</sup>, 2019 and Article 123-ter of the Consolidated Finance Act, Amplifon has a process for temporary derogation from its Remuneration Policy, if there are exceptional circumstances in which a derogation is necessary for the purpose of pursuing the Groups' long-term interests and sustainability overall, or to ensure its ability to remain in the market.

In such cases, the Board of Directors is the body tasked with checking for the presence of such exceptional circumstances and, at the recommendation of the Remuneration and Appointments Committee, with the favorable opinion of the Related-Party Transactions Committee (only in cases in which it is required by the Related-Party Transactions Regulation adopted by the Company) and after consulting the Board of Statutory Auditors, this Policy can be temporarily derogated.

As example and not exhaustively, the cases below were identified by the Remuneration Policy as exceptional circumstances:

- exogenous circumstances and/or significant unpredictability/extraordinary changes within the socio-economic scenario or the occurrence, nationally or internationally, of events, such as, conflict or a pandemic, involving the Group or sectors and/or markets in which it operates, which significantly affect the financial results of the Group or which are capable of changing the competitive context either at the level of the individual Countries and/or regions, or in global terms;
- the development of appreciable changes to the scope of activities of the business within the period that the policy is valid for, such as, the acquisition of a major business;

- turnover as a result of events not anticipated by the delegated bodies, whereby the constraints in the approved Remuneration Policy could limit the possibility of attracting figures with the most suitable professional skill set required in order to achieving the Group's goals.

Any derogation will be announced via the next Remuneration Report, accompanied by any reasoning that led the Group to invoke said procedure.

The elements of the 2023 Remuneration Policy from which, in the presence of exceptional circumstances, it is possible to derogate, in compliance with applicable legislative and regulatory provisions, are:

- Short-Term Variable Remuneration (MBO);
- Long-Term Variable Remuneration.



## 2. 2023 REMUNERATION POLICY PURPOSES, PRINCIPLES AND GUIDELINES

The Amplifon Remuneration Policy is defined in accordance with the Group's strategy, with the governance model adopted by the Company and with the guidelines of the Corporate Governance Code. Moreover, the Policy contributes to the pursuit of the long-term interests and successful sustainability of the Company and is defined taking into consideration both salaries paid and working conditions of Amplifon employees and the point of view expressed by our shareholders in the discussion meetings that took place over the year.

The objective of the Remuneration Policy is to attract, motivate and retain key and strategic resources and, at the same time, to align the interest of management with the priority objective of creating value for shareholders in the medium-long term, enhancing the performance achieved and recognizing the quality and effectiveness of individual contribution. The policy is therefore defined with the aim of contributing in the medium and long term to the sustainability of Amplifon's excellent performance over the last years.

Moreover, the policy is aiming, on the one hand, to remunerate the specific personal skills of each resource through a fixed remuneration (pay for competencies) and, on the other hand, to incentivize the achievement of the best Company performance through variable remuneration (pay for performance). In fact, Amplifon considers it essential to link a part of the remuneration of each resource to the results achieved.

Entry bonuses/lump sum, or retention bonuses may also be provided. These components of a monetary or share nature should be intended to encourage the recruitment or retention of resources that possess specific high-level professional skills and expertise deemed necessary for achieving the Group's targets. Amplifon believes that these remuneration elements are justified as the Group aims to equip itself with greater tools in order to enable competition within the highly competitive job market. Specifically, in situations where the company is required to hire senior candidates for key strategic positions from the external market, compensating for the loss of any given benefits that may have been forfeited as a result of leaving their previous employer (for example, short and long-term variable remuneration, benefits). In other cases, there may be discretionary bonuses paid due to the need to motivate international routes, which shall be also be supported by discretionary interventions in the resource's pay package.

The Remuneration Policy choices are based on principles that guide the Group's HR Department in the management and development of the company's human capital, also through the utilization of remuneration analyses conducted by specialized independent experts. Regardless of the role acted, in fact, Amplifon firmly believes that people represent the most important asset of the organization. In light of this, in order to support the growth of the Group and further strengthen its leadership in the world market of hearing care, in 2018 a global HR Strategy was defined based on the professionalism and talent of all the people in whom the Company continuously invests. In particular, Amplifon is committed to ensure the integration of its Leadership Model within the organization, that is, a system capable of modeling human resource management processes, from selection to development, from onboarding new hires to training people.

PRINCIPLES	CRITERIA		MEANS OF IMPLEMENTATION
	Pay for performance	Consistency between remuneration and performance at Company and individual level	<ul style="list-style-type: none"> <li>• MBO system 2023</li> <li>• Stock Grant Plan 2023-2028</li> <li>• Sustainable Value Sharing Plan 2022-2027</li> <li>• PDR 2023</li> </ul>
	Competitiveness	Continuous monitoring through comparison with the market to ensure attraction and retention	<ul style="list-style-type: none"> <li>• Compensation Benchmarking</li> </ul>
	Simplification and Transparency	Definition of clear rules and transparent communication of the Remuneration Policy	<ul style="list-style-type: none"> <li>• Clear and transparent disclosure</li> <li>• Dedicated training sessions</li> </ul>
	One - Amplifon	Introduction of standard total reward mechanisms globally, for the whole Group	<ul style="list-style-type: none"> <li>• Banding system</li> <li>• Standard Pay-Mix</li> </ul>

The Board of Directors, which met on March 1<sup>st</sup>, 2023, on the recommendation of the Remuneration and Appointments Committee, approved this Remuneration Policy.



## CORPORATE GOVERNANCE CODE (ART. 5, RECOMMENDATION 27)

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In defining the Policy, the Board of Directors has taken into account the recommendations set out in art. 5, recommendation 27 of the of the Corporate Governance Code, whereby the Remuneration Policy for executive directors and top management defines:

- a balance between the fixed and variable components that is appropriate and consistent with the Company's strategic goals and risk management policy, taking into account the characteristics of the business activity and the sector in which the Company operates, and in any event ensuring that the variable component represents a significant portion of the total remuneration
- maximum limits on the payment of variable components
- performance targets – predetermined, measurable and substantially linked to a long-term horizon – to which the payment of variable components is linked. These are consistent with the Company's strategic goals and are aimed at promoting its sustainable success, including non-financial parameters where relevant
- an appropriate deferral period – with respect to the time of accrual – for the payment of a significant portion of the variable component, consistent with the characteristics of the business activity and the related risk profiles
- the contractual agreements that allow the Company to request repayment, in full or in part, of any variable components of the remuneration paid (or to withhold sums subject to deferral) that were determined on the basis of data subsequently found to be manifestly erroneous and in any other circumstances that may be identified by the Company
- clear and predetermined rules for any payment of indemnity for termination of office as Director, defining the maximum limit on the total sum payable by linking this to a specific amount or a specific number of years of remuneration. This indemnity is not paid if the termination of office is due to objectively inadequate achievement of results

In line with the recommendations of the Corporate Governance Committee, the remuneration policy confirm the connection of the variable incentive systems with sustainability goals, in order to secure the Remuneration Policy to the long-term sustainable success.

In fact, in addition to adequately considering the consistency of the parameters identified for variable remuneration with the strategic objectives of the business and the pursuit of sustainable success, Amplifon considers as a priority that part of the remuneration of the Chief Executive Officer and General Manager keeps being linked to the achievement of non-financial parameters.

## 3. 2023 REMUNERATION POLICY

### 3.1. REMUNERATION OF DIRECTORS

Within the Amplifon Board of Directors, it is possible to distinguish the following roles:

- Chief Executive Officer
- Non-executive Directors with special duties
- Non-executive Directors

The Remuneration Policy of the Directors is represented by a fixed emolument, determined on the basis of the commitment required by the role for the performance of the activities assigned and participation in any Board committees. Fees are established for the office of Director, for participation in the committees and for particular offices conferred to Directors.

In line with market best practices, non-executive Directors are not beneficiaries of any share-based incentive plan or compensation plans linked to corporate economic results.

At the meeting held on April 22<sup>nd</sup>, 2022, the Shareholders' Meeting resolved total remuneration for the Board of Directors equal to €1,370,000. This compensation was allocated by the Board of Directors for the 2022-2024 mandate as summarized below:

CHAIR OF THE BOARD OF DIRECTORS			
€ 300,000			
MEMBER OF THE BOARD OF DIRECTORS			
€ 65,000			
RISK, CONTROL AND SUSTAINABILITY COMMITTEE		REMUNERATION AND APPOINTMENTS COMMITTEE	
Presidente	€ 30,000	Presidente	€ 30,000
Membro	€ 20,000	Membro	€ 20,000
INDEPENDENT COMMITTEE (RELATED PARTIES)		SUPERVISORY BODY	
Presidente	€ 10,000	Presidente	€ 15,000
Membro	€ 5,000	Membro	€ 10,000

The compensation reported have been defined taking into account market practices of comparable sized companies. In 2022 Amplifon developed a remuneration benchmark for the office of non-executive Director and for the role of Chairperson and member of board committees (Risk, Control and Sustainability, Remuneration and Appointments, Related-Party Transactions).

The remuneration analysis has been conducted on industrial companies belonging to the FTSE MIB Index of Borsa Italiana (as at December 31<sup>st</sup>, 2021). This analysis has been therefore focused on a total of 24 listed companies.

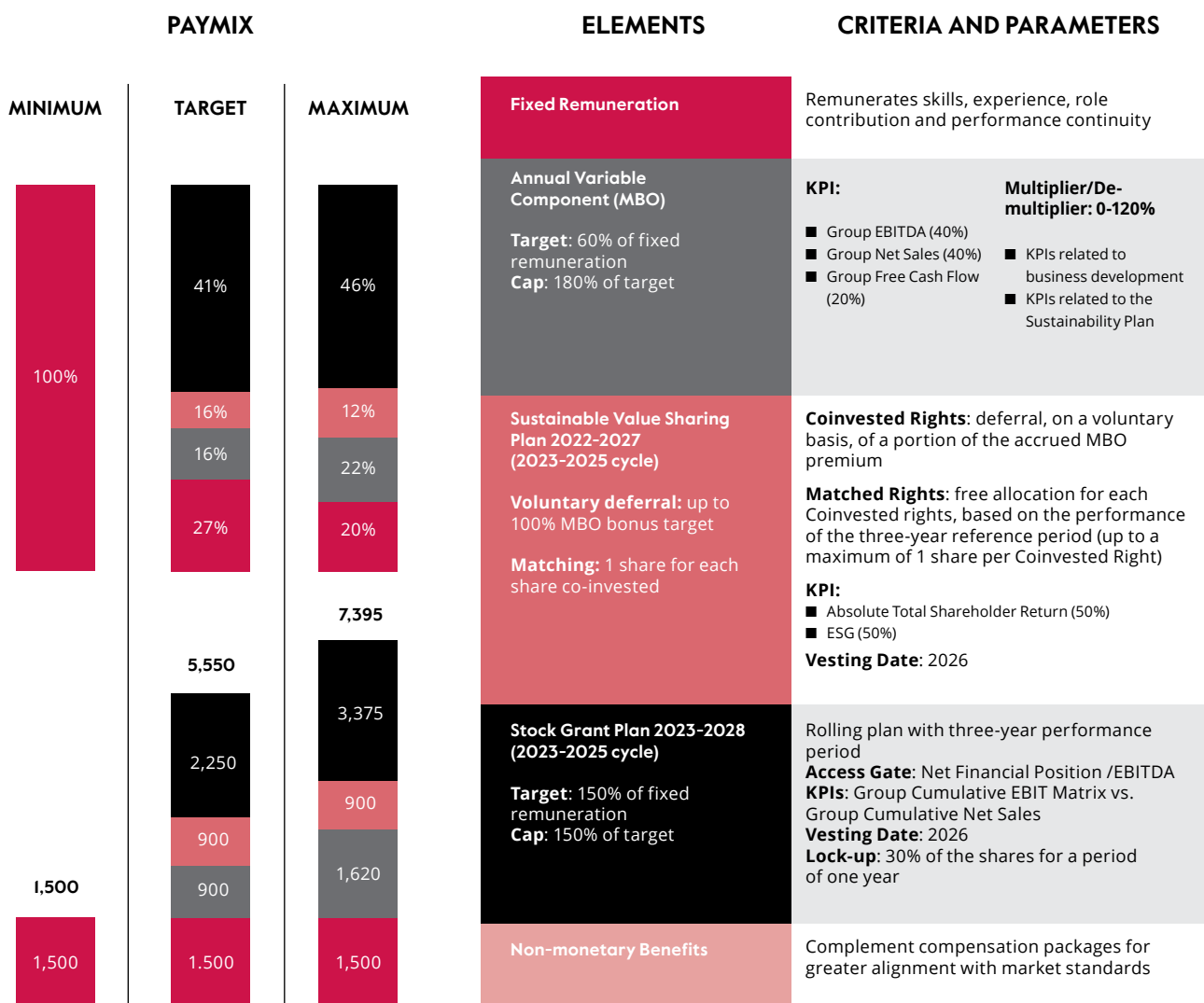
PEER GROUP NON-EXECUTIVE DIRECTORS			
1. A2A	7. Enel	13. Italgas	19. Saipem
2. Atlantia	8. Eni	14. Leonardo	20. Snam
3. Buzzi Unicem	9. Ferrari	15. Moncler	21. Prysmian
4. Campari	10. Hera	16. Nexi	22. Stellantis
5. CNH Industrial	11. Interpump	17. Pirelli	23. Terna
6. Diasorin	12. Inwit	18. Recordati	24. TIM

The analysis has revealed how the previous compensation for the office of non-executive director is slightly below that of FTSE MIB practices. Therefore, at the meeting of May 3<sup>rd</sup>, 2022, the Board of Directors approved compensation for this role for 2022-2024 of €65,000 (in the previous term the compensation was €55,000), in order to bring the remuneration in line with the median benchmarks of FTSE MIB industrial companies.



## 3.2. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

The 2023 Remuneration Policy for the Chief Executive Officer and General Manager of Amplifon is presented by the Remuneration and Appointments Committee to the Board of Directors, and is aligned with the medium/long-term business strategy as well as with the evidence emerging from market trend analyses and from a comparison with remuneration levels in the reference sectors.



Note: pay-mixes are calculated at constant value of the Amplifon S.p.A. share. The graphs shown assume a co-investment equal to 100% of the target MBO (maximum amount subject to co-investment), assuming the maximum realization of matching (1: 1)

In order to ensure the alignment of the remuneration of the Chief Executive Officer and General Manager with the market practices of companies that are comparable with Amplifon, in 2023 the Company requested the support of a specialized advisor<sup>8</sup> for the creation of a remuneration benchmark for the Chief Executive Officer.

Specifically, the analyses were developed with reference to 2 different types of panels:

- FTSE MIB Index Peer Group, composed of industrial companies from the FTSE MIB Index of Borsa Italiana, deemed significant by the Group, excluding Issuers that:
  - have a foreign matrix;
  - involve a combination of the role of Chief Executive Officer and the reference shareholder position.
- Business Peer Group, composed of similar global companies to Amplifon from a business perspective, identified based on the following drivers:
  - main competitors/players in Amplifon's value chain;
  - companies operating in the optical retail sector;
  - businesses operating in the healthcare sector.

FTSE MIB PEER GROUP		BUSINESS PEER GROUP	
1. Campari	9. Leonardo	1. Cigna Corporation	9. Philips Healthcare
2. Diasorin	10. Moncler	2. Colchlear	10. Recordati
3. Enel	11. Nexi	3. Colorplast	11. Siemens Healthineers
4. Eni	12. Pirelli	4. Demant	12. Smith & Nephew
5. Erg	13. Prysmian	5. EssilorLuxottica	13. Sonova
6. Ferrari	14. Snam	6. Fielmann	14. Strauman Group
7. Interpump	15. Terna	7. Fresenius Medical Care	
8. Italgas	16. TIM	8. GN StoreNord	

In line with the benchmark analyses conducted, Amplifon decided to position itself in the third market quartile. This choice was supported by market analyses aimed at ensuring consistency and correlation between the package of the Chief Executive Officer and General Manager and the value created for shareholders. Starting from these assumptions, the pay-mix for the Chief Executive Officer and General Manager envisages a consistent balance with respect to the role held, guaranteeing a greater weighting of the variable component, particularly as for the long term, with respect to the fixed remuneration component. The impact of the variable component on the fixed component increases further when performance exceeds the target.

#### A) FIXED REMUNERATION

The Policy envisages the total fixed remuneration of the Chief Executive Officer and General Manager for the 2022-2024 office, to consist of:

- an annual emolument (pursuant to Article 2389 paragraph 3) equal to €400,000;
- a Gross Annual Salary as compensation for the managerial employment relationship of €1,100,000.

8 - The benchmark activities were carried out with the consulting firm The European House - Ambrosetti.

## B) SHORT-TERM VARIABLE REMUNERATION (MBO)

The short-term incentive (MBO) envisaged for the Chief Executive Officer and General Manager, by virtue of the powers conferred, is determined annually by the Board of Directors upon proposal of the Remuneration and Appointments Committee.

The MBO component is defined in relation to the level of achievement of annual results with respect to the objectives defined and with reference to a minimum, target and maximum incentive level.

The performance targets envisaged for 2023 are linked to Group performance indicators and are structured in such a way as to achieve the various factors deemed necessary for a performance which is consistent with the priorities identified in the Business Strategic Plan.

If the performance target is achieved (100%), the 2023 Remuneration Policy requires that the target pay-out shall be equal to 60% of the Fixed Remuneration of the Chief Executive Officer and General Manager. The table below contains the targets assigned to the Chief Executive Officer and General Manager with reference to financial year 2023:

KPI	WEIGHT
Group EBITDA	40%
Group Net Sales	40%
Group Free Cash Flow	20%
<b>Total</b>	<b>100%</b>

The Group Performance Index (GPI) consists of the weighted result of the three performance KPIs (Group EBITDA, Group Net Sales and Group Free Cash Flow), each of which is measured according to the level of achievement with respect to specific budget targets set by the Board of Directors. The GPI provides for a minimum level of 95% of target and a maximum level of 103% of target. Below the minimum, the bonus pay-out is zero. Above the maximum, the bonus pay-out remains fixed at 150%.

The curve linked to the Group Performance Index (GPI) can generate a pay-out of between 0% and 150% of target.

## GROUP PERFORMANCE INDEX “GPI”

SCENARIOS	PERFORMANCE	BONUS (% VS TARGET BONUS)	BONUS (% VS FIXED REMUNERATION)
Below threshold	< 95%	0%	0%
Entry Point	95%	50%	30%
Target	100%	100%	60%
Maximum	103%	150%	90%

The bonus resulting from the above is subjected to a multiplier/de-multiplier that varies from 0% to 120%, depending on the level of achievement of the individual targets included in the PDR Scorecard (the Company's individual performance assessment system) for the CEO/GM, as approved by the Board of Directors.

The individual targets assigned to the CEO/GM are represented by at least a target linked to the development of the business and a sustainability target referring to the four pillars described above: Product & Services Stewardship, People Empowerment, Community Impact, and Ethical Behavior. This model of the MBO system for the CEO ensures full alignment of the short-term incentive with the Group's sustainability goals.

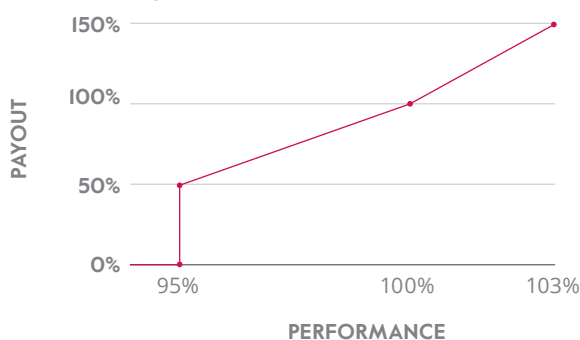
Multiplier / De-multiplier
0% - 120%
<i>Based on the 2023 Individual and Sustainability Objectives defined by the Remuneration and Appointments Committee and the Amplifon Board of Directors</i>

MULTIPLIER/ DE-MULTIPLIER	SCORECARD CEO/GM
0% - 120%	
Based on the Scorecard of the CEO/GM	<ul style="list-style-type: none"> <li>• Targets linked to the development of the business</li> <li>• Targets linked to the Sustainability Plan</li> </ul>

In the light of the application of the individual multiplier resulting from the evaluation of the PDR, the minimum value of the incentive accrued can therefore be equal to 0, while the maximum value can reach 180% compared with the target bonus.

## GPI

BONUS vs. target



## MULTIPLIER

**X 0% - 120% = BONUS ACCRUED**

With reference to the parameters indicated, the (positive and negative) effects resulting from the change in exchange rates and extraordinary significant transactions were sterilized when preparing the final statements.

**A claw-back clause is also applied to the incentive under which the repayment of the sums disbursed is provided on the basis of data that subsequently proved to be manifestly incorrect.**

Amplifon made use of the right to protect the confidentiality of additional information deemed commercially sensitive, not providing additional disclosures of forecast data, the disclosure of which could adversely affect the Group. This decision is also in line with Consob's guidelines which reserve "the right of companies to omit such information [goals reached compared with forecasts] where necessary for safeguarding the confidentiality of commercially-sensitive information or forecast data not published."

### C) LONG-TERM VARIABLE REMUNERATION

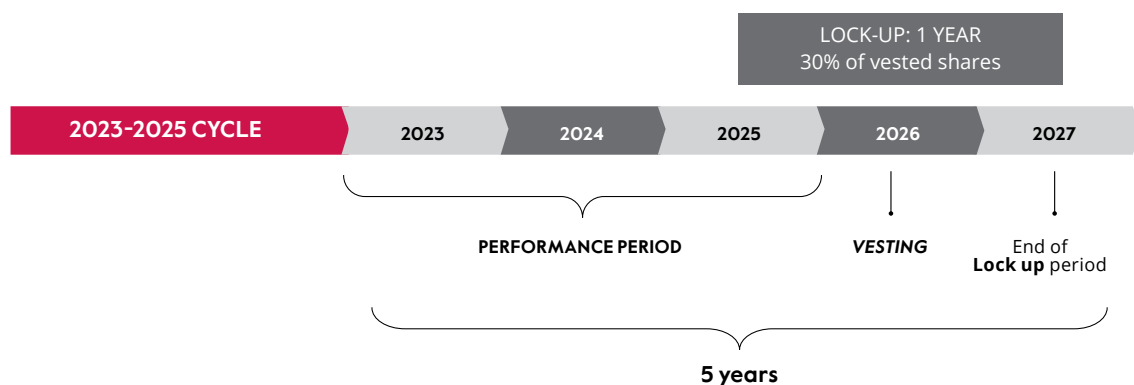
#### STOCK GRANT PLAN 2023-2028 (2023-2025 CYCLE)

The Chief Executive Officer and General Manager benefit from a long-term variable incentive Plan (2023-2028 Stock Grant Plan – 2023-2025 cycle). The Plan, subject to approval by the Shareholders' Meeting, confirms the structure of the previous tool, having been considered responsive to any new challenges that the Group may face within the coming years and is also intended for Key Managers with Strategic Responsibilities and other strategic resources that have a significant impact on the achievement of business results in both the medium and long-term.

The Shareholders' Meeting scheduled for April 21<sup>st</sup>, 2023 is convened in order to approve the Information Document, pursuant to Article 114-bis of the Consolidated Finance Act and Article 84-bis of the Issuers' Regulation, which contain further details with regard to the operation and other technical elements relating to the new Stock Grant Plan 2023-2028.

The Stock Grant Plan gives the beneficiaries the right to receive Amplifon ordinary shares for free at the end of the vesting period.

The Plan is characterized by a rolling annual frequency of assignment, and each assignment cycle has a three-year performance period. For the CEO/GM and Key Managers with Strategic Responsibilities, after the vesting period there is a further lock-up period of one year with reference to 30% of the shares awarded. The time horizon covered by the entire plan, in terms of assignment, accrual of shares and lock-up period, is approximately five years.



Access to the long-term incentive is linked to the achievement of a performance condition (gate) based on the ratio between Net Financial Position and EBITDA. The Board of Directors may approve changes to the above threshold if any extraordinary events occur.

The Incentive target opportunity linked to three-year cycle 2023-2025, amounts to 150% of the Fixed Remuneration of the Chief Executive Officer and General Manager (as per the

previous mandate). This amount will be considered to define the number of target shares. Specific performance targets are also assessed through a matrix based on two indicators, cumulative EBIT and cumulative Net Sales, the measurement of which is determined considering the achievement level over the three-year period in its entirety. The level of achievement of the performance targets determines the number of shares earned.

When performance targets are reached, the maximum number of shares that can be allocated to the Chief Executive Officer and General Manager is defined as the 150% of the number of target shares. Moreover, there is a minimum level of performance with respect to the aforementioned targets, below which, the number of attributable shares is written off. In order to clarify the function of the long-term incentive mechanism, the matrix of the two indicators of performance and the shares attributable to each combination (as a percentage of the target shares) are here reported.

		CUMULATED EBIT					
		< 80%	85%	90%	100%	102,5%	> 105%
CUMULATED NET SALES	< 90%	0%	0%	25%	50%	62,5%	75%
	95%	0%	25%	50%	75%	87,5%	100%
	100%	0%	50%	75%	100%	112.5%	125%
	101%	0%	62,5%	87,5%	112.5%	125%	137.5%
	> 102%	0%	75%	100%	125%	137.5%	150%

With reference to the parameters indicated, the (positive and negative) effects resulting from the change in exchange rates and extraordinary significant transactions were sterilized when preparing the final statements.

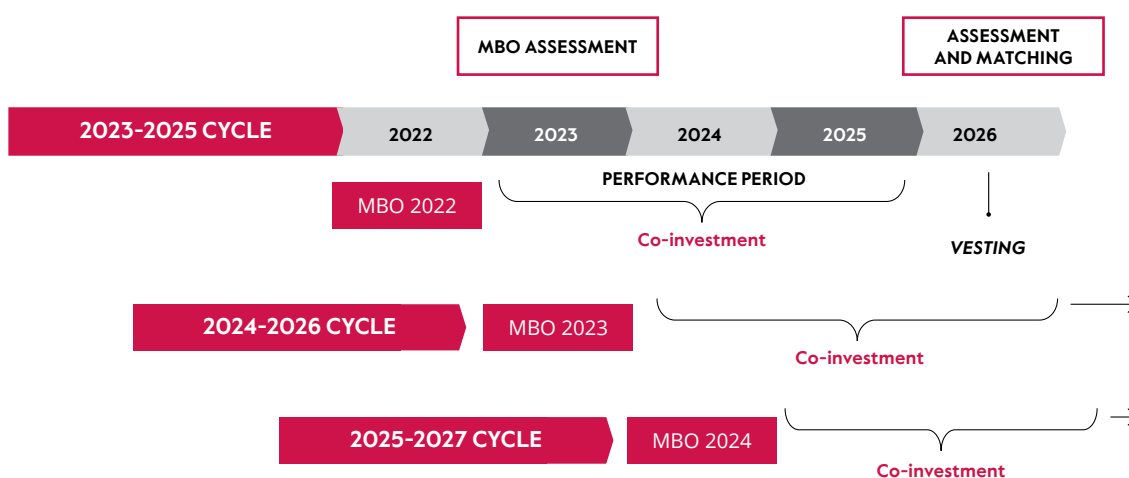
**The Stock Grant Plan provides a claw-back clause pursuant to which Amplifon may reacquire the incentive paid if it is established that the accrual of the bonus has been determined on the basis of data that subsequently proved to be manifestly incorrect.**

As required for the short-term incentive (MBO), Amplifon made use for the long-term variable remuneration as well of the right to protect the confidentiality of additional information deemed commercially sensitive, not providing additional disclosures of forecast data, the disclosure of which could adversely affect the Group. This decision is also in line with Consob's guidelines which reserve "the right of companies to omit such information [objectives reached compared with forecasts] where necessary for safeguarding the confidentiality of commercially-sensitive information or forecast data not published."

#### D) SUSTAINABLE VALUE SHARING PLAN 2022-2027

From 2022, the Board of Directors deemed it appropriate to introduce a new incentive scheme for the Chief Executive Officer and General Manager aimed at rewarding the voluntary “co-investment” of part of the MBO annual bonus for a three-year period and placing an increasing focus on sustainability issues as a key element of the CEO’s schedule. This tool, initially addressed in 2022 only to the Chief Executive Officer/General Manager, starting from 2023 is also implemented for Key Managers with Strategic Group Responsibilities, in order to consolidate a policy of strong involvement of the Company’s key resources in achieving the goals of value creation.













The Chief Executive Officer and General Manager therefore has the right to invest up to 100% of his MBO bonus target in Amplifon shares. Based on the results achieved compared with the predefined performance targets, the Company will award a given number of shares (matched rights).



This component, in line with the pillars of the Amplifon Remuneration Policy, refers to a broad concept of creating sustainable value, featuring targets aimed at rewarding the achievement of long-term sustainability goals, together with the wealth generated for shareholders.

Specifically, the plan is composed of the following elements:

- **Co-invested Rights:** a part of the Short-Term Variable Remuneration (MBO) accrued, converted into rights and deferred over a three-year period, up to a maximum of 100% of the MBO target (equal to 60% of the fixed remuneration), on a voluntary basis. These rights are converted into Amplifon shares at the end of the three-year deferral period;
- **Matched Rights:** free rights awarded and converted into Amplifon shares at the end of a three-year vesting period, up to a maximum of 1 share for each of the Co-invested Rights. The performance is reflected in two specific KPIs measured over a three-year period and related to:
  - 50% linked to the value creation for shareholders (Absolute Total Shareholder Return);
  - 50% linked to the achievement of the milestones of the Group’s Sustainability Plan. Below are the ESG incentive parameters among the KPIs present within the Group’s Sustainability Plan to which the Sustainable Value Sharing Plan is linked.

<div></div> <div>PRODUCT &amp; SERVICE STEWARDSHIP</div>	<div>We aim to raise awareness and accessibility of hearing care by providing innovative experiences and listening to the needs of our customers</div> <div><div></div><div></div></div>						
	<table><tr><th>GOALS</th><th>TARGET</th><th>KPIs</th></tr><tr><td>Facilitate access to hearing care and improve the life of as many people as possible</td><td>Offer free hearing tests, generating a total saving of more than €700 million for customers and prospects</td><td>Annual financial saving for customers and prospects</td></tr></table>	GOALS	TARGET	KPIs	Facilitate access to hearing care and improve the life of as many people as possible	Offer free hearing tests, generating a total saving of more than €700 million for customers and prospects	Annual financial saving for customers and prospects
GOALS	TARGET	KPIs					
Facilitate access to hearing care and improve the life of as many people as possible	Offer free hearing tests, generating a total saving of more than €700 million for customers and prospects	Annual financial saving for customers and prospects					
<div></div> <div>PEOPLE EMPOWERMENT</div>	<div>We aim to attract, develop and retain the best talents to ensure the sustainability of the business, promoting diversity among our people</div> <div><div></div><div></div></div>						
	<table><tr><th>GOALS</th><th>TARGET</th><th>KPIs</th></tr><tr><td>Ensure a solid succession pipeline for key roles</td><td>Ensure that a significant share of back office and field force staff is assessed as talents &amp; high performers to be part of the succession pipeline</td><td>Percentage of talents &amp; high performers per year on the back office population</td></tr></table>	GOALS	TARGET	KPIs	Ensure a solid succession pipeline for key roles	Ensure that a significant share of back office and field force staff is assessed as talents & high performers to be part of the succession pipeline	Percentage of talents & high performers per year on the back office population
GOALS	TARGET	KPIs					
Ensure a solid succession pipeline for key roles	Ensure that a significant share of back office and field force staff is assessed as talents & high performers to be part of the succession pipeline	Percentage of talents & high performers per year on the back office population					
<div></div> <div>COMMUNITY IMPACT</div>	<div>We aim to promote social inclusion and to spread greater awareness about hearing-loss prevention, hearing well-being, responsible listening and the impact of noise pollution</div> <div><div></div><div></div></div>						
	<table><tr><th>GOALS</th><th>TARGET</th><th>KPIs</th></tr><tr><td>Promote awareness about responsible listening among the younger generation</td><td>Contribute to the ramp-up of the Amplifon Foundation</td><td>Amplifon financial contribution to the Amplifon Foundation (millions of €)</td></tr></table>	GOALS	TARGET	KPIs	Promote awareness about responsible listening among the younger generation	Contribute to the ramp-up of the Amplifon Foundation	Amplifon financial contribution to the Amplifon Foundation (millions of €)
GOALS	TARGET	KPIs					
Promote awareness about responsible listening among the younger generation	Contribute to the ramp-up of the Amplifon Foundation	Amplifon financial contribution to the Amplifon Foundation (millions of €)					
<div></div> <div>ETHICAL BEHAVIOR</div>	<div>We aim to encourage responsible and sustainable practices along the value chain and take action to reduce the environmental impact of our business</div> <div><div></div><div></div></div>						
	<table><tr><th>GOALS</th><th>TARGET</th><th>KPIs</th></tr><tr><td>Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries</td><td>Increase the penetration and use of rechargeable hearing aids avoiding the use of more than 200 million batteries</td><td>Total number of batteries "saved" per year (millions of batteries)</td></tr></table>	GOALS	TARGET	KPIs	Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries	Increase the penetration and use of rechargeable hearing aids avoiding the use of more than 200 million batteries	Total number of batteries "saved" per year (millions of batteries)
GOALS	TARGET	KPIs					
Promote the use of rechargeable hearing aids to reduce the use and disposal of batteries	Increase the penetration and use of rechargeable hearing aids avoiding the use of more than 200 million batteries	Total number of batteries "saved" per year (millions of batteries)					

Specifically:

- if the performance targets on both KPIs are achieved, the Beneficiary will automatically accrue all of the assigned Matched Rights;
- if the performance targets are achieved on one of the KPIs only, the Beneficiary will automatically accrue 50% of the assigned Matched Rights;
- if the performance targets on any of the aforementioned KPIs have not been achieved, no assigned Matched Right will accrue.

## **E) INSURANCE AND HEALTH COVERAGE OTHER THAN OBLIGATORY ONES**

The Chief Executive Officer and General Manager is the beneficiary, together with the other Managers of Amplifon S.p.A., of supplementary life insurance coverage (death only) with capital supplementary to that provided for by the National Collective Labor Agreement for the Commercial sector (through the Antonio Pastore fund). In any case, the maximum insured sum shall not exceed €360,000, which represents the limit for which no recruitment method is currently required. The bonus is variable according to the actuarial age of the insured and to the genre, and is determined in a certain and definitive manner at the beginning of the coverage.

Furthermore, for all the Managers of Amplifon S.p.A. including the CEO/GM, medical expenses reimbursement cover is provided in addition to the FASDAC and the possibility to receive a medical check-up every year.

## **F) BENEFITS**

The Chief Executive Officer and General Manager is the beneficiary of a Company car like the other Managers of Amplifon S.p.A. according to the policy for assigning Company cars envisaged by the Company; he is also beneficiary of the Flexible Benefit plan, which allows Managers and employees of Amplifon S.p.A., in compliance with the regulations in force (TUIR), to be able to choose the options that best suit their individual needs.

## **G) INDEMNITIES IN THE EVENT OF RESIGNATION, DISMISSAL OR TERMINATION OF THE EMPLOYMENT RELATIONSHIP**

In line with what the Board of Directors approved in 2019, with regard to the treatments envisaged in the event of termination of office or termination of the employment relationship, a specific indemnity is envisaged in favor of the Chief Executive Officer and General Manager, the payment of which, as part of a general transaction and if the conditions apply, responds to a mutual need to compose each issue in accordance with respective interests.

Given the fact that for the current Chief Executive Officer and General Manager the relationship as Director and the employment relationship are connected, the agreement entered into between the parties stipulates that the termination of one relationship results in the termination of the other.

The due indemnity has been defined also considering the application criterion 6.C.1, letter g), of the Corporate Governance Code and, specifically regarding the managerial employment relationship, takes into account the protections envisaged by the relevant CCNL.

Considering the legal parameters (related to the National Collective Labor Agreement, such as seniority, length of service, age of the CEO/GM in office) and reference market practices, the agreement provides for the payment of an amount equal to 30 months of the total remuneration as Chief Executive Officer and General Manager to be paid as a severance treatment.

The following items are included in the Remuneration used as the basis for calculating the indemnity: (i) the gross annual fixed remuneration as General Manager plus the impact of fringe and flexible benefits, (ii) the gross annual emolument as Chief Executive Officer, (iii) the larger of the following: (a) the annual average of the short-term cash bonuses (MBO) received/accrued by the Chief Executive Officer and General Manager in the three-year period preceding the termination date, and (b) the target MBO cash bonus for the Company's

financial year in which the termination occurs.

The Remuneration is not inclusive of the long-term variable remuneration (Stock Grant Plan) and the co-investment plan (Sustainable Value Sharing Plan), nor any extraordinary bonus that may be granted to the Chief Executive Officer in exceptional circumstances. As for long-term incentive plans, the Agreement stipulates the retention of the assigned rights with reference to the ongoing plans that have not yet matured according to a pro rata temporis criterion, corresponding to the time period worked.

The treatment described above is applied:

- a) in the event of termination of the relationship on the Company's initiative, except in cases of just cause or certain situations of failure to achieve the business performance objectives identified in the agreement;
- b) in cases of extraordinary operations on the Company's capital identified in detail in the agreement;
- c) if the contract is terminated on the initiative of the Chief Executive Officer and General Manager for just cause or pursuant to Article 16 or 24 of the National Collective Labor Agreement (CCNL), in certain eventualities of substantial reduction of powers, or due to disagreement on strategy.

The agreement does not provide:

- a) provisions concerning the allocation or maintenance of non-monetary benefits for which the CCNL applies;
- b) provisions concerning the possible definition of consultancy contracts with the Chief Executive Officer and General Manager for the period following termination of the relationship.

Furthermore, there is a non-competition Agreement in favor of the Chief Executive Officer and General Manager for a period of 12 months from the date of termination of the relationship. Such Agreement, extended to the territory of Europe, the United States of America, India, China and Oceania, provides for the payment of a fee equal to one year of the Remuneration, defined according to the same methods as above, as well as the payment of specific penalties in favor of the Companies in case of violation.

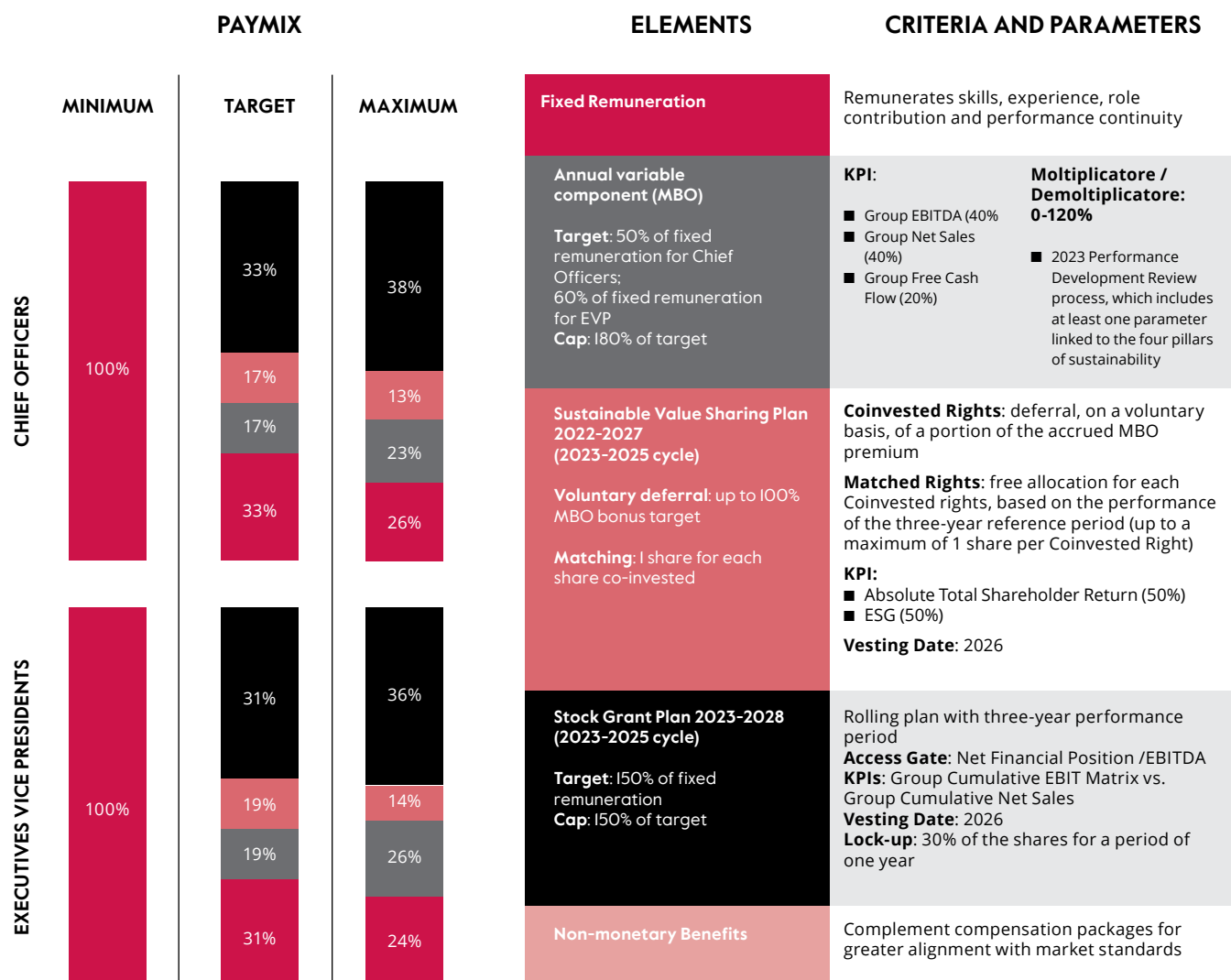
### 3.3. REMUNERATION FOR KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

Key Managers with Strategic Responsibilities are identified by the Remuneration and Appointments Committee in accordance with the legislation in force, meaning those who have the power and responsibility, directly or indirectly, for planning, managing and controlling the Company's activities and for taking decisions that may affect its future development and prospects. This cluster therefore includes the business managers of the three regions and the heads of the Group's primary functions, that is the case of subsidiaries' employees.

This cluster, whose members were confirmed on October 28<sup>th</sup>, 2020 by the Board of Directors, is made up of 12 Group Executives:

Key Managers with Strategic Responsibilities	
<ol style="list-style-type: none"> <li>1. Federico Bardelli</li> <li>2. Alessandro Bonacina</li> <li>3. Riccardo Cattaneo</li> <li>4. Andrea Ciccolini</li> <li>5. Federico Dal Poz</li> <li>6. Cristian Finotti</li> <li>7. Gabriele Galli</li> <li>8. Francesca Morichini</li> <li>9. Anthea Muir</li> <li>10. Iacopo Lorenzo Pazzi</li> <li>11. Giulio Pizzini</li> <li>12. Giuseppe Vironda</li> </ol>	<ul style="list-style-type: none"> <li>Chief Retail Excellence Officer</li> <li>Executive Vice President Americas</li> <li>Chief Regulatory Officer</li> <li>Chief Information Officer</li> <li>Chief Legal Officer</li> <li>Chief Procurement &amp; Supply Chain Officer</li> <li>Chief Financial Officer</li> <li>Chief HR Officer</li> <li>Executive Vice President APAC</li> <li>Executive Vice President EMEA</li> <li>Chief Strategy and Business Development Officer</li> <li>Chief Marketing Officer</li> </ul>

The Remuneration Policy provided for Key Managers with Strategic Responsibilities (KMSRs) has been defined, within the 2023 Group Total Reward Policy, by the Chief Executive Officer and General Manager, subsequently examined by the Remuneration & Appointments Committee in the meeting on February 27<sup>th</sup>, and finally shared with the Board of Directors on March 1<sup>st</sup>, 2023.



Note: pay-mixes are calculated at the same value of the Amplifon S.p.A. share. The graphs shown assume a co-investment equal to 100% of the target MBO (maximum amount subject to co-investment), providing for the maximum realization of matching (1: 1).

The pay-mix for Key Managers with Strategic Responsibilities provides for a consistent balance with respect to the positions held. Amplifon ensures a higher weighting for the variable component, particularly the LTI component, than for the fixed component of the remuneration. The impact of the variable component on the fixed component increases when performance exceeds the targets. This positioning derives from Amplifon's desire to steer the Key Managers with Strategic Responsibilities toward the generation of value in the long term through the variable incentive mechanisms, while at the same time ensuring the ability to attract the best talents on the market.

The pay-mix graph is calculated by considering aggregated data for the entire population of Key Managers with Strategic Responsibilities in the specific hypothesis of two different performance scenarios, i.e., target achievement level and maximum achievement level.

The pay-mix shown is differentiated between KMSRs holding the post of Chief Officer and those holding the role of Executive Vice President. This division is due to the fact that, with reference to the Executive Vice Presidents, whose roles have a strong commercial and strategic content, the remuneration package is focused even more on the variable component compared with the Chief Officers.

In general, the remuneration of Key Managers with Strategic Responsibilities is determined with the view of ensuring consistency with the business strategy and is aligned with the results of market trend analyses and benchmarking with remuneration levels in the reference sectors.

With the goal of checking the positioning of the remuneration offered to KMSRs, in 2023, as every year, Amplifon, with the help of a specialized company<sup>9</sup> performed a market benchmark with a peer group of companies deemed significant.

The reference peer group is composed of listed and unlisted non-financial companies, both Italian and international (with a significant presence on the Italian market). These companies are considered representative both in terms of the reference market for Amplifon's KMSRs and in terms of talent pool.

The companies in the panel are as follows:

CRITERION 1		CRITERION 2	CRITERION 3
International listed companies belonging to the FTSE MIB or MID CAP segment of comparable size / level of internationalization		Unlisted Italian companies with a high international profile	Large global companies, with European headquarters, present in Italy or with important Italian branches
1. Ariston Thermo	12. Moncler		
2. Autogrill	13. Nexi		
3. Brembo	14. Ovs		
4. Campari	15. Pirelli		
5. De' Longhi	16. Safilo	22. Angelini	26. Sky
6. Enel	17. Saipem	23. Bolton Group	27. Whirlpool
7. Eni	18. Salvatore Ferragamo	24. Ferrero	28. Nestlé
8. Ferrari	19. Snam	25. Sisal	29. Vodafone
9. Intercos	20. Tim		
10. Iveco Group	21. Terna		
11. Leonardo			

## A) FIXED REMUNERATION

For Key Managers with Strategic Responsibilities, the fixed remuneration is determined on the basis of the role acted, the level of responsibility assigned, and the experience and strategic importance of the resource, taking into account the evidence emerging from remuneration benchmarking analyses for roles of similar complexity.

On an annual basis, the Chief Executive Officer and General Manager, with the support of the Group HR Department and after consulting with the Remuneration and Appointments Committee, assesses the consistency of the basic remuneration of Key Managers with Strategic Responsibilities with respect to the standards on the reference market and formulates, where appropriate, a proposal for a remuneration review based on the principles of the Group's Remuneration Policy and taking into account the overall level of the annual total remuneration.

9 - The benchmarking activities were carried out with the consulting firm Mercer.

## B) SHORT-TERM VARIABLE REMUNERATION (MBO)

The short-term variable incentive (MBO) offered to Key Managers with Strategic Responsibilities is in line with that provided for the role of Chief Executive Officer and General Manager.

Also in this case, the performance targets for 2023 are linked to the Group's economic and financial performance indicators and are structured in such a way as to target the various factors deemed necessary for a performance which is consistent with the priorities identified in the Business Strategic Plan.

When the performance target (100%) is achieved, the pay-out for the Chief Officer positions is 50% of the Fixed Remuneration, while for Executive Vice Presidents the target bonus is 60% of the Fixed Remuneration.

In particular, for 2023, the variable incentive is linked to the following parameters<sup>10</sup>:

KPI	WEIGHT
Group EBITDA	40%
Group Net Sales	40%
Group Free Cash Flow	20%
<b>Total</b>	<b>100%</b>

The Group Performance Index (GPI) is the weighted result of the three performance KPIs (Group EBITDA, Group Net Sales and Group Free Cash Flow), each of which is measured according to the level of achievement with respect to specific budget targets set by the Board of Directors. The GPI provides for a minimum level of 95% of target and a maximum level of 103% of target. Below the minimum, the bonus is zero

The pay-out curve linked to the Group Performance Index (GPI) may generate a pay-out of between 0% and 150% of the target.

## GROUP PERFORMANCE INDEX "GPI"

SCENARIOS	PERFORMANCE	CHIEF OFFICERS		EXECUTIVE VICE PRESIDENTS	
		BONUS (% VS TARGET BONUS)	BONUS (% VS FIXED REM.)	BONUS (% VS TARGET BONUS)	BONUS (% VS FIXED REM.)
Below threshold	<95%	0%	0%	0%	0%
Minimum	95%	50%	25%	50%	30%
Target	100%	100%	50%	100%	60%
Maximum	103%	150%	75%	150%	90%

<sup>10</sup> - The following table refers to the performance appraisal of the Chiefs only. The variable incentive of the EVPs is indeed also related for the 50% of their scorecard to the same KPIs reported in the table above, according to the performance of their own Region.

The bonus resulting from the above is subjected to a multiplier/de-multiplier (which varies from 0% to 120%, based on the degree of achievement of the individual targets linked to the Performance Development Review).

#### Multiplier / De-multiplier

##### 0% - 120%

*Based on the result of the 2023 Performance Development Review, which includes at least a parameter linked to the four pillars of sustainability (Product & Services Stewardship, People Empowerment, Community Impact e Ethical Behavior)*

The minimum value of the accrued incentive may therefore be equal to 0, while the maximum may reach 180% of the target. The individual review is carried out by the Chief Executive Officer and General Manager, who shares it with the Remuneration and Appointments Committee and the Board of Directors, and also considers performance linked to sustainability issues.

In particular, in line with what was done for the CEO/GM, the incentive system for Amplifon's Key Managers with Strategic Responsibilities is also expected to contain non-specific KPIs represented by reference function metrics in order to link the incentive to the Company's long-term interests and sustainable business success.

Therefore, sustainability targets anchored to the four pillars (Product & Services Stewardship, People Empowerment, Community Impact and Ethical Behavior) were introduced into the individual multiplier for Key Managers with Strategic Responsibilities as well, assigning at least a relevant parameter to each beneficiary in relation to the scope of responsibility of the role held.

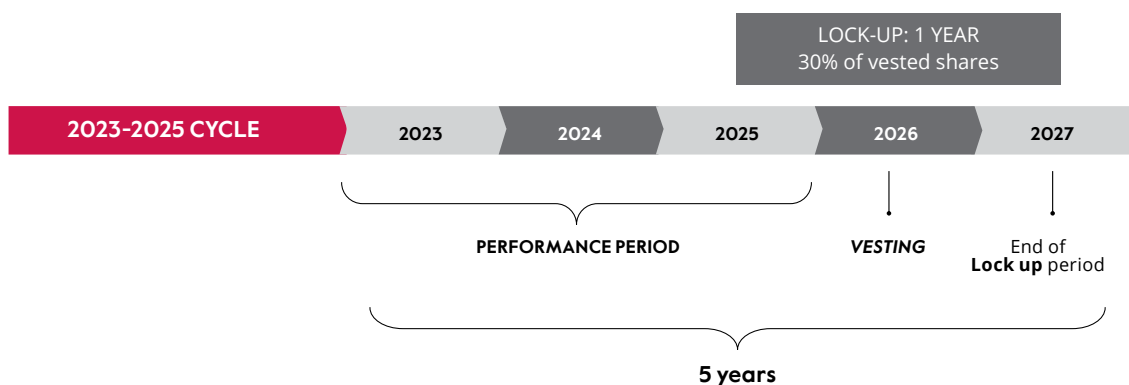
**A claw-back clause is also applied to the incentive under which the repayment of the sums disbursed is provided on the basis of data that subsequently proved to be manifestly incorrect.**

#### **C) LONG-TERM VARIABLE REMUNERATION: STOCK GRANT PLAN 2023-2028 (2023-2025 CYCLE)**

Like the Chief Executive Officer and General Manager, the Key Managers with Strategic Responsibilities are beneficiaries of the long-term variable incentive plan (2023-2028 Stock Grant Plan – 2023-2025 cycle).

The plan gives the beneficiaries the right to receive free Amplifon ordinary shares at the end of the vesting period.

The Plan, subject to approval by the Shareholders' Meeting of April 21<sup>st</sup>, 2023, confirms the structure of the previous tool, having been considered responsive to any forecasted challenges that the Group will face within the coming years, and is characterized by an annual rolling assignment frequency where each assignment cycle has a three-year performance period. For the CEO/GM and Key Managers with Strategic Responsibilities, following the vesting period, there is a further lock-up period of one year with reference to 30% of the shares accrued. The time frame of the entire plan, in terms of assignment, vesting of shares and lock-up period, is approximately five years.



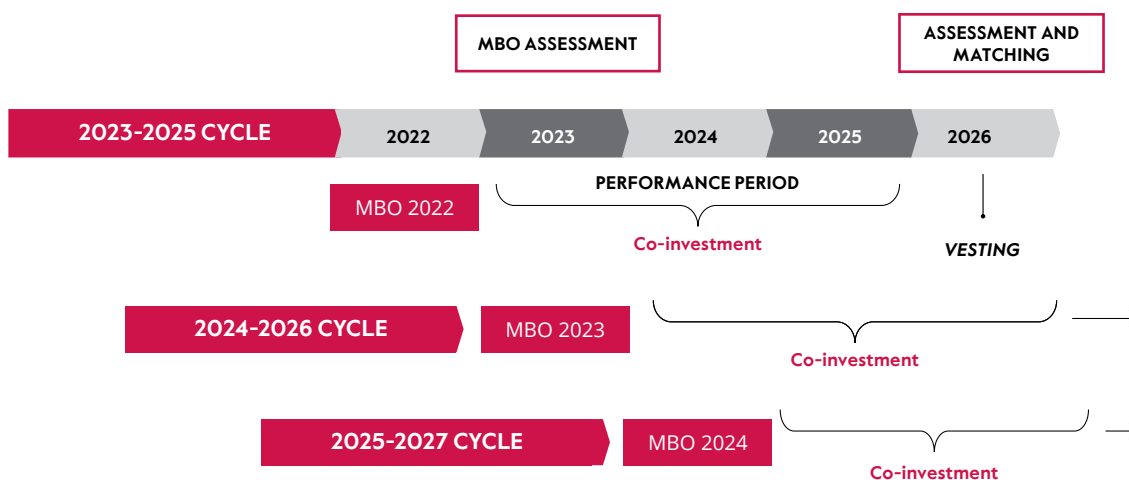
The Plan for Key Managers with Strategic Responsibilities has the same conditions as those indicated for Amplifon's Chief Executive Officer and General Manager.

Also, for Key Managers with Strategic Responsibilities, the Stock Grant Plan provides for a claw-back clause pursuant to which Amplifon may reacquire the incentive paid if it is established that the accrual of the bonus has been determined on the basis of data that subsequently proved to be manifestly incorrect.

#### D) SUSTAINABLE VALUE SHARING PLAN 2022-2027

The Sustainable Value Sharing Plan, starting in 2023, subject to approval by the Shareholders' Meeting of April 21<sup>st</sup>, 2023, will also apply to Key Managers with Strategic Group Responsibilities, in order to consolidate a policy of strong involvement of the Company's key resources in achieving value creation goals.

The Plan, in line with the provisions for the Chief Executive Officer and General Manager, offers the right to invest in Amplifon shares a countervalue of up to 100% of its MBO Target bonus. Based on the results achieved against predefined performance targets, the Company will pay a number of shares (matched rights).



The Plan for Key Managers with Strategic Responsibilities presents the same operating mechanisms as detailed for the Chief Executive Officer and General Manager of Amplifon.

#### **E) INSURANCE AND HEALTH COVERAGE OTHER THAN OBLIGATORY ONES**

Amplifon S.p.A.'s Managers benefit from supplementary life insurance cover (death only) with capital additional to that provided for by the National Collective Labor Agreement for the Commercial sector (through the Antonio Pastore fund). The maximum insured sum does not in any case exceed €360,000, represents the limit for which no assumption mode is currently required. The premium varies according to the actuarial age and gender of the insured, and is determined in a firm and definitive manner at the start of the cover.

All Amplifon S.p.A.'s Managers also benefit from cover for reimbursement of medical expenses in addition to the FASDAC cover, as well as the option of having an annual medical check-up.

#### **F) BENEFITS**

Executives receive a Company car, in accordance with the Company car allocation policy of the Company to which they belong. Amplifon S.p.A.'s Managers are also beneficiaries of the Flexible Benefit plan, which allows them, as well as all employees of Amplifon S.p.A., in compliance with the rules in force (TUIR), to choose, within a predefined budget, the options that most closely suit their individual needs. Some of the Executives, in the case of relocation from abroad, are also entitled to a reimbursement of housing expenses for an agreed period during the hiring phase.

#### **G) INDEMNITIES IN THE EVENT OF RESIGNATION, DISMISSAL OR TERMINATION**

There is no plan for the Key Management with Strategic Responsibilities to receive any indemnity in the event of resignation, beyond the termination payments due under local legislation.

In the event of dismissal or termination of the working relationship for reasons other than just cause, in addition to the termination payments and notice periods provided for by local legislation, there may also be provision for special payments guided by the laws and practices of the country concerned (for example, the *indennità supplementare* [supplementary indemnity] in Italy). Where such payment provisions exist, a settlement agreement will be signed waiving any claim connected with the employment relationship and its termination.

For cases of termination that present highly competitive risks connected with the critical importance of the role held by the Executive, non-compete agreements may also be drawn up with any defined payments, with reference to each year of validity under the conditions required at any given time in terms of subject, geographical scope and duration.

## 3.4. REMUNERATION OF THE BOARD OF STATUTORY AUDITORS

The annual remuneration of the Board of Statutory Auditors consists of only the fixed component. This component is commensurate with the commitment demanded by the role held.

The Shareholders' Meeting called for April 23<sup>rd</sup>, 2021 appointed the Board of Statutory Auditors for a term of three years, to determine the compensation due to the Chairperson and each standing member of the Board for the term of office 2021-2023.

For the term 2021-2023, the Shareholders' Meeting approved the following compensation for the Chairperson and auditors of the Statutory Board of Auditors:

BOARD OF STATUTORY AUDITORS			
Chair	€ 75,000	Member	€ 50,000

This compensation has been defined in line with the evidence of remuneration analyses conducted with reference to the role of Chairperson and member of the Board of Statutory Auditors, with reference to a select cluster of listed companies deemed comparable with Amplifon.

The compensation for the term 2021-2023 was also defined taking into consideration the report shared by the outgoing Board of Statutory Auditors with the Board of Directors with reference to the commitment required for carrying out the office, with the evidence reported in the 2020 Annual Report, submitted for the approval of the Shareholders' Meeting on April 23<sup>rd</sup>, 2021.

## 3.5. REMUNERATION OF THE GROUP INTERNAL AUDIT AND RISK MANAGEMENT OFFICER

The remuneration of the Group Internal Audit and Risk Management Officer is in line with the Group's remuneration policies and consistent with the role and duties assigned to this position. In particular, the basic remuneration is commensurate with the evidence emerging from analytical comparisons against a market of listed companies and with the performance levels assessed on the basis of the annually defined individual targets and the key skills required by the position.

The short-term variable incentive for the Group Internal Audit and Risk Management Officer is linked exclusively to individual targets specifically of the function.

In addition, the holder of the position participates in the 2023-2028 Stock Grant Plan.

## SECTION II

# REMUNERATION PAID IN 2022 AND OTHER INFORMATION





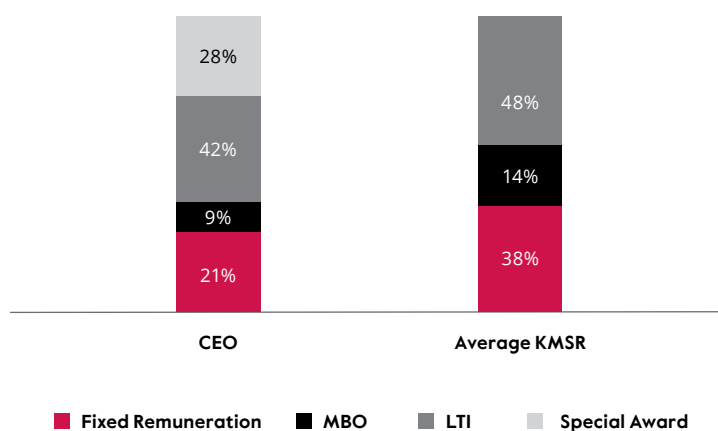
# I. INTRODUCTION

In recent years, Amplifon has achieved a global scale by establishing itself – with a market share of around 12% – as the world leader in the retail hearing solutions and services sector, thanks to a sound strategy, careful planning and strong execution capability. Through 2022, the Group consolidated its position within markets where it had previously proved to be an established leader, conquering an ever-larger portion of the value chain both in the US and Australian markets whilst continuing the maturation path in the EMEA area, through organic growth supported by significant investments.

The positive performance achieved by Amplifon during the last financial year led to the accrual of variable incentives for top management, both short-term and long-term. The remuneration accrued by the CEO/GM and the KMSRs in 2022 is summarised below.

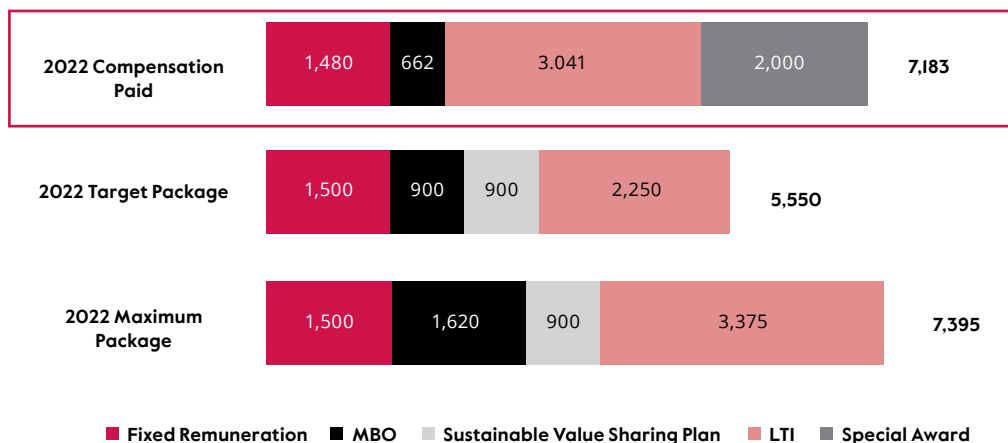
## I.1. COMPENSATION PAID IN 2022 IN BRIEF

In accordance with the provisions introduced by the update of the Issuers' Regulation, the proportion between the fixed and variable remuneration attributable to the Chief Executive Officer and General Manager and the Key Managers with Strategic Responsibilities in 2022 is indicated below, as part of the total remuneration paid to beneficiaries of incentive systems, whose remuneration is subsequently illustrated in Table 1.



## 1.2. THE REMUNERATION PAID TO THE CHIEF EXECUTIVE OFFICER IN 2022

With reference to the remuneration of the Chief Executive Officer and General Manager, the following graph is summarizing the amount of remuneration paid in 2022 together with the target and maximum packages set by the 2022 Policy (approved by the Shareholders' Meeting of April 22<sup>nd</sup>, 2022):



Note: The remuneration figures reported for the Chief Executive Officer are consistent with Table 1 of this Section II. With regard to the valuation of the Special Award, the full amount of the bonus paid has been reported, in line with Table 1 of this Section II of the Report. The amount shown does not include non-monetary benefits.



## 2. IMPLEMENTATION OF THE 2022 REMUNERATION POLICY

A description of the remuneration implemented in 2022 in favor of the non-executive Directors, Chairperson of the Board of Directors, Chief Executive Officer and General Manager, as well as Key Managers with Strategic Responsibilities is given below.

The implementation of the 2022 Remuneration Policy, in accordance with what was verified by the Remuneration and Appointments Committee on the occasion of the periodic evaluation required by the Code of Corporate Governance, was essentially in line with the general principles in the resolutions adopted by the Board of Directors, as well as with market references.

In the implementation of the 2022 Remuneration Policy, the Remuneration and Appointments Committee took into accounting the votes and evaluations expressed by the Shareholders' Meeting on April 22<sup>nd</sup>, 2022 on Section II of the policy on the issue of remuneration and compensation paid, in which 92.01% of the voting share capital was in favor of.

### 2.1. FIXED REMUNERATION

**Remuneration paid to non-executive Directors:** on April 22<sup>nd</sup>, 2022, the Shareholders' Meeting approved a total amount of €1,370,000. On May 3<sup>rd</sup>, 2022, the Board of Directors resolved to pay each Director a fixed individual fee of €65,000, excluding the Chair and the Chief Executive Officer and General Manager.

At the same meeting, the Board of Directors also resolved to pay:

- to each of the independent directors called upon to chair the Remuneration and Appointments Committee and the Risk, Control and Sustainability Committee, an additional amount of €30,000 for each chair;
- to each of the independent directors called upon to participate in the Remuneration and Appointments Committee and the Risk, Control and Sustainability Committee, an additional amount of €20,000 for each participation;
- to the independent director called upon to chair the Supervisory Body, an additional amount of €15,000;
- to each of the independent directors called upon to participate in the Supervisory Body, an additional amount of €10,000;
- to the independent director called upon to chair the Independent Committee for Related-Party Transactions, an additional amount of €10,000;
- to each of the independent directors called upon to participate in the Independent Committee for Related-Party Transactions, an additional amount of €5,000.

**Remuneration paid to the Chair of the Board of Directors:** fixed remuneration of €300,000 was paid, as resolved by the Board of Directors on May 3<sup>rd</sup>, 2022.

**Remuneration paid to the Chief Executive Officer and General Manager:** fixed remuneration of €1,080,494 was paid for the duties as Manager of the Company and of €400,000 for the powers conferred pursuant to Article 2389, paragraph 3, of the Civil Code.

**Fixed remuneration paid to Key Managers with Strategic Responsibilities:** the aggregate amount corresponding to the Gross Annual Salary of Key Managers with Strategic Responsibilities is €3,935,925.

The amounts received during 2022 in relation to the individual (Directors) and aggregate (Key Managers with Strategic Responsibilities) remunerations are detailed in Consob Table 1 on pages 82/83.

## 2.2. SHORT-TERM VARIABLE REMUNERATION (MBO 2022)

As also highlighted in the introduction of this Report, in 2022 the Group recorded positive economic-financial and operating performances linked to the issues of sustainable success.

**Chief Executive Officer and General Manager:** The short-term variable incentive will be paid, with reference to the Chief Executive Office and General Manager, based on the Group's performance recorded in 2022, in relation to the achievement level of the defined targets.

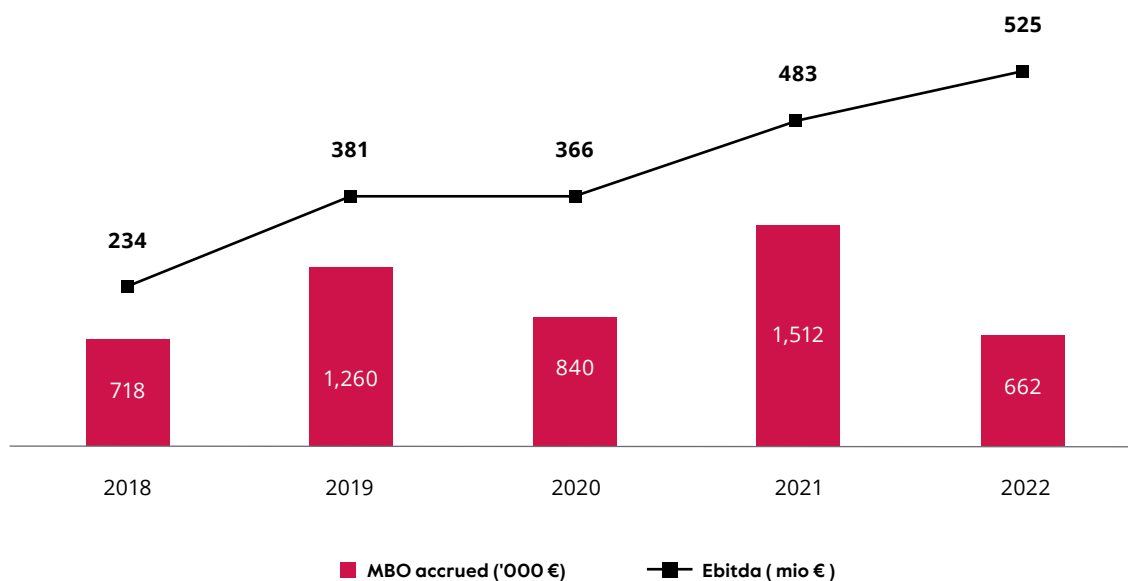
The table below illustrates the performance level achieved for each of the KPIs assigned to the Chief Executive Officer and General Manager<sup>11</sup>:

KPIs		% OVERALL PERFORMANCE VS. TARGET	% PAYOUT VS. TARGET	OVERALL PAYOUT
GPI	Revenues	96.1	61.3%	74%
	EBITDA			
	Free Cash Flow			
PDR (CEO individual performance)		>	Multiplier	
Business Goal (60%)	Sustainability Goals (40%)		120%	
Development of specific and selected markets in line with what was defined in the Business Plan		KPI related to the Product & Service Stewardship Pillar of the Group Sustainability Plan		

11 - When preparing the final statements, the impacts resulting from the change in exchange rates and extraordinary significant transactions were sterilized.

In light of the challenging performance targets that the Group set for 2022, the short-term variable incentive paid is resulted to be lower than the assigned target level. In particular, the results achieved by Amplifon for 2022, approved by the Board of Directors on the recommendation of the Remuneration and Appointments Committee, on March 1<sup>st</sup>, 2023, highlighted a performance score which, even in the light of the application of the individual multiplier, resulted in the payment to the Chief Executive Officer and General Manager of an incentive of €662,040 which will be delivered in 2023.

In accordance with the Pay for Performance Principle, the following is a history of bonuses accrued in recent years by the Chief Executive Officer and General Manager of Amplifon:



**Key Managers with Strategic Responsibilities:** For Key Managers with Strategic Responsibilities the variable incentive to be paid is calculated according to the level of the scorecard achieved, as well as the individual targets related to the Performance Development Review, assigned on the basis of the area of responsibility of the role.

The sum paid to KMSRs, also taking individual performance into consideration, resulted in a total incentive of €1,237,195.

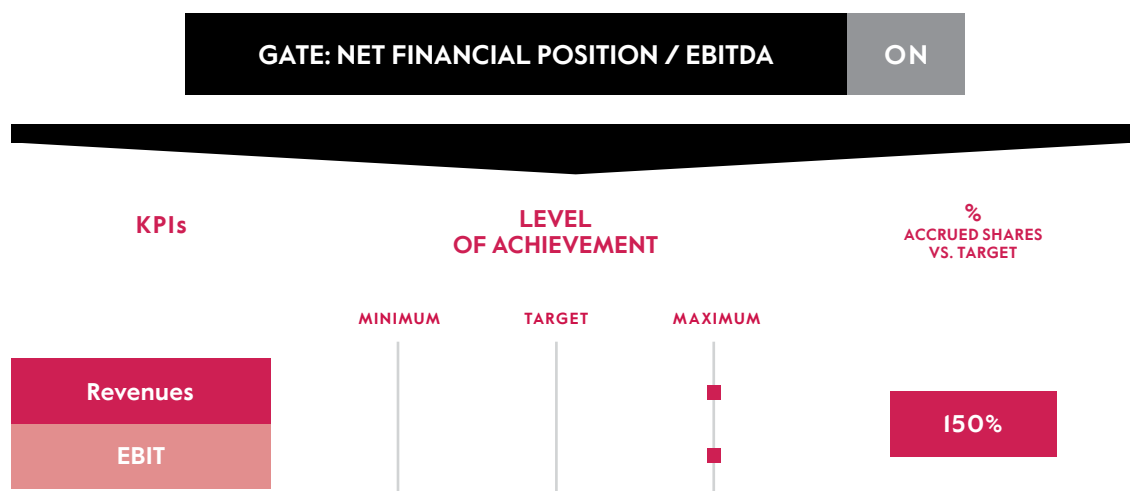
## 2.3. LONG-TERM VARIABLE REMUNERATION - STOCK GRANT PLAN 2019-2025

### 2019-2021 CYCLE

**Chief Executive Officer and General Manager:** the Board of Directors, at the recommendation of the Remuneration and Appointments Committee, approved the award of the 2019-2021 cycle of the 2019-2025 Stock Grant Plan, in favor of the Chief Executive Officer and General Manager, as 210,000 shares, calculated on the achievement percentage of the targets in the three-year reference period, in relation to a target of 140,000 rights.

**Key Managers with Strategic Responsibilities:** The Board of Directors, upon the proposal of the Remuneration and Appointments Committee, resolved to assign the 2019-2021 cycle relating to the 2019-2025 Stock Grant Plan, in favour of the KMSRs, to the extent of 253,000 shares, determined by the percentage of achievement of objectives within the three-year reference period, against a number of target rights equal to 171,500.

The table below illustrates the performance level achieved for each three-year period goal<sup>12</sup>:



12 - When preparing the final statements, the impacts resulting from the change in exchange rates and extraordinary significant transactions were sterilized.

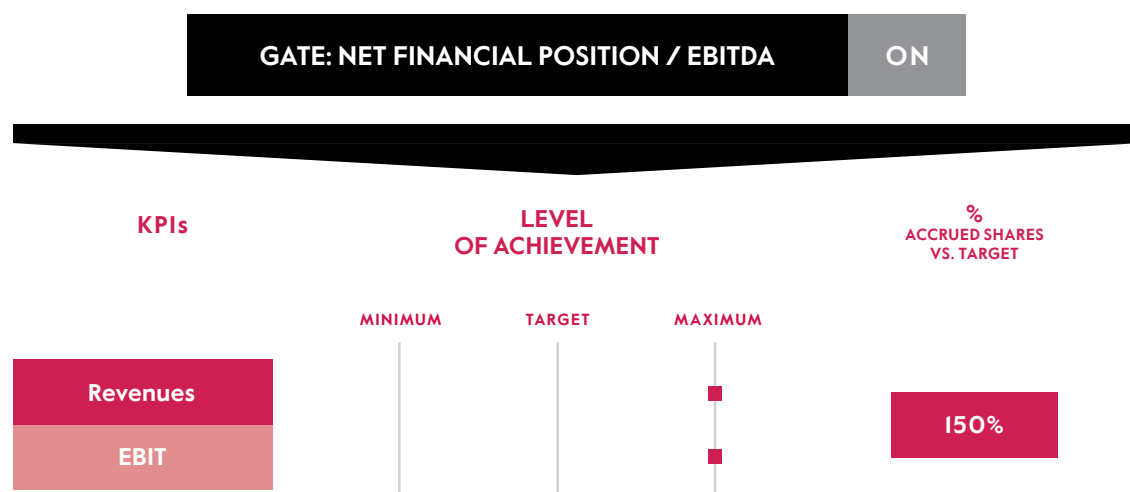
## 2020-2022 CYCLE

**Chief Executive Officer and General Manager:** The Board of Directors, upon the proposal of the Remuneration and Appointments Committee, resolved to assign the 2020-2022 cycle relating to the 2019-2025 Stock Grant Plan, in favour of the Chief Executive Officer and General Manager, to the extent of 135,000 shares, determined by the percentage of achievement of goals within the three-year reference period, against a number of target rights equal to 90,000.

**Key Managers with Strategic Responsibilities:** Through 2022, with reference to the 2020-2022 cycle of the 2019-2025 Stock Grant Plan, 266,000 shares were recognized, determined by the percentage of goals achievement within the three-year reference period, against a number of target rights equal to 188,000.

The table below illustrates the performance level achieved for each three-year period goal.<sup>13</sup>

### 2020-2022 - LTI RESULTS



In 2022, the Chief Executive Officer and General Manager and Key Managers with Strategic Responsibilities were, respectively granted 65,000 and 155,000 rights for shares by virtue of participation in the 2019-2025 Stock Grant Performance Plan (2022-2024 cycle) at a grant price of €36.75 which will be awarded, if the performance targets are reached, at the end of the vesting period.

The detailed information on the allocation of share rights that took place in 2022 can be found in Table 3A Consob on pages 86/87.

<sup>13</sup> - When preparing the final statements, the impacts resulting from the change in exchange rates and extraordinary significant transactions were sterilized.

## 2.4. CO-INVESTMENT PLAN - SUSTAINABLE VALUE SHARING PLAN 2022-2027

The 2022-2027 Sustainable Value Sharing Plan recognizes the entitlement of the beneficiary of the mechanism to invest in Amplifon shares for a value of up to 100% of their MBO bonus target. In the light of this right, the Chief Executive Officer and the General Manager have decided to invest 100% of their 2022 MBO bonus target in Company shares.

Following the recommendation of the Remuneration and Appointments Committee, the Board of Directors then approved the allocation of the maximum number of 48,000 rights (Coinvested Rights and Matched Rights) in favor of the Chief Executive Officer and General Manager. Specifically, the Chief Executive Officer and General Manager became the beneficiary of 24,000 rights to receive shares (Coinvested Rights) by virtue of their participation in the Co-investment Plan at a grant price of €35.00 which will accrue at the end of the vesting period.

Based on the matching mechanism in the instrument, the Chief Executive Officer and General Manager was also beneficiary of the granting of Matched Rights, equal to the Coinvested Rights, which will accrue, if the performance targets are reached, at the end of the vesting period, at a grant price of €35.00.



## 2.5. 2020-2022 SPECIAL AWARD FOR THE CEO

In line with what was stated in the 2022 Remuneration Report, following the approval by the Board of Directors of the 2021 consolidated financial statements, in 2022 the Company paid out the sum of €2,000,000 for the 2020-2022 Special Award, the condition which the payment of the monetary award is subject to was satisfied by the Chief Executive Officer and General Manager of the Group at this date. Note that this extraordinary award was defined as a percentage (equal to 0.05%) of the value creation for shareholders generated in the three-year period 2017-2019.

## 2.6. END OF OFFICE OR END OF EMPLOYMENT RELATIONSHIP INDEMNITIES

In 2022 no compensation was paid at the end of office or employment relationship.

## 2.7. APPLICATION OF EX-POST CORRECTION MECHANISMS

No ex-post correction mechanisms (claw-back) were applied in 2022.

## 2.8. DEROGATION APPLIED TO THE REMUNERATION POLICY IN 2022

In 2022 there were no exceptional circumstances such that the Board of Directors needing to avail itself of the right to derogate from the contents of the 2022 Remuneration Policy.

**Table for comparison of changes over the last five financial years between the annual variation in the total remuneration of the Board of Directors and the Board of Statutory Auditors, Company's results and average gross annual remuneration of the employees**

The table below gives a comparison between the total remuneration of Directors and Statutory Auditors who, as at December 31<sup>st</sup>, 2022, were members, respectively, of Amplifon's Board of Directors and Board of Statutory Auditors, and the Group's performance, represented in terms of value generated for shareholders. Each piece of information is provided over a time span of 5 years (2018-2022):

	Note	2018	2019	2020	2021	2022
<b>Value generated for shareholders (Millions of €)</b>	<b>(14)</b>	<b>€ 3,203</b>	<b>€ 5,887</b>	<b>€ 7,816</b>	<b>€ 10,958</b>	<b>€ 6,476</b>
%			83.8%	32.8%	40.2%	-40.9%
<b>EBITDA (€ mln)</b>		<b>€ 233,9</b>	<b>€ 380,8</b>	<b>€ 365,8</b>	<b>€ 482,8</b>	<b>€ 525,3</b>
%			62.8%	-3.9%	32.0%	8.8%
<b>Enrico Vita ('000 €)</b>	<b>(15)</b>	<b>€ 2,918</b>	<b>€ 4,002</b>	<b>€ 3,619</b>	<b>€ 5,338</b>	<b>€ 7,219</b>
CEO/GM compensation growth rate %			37.1%	-9.6%	47.5%	35.2%
<b>Susan Carol Holland ('000 €)</b>		<b>€ 304</b>	<b>€ 304</b>	<b>€ 304</b>	<b>€ 308</b>	<b>€ 307</b>
%			0.0%	0.0%	1.3%	-0.3%
<b>Maurizio Costa ('000 €)</b>	<b>(16)</b>	<b>€ 85</b>	<b>€ 85</b>	<b>€ 85</b>	<b>€ 85</b>	<b>€ 100</b>
%			0.0%	0.0%	0.0%	17.6%
<b>Laura Donnini ('000 €)</b>	<b>(16)</b>	<b>€ 90</b>	<b>€ 90</b>	<b>€ 90</b>	<b>€ 90</b>	<b>€ 105</b>
%			0.0%	0.0%	0.0%	16.7%
<b>Maria Patrizia Grieco ('000 €)</b>	<b>(16)</b>	<b>€ 75</b>	<b>€ 75</b>	<b>€ 75</b>	<b>€ 75</b>	<b>€ 85</b>
%			0.0%	0.0%	0.0%	13.3%
<b>Veronica Diquattro ('000 €)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 85</b>
%			n/a	n/a	n/a	n/a
<b>Lorenza Morandini ('000 €)</b>	<b>(16)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 90</b>
%			n/a	n/a	n/a	n/a
<b>Lorenzo Pozza ('000 €)</b>	<b>(16)</b>	<b>€ 100</b>	<b>€ 100</b>	<b>€ 100</b>	<b>€ 100</b>	<b>€ 110</b>
%			0.0%	0.0%	0.0%	10.0%
<b>Giovanni Tamburi ('000 €)</b>	<b>(16)</b>	<b>€ 55</b>	<b>€ 55</b>	<b>€ 55</b>	<b>€ 55</b>	<b>€ 65</b>
%			0.0%	0.0%	0.0%	18.2%
<b>Raffaella Pagani ('000 €)</b>	<b>(17)</b>	<b>€ 60</b>	<b>€ 60</b>	<b>€ 60</b>	<b>€ 75</b>	<b>€ 75</b>
%			0.0%	0.0%	25.0%	0.0%
<b>Patrizia Arienti ('000 €)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 50</b>	<b>€ 50</b>
%			n/a	n/a	n/a	0.0%
<b>Dario Righetti ('000 €)</b>	<b>(17)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 50</b>	<b>€ 50</b>
%			n/a	n/a	n/a	0.0%
<b>Employee average remuneration ('000 €)</b>	<b>(18)</b>	<b>€ 77</b>	<b>€ 79</b>	<b>€ 69</b>	<b>€ 71</b>	<b>€ 81</b>
%			3,7%	-13,2%	3,0%	14,6%

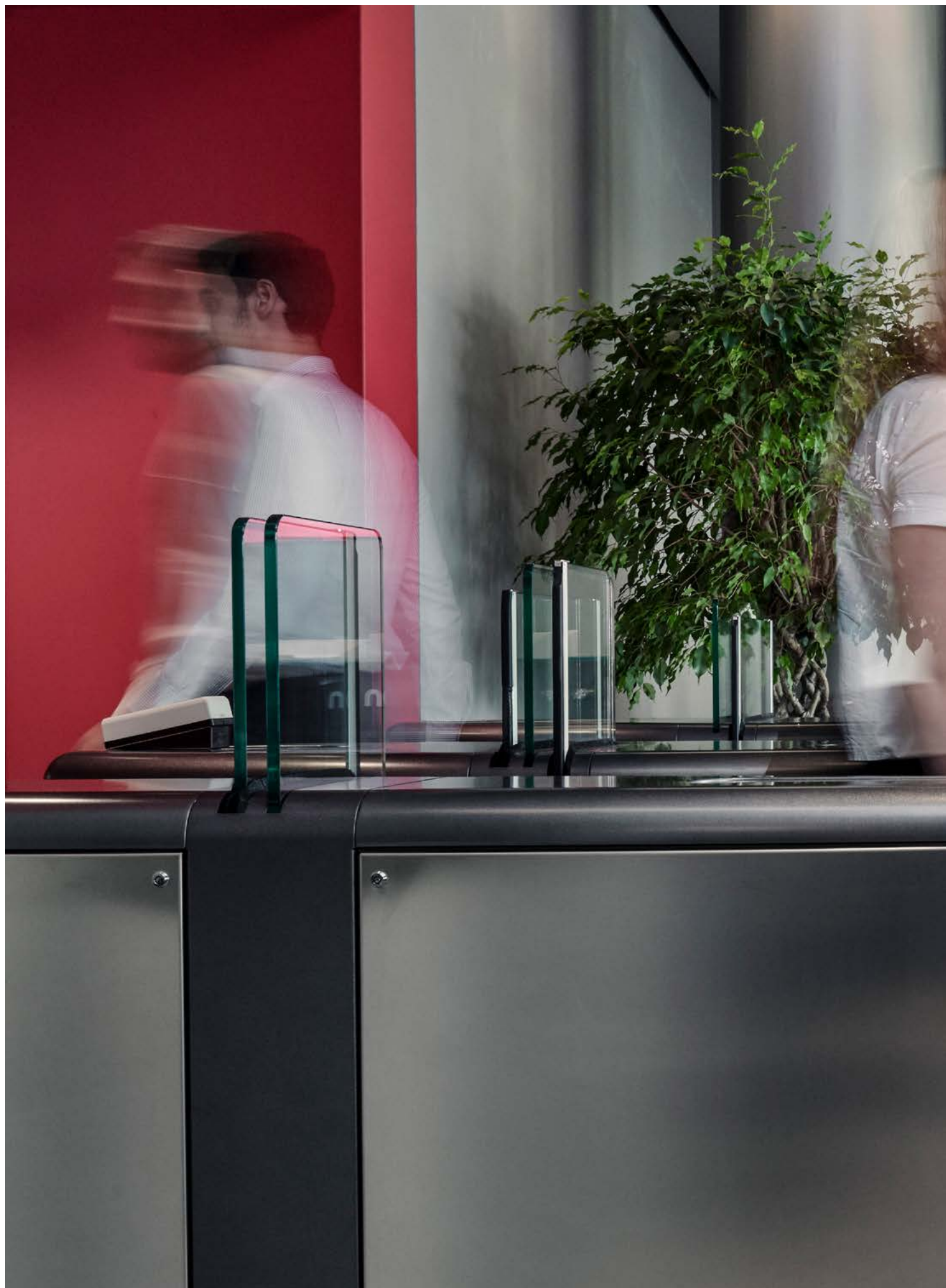
14 - The "value generated" for Shareholders is measured as the market capitalization performance on the assumption of the reinvestment of dividends distributed at the ex-dividend date.

15 - The compensation reported for the Chief Executive Officer and General Manager takes into consideration all compensation reported in Table 1 of this Report. With reference to Short-Term Variable Remuneration (MBO), the incentive of each financial year is reported on the accrual basis, in conformity with Annex 3A - Schedule 7-bis of the Issuers' Regulation, introduced through Consob Resolution 18049 of December 23<sup>rd</sup>, 2011, later amended through Consob Resolution 21623 of December 10<sup>th</sup>, 2020. With reference, on the other hand, to the Long-Term Variable Remuneration, the amounts considered for representation purposes were evaluated in line with the fair values of the individual cycles for each year and in line with the figures in Tables 1 and 3A of this Report.

16 - The amount represents the annualization of the remuneration paid to the members of the Board of Directors for the office of Director and, possibly, of Chairman or Member of the Board Committees for the period from April 22<sup>nd</sup>, 2022 to December 31<sup>st</sup>, 2022.

17 - The amount represents the annualization of the remuneration paid to the Chairman and the Auditors of the Board of Statutory Auditors for the period from April 23<sup>rd</sup>, 2021 to December 31<sup>st</sup>, 2021.

18 - The remuneration figures representing the average remuneration of Amplifon employees considered a scope that includes Amplifon S.p.A. and Amplifon Italia.





**Table I – Compensation paid to members of the Board of Directors and the Board of Statutory Auditors, the General Manager and other Key Managers with Strategic Responsibilities (thousands of euros)**

First and last names	Office	Period for which the office was held	End of term of office	Fixed remuneration	Remuneration for participation in committees
<b>Susan Carol Holland</b>	Chair	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 300	-
<b>Enrico Vita</b>	Chief Executive Officer	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 400	-
	General Manager	<i>Permanent</i>		€ 1,080	-
<b>Maurizio Costa</b>	Independent Director	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 62	€ 33
<b>Laura Donnini</b>	Independent Director	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 62	€ 38
<b>Maria Patrizia Grieco</b>	Independent Director	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 62	€ 20
<b>Veronica Diquattro</b>	Independent Director	22/04/2022-12/31/2022	approval of 2024 financial statements	€ 45	€ 14
<b>Lorenza Morandini</b>	Independent Director	22/04/2022-12/31/2022	approval of 2024 financial statements	€ 45	€ 17
<b>Lorenzo Pozza</b>	Independent Director	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 62	€ 45
<b>Giovanni Tamburi</b>	Director	01/01/2022-12/31/2022	approval of 2024 financial statements	€ 62	-
<b>Raffaella Pagani</b>	Chair of the Board of Statutory Auditors	01/01/2022-12/31/2022	approval of 2023 financial statements	€ 75	-
<b>Arienti Patrizia</b>	Standing Auditor	01/01/2022-12/31/2022	approval of 2023 financial statements	€ 50	-
<b>Righetti Dario</b>	Standing Auditor	01/01/2022-12/31/2022	approval of 2023 financial statements	€ 50	-
<b>Total</b>				<b>€ 2,356</b>	<b>€ 168</b>
<b>Other Key Managers of the Group (12)</b>		<i>Permanent</i>		€ 3,936	-
<b>Grand Total</b>				<b>€ 6,292</b>	<b>€ 168</b>
<b>DIRECTORS / AUDITORS NO LONGER IN OFFICE IN 2022</b>					
<b>Andrea Casalini</b>	Independent Director	01/01/2022-22/04/2022	approval of 2021 financial statements	€ 17	€ 9
<b>Alessandro Cortesi</b>	Independent Director	01/01/2022-22/04/2022	approval of 2021 financial statements	€ 17	€ 8

Non-equity variable compensation		Non-monetary benefits	Other remuneration	Total	Fair Value equity remuneration	End of office or end of employment relationship compensation
Bonuses and other incentives	Profit sharing					
-	-	€ 7	-	€ 307	-	-
€ 2,000	-	-	-	€ 2,400	-	-
€ 662	-	€ 35	-	€ 1,778	€ 3,041	-
-	-	-	-	€ 95	-	-
-	-	-	-	€ 100	-	-
-	-	-	-	€ 82	-	-
-	-	-	-	€ 59	-	-
-	-	-	-	€ 63	-	-
-	-	-	-	€ 107	-	-
-	-	-	-	€ 62	-	-
-	-	-	€ 2	€ 77	-	-
-	-	-	€ 1	€ 51	-	-
-	-	-	€ 1	€ 51	-	-
€ 2,662	€ 0	€ 43	€ 4	€ 5,232	€ 3,041	€ 0
€ 1,502	-	€ 555	-	€ 5,992	€ 5,053	-
€ 4,164	€ 0	€ 598	€ 4	€ 11,225	€ 8,094	€ 0
-	-	-	-	€ 26	-	-
-	-	-	-	€ 24	-	-

- <sup>(1)</sup> **Susan Carol Holland** - Chairperson of the Board of Directors
- a) The sum of €300,000 represents the fee for the office of Chairperson of the Board of Directors paid to Susan Carol Holland for the term 2022-2024
- <sup>(2)</sup> **Enrico Vita** – Chief Executive Officer and General Manager
- a) The sum of €400,000 represents the fee for the office of Chief Executive Officer paid to Enrico Vita for the term 2022-2024
- b) The sum of €1,080,494 represents the total fixed payments made to Enrico Vita in his role as General Manager for the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2022
- c) The sum of €662,040 represents the short-term incentive (MBO) accrued with reference to the performance of 2022 paid out in 2023. This amount was based on the final data approved by the Board of Directors on March 1<sup>st</sup>, 2023. The values were calculated also taking into consideration the multiplier effect connected with individual targets
- d) The Fair Value of the equity payments includes the fair value pertaining to 2021 for the following cycles: (i) 2019-21 cycle for monthly payments pertaining to 2022; (ii) 2020-22 cycle for the monthly payments pertaining to 2022; (iii) 2021-23 cycle for the monthly payments pertaining to 2022, (iv) 2022-24 cycle for the monthly payments pertaining to 2022. Please refer to Table 3A for details of the fair value of the individual plans
- <sup>(3)</sup> **Maurizio Costa** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021 and the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the total compensation as Chair of the Remuneration and Appointments Committee (€30,000) and as a member of the Independent Directors Committee for Related-Party Transactions (pro-rata value of €5,000).
- <sup>(4)</sup> **Laura Donnini** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021 and the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the total compensation as Chair of the Independent Directors Committee for Related-Party Transactions (pro-rata value of €10,000) for the term 2022-2024, as a member of the Independent Directors Committee for Related-Party Transactions (pro-rata value of €5,000) for the term 2019-2021 and as a member of the Control, Risks and Sustainability Committee (€20,000) as well as a member of the Supervisory Body (€10,000)
- <sup>(5)</sup> **Maria Patrizia Grieco** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021 and the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the compensation paid for participating as a member of the Remuneration and Appointments Committee (€20,000) for the term 2022-2024
- <sup>(6)</sup> **Veronica Diquattro** – Independent Director
- a) The amount represents the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the compensation paid for participating as a member of the Remuneration and Appointments Committee (€20,000) for the term 2022-2024
- <sup>(7)</sup> **Lorenza Morandini** – Independent Director
- a) The amount represents the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the compensation as a member of the Control, Risks and Sustainability Committee (€20,000) for the term 2022-2024 and as a member of the Independent Directors Committee for Related-Party Transactions (pro-rata value of €5,000).
- <sup>(8)</sup> **Lorenzo Pozza** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021 and the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- b) The amount represents the total compensation paid as Chair of the Control, Risks and Sustainability Committee (€30,000) and as Chair of the Supervisory Body (€15,000) for the term 2022-2024
- <sup>(9)</sup> **Giovanni Tamburi** – Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021 and the fee (pro-rata value of €65,000) established for the office of member of the Board of Directors for the term 2022-2024
- <sup>(10)</sup> **Raffaella Pagani** – Chair of the Board of Statutory Auditors
- a) The amount represents the fee established for the office of Chair of the Board of Statutory Auditors for the term 2021-2023
- <sup>(11)</sup> **Patrizia Arienti**  
Standing Auditor of the Board of Statutory Auditors
- a) The amount represents the fee established for the office of Standing Auditor of the Board of Statutory Auditors for the term 2021-2023
- <sup>(12)</sup> **Dario Righetti**  
Standing Auditor of the Board of Statutory Auditors
- a) The amount represents the fee established for the office of Standing Auditor of the Board of Statutory Auditors for the term 2021-2023
- <sup>(13)</sup> **Key Managers with Strategic Responsibilities**
- a) The amount of €3,935,925 represents the fixed compensation paid to Directors in 2022 who were Amplifon Key Managers with Strategic Responsibilities for the period from January 1<sup>st</sup> to December 31<sup>st</sup>, 2022 (12 individuals)
- b) The sum of €1,501,585 includes:
- €1,237,195 by way of short-term incentive (MBO) accrued with reference to the performance of 2022 paid out in 2023. This amount was defined based on the data approved by the Board of Directors on March 1<sup>st</sup>, 2023. The values are calculated also taking into consideration the multiplier effect connected to the individual targets.
  - The amount includes €264,390 paid to two Executives by way of a sign-on bonus, defined during hiring and included in the contract, as an attraction to compensate the loss in variable incentives in the company they are coming from. The figure also takes into consideration €20,000 paid to an Executive to replace the non-payment of the flexible benefit plan
- c) The Fair Value of the equity payments includes the fair value of the following plans: (i) 2019-21 cycle for monthly payments pertaining to 2022; (ii) 2020-22 cycle for the monthly payments pertaining to 2022; (iii) 2021-23 cycle for the monthly payments pertaining to 2022, (iv) 2022-24 cycle for the monthly payments pertaining to 2022. Please refer to Table 3A for details of the fair value of the individual plans
- <sup>(14)</sup> **Andrea Casalini** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021
- b) The amount represents the total compensation as Chairperson of the Committee of Independent Directors for Related-Party Transactions (pro-rata value of €10,000) and for participation as a member of the Remuneration and Appointments Committee (pro-rata value of €20,000) for the term 2019-2021
- <sup>(15)</sup> **Alessandro Cortesi** – Independent Director
- a) The amount represents the fee (pro-rata value of €55,000) established for the office of member of the Board of Directors for the term 2019-2021
- b) The amount represents the total compensation for participation as a member of the Control, Risks and Sustainability Committee (pro-rata value of €20,000) and the Committee of Independent Directors for Related-Party Transactions (pro-rata value of €5,000) for the term

2019-2021

**Table 2 – Stock Option allocated the Board of Directors and the Board of Statutory Auditors, the General Manager and other Key Managers with Strategic Responsibilities of the Group**

Detailed information on the share-based incentive schemes is contained in the remuneration plans provided for by Article 114-bis of the Consolidated Finance Law (Legislative Decree 58 of February 24<sup>th</sup>, 1998) and pursuant to Article 84-bis of the Issuers' Regulation (CONSOB Resolution 11971/99) and Annex 3A, Schedule 7 of the Issuers' Regulation, available on the Company's website [www.amplifon.com/corporate](http://www.amplifon.com/corporate) in the Governance section.

As of January 1<sup>st</sup>, 2023, no Key Manager with Strategic Responsibilities of the Group holds any options relating to Amplifon S.p.A. Stock Option Plans. At today's date, Amplifon's Remuneration Policy does not provide for the allocation of options to Directors.

**Table 3A - Share-based incentive plans, other than Stock Options, for the Board of Directors and the Board of Statutory Auditors, the General Manager and other Key Managers with Strategic Responsibilities of the Group**

			FINANCIAL INSTRUMENTS ALLOCATED IN PREVIOUS YEARS BUT NOT VESTED DURING THE COURSE OF THE YEAR		FINANCIAL INSTRUMENTS ALLOCATED DURING THE YEAR					
First and last names	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at allocation date (euro)	Vesting period	Allocation date	Market price at allocation (euro)	
Enrico Vita	Chief Executive Officer and General Manage	Stock Grant Plan 2019-2025 (May 7 <sup>th</sup> , 2019)	140,000	Jun - 2022 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (July 30 <sup>th</sup> , 2020)	90,000	Jun - 2023 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (May 3 <sup>rd</sup> , 2021)	70,000	Jun - 2024 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (May 5 <sup>th</sup> , 2022)	-	-	65,000	36.75	Jun - 2025 <sup>(1)</sup>	5/5/2022	36.75	
		Sustainable Value Sharing Plan 2022-2027 (May 31 <sup>st</sup> , 2022) - Coinvested Shares	-	-	24,000	31.61	Jun - 2025	31/5/2022	35.00	
		Sustainable Value Sharing Plan 2022-2027 (May 31 <sup>st</sup> , 2022) - Matched Shares	-	-	24,000	21.55	Jun - 2025	31/5/2022	35.00	
Totale			300.000	-	113.000	-	-	-	-	
Other Key Managers with Strategic Responsibilities of the Group (12)		Stock Grant Plan 2019-2025 (May 7 <sup>th</sup> , 2019)	163,000	Jun - 2022 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (October 30 <sup>th</sup> , 2019)	8,500	Jun - 2022 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (July 30 <sup>th</sup> , 2020)	164,000	Jun - 2023 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (October 30 <sup>th</sup> , 2020)	24,000	Jun - 2023 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (May 3 <sup>rd</sup> , 2021)	122,500	Jun - 2024 <sup>(1)</sup>	-	-	-	-	-	
		Stock Grant Plan 2019-2025 (May 5 <sup>th</sup> , 2022)	-	-	155,000	36.75	Jun - 2025 <sup>(1)</sup>	5/5/2022	36.75	
Total			482,000	-	155,000	-	-	-	-	
Grand total			782,000	-	268,000	-	-	-	-	

<sup>(1)</sup> For the Chief Executive Officer / General Manager and Directors with Strategic Responsibilities at the end of the vesting period there is a lock-up period of an additional year from the vesting date of the rights with reference to 30% of the shares accrued

	FINANCIAL INSTRUMENTS VESTED DURING THE YEAR BUT NOT AWARDED	FINANCIAL INSTRUMENTS VESTED DURING THE YEAR AND AWARDABLE		FINANCIAL INSTRUMENTS EXERCISED DURING THE YEAR
	Number and type of financial instruments	Number and type of financial instruments	Value at the vesting date	Fair value (euro)
	-	210,000	32.44	1185
	-	-	-	675
	-	-	-	662
	-	-	-	427
	-	-	-	
	-	-	-	93
	-	<b>210,000</b>	-	<b>3,041</b>
	-	244,500	32.44	1379
	-	8,500	32.44	27
	-	-	-	1229
	-	-	-	241
	-	-	-	1158
	-	-	-	1019
	-	<b>253,000</b>	-	<b>5,053</b>
	-	<b>463,000</b>	-	<b>8,094</b>

**Table 3B - Cash incentive plans for the Board of Directors and the Board of Statutory Auditors, the General Manager and other Key Managers with Strategic Responsibilities of the Group (thousands of Euro)**

First and last names	Office	Plan	BONUS FOR THE YEAR			PREVIOUS YEARS BONUS			
			Payable/ Paid	Deferred	Deferral period	No longer payable	"Payable/ Paid"	Still deferred	Other bonuses
Enrico Vita	Chief Executive Officer General Manager	MBO 2022 Plan	€ 662 <sup>(*)</sup>	-	-	-	-	-	2,000 <sup>(**)</sup>
Other Key Managers with Strategic Responsibilities of the Group (12)		MBO 2022 Plan	€ 1,237 <sup>(*)</sup>	-	-	-	-	-	€ 264 <sup>(***)</sup>
<b>Total</b>			<b>€ 1,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 2,264</b>

<sup>(\*)</sup> Amounts which may undergo variations based on the data approved by the Board of Directors on 03/01/2023. The figures are calculated also taking into consideration the multiplier effect connected to individual targets

<sup>(\*\*)</sup> Special Award 2020-2022 for the CEO. This amount was paid in 2022 following the approval by the Board of Directors of the 2021 consolidated financial statements, having satisfied the condition to which the payment of the monetary bonus was subject, represented by the continuation of the Chief Executive Officer and General Manager in the Group on that date

<sup>(\*\*\*)</sup> The amount includes €244,390 paid to 2 Executives by way of joining bonuses, defined at the time of hiring and set out in the contract, with a view to attracting them and offsetting the loss in variable incentives from the company they came from. The value also takes into consideration €20,000 paid to one Executive to replace the lack of the flexible benefit plan payment.

**Table 7-ter – Relating to information on the participation of the Board of Directors and the Board of Statutory Auditors, the General Manager and other Key Managers with Strategic Responsibilities of the Group**

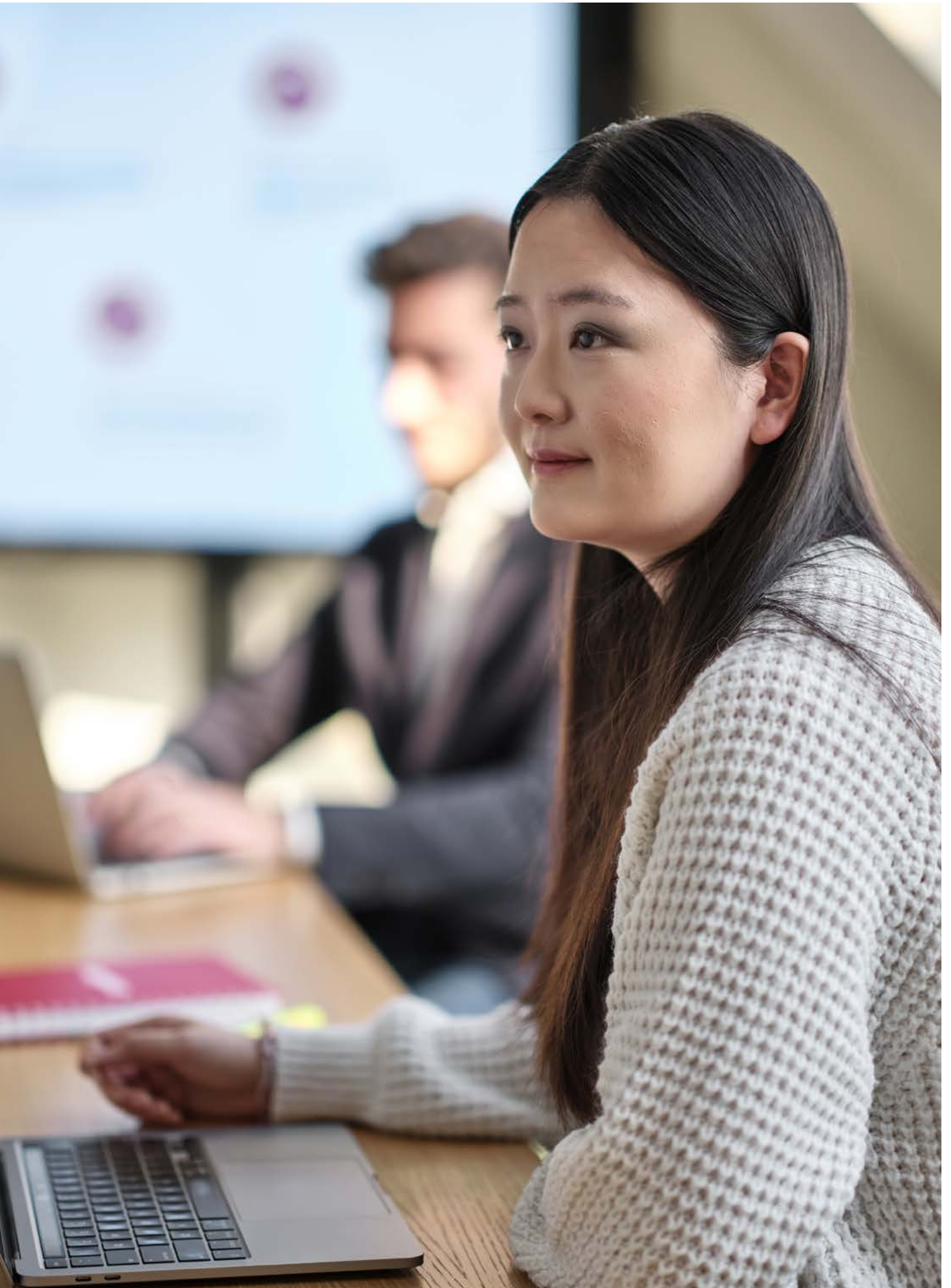
**Table I: Shareholdings of the members of the administration and control bodies and the General Manager**

FIRST AND LAST NAMES	OFFICE	INVESTE COMPANY	NUMBER OF SHARES HELD AT DECEMBER 31 <sup>st</sup> , 2019	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT DECEMBER 31 <sup>st</sup> , 2022
Giovanni Tamburi	Director	Amplifon S.p.A.	6,038,036	1,346,659	-	7,384.695 <sup>(1)</sup>

(1) Shares held as at May 25<sup>th</sup>, 2021 by the subsidiary Tamburi Investment Partners S.p.A.

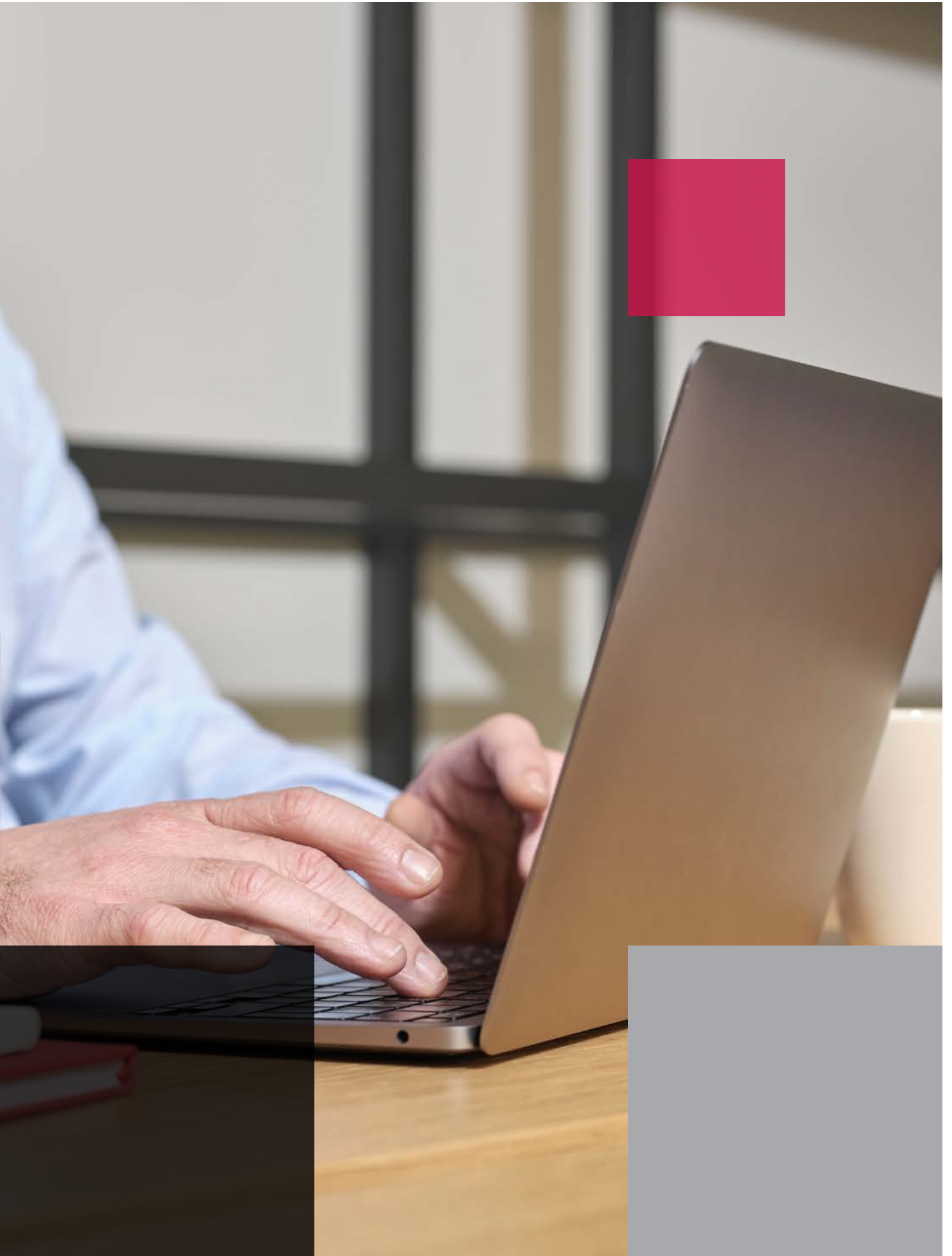
Net of Table 1, at December 31<sup>st</sup>, 2022, no member of the Board of Directors or the Board of Statutory Auditors, including the General Manager, and no Key Managers with Strategic Responsibilities of the Issuer held any stake in the Issuer other than:

- significant equity interests as indicated in the Corporate Governance Report; and
- any shares deriving from the Stock Grant Plan as indicated in the tables above.



# ATTACHMENTS





## GLOSSARY

- **Benefits:** these are the elements included in the non-monetary component of remuneration aimed at improving the individual and family well-being of employees from an economic and social perspective. This category also includes all resources intended to satisfy welfare and social security needs (supplementary pension, healthcare, insurance cover).
- **Co-Investment Plan:** refers to the 2022-2027 Sustainable Value Sharing Plan, which involves that a part of the accrued annual bonus (if any) may be converted into shares, subject to the achievement of three-year performance targets.
- **Control, Risks and Sustainability Committee:** it is composed of four non-executive directors, three of who are independent, and has recommendation and advisory functions with regard to the Board of Directors to support the decisions relating to the internal audit and risk management system, the approval of financial reports, as well as promoting the continuous integration of environmental, social and governance factors in corporate strategies and the value creation for the generality of shareholders and stakeholders over the medium-/long-term, in compliance with the principles of sustainable development.
- **Corporate Governance Code:** approved by the Governance Committee on January 31<sup>st</sup>, 2020 and applicable from January 1<sup>st</sup>, 2021, in line with the experience of the main international markets, indicates the best practices concerning corporate governance recommended by the committee of listed companies, to be applied in accordance with the comply or explain principle which requires an explanation of the reasons for any failure to comply with one or more recommendations contained in the principles or application criteria.
- **EBITDA (Earnings before interest, tax, depreciation and amortization):** also defined as the “gross operating profit” or “GOP” is a profitability indicator that gives the business income deriving only from characteristic management, gross, therefore, of interest (financial management), taxes (tax management), depreciation of assets and amortization.
- **End of term or office compensation:** the monetary sum to be paid out to the director at the time their role as a director comes to an end.
- **Executive Directors:** are directors vested with special offices by the Board of Directors.
- **Fair value of equity payments:** also defined as fair value. International Financial Reporting Standard 2 (IFRS 2) defines the fair value as “the consideration for which an asset can be exchanged, or a liability extinguished, or a capital instrument assigned, in a free transaction between informed, willing parties”.
- **Fixed Remuneration:** includes all annual fixed compensation, gross of taxes and welfare payments pertaining to the employee, not therefore including annual bonuses, other bonuses, allowances, fringe benefits, repayment of expenses, and any other form or remuneration that is variable or occasional by nature.
- **Free Cash Flow:** indicates the (monetary) cash flow produced by operational and non-operational management.
- **Independent Directors:** are Amplifon directors in possession of the requirements of independence set out in the Code of Corporate Governance that Amplifon adheres to.
- **Issuers’ Regulation:** is CONSOB Regulation 11971 of May 14<sup>th</sup>, 1999 (and later amendments) containing the rules on the issuers of financial instruments.
- **Key Managers with Strategic Responsibilities:** these directors have powers and responsibilities, directly and indirectly, of planning, managing and controlling company activities, including (executive and non-executive) directors as identified by Article 65, paragraph 1-quater of the Issuers’ Regulation which refers to the definition in the Annex to Consob Regulation 17221 of March 12<sup>th</sup>, 2010 containing provisions on related-party transactions, as later amended recently through Consob Resolution 21624 of December 10<sup>th</sup>, 2020.

- **Lock-up:** indicates the period of time during which the shares granted are subject to sale and/or transfer restrictions.
- **Long-Term Incentive (LTI):** refers to the Stock Grant Plan 2023-2028, which gives the right, to the parties involved, to receive a predefined number of shares in relation to the results achieved in the vesting period.
- **Non-compete agreements:** based on Article 2125 of the Italian Civil Code, it is the "agreement which restricts carrying out services in the time after the contract ceases".
- **Non-executive Directors:** are directors not vested with special offices by the Board of Directors and without individual management powers.
- **Pay-mix:** is the percentage of fixed remuneration and short-term and long-term variable incentives corresponding to the performance target level.
- **Severance pay:** a monetary sum to be paid to the employee when their employment contract as a director ends.
- **Short-term Variable incentive:** this refers to the Management By Objectives (MBO) Plan, which gives the right, to the parties involved, to receive an annual cash bonus based on results achieved, in the previous year, compared with the defined targets.
- **Target level:** in the short and long-term incentive, it is the standard level of reaching the target that gives the right to receive 100% of the incentive.
- **Total Reward Policy:** indicates the Amplifon Remuneration Policy, namely the collection of remuneration programs in terms of fixed and variable remuneration implemented at corporate level to support reaching the strategic goals.
- **Variable Remuneration:** is composed of the short-term variable incentive scheme and long-term variable incentive scheme.
- **Vesting (vesting period):** the period between the allocation and completion of ownership of the right to receive the reward.

## Analytical Index by Themes (Consob Resolution 21623)

CONSOB Resolution	Information required	Reference
	With reference to the members of the administrative bodies, general managers and other Key Managers with Strategic Responsibilities, this section contains the following information at least, to be illustrated clearly and understandably:	
a)	the bodies or persons involved in the preparation, approval and possible revision of the remuneration policy, specifying their respective roles, as well as the bodies or persons responsible for the correct implementation of this policy;	pag. 36-38; 41
b)	the possible involvement of a remuneration committee or other committee competent in the subject matter, describing its composition (with a distinction between non-executive and independent directors), responsibilities and operating procedures, and any additional measures to avoid or manage conflicts of interest;	pag. 38-40
c)	how the company has taken into account the compensation and working conditions of its employees in the determination of the remuneration policy;	pag. 24-30; 44-45
d)	the names of any independent experts involved in the preparation of the Remuneration Policy;	pag. 16; 50; 61
e)	the objectives pursued by the remuneration policy, the principles on which it is based, the duration and, in the event of a review, a description of the changes to the remuneration policy last submitted to the shareholders' meeting and how such review takes into account the votes and assessments expressed by shareholders at that meeting or subsequently;	pag. 10; 13; 17; 19-21; 23; 27-30; 33
f)	a description of the policies regarding the fixed and variable components of remuneration, with particular regard to the indication of the relative proportion within the total remuneration and distinguishing between short and medium-long term variable components;	pag. 32; 49; 60
g)	the policy followed with regard to non-monetary benefits;	pag. 57; 65
h)	with reference to the variable components, a description of the financial and non-financial performance objectives, where appropriate taking into account criteria related to corporate social responsibility, on the basis of which they are assigned, distinguishing between short and medium to long-term variable components, and information on the link between the change in results and the change in remuneration;	pag. 13; 19-21; 52; 56; 63
i)	the criteria used to assess the achievement of the performance objectives underlying the granting of shares, options, other financial instruments or other variable components of remuneration, specifying the extent of the variable component to be paid according to the level of achievement of the objectives;	pag. 51-52; 54; 56; 62-63
j)	information aimed at highlighting the contribution of the remuneration policy, and in particular the policy on variable components of remuneration, to the company's strategy, the pursuit of long-term interests and the sustainability of the company;	pag. 12-13
k)	vesting periods, deferred payment systems, if any, with an indication of the deferral periods and the criteria used to determine those periods and, if envisaged, the mechanisms for ex post correction of the variable component (malus or claw-back of variable compensation);	pag. 53-56; 63-64
l)	information on whether there is any provision for retaining the financial instruments in the portfolio after their acquisition, with an indication of the retention periods and the criteria used to determine those periods;	pag. 53; 64
m)	the policy relating to treatment in the event of termination of office or termination of employment, specifying: i) the duration of any employment contracts and further agreements, the notice period, if applicable, and what circumstances give rise to the right; and; ii) the criteria for determining the remuneration due to directors, general managers and, at an aggregate level, to Key Managers with Strategic Responsibilities, distinguishing, where applicable, the components attributed by virtue of the office of director from those relating to employment relationships, as well as the components for any noncompetition undertakings. Where such remuneration is expressed on the basis of the year, indicate in detail the components of such year calculation (fixed, variable, etc.); iii) any link between such remuneration and the company's performance; iv) any effects of the termination of the relationship on the rights assigned under incentive plans based on financial instruments or to be paid in cash; v) any provision for assigning or retaining non-monetary benefits in favour of the parties or for entering into consultancy contracts for a period subsequent to the termination of the relationship;	pag. 23; 57-58; 65
n)	information on the presence of any insurance, or social security or pension coverage, other than mandatory coverage;	pag. 57; 65
o)	any remuneration policy followed with reference to: i) independent Directors, (ii) participation in Committees and (iii) performance of special duties (Chairman, Deputy Chairman, etc.);	pag. 47-48
p)	whether or not the Remuneration Policy has been defined using the remuneration policies of other companies as a reference, and if so, the criteria used for the selection and indication of such companies;	pag. 16-17; 48; 50; 61
q)	the remuneration policy elements from which, in the presence of exceptional circumstances, it is possible to derogate and, without prejudice to the provisions of Regulation 17221 of March 12th, 2010, any further procedural conditions based on which the derogation can be applied;	pag. 42-43
	With reference to the member of the control bodies, without prejudice to the provisions of Article 2402 of the Italian Civil Code, the section describes any compensation calculation criteria. If the outgoing control body, in view of the formulation by some of the shareholders of proposals to the shareholders' meeting on the compensation of the control body, has sent the company further details of the quantification of the commitment required for carrying out the office, the section should contain a summary of these further details.	pag. 66

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