

REMUNERATION POLICY AND REPORT - 2023 -

pursuant to Article 123-*ter* of the CFA and 84-*quater* of the
Consob Issuers' Regulation



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Glossary

Chief Executive Officer: the Chief Executive Officer of the Company, Ms. Maria Laura Garofalo.

Shares: the ordinary shares of the Company.

Shareholders: the shareholders of the Company.

Shareholders' Meeting: the Company's Shareholders' Meeting.

Malus Clause: a contractual provision that allows the Company to withhold, in whole or in part, the component of remuneration paid, if such component has been awarded based on information that subsequently proves to be incorrect or falsified, conduct that does not comply with legal, regulatory, or statutory provisions, the Code of Ethics, or applicable company regulations, resulting in a significant loss for one of the Group's companies, or fraudulent or grossly negligent behaviour to the detriment of a Group company.

Clawback Clause: a contractual provision that allows the Company to demand the repayment, in whole or in part, of the component of remuneration paid, if such component has been awarded based on information that subsequently proves to be incorrect or falsified, conduct that does not comply with legal, regulatory, or statutory provisions, the Code of Ethics, or applicable company regulations, resulting in a significant loss for one of the Group's companies, or fraudulent or grossly negligent behaviour to the detriment of a Group company.

Corporate Governance Code: the Corporate Governance Code of listed companies approved in January 2020 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Civil Code/CC: Royal Decree No. 262 of March 16, 1942, as subsequently amended and supplemented.

Board of Statutory Auditors: the Board of Statutory Auditors of the Company.

Appointments and Remuneration Committee or Committee: the Appointments and Remuneration Committee of the Company.

Board of Directors: the Board of Directors of the Company.

Senior Executives or SEs: persons entrusted with the power and responsibility - directly or indirectly - for the planning, management and control of Company operations, pursuant to the definition as per the Appendix to the Consob Regulation concerning related party transactions adopted with resolution No. 17221 of March 12, 2010. At the Report Date, for the purposes of the Policy, there were no Senior Executives other than the Company Directors.

Issuer or Company or GHC or Holding Company: Garofalo Health Care S.p.A.

GHC Group or Group: jointly, the Issuer and the companies directly and/or indirectly controlled by it, pursuant to Article 2359 of the Civil Code and Article 93 of the CFA.

Remuneration Policy or Policy: the 2024 Remuneration Policy, approved by the Board of Directors and described in Section I of this Report.

RPT Procedure: the "Related Party Transactions Procedure" adopted by the Company.

Consob Issuers' Regulation: the Regulation issued by Consob Resolution No. 11971 of 1999 regarding issuers, as subsequently amended and supplemented.

Report: this Remuneration Policy and Report, prepared in accordance with Article 123-*ter* of the CFA and 84-*quater* of the Consob Issuers' Regulation.

Sustainable Success: an objective that guides the actions of the Board of Directors and that is embodied in the creation of long-term value for Shareholders, taking into account the interests of other relevant stakeholders in the Company.

Consolidated Finance Act/CFA: Legislative Decree No. 58 of February 24, 1998, as subsequently amended and supplemented.

Letter of the Chairperson of the Appointments and Remuneration Committee

Dear Shareholders,

As Chairperson of the Appointments and Remuneration Committee, I am pleased to present this 2023 Remuneration Policy and Report, approved by the Company's Board of Directors on March 14, 2024. This Report, in compliance with current regulations and in line with market best practices, represents an important opportunity to communicate openly and transparently with our Shareholders and other stakeholders regarding the Company's remuneration system for the current year.

In 2023, GHC's Appointments and Remuneration Committee pursued the objective of aligning the remuneration policy with investor expectations, while fully complying with regulatory provisions and working to elevate the maturity of the Company's remuneration practices, in line with market trends.

As a result, the Committee, guided by the Investor Relations Manager, promoted engagement with key investors to gather feedback on the Group's remuneration policy and assess any proposed enhancements or revisions.

With regard to the updates incorporated into the 2024 Remuneration Policy, we note our decision to depart from the traditional division of fixed components for the CEO. This adjustment seeks to comprehensively remunerate the CEO for his/her role within the Group, and stems from the broader benchmark analysis conducted in recent months, comparing pay of executives within an established comparison panel.

Within the framework of the new Performance Share Plan, the Committee analysed and confirmed the validity of the principles forming the basis of the previous plan. Its focus was on the bonus opportunities granted to both the Chief Executive Officer and other beneficiaries, in addition to the curves defining the payment of eligible values, seeking to minimise deviations from the target.

Finally, given the Group's efforts to pursue its Sustainability Strategy, ESG targets – with a particular emphasis on the social component – were incorporated into the incentive systems for the CEO and other key figures within the Group, as identified by the Board of Directors.

As the Chairperson of the Appointments and Remuneration Committee, along with my fellow members, I renew our commitment for 2024. Our goal is to ensure that the proposed remuneration initiatives contribute to the success of the Group's strategic programmes and objectives, garnering positive feedback from Shareholders and other stakeholders.

We trust you will appreciate our efforts and hope you find the information provided herein both useful and comprehensive. We invite you to express your binding vote on the proposed 2024 Remuneration Policy for Directors and Statutory Auditors, in addition to an advisory vote on the Report on Remuneration Paid in 2023.

Federico Ferro-Luzzi

(Chairperson of the Appointments and Remuneration Committee)

Introduction

The Report provides a summary of the Company's policy on the remuneration of the Board of Directors in 2024 and, without prejudice to the provisions of Article 2402 of the Civil Code, the Board of Statutory Auditors, in addition to the remuneration paid for the year ending December 31, 2023.

Specifically, the document is divided into two sections:

- Section I – 2024 Remuneration Policy – illustrates the Policy proposed for 2024 by the Company for the remuneration of Directors and members of the Board of Statutory Auditors, specifying the purposes pursued, the bodies and persons involved, and the procedures used for its adoption and execution;
- Section II – Report on Remuneration Paid in 2023 – illustrates the remuneration paid to individual Directors and Statutory Auditors in 2023.

This Report was prepared pursuant to Article 123-ter of the CFA, Article 84-quater and Annex 3A, Schedule 7-bis of the Consob Issuers' Regulation, and in accordance with Article 5 of the Corporate Governance Code.

On March 14, 2024, on the proposal of the Appointments and Remuneration Committee, the Board of Directors of GHC accepted this Report, which will be put to a vote at the Shareholders' Meeting scheduled for April 29, 2024. Specifically, the Shareholders' Meeting will vote on:

- Section I, namely the *"2024 Remuneration Policy"*, with a binding vote;
- while on Section II, namely the *"Report on Remuneration Paid in 2023"*, its vote is advisory.

The text of this Report is made available to the public at the Company's registered office and in the *"Governance/Shareholders' Meeting"* and *"Governance/Remuneration"* sections of the Company's website, www.garofalohealthcare.com, by the 21st day before the Shareholders' Meeting called to approve the Financial Statements for 2023, in accordance with applicable law.

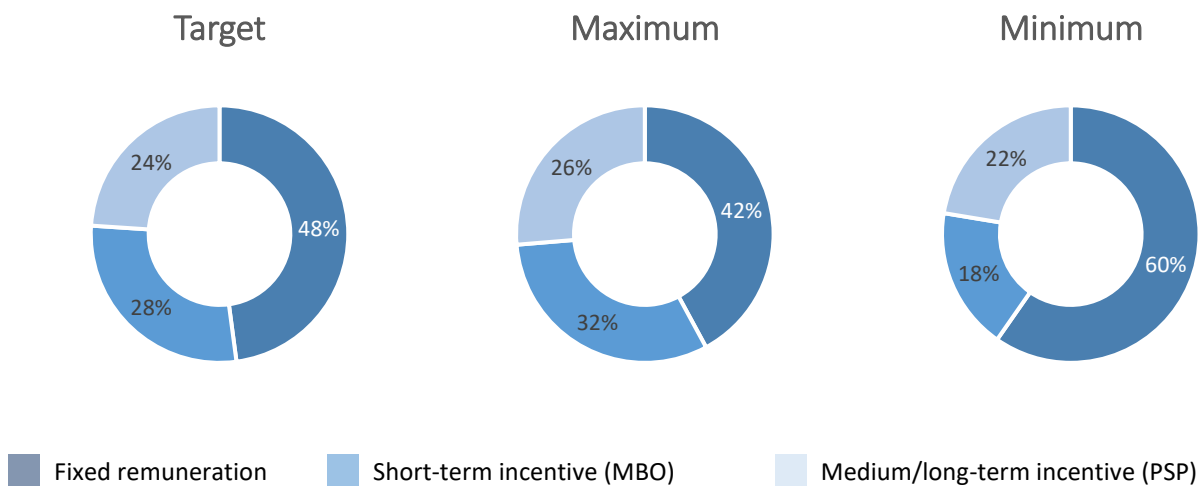
Executive Summary

The following table summarises the components of the remuneration policy for the Board of Directors. The disclosure documents concerning the existing remuneration plans based on financial instruments pursuant to Article 114-*bis* of the CFA can be found in the “*Governance/Shareholders’ Meeting*” and “*Governance/Remuneration*” sections of the Company website.

Component	Purpose	Operating methods	Remuneration values	Paragraph
Fixed remuneration	To value the skills, experience, and contribution required for the role.	<p>Fixed remuneration is defined in line with the characteristics, responsibilities, and any delegated powers associated with the role.</p> <p>The Company constantly monitors the main market practices for comparable figures to ensure the remuneration offered to management is competitive and in line with market trends.</p>	<ul style="list-style-type: none"> ➤ Chief Executive Officer Remuneration received from the Holding Company as a member of the BoD (Article 2389, paragraph 1, Civil Code): Euro 20,000 (subject to confirmation at the Shareholders’ Meeting) 	2.5.1
			<ul style="list-style-type: none"> ➤ Remuneration received from the Holding Company as a Senior Director (Article 2389, paragraph 3, Civil Code): Euro 927,000 	2.5.2
			<ul style="list-style-type: none"> ➤ Other Executive Directors Remuneration received from the Holding Company: Euro 20,000 as a Director (subject to confirmation at the Shareholders’ Meeting), plus any remuneration for managerial responsibilities 	2.4.1
<ul style="list-style-type: none"> ➤ Non-Executive Chairperson Remuneration received from the Holding Company: Euro 65,000 				
Short-term variable remuneration (MBO)	To promote the achievement of annual targets, in line with the Group’s strategic guidelines, with a focus on sustainability.	<p>Payment is subject to the reaching of a threshold, calculated based on the adjusted operating EBITDA, and is directly linked to the achievement of performance targets, outlined as follows:</p> <ol style="list-style-type: none"> a) Pro-forma adjusted operating EBITDA margin (25% weighting), b) Equity Value (25% weighting), c) Corporate M&A transaction (EV), with an operating NFP/EBITDA ratio of less than 3.5x (30% weighting), d) ESG (20% weighting). 	<ul style="list-style-type: none"> ➤ Chief Executive Officer: opportunity linked to the achievement of quantitative and qualitative targets outlined in the MBO table: <ul style="list-style-type: none"> • Minimum: 30% of fixed remuneration • Target: 60% of fixed remuneration • Maximum: 75% of fixed remuneration 	2.5.1.2
Medium/long-term variable remuneration	To promote the creation of sustainable value for Shareholders and other stakeholders, in addition to the achievement of financial results, in	<p>“2024-2026 Performance Share Plan” (to be approved on April 29, 2024) – first cycle (2024-2026).</p> <p>KPIs for the 2024-2026 cycle:</p> <ol style="list-style-type: none"> a) Adjusted operating EBITDA margin - 2024-2026 average (55% weighting), 	<ul style="list-style-type: none"> ➤ Chief Executive Officer: right to receive Shares, on an annual basis, equal to: <ul style="list-style-type: none"> • Minimum: 37.5% of fixed remuneration • Target: 50% of fixed remuneration • Maximum: 62.5% of fixed remuneration 	2.5.1.3

	line with the Group's strategic guidelines, fostering loyalty and engagement among employees.	<p>b) Relative TSR vs FTSE STAR (25% weighting),</p> <p>c) <i>ESG - building of Centro Cuore (Heart Centre)</i> (20% weighting).</p> <p>Vesting: 3 years Deferment 2 years on 30% of the bonus. In addition, 25% of shares are subject to lock-up for the entire duration of the beneficiary's term of office.</p>	<p>➤ Other Executive Directors and Senior Executives of the Company, key figures within the Holding Company and Subsidiaries: right to receive Shares with a value ranging, depending on the beneficiary, between:</p> <ul style="list-style-type: none"> • 7.5% and 22.5% of fixed annual remuneration, depending on minimum performance levels • 10% and 30% of fixed annual remuneration, depending on performance target levels • 12.5% and 37.5% of fixed remuneration, for overperformance • 	2.5.2.1
Variable component ex-post correction mechanisms	To minimise the risks associated with payment of the variable component, allowing the Company to recall bonuses following the correction of financial data or fraudulent conduct by the beneficiaries.	The Malus and Clawback clauses applicable to the Performance Share Plan give the Company the right to withhold payment or request that the Shares' countervalue be returned.	➤ All 2024-2026 Performance Share Plan beneficiaries, as governed by the relevant disclosure document prepared pursuant to Article 84-bis, paragraph 2 of the Issuers' Regulation.	2.5.1.3

CEO pay mix for 2023:



Link between strategy and remuneration policies

The GHC Group is committed to adopting a “buy&build” strategy, seeking to achieve growth through acquisitions and leveraging potential opportunities arising from anticipated market consolidation trends. This strategy is reflected in the performance indicators included in the Incentive Plans for GHC’s CEO.

		“BUY&BUILD” STRATEGY			
		Acquisition-led expansion	Service improvements that respect ethical principles	Investments in facility modernisation and cutting-edge technology	Creation of value for stakeholders
MBO	Pro-forma Operating EBITDA margin				✓
	Equity Value				✓
	Corporate M&A transactions	✓			
	ESG initiatives		✓	✓	
PSP	Adjusted Operating EBITDA average margin				✓
	TSRr				✓
	Sustainability Performance		✓	✓	

ESG commitment within remuneration policies

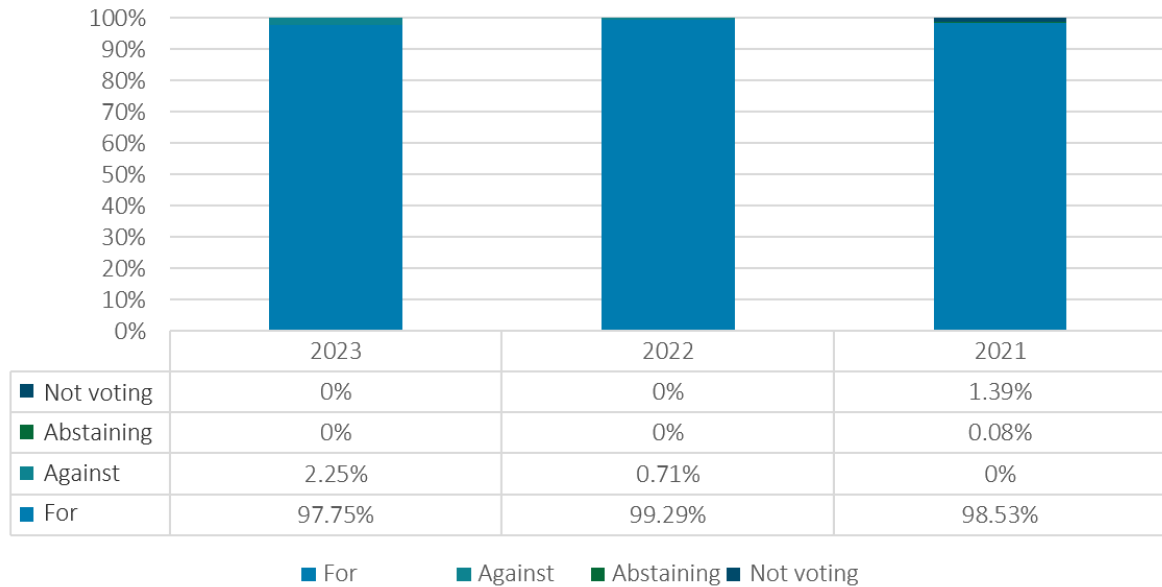
In 2024, the short and long-term Incentive Plan will continue to comprise ESG performance indicators, reflecting the Group’s long-term commitment. This commitment has evolved over time, with a growing focus on strategic initiatives that have a substantial and positive sustainability impact, working on selecting projects and assigning challenging targets.

The GHC Group has incorporated a two-pronged strategy into its long-term incentive plan, with a specific focus on evaluating and improving the energy efficiency of its healthcare facilities for environmental reasons. This commitment reached a significant milestone in 2023 with the signing of an energy supply contract, ensuring that at least 50% of its energy comes from renewable sources, a target outlined in the CEO’s 2023 MBO.

The plans issued this year place greater emphasis on Social and Governance pillars, in line with the Group’s mission to prioritise patient care within its business. With a view to improving the service provided, the short-term plan for 2024 will focus on launching home care services to enhance the Group’s social impact, while also focusing on IT topics in relation to the governance pillar. Meanwhile, the long-term incentive plan will evaluate strategic initiatives, namely the construction of a new *Centro Cuore* (Heart Centre) at Aurelia Hospital, in line with market communications following the acquisition of the Romano Group.

Shareholder voting and engagement

Section I - 2023 Remuneration Policy - % votes cast at Shareholders' Meeting

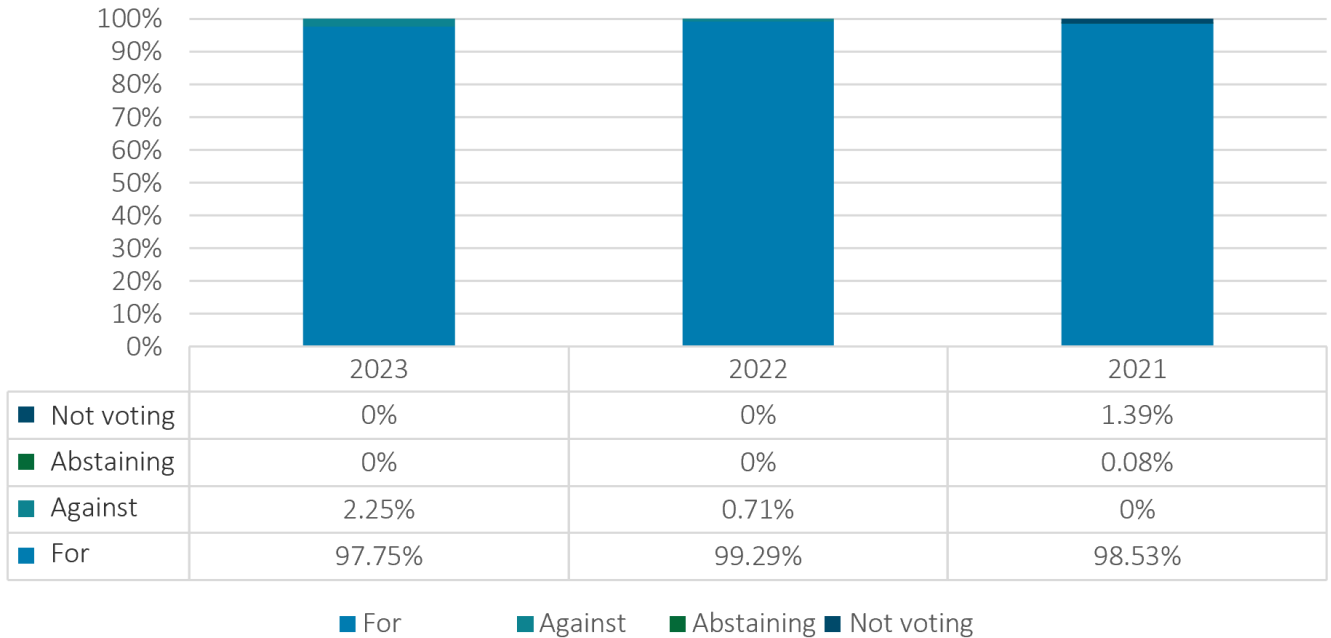


The GHC Group is committed to maintaining constant and constructive communication with its Shareholders to align its Remuneration Policy with stakeholder expectations. This objective entails monitoring and carefully evaluating the remuneration guidelines provided by the main Proxy Advisors representing GHC investors on an ongoing basis.

The Shareholders' Meeting held on April 28, 2023, expressed a favourable opinion on "Section I" of the "2023 Remuneration Policy and Report". The graph shows the voting results, also providing information on the Shareholders' Meetings voting results in 2021 and 2022 for comparison purposes.

The highly positive outcome of the 2023 Shareholders' Meeting vote, and the renewal of the Performance Share Plan, prompted fruitful engagement with investors and Proxy Advisors. The goal was to identify areas for improvement to be addressed when updating the Remuneration Policy. This activity was spearheaded by the Appointments and Remuneration Committee and carried out by the Investor Relations Manager, with support from the consulting firm Deloitte Consulting. Specifically, proposals were presented to investors, who were asked to evaluate the possibility of removing the division in fixed remuneration for the CEO, in addition to reducing bonus opportunities linked to the long-term variable remuneration plan, coupled with a downward revision of the payout scale.

Section II - Report on Remuneration Paid in 2023 - % votes cast at Shareholders' Meeting



On April 28, 2023, the Shareholders’ Meeting expressed a favourable opinion on Section II of the 2023 Remuneration Policy and Report. The graph shows the voting results, also providing information on the Shareholders’ Meetings voting results in 2021 and 2022 for comparison purposes. The highly positive outcome of the 2023 Shareholders’ Meeting vote was confirmed by investors, who recommended expanding disclosure with regard to the final outline of the plans.

Link between Working Conditions and Remuneration Policy

In compliance with the relevant legislation and the founding principles of its Code of Ethics, GHC guarantees all its employees the same work opportunities and fair treatment in terms of regulations and remuneration. GHC is committed to providing an inclusive working environment, free from discrimination of any kind, in which different personal and cultural characteristics and orientations are considered an asset. The Company therefore not only undertakes to respect and apply the regulatory framework, but also develops company policies, including the “*Diversity and Inclusion Policy*” adopted on October 28, 2021, which seeks to guarantee equal opportunities for all the different types of workers, with the intention of discouraging the emergence of possible prejudice, harassment and discrimination of any kind, in full respect of human rights.

This environment ensures that the cornerstone of the Policy - and more generally of the management of its own people - is the enhancement of merit and of distinctive and critical professional skills. GHC adopts employee welfare initiatives such as a supplementary pension and medical fund.

To improve monitoring of the link between working conditions and the remuneration policy, GHC has also monitored the pay ratio, i.e. the ratio between the CEO’s total remuneration (taking into account the stock component) and the average cost of each Group employee since 2023, confirming a stable value over the two years, equal to approximately 53.

Section I: 2024 Remuneration Policy

Content and Purpose of the 2024 Remuneration Policy and Link to the Group's Strategy and Sustainable Success

The proposed Policy for 2024 described in this Report concerns members of the Board of Directors and Board of Statutory Auditors, and seeks to achieve the following objectives:

- balance fixed and variable remuneration to create sustainable value for the Company;
- link variable remuneration to the achievement of operating and financial targets aligned with value creation and the actual results achieved by the Company, with a focus on sustainability;
- align the interests of management and the Company and Shareholders in the medium/long-term;
- attract, motivate and retain personnel with the appropriate individual and professional skills to pursue and achieve the core business development objectives of the Company and the GHC Group.

The Remuneration Policy is therefore based on the following criteria:

- a. the Directors' Policy provides for remuneration commensurate with the competence, professionalism and commitment required by the tasks assigned to them;
- b. Non-Executive Directors receive fixed remuneration that is not linked to financial performance targets;
- c. Executive Directors (not including the CEO) receive remuneration comprising (i) a fixed component, (ii) a potentially short-term variable component linked to the achievement of specific performance targets, which may also include non-financial criteria, pre-established and outlined in line with the Policy, and (iii) a potential medium-term variable component linked to performance targets over a period of three years;
- d. the CEO's remuneration comprises (i) a fixed component, (ii) a short-term variable component linked to performance targets, and (iii) a medium-/long-term component linked to performance targets over a period of at least three years;
- e. the fixed remuneration component should ensure that the professional services provided by the CEO are fully recognised if the variable component is not paid out due to the assigned performance targets not being met;
- f. the short and medium/long-term variable components are assigned to the Chief Executive Officer based on pre-established economic parameters. There is a maximum limit to payment of both the short and medium/long-term variable component, even if performance targets are exceeded;
- g. the performance targets are pre-established, measurable, and linked to the purpose of creating value for Shareholders over a medium/long-term period; they are consistent with the Company's strategic objectives and are designed to promote its Sustainable Success, including non-financial parameters;
- h. the payment of the medium-/long-term variable remuneration component under the Performance Share Plan is deferred for an appropriate period of time with respect to its accrual; the share-based remuneration plans for Executive Directors and other key figures identified by the Board of Directors incentivise the alignment of their interests with those of Shareholders over the medium/long term, providing that a portion of the plan shall have a total vesting period and retention period for the shares granted of at least five years;

- i. the extent of that portion and the deferment duration are in line with the characteristics of company activity and related risk profiles;
- j. Malus and Clawback clauses are provided in relation to the medium/long-term variable component of the Performance Share Plan;
- k. there are no provisions for indemnities in case of early termination or non-renewal of the management relationship; in addition, there are no agreements related to non-competition, allocation or retention of non-monetary benefits, nor are there consulting contracts stipulated for a period after the termination of the relationship;
- l. the remuneration of the members of the control body is appropriate to the competence, professionalism and commitment required by the importance of the role covered and the size and sector characteristics of the company and its situation.

1. Governance of the remuneration process

1.1. The remuneration process: bodies and parties involved

The Remuneration Policy is the result of a process involving the Board of Directors, the Appointments and Remuneration Committee, the Board of Statutory Auditors, the Shareholders’ Meeting, the Chief Executive Officer, and the various corporate functions, with respect to their fields of responsibility.

1.2. Shareholders' Meeting









With reference to remuneration topics, the Shareholders’ Meeting:

- is responsible for approving the remuneration of Directors and Auditors, pursuant to Article 2364, paragraph 1(3) of the Civil Code;
- expresses a binding vote on “Section I” of the Report and an advisory vote on “Section II” when approving the annual accounts;
- is responsible for approving any remuneration plans based on shares or other financial instruments, in accordance with Article 114-*bis* of the CFA.

1.3. The Board of Directors

At the date of this Report’s approval, the Board of Directors comprises 11 Directors:

Name	Board of Directors	Appointments and Remuneration Committee	Control, Risks and Sustainability Committee
	Alessandro M. Rinaldi	Chairperson and Non-Executive Director	
	Maria Laura Garofalo	Chief Executive Officer	
	Claudia Garofalo	Executive Director	

Name	Board of Directors	Appointments and Remuneration Committee	Control, Risks and Sustainability Committee
	Alessandra Rinaldi Garofalo Non-Executive Director		
	Giuseppe Giannasio Non-Executive Director		
	Guido Dalla Rosa Prati Executive Director		
	Luca Matrigiani Independent Director		
	Federico Ferro-Luzzi Independent Director	Chairperson	Member
	Giancarla Branda Independent Director	Member	
	Franca Brusco Independent Director	Member	Chairperson
	Nicoletta Mincato Independent Director		Member

With regard to remuneration topics, the Board of Directors:

- determines the remuneration of Senior Directors, after consulting the Board of Statutory Auditors, and on the proposal of the Appointments and Remuneration Committee, in line with the decisions made at the Shareholders' Meeting, which may determine an overall amount for the remuneration of all Directors;
- prepares the Policy on the proposal of the Appointments and Remuneration Committee, through a transparent procedure;
- approves the "*Remuneration Policy and Report*" to be submitted to the Shareholders' Meeting for a vote and ensures its adoption;
- ensures that the remuneration paid and accrued is consistent with the principles and criteria defined in the Policy, in light of the results achieved and other circumstances relevant to its implementation;
- monitors the concrete application of the Policy, with support from the Appointments and Remuneration Committee, and verifies the effective achievement of the performance targets;
- prepares, with the support of the Appointments and Remuneration Committee, any remuneration plans based on shares or other financial instruments, to be submitted for the approval of the Shareholders' Meeting through the disclosure document, pursuant to Article 114-*bis* of the CFA;
- implements any remuneration plans based on shares or other financial instruments, with the assistance of the Appointments and Remuneration Committee, by proxy of the Shareholders' Meeting.

As provided for in Article 123-*ter*, paragraph 3-*bis* of the CFA, the Company may temporarily deviate from the Policy in exceptional circumstances, subject to compliance with legal and regulatory constraints. Specifically, deviations are permitted where necessary to pursue the Group's long-term interests and Sustainable Success as a whole, or to ensure its ability to remain on the market. This included but is not limited to: (i) the occurrence, nationally or internationally, of extraordinary unforeseeable events concerning the Group or the sectors and/or markets in which it operates that significantly affect the Group's results; (ii) substantial changes in the scope of business activities such as corporate transactions, mergers, or divestitures, etc. As a result, upon the advice of the Appointments and Remuneration Committee and subject to the activation of the RPT Procedure, the Board of Directors may temporarily deviate from the Remuneration Policy with reference to the following remuneration policy components:

- fixed remuneration;
- short-term variable remuneration; and
- medium/long-term variable remuneration.

1.4. The Appointments and Remuneration Committee

1.4.1. Composition and functioning of the Appointments and Remuneration Committee

At the Report date, the Appointments and Remuneration Committee, appointed by the Board of Directors on April 30, 2021, comprises three Directors, all of whom are non-executive and independent, in line with the Corporate Governance Code: Federico Ferro-Luzzi (Chairperson), Giancarla Branda, Franca Brusco.



Federico Ferro-Luzzi

• Chairperson and Independent Director



Giancarla Branda

• Independent Director



Franca Brusco

• Independent Director

Based on their respective CVs and professional experience, this configuration guarantees adequate knowledge and experience in financial matters and remuneration policies.

The composition, powers, and operating procedures of the Committee are governed by the Regulation, approved by the Board of Directors on December 21, 2018, and most recently updated on February 18, 2022.

Generally speaking, the Committee's meetings are conducted under the guidance of the Chairperson, Federico Ferro-Luzzi, are duly minuted, and the Committee Chairperson is required to report to the Board of Directors at the subsequent meeting on the activities carried out.

The Committee meets as often as is required to perform its duties and, in any case, whenever the Committee Chairperson deems it appropriate or receives a request from the Chairperson of the Board of Directors, the Company CEO, or any of its members, to discuss a specific topic deemed particularly relevant to them.

The Chairperson of the Board of Statutory Auditors or another Statutory Auditor designated by him/her attends the meetings. Other members of the Board of Statutory Auditors may attend, and, if previously invited by the Committee, the Chairperson of the Board of Directors, the CEO, other Directors, and, after informing the CEO, representatives of other company departments or functions may participate to provide information and expertise on specific agenda items.

Directors do not participate in Committee meetings in which proposals on their remuneration are under consideration.

1.4.2. Functions of the Appointments and Remuneration Committee

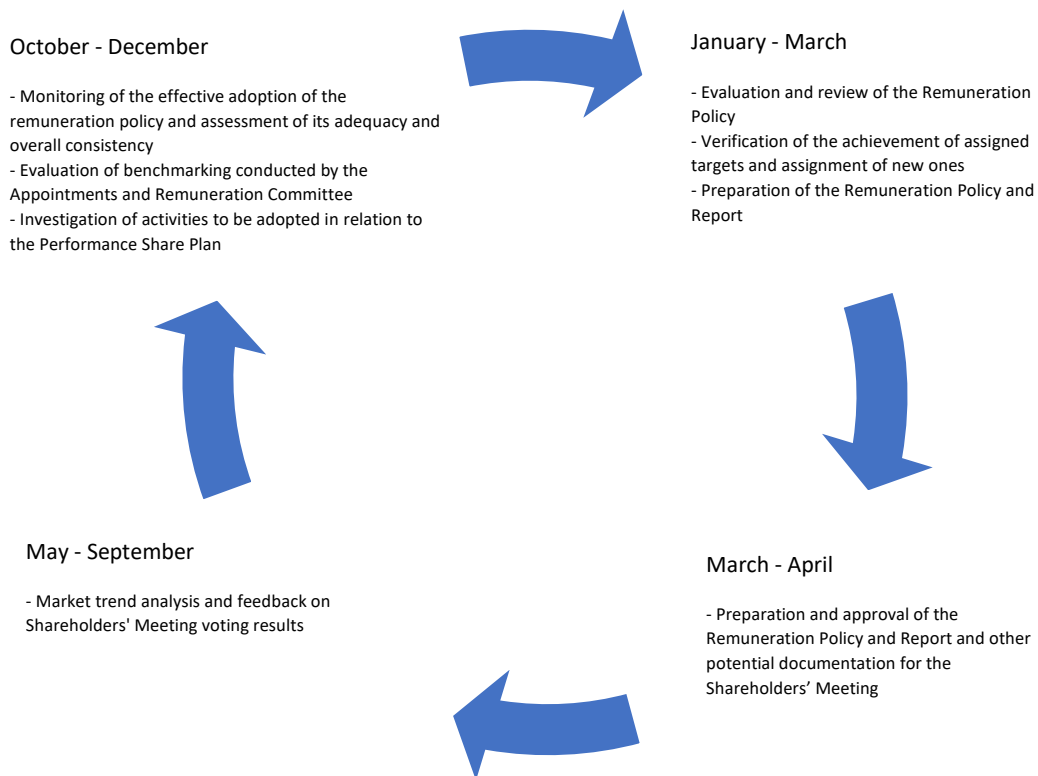
Regarding the remuneration of Directors and Auditors, the Committee carries out the following activities:

- a. assists the Board of Directors in developing the Policy;
- b. presents proposals or expresses opinions to the Board of Directors on the remuneration of the Executive Directors and Directors who hold specific offices, in addition to establishing the performance targets related to the variable component of this remuneration;
- c. monitors the concrete application of the remuneration policy, verifying, in particular, the effective achievement of the performance targets;
- d. periodically assesses the adequacy and overall consistency of the policy adopted for the remuneration of Directors and other key figures;

- e. reports on the activities undertaken in the year to the Shareholders’ Meeting by means of this Report.

If it deems it necessary or appropriate for the performance of its duties, the Committee may access all necessary information and departments and utilise - at the Company’s expense and within the limits of the annual budget - outside consultants and experts on remuneration policies, verifying in advance that their independence of judgement is not affected.

1.4.3. Appointments and Remuneration Committee activity cycle



For details on the attendance of Appointments and Remuneration Committee members at meetings, reference should be made to Table 3 annexed to the Corporate Governance and Ownership Structure Report published on the Company website www.garofalohealthcare.com,, “Governance/Shareholders’ Meeting” section.

1.5. The Board of Statutory Auditors

The Chairperson of the Board of Statutory Auditors - or, in the event of his/her absence or impediment, another Statutory Auditor designated by him/her - participates as a guest in the work of the Appointments and Remuneration Committee. In any case, all Auditors are entitled to participate in these proceedings.

Regarding remuneration, the Board of Statutory Auditors expresses an opinion upon the remuneration proposals of the Senior Directors, in accordance with Article 2389, paragraph 3 of the Civil Code, verifying the consistency of such with the Remuneration Policy adopted by the Company.

1.6. Other parties involved and independent experts

HR duties, currently entrusted to the Chief Financial Officer, involve overseeing the management and enhancement of human resources and all processes related to the management of the Company's general services, in addition to supporting the Group's facilities in managing senior managers within Group companies. In addition, the CFO provides internal technical support to the Appointments and Remuneration Committee, for which he/she prepares preparatory materials for the Committee's activities.

The Administration and Accounts, Finance, Planning, and Control departments help to identify and finalise the economic and financial targets underpinning short and medium/long-term incentive systems.

In preparing this Report, GHC decided to enlist the support of the specialised consulting firm Deloitte Consulting, for technical aspects related to the formulation of incentive plans.

1.7. Market practices and changes to the policy

For the purpose of conducting periodic market analysis for the Chief Executive Officer, a reference sample was identified based on data from 13 companies listed on the STAR segment of the Italian Stock Exchange with comparable market capitalisation and share concentration to GHC. Specifically, these companies are: Ascopiave, Avio, Biesse, Cementir, D'Amico International Shipping, Datalogic, Esprinet, LUVE, Maire Tecnimont, Mondadori, Orsero, Pharmanutra, and Safilo.

In relation to this benchmark, and in conjunction with the feedback provided by investors, GHC made adjustments to the CEO's remuneration package, focusing on the structure of the fixed component and the medium/long-term incentive values, as outlined in the following paragraphs, to bring it into line with market benchmarks.

The Remuneration Policy also introduces some changes to the short-term incentive mechanism, including a reduction in the maximum value of the bonus pool, a decrease in payout curve fluctuations, and the inclusion of an Equity Value target to promote year-on-year value creation, thereby ensuring the economic sustainability of the M&A strategy. The main changes to the medium/long-term incentive mechanism concern a reduction of the payout scale multiplier, with particular attention paid to overperformance, and the definition of the FTSE Italia STAR as the reference index for TSR evaluation.

2. The Company's remuneration policy

2.1. Elements of the 2024 Remuneration Policy

GHC's Remuneration Policy comprises:

- a fixed component; and, in some instances
- an (annual) short-term variable component;
- a medium/long-term variable component;
- a non-monetary component (benefits).

The individual remuneration elements are described in detail below, based on the specific circumstances of the Policy's beneficiaries.

2.2. Beneficiaries of the Remuneration Policy

This Report describes the Remuneration Policy for the following categories of beneficiaries:

- members of the Board of Directors, and specifically:
 - the Chairperson of the Board of Directors;
 - Non-Executive Directors and Independent Directors;
 - The Chief Executive Officer;
 - other Executive Directors.
- members of the Board Of Statutory Auditors.

2.3. Remuneration policy for members of the Board of Directors

The Board of Directors will be reappointed at the 2024 Shareholders' Meeting called to approve the total annual remuneration for the new Board of Directors. At the date of this Report, the fixed remuneration component for members of the Board of Directors was determined by the Shareholders' Meeting, with a resolution dated April 30, 2021, as Euro 220,000 gross per year, net of remuneration to be allocated to Senior Directors, for the entire term of office.

The fixed remuneration for each Director (not including Independent Directors) may comprise fees for positions held in subsidiaries, in addition to contributions from GHC, and shall not exceed a total of Euro 500,000.

In accordance with the provisions of the Corporate Governance Code, no Director participates in Appointments and Remuneration Committee meetings called to discuss his/her own remuneration.

2.4. Remuneration policy for Non-Executive Directors

2.4.1. Chairperson of the Board of Directors

The remuneration of the Chairperson of the Board of Directors comprises only the fixed component, in line with the recommendations of the Corporate Governance Code, and is therefore not linked to the Company's financial results.

The remuneration of the Chairperson of the Board of Directors reflects the decisions made by the Company's Board of Directors, taking into account (i) the total remuneration approved by the Shareholders' Meeting for the Board of Directors, and (ii) the role of Chairperson.

In more detail, the outgoing Board of Directors proposes, in line with the current remuneration assigned to the Chairperson of the Board of Directors, (i) distributing the total remuneration approved by the Shareholders' Meeting for the 2024-2026 period among the Board members, providing the Chairperson with remuneration linked to his/her role as a Director of the Issuer; and (ii) granting an additional remuneration of Euro 45,000 gross annually to the Chairperson in accordance with Article 2389, paragraph 3 of the Civil Code, in recognition of his/her role as Chairperson. In total, the Chairperson of the Board of Directors will receive a fixed remuneration amounting to Euro 65,000 gross annually. This remuneration is subject to the approval of the Shareholders' Meeting for the role of Director and by the Board of Directors for the role of Chairperson.

No post-employment benefits are provided for the Chairperson of the Board in the event that his/her relationship with GHC is terminated. Post-employment benefits are provided in the event of termination of the role of Director in a subsidiary, subject to confirmation by the Shareholders' Meeting called to approve the 2023 annual accounts, equal to 10% of the annual fixed remuneration received from that subsidiary company.

A D&O (Directors' and Officers' Liability Insurance) policy is provided for the Chairperson of the Board of Directors.

2.4.2. *Non-Executive Directors and Independent Directors*

The remuneration of Non-Executive Directors (excluding the Chairperson) and Independent Directors is established according to the recommendations of the Corporate Governance Code, on a fixed basis, and is not linked to the Company's financial results or specific targets. Instead, it is commensurate with the level of commitment required, including potential involvement in internal Board committees.

The remuneration of Non-Executive Directors (excluding the Chairperson) Directors reflects the decisions made by the Company's Board of Directors, taking into account (i) the total remuneration approved by the Shareholders' Meeting for the Board of Directors, and (ii) the potential involvement in internal Board committees.

In more detail, the outgoing Board of Directors proposes, in line with the current remuneration assigned to Non-Executive Directors, (i) distributing the total remuneration approved by the Shareholders' Meeting for the 2024-2026 period among the Board members, providing Non-Executive Directors with remuneration linked to their role as Directors of the Issuer; and (ii) granting additional fixed remuneration to Non-Executive Directors who serve on internal Board committees, in accordance with Article 2389, paragraph 3 of the Civil Code, to adequately compensate them for the additional activities and commitments undertaken for the benefit of the Company, as outlined in the following table:

Appointments and Remuneration Committee		Control, Risks and Sustainability Committee	
Chairperson	Euro 14,000	Chairperson	Euro 20,000
Member	Euro 10,000	Member	Euro 15,500

There are no provisions for Non-Executive Directors (other than the Chairperson) or Independent Directors in the event of the termination of their office or employment.

A D&O (Directors' and Officers' Liability Insurance) policy is provided for all Directors.

2.5. Remuneration policy for Executive Directors

2.5.1. Chief Executive Officer

In consultation with the Appointments and Remuneration Committee, the Board of Directors determines the remuneration of the Chief Executive Officer and also consults the Board of Statutory Auditors regarding remuneration linked to the CEO's specific responsibilities.

2.5.1.1. Fixed component

A fixed component, which must sufficiently remunerate the Chief Executive Officer in the event that the variable component is not paid because the performance targets are not met.

The fixed gross component of the Chief Executive Officer's remuneration reflects the decisions made by the Company's Board of Directors, taking into account (i) the total remuneration approved by the Shareholders' Meeting for the Board of Directors and (ii) the specific powers assigned within the Issuer.

In more detail, based on benchmark analysis and shareholder observations, the outgoing Board of Directors proposes, subject to approval by the Board of Directors following the Shareholders' Meeting on April 29, 2024, (i) distributing the total remuneration approved by the Shareholders' Meeting for the 2024-2026 period among the Board members, with the Chief Executive Officer receiving remuneration linked to his/her role as a Director of the Issuer; (ii) granting additional remuneration of Euro 927,000 gross annually to the Chief Executive Officer, in recognition of his/her specific role, in accordance with Article 2389, paragraph 3 of the Civil Code. In total, the Chief Executive Officer will receive a fixed gross annual remuneration of Euro 947,000. This remuneration is subject to the approval of the Shareholders' Meeting for the role of Director and by the Board of Directors for the role of Chief Executive Officer.

2.5.1.2. Annual variable component

The Chief Executive Officer participates in the MBO scheme, which is linked to the achievement of a profitability target by December 31, 2024. This in turn activates the incentive system ("threshold") and determines the available bonus pool, ranging from 50% to 125% of the achievable value if the threshold is fully met.

This MBO comprises remuneration determined with reference to a multiplier linked to minimum, target, and maximum performance scores, set at 30%, 60%, and 75% of the fixed remuneration, respectively, depending on GHC's performance results during the period from January 1, 2024, to December 31, 2024.

The Board of Directors decided on the structure of the 2024 incentive plan on March 7, 2024, on the proposal of the Appointments and Remuneration Committee, pending confirmation by the new Board of Directors and setting the plan's threshold as a minimum level of GHC's consolidated adjusted operating EBITDA.

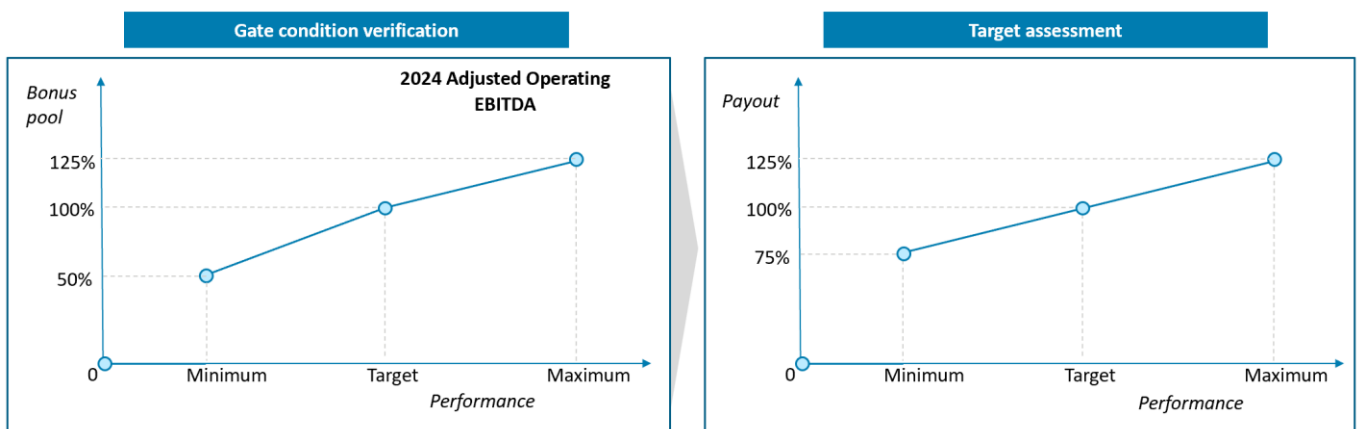
The MBO targets for 2024 were selected to align with strategic guidelines and the business model. The structure and weighting of these targets are outlined in the following table.

Performance driver	Description	Weighting %
Operating margin	Consolidated pro-forma adjusted operating EBITDA margin	25%
Creation of value for the Group	Equity Value	25%
Corporate M&A transactions	Enterprise Value of the M&A transaction maintaining a consolidated NFP/EBITDA ratio below a specific threshold value	30%
ESG targets	<ul style="list-style-type: none"> - Number of home care services provided - Risk assessment of IT governance and cyber security -Launch of a new Group data centre 	20%

The balancing of targets within the 2024 MBO plan and the inclusion of a new target related to Equity Value were evaluated with regard to the previous plan. This was done to give more weight to the operating margin, thereby supporting the economic sustainability of GHC's "Buy & Build" strategy.

The Policy reaffirms GHC's focus on ESG (Environmental, Social & Governance) targets, which are proposed and shared by the Appointments and Remuneration Committee in coordination with the Control, Risks and Sustainability Committee, aligning ESG priorities with the Group's business objectives. With a view to pursuing a more mature remuneration strategy, minimum, target, and maximum performance values are assigned to the first two ESG indicators, while the latter is determined according to an on/off logic.

The evaluation of the targets outlined above entitles the beneficiary to between 75% and 125% of the achievable value based on the set targets, depending on the level of achievement reported at the end of the year. For more information, the payout scale linked to performance targets included in the MBO plan – to be applied to the bonus pool, determined by reaching the threshold – is provided below:



If a "good leaver" terminates his/her office during the year, the incentive will accrue on a pro-rata basis, contingent upon the meeting of performance targets. The plan will therefore not be expedited.

2.5.1.3. *Medium/long-term variable component*

The Chief Executive Officer will participate in the medium/long-term variable incentive plan known as the “2024-2026 Performance Share Plan”, subject to its approval by the 2024 Shareholders' Meeting. In the first cycle, the plan is linked to financial performance metrics (2024-2026 weighted average pro-forma adjusted operating EBITDA margin), stock performance (total shareholder return vs TSR FTSE Italia STAR), and sustainability (completion of the new Heart Centre at Aurelia Hospital).

The Performance Share Plan provides for the granting of rights to purchase shares upon the achievement of specific targets (the “Rights”). This Plan seeks to:

- align the remuneration of beneficiaries with Shareholders’ interests, following the Corporate Governance Code guidelines;
- retain key human resources vital to the Group;
- guide management towards decisions that pursue the creation of value for the Group over the medium to long term.

The Performance Share Plan is divided – following best market practices – into three three-year cycles, with a deferral of 30% of the assigned shares for 24 months.

The Board of Directors may set specific performance targets for each cycle, in line with the strategic guidelines.

The Chief Executive Officer's medium-/long-term variable component is determined by pre-established economic parameters. Each cycle offers the Chief Executive Officer the opportunity to earn a percentage of Rights equivalent to 37.5%, 50%, or 62.5% of his/her fixed remuneration, upon achieving minimum, target, or maximum performance levels, respectively.

In the first cycle of the Performance Share Plan (i.e. 2024-2026 period), the vesting of Rights depends on whether the threshold is reached, which is represented by the minimum weighted average adjusted operating EBITDA margin for 2024-2026. This guarantees the Plan's sustainability at Group level, with failure resulting in the loss of the associated Rights.

If the threshold is met, the Chief Executive Officer's performance targets – set by the Board of Directors on the proposal of the Appointments and Remuneration Committee – will be evaluated:

Performance driver	Description	Weighting %
Financial/economic performance	Weighted average pro-forma adjusted operating EBITDA margin for 2024-2026	55%
Creation of value for shareholders	Relative TSR vs FTSE Italia STAR Index	25%
ESG performance	Creation of the new Heart Centre at Aurelia Hospital	20%

Specifically:

- with reference to the “*Weighted average pro-forma adjusted operating EBITDA margin for 2024-2026*”, the vesting of Rights is linked to the achievement of minimum, target, and maximum values set by the Board of Directors, based on benchmark analysis conducted on comparable companies in the healthcare sector;
- with reference to the “Relative Total Shareholder Return”, the vesting of Rights is linked to the target listed in the following table:

GHC Group TSR vs FTSE Italia STAR	Shares vesting
10% and above	125% of target shares allocated
5% to 10%	100% of target shares allocated
0% to 5%	75% of target shares allocated
Underperforming the TSR of the FTSE Italia STAR	No shares vest

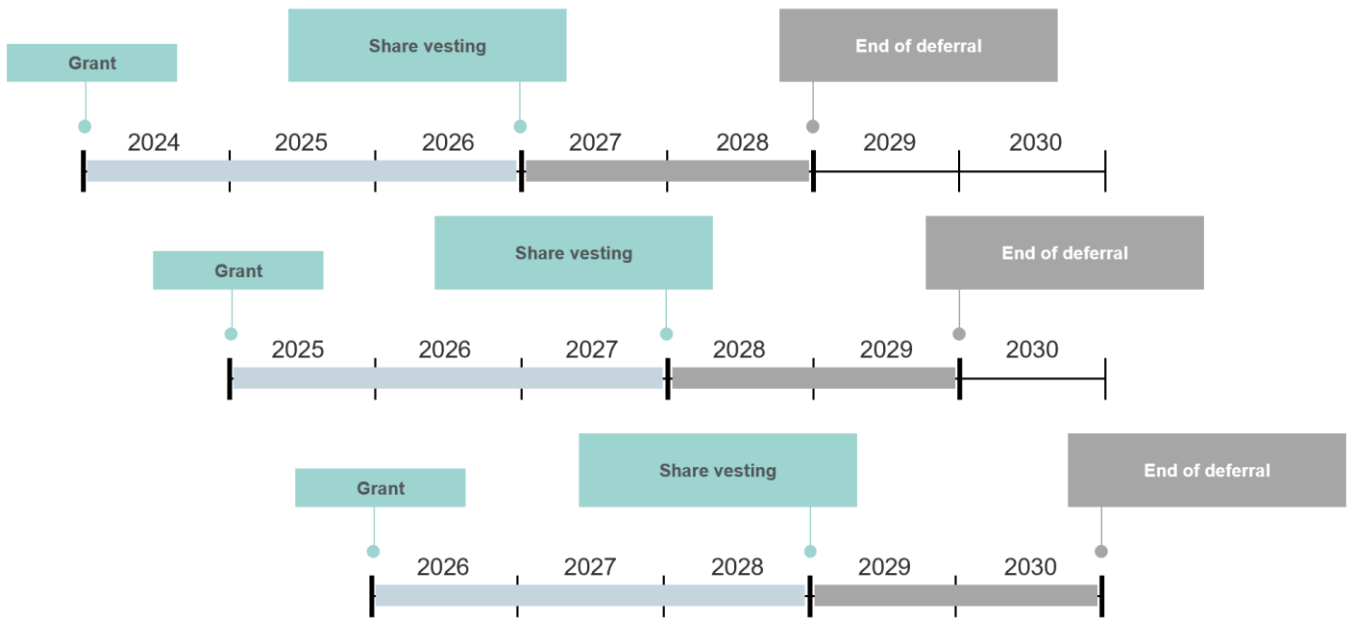
If the Group's TSR value is negative, even if it is in line with or exceeds the FTSE Italia STAR index TSR by more than 10%, the associated score will remain at 100% and no overperformance will be awarded.

- with reference to the sustainability targets, the vesting of Rights is linked to the achievement of the target to open a national leading “Cardiovascular Heart Centre” at Aurelia Hospital to increase the quality and effectiveness of surgical services. This initiative would be a good reflection of the Group’s strategy, which focuses on improving the patient experience and service quality, positioning Aurelia Hospital as an international leader. The target will only be considered reached if the work is completed and the authorisations are obtained by the end of 2026.

If the total number of vested Rights (payout) is – due to performance linked to various targets – less than 50% of the Rights granted for the full achievement of expected targets (i.e. at target), no Shares will be allocated.

At the end of the performance period, the number of Shares to be allocated to the Chief Executive Officer will be determined by the Board of Directors, following consultation with the Appointments and Remuneration Committee, based on the extent to which performance targets were achieved, subsequent to the approval of the 2026 annual accounts at the Shareholders' Meeting.

To ensure greater alignment with the Group's medium/long-term interests and to focus management’s attention on stock performance, 70% of the allocated Shares will be awarded to the Chief Executive Officer and other beneficiaries at the end of the three-year Performance Share Plan, while a portion equal to 30% will be deferred for 24 months.



In compliance with the recommendations of the Corporate Governance Code, the Chief Executive Officer (and other beneficiaries of the Performance Share Plan who are members of the Board of Directors) will be required to continuously hold a number of Shares equal to at least 25% of the allocated Shares until the end of their current term of office (lock-up period). During the lock-up period, the Chief Executive Officer will be entitled to any dividends distributed and may exercise his/her voting rights.

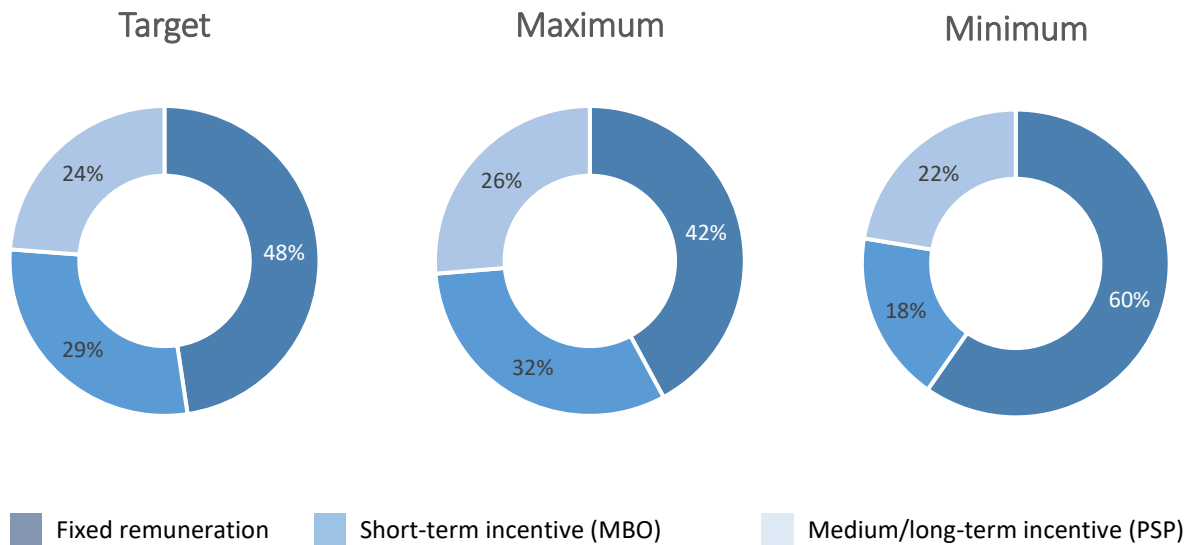
The Performance Share Plan also includes Malus and Clawback clauses, pursuant to which the Company has the right to withhold (Malus) or request the return of the countervalue of any Shares allocated (Clawback) under the Performance Share Plan if they have been awarded based on information that later proves to be inaccurate or falsified, or on conduct that does not comply with legal, regulatory, or statutory provisions, the Code of Ethics, or applicable company regulations resulting in a significant loss for any Group company, or fraudulent or grossly negligent behaviour detrimental to a Group company.

If a “good leaver” terminates his/her office before receiving the share allocation letter, the Rights will mature (and thus shares will be allocated) on a pro-rata basis, contingent upon meeting the threshold and the verification of performance targets. However, the Performance Share Plan will not be expedited under any circumstances. Regarding the deferred portion, if a good leaver terminates his/her office during the deferral period, the allocation of shares will be fully expedited. In all other situations in which the term of office is terminated (“bad leavers”) before shares are allocated, the granted Rights will be lost, unless otherwise established by the Board of Directors due to special circumstances.

For more details on the Performance Share Plan, reference should be made to the relative Disclosure Document drawn up in accordance with Annex 3A, Schedule 7 of the Consob Issuers’ Regulation, made available to the public on the Company website www.garofalohealthcare.com, in the “Governance/Shareholders’ Meetings” and “Governance/Remuneration” sections.

2.5.1.4. Pay mix

Given the described remuneration components, upon reaching the established target, maximum, and minimum levels, the Chief Executive Officer's pay mix for 2024 is as follows:



2.5.1.5. *Non-monetary benefits*

D&O insurance cover is provided for the Chief Executive Officer.

The Company may, however, grant the Chief Executive Officer other non-monetary benefits, in line with market practices and the roles and offices held. Non-monetary benefits include telephone and computer devices, cars, life insurance policies, accident policies, and supplementary medical insurance.

2.5.1.6. *Post-employment benefits provided in the event of termination of office or employment*

No post-employment benefits are provided for the Chief Executive Officer in the event of his/her termination of office at GHC. Post-employment benefits are provided for the Chief Executive Officer if he/she terminates his/her office as Director in a subsidiary company, subject to confirmation by the Shareholders’ Meeting called to approve the 2023 annual accounts. These benefits amount to 10% of the annual fixed remuneration received from that company.

There are no agreements related to non-competition, allocation or retention of non-monetary benefits, nor are there consulting contracts stipulated for a period after the termination of the relationship.

2.5.2. *Other Executive Directors*

The remuneration of Executive Directors other than the Chief Executive Officer (the “**Other Executive Directors**”) is adequately calibrated to ensure the correct balance between development objectives in the short term and sustainable creation of value for Shareholders over the medium/long-term period. This remuneration comprises (i) a fixed component, (ii) a potentially short-term variable component linked to the achievement of specific performance targets, which may also include non-financial criteria, pre-established and outlined in line with the Policy, and (ii) a potential medium-term variable component linked to performance targets over a period of three years.

2.5.2.1. Fixed component and variable component

The fixed component should sufficiently remunerate the Other Executive Directors where the variable component is not paid because the performance targets indicated are not met.

In addition to the fixed remuneration awarded for the role of Director – in relation to which the outgoing Board of Directors proposes (in line with the remuneration granted to current Executive Directors) distributing the overall remuneration approved by the Shareholders' Meeting for the 2024-2026 period among its members for their roles as Directors of the Issuer – the following is provided for Other Executive Directors:

- i) fixed remuneration as an Executive and/or for positions held in Boards of Directors of Group companies;
- ii) a potential annual bonus depending on the role held, with a weighting on fixed remuneration to be evaluated according to the job role; and
- iii) the potential allocation of shares accrued as a beneficiary of the 2024-2026 Performance Share Plan, with target percentages to be set based on the beneficiary's role (ranging from 10% to 30% of fixed remuneration), and a payout scale that provides access to a number of Rights between 75% and 125% of those granted upon achievement of the set targets;

A D&O (Directors' and Officers' Liability Insurance) policy is provided for Other Executive Directors.

2.5.2.2. Non-monetary benefits

The Company may grant non-monetary benefits to Other Executive Directors in line with market practice and the roles and offices held. Non-monetary benefits include telephone and computer devices, cars, life insurance policies, accident policies, supplementary medical cover, and meal vouchers.

2.5.2.3. Post-employment benefits provided in the event of termination of office or employment

There are no post-employment benefits for Other Executive Directors in the event of termination of office or termination of employment except for that provided by law and the relevant collective bargaining agreement, with regard to Executive Directors who also hold a managerial employment relationship. There are also no agreements related to non-competition, allocation or retention of non-monetary benefits, nor are there consulting contracts stipulated for a period after the termination of the relationship.

2.6. Remuneration policy for members of the Board of Statutory Auditors

The Board of Statutory Auditors will be reappointed at the 2024 Shareholders' Meeting, which is called to approve the annual remuneration of the new Board of Statutory Auditors, among other matters. The remuneration of the members of the Board of Statutory Auditors in office at the date of this Report was determined by the Shareholders' Meeting with a resolution on April 30, 2021, equal to a total amount, for each financial year, of (i) Euro 38,000 gross for the position of Chairperson of the Board of Statutory Auditors; and (ii) Euro 28,000 gross for the position of Statutory Auditor.

The remuneration of the Company's Board of Statutory Auditors is commensurate with the commitment required, the importance of the role covered, and the size and sector of the Company, in line with Article 5, Recommendation 30 of the Corporate Governance Code.

For positions held in subsidiary companies, the remuneration provided for members of the Board of Statutory Auditors shall not exceed Euro 200,000 gross per Auditor per year, in any case.

Section II: Report on Remuneration Paid in 2023

Introduction

This section provides information on events and activities carried out in 2023, for the purpose of disclosing the remuneration paid during the financial year by the Company. With particular reference to the variable components accrued based on the 2023 performance results, information is provided concerning the extent to which the associated targets were met. This choice reflects GHC's desire to provide the market, its Shareholders, and other stakeholders with clear and transparent information.

This section, divided into two parts, specifically outlines the remuneration, in any form or manner, paid to individuals who held the position of member of the Board of Directors or member of the Board of Statutory Auditors, during the 2023 financial year.

Activities of the Appointments and Remuneration Committee

During the 2023 financial year, the Appointments and Remuneration Committee met eight times, with the active participation of its Committee members, specifically:



The meetings, lasting on average about 1 hour and 45 minutes, saw the regular and assiduous attendance of its members, with an average attendance rate of approximately 92%, and the participation of the Chairperson of the Board of Statutory Auditors and/or at least one other Auditor.

During this period, the Committee discussed the following remuneration topics, among others:

- evaluation of the short- and medium/long-term results for the Chief Executive Officer and the General Manager for 2022, to check on the actual implementation of the 2022 remuneration policy and, in particular, the actual achievement of performance targets (pursuant to Recommendation 25(c) of the CGC);
- the Committee's assessment of the adequacy and overall consistency of the 2023 Remuneration Policy for Directors and top management (pursuant to Recommendation 25(d) of the CGC);
- review of the letter provided by the Chairperson of the Italian Stock Exchange's Corporate Governance Committee and the related recommendations for 2023 concerning matters within the Committee's jurisdiction, and drafting of comments on points within its purview;
- periodic review of the adequacy of the Committee's Internal Rules;
- definition of the CEO's MBO plan targets for 2023;
- definition of targets for the third cycle of the "2021-2023 Performance Share Plan";

- review of sections I and II of the 2023 Remuneration Policy and Report, pursuant to Article 123-ter of the CFA and Article 84-quater of the Consob Issuers' Regulation, and the Committee's subsequent opinion;
- analysis of the Shareholders' Meeting results on remuneration;
- decisions concerning the granting of Rights to Beneficiaries for the third cycle (2023-2025) of the 2021-2023 Performance Share Plan.

During the first few months of the 2024 financial year, the Committee's activities focused, among other matters, on:

- finalising the short-term incentive plan (MBO) for the Chief Executive Officer for 2023 (for verification purposes, per Recommendation 25(c) of the Corporate Governance Code): reporting on meeting the threshold and targets, and calculating the payout;
- preparing the new short-term incentive plan (MBO) for the Chief Executive Officer for 2024: analysing qualitative and quantitative benchmarks; defining the target opportunity, targets, and threshold; defining the incentive mechanism and payout;
- finalising the first cycle of the 2021-2023 Performance Share Plan: reporting on meeting the threshold and targets, and calculating the payout;
- defining the new long-term incentive plan called the "2024-2026 Performance Share Plan"; defining targets for the first cycle of the Plan, analysing information under Article 84-bis of the Issuers' Regulation, and the draft regulation of the first cycle of the Plan;
- preparing the 2024 Remuneration Policy and Report on Remuneration Paid in 2021: reviewing the gap analysis and defining the primary areas of intervention;
- review of the letter provided by the Chairperson of the Italian Stock Exchange's Corporate Governance Committee and the related recommendations for 2024 concerning matters within the Committee's jurisdiction;
- definition of the 2024 Remuneration Policy under Article 123-ter of the CFA.

While performing its duties, the Committee had full access to the necessary information and relevant company departments from time to time.

Implementation of the 2023 Remuneration Policy

The 2023 Remuneration Policy was reviewed by the Appointments and Remuneration Committee as part of the periodic evaluation required by the Corporate Governance Code, confirming its coherence and consistency with the decisions made by the Board of Directors and the relevant shareholders' resolutions, where applicable. For the year under consideration, there were no deviations from the remuneration policy approved by the Shareholders' Meeting. Specifically, in line with the resolutions implemented by the Board of Directors, this remuneration policy was adopted for the intended beneficiaries through its specified components (see Section I, Chapter 2 of the 2023 Remuneration Report), namely:

- a component as a Board Director;
- a component as a Senior Director;
- a gross annual fixed component (GAR);
- a component for committee participation;

-
- a medium/long-term component;
 - a short-term component;
 - benefits recognised under the applicable national collective bargaining agreements and company practices.

A complete illustration of the items which comprise remuneration is provided below, including post-employment benefits, highlighting compliance with the relevant Remuneration Policy.

In total, GHC's Board of Directors appointed on April 30, 2021, was granted an annual fixed remuneration of Euro 1,140,000 for the 2023 financial year, while GHC's Board of Statutory Auditors, appointed on April 30, 2021, was granted an annual fixed remuneration of Euro 94,000 for the 2023 financial year.

Members of the Board of Directors

The Board of Directors resolved to distribute the total remuneration of Euro 220,000 among its members and granted additional remuneration to the Chairperson of the Board, the Chief Executive Officer (based on the conferred powers), and the Independent Non-Executive Directors (as members of internal Board committees), thereby adopting the 2023 remuneration policy, as illustrated in the 2022 Remuneration Policy and Report. This section includes an overview of the adoption of the remuneration policy with regard to Other Executive Directors in their capacity as Executives of the Holding Company or Directors of other Group companies, as presented in 2023.

In addition, in accordance with the Issuers' Regulation (Annex 3A, Schedule 7-*bis*) and in adoption of the 2023 Remuneration Policy, any remuneration from subsidiaries received by members of the Board of Directors is included in Table 1, which forms part of the second section of this Report.

Members of the Board of Statutory Auditors

Pursuant to the Issuers' Regulation (Annex 3A, Schedule 7-*bis*) and in adoption of the 2023 Remuneration Policy, the remuneration received by the members of the Board of Statutory Auditors is included in Table 1, which forms part of the second part of this section.

Other Senior Executives

There were no Senior Executives other than Directors of the Company in 2023.

Variable incentive

Short-term variable incentive plan for the Chief Executive Officer

The Company's performance results for the 2023 financial year, evaluated and approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee at the meeting held on March 7, 2024, led to the determination of a performance level equivalent to 97.5% with regard to the variable component to be awarded to the Chief Executive Officer.

This performance level was obtained in light of the threshold being met and the results achieved with regard to the threshold and MBO targets.

MBO targets

<i>Objective</i>	<i>Weighting</i>	<i>Result</i>
<i>Pro-forma operating EBITDA margin</i>	35%	Below minimum
<i>M&A transactions (EV)</i>	35%	Maximum
<i>ESG targets</i>	30%	Maximum
Total	100%	97.5%

Specifically, the results achieved regarding the "M&A transactions (EV)" target relate to GHC's acquisition of Sanatorio Triestino S.p.A. and other healthcare facilities, namely Aurelia Hospital, European Hospital, Hospice S. Antonio da Padova, and Samadi Psychiatric Residential Care Facility in 2023. These acquisitions were pursued in line with the Group's "Buy & Build" strategy, resulting in an Enterprise Value exceeding the maximum threshold set for this target. However, the financial results for 2023 as a whole did not meet the minimum margin value, as the acquired facilities had to be fully integrated during the year.

As for the ESG targets, the achieved percentage of 150% was calculated based on the relevant KPI results, as illustrated below:

<i>Objective</i>	<i>Description</i>	<i>Status</i>
Environment and energy efficiency	Increase the % of electricity acquired from renewable sources, to further cut supply costs, stipulating a contract with an identified supplier	Achieved
Quality of care and focus on the patient and caregiver	Actively monitor, measure, and manage performance quality using primary indicators of patient safety and clinical quality through the adoption and use of a dashboard	Achieved
Technological innovation and digitalisation of services	Incorporate digital evolution initiatives and projects into the 2023 Plan	Achieved

In line with the 2023 Remuneration Policy, the performance level achieved in 2023 enabled the activation of the short-term incentive system for the Chief Executive Officer. This resulted in the payment of a bonus equal to 58.5% of the fixed remuneration provided by the Group's Holding Company.

Medium/long-term variable incentive

Performance Share Plan

At the end of 2023, the first cycle of the 2021-2023 Performance Share Plan came to a close. The Company’s results for 2021, 2022, and 2023, evaluated and approved by the Board of Directors on the proposal of the Appointments and Remuneration Committee at the meeting on March 7, 2024, led to the determination of a performance level equal to 67.7% with reference to the variable component to be awarded to the Chief Executive Officer and other Plan beneficiaries.

This performance level was achieved due to the threshold being met, represented by the weighted average adjusted pro-forma operating EBITDA, along with the results achieved with regard to the threshold and PSP targets.

2021 - 2023 PSP Targets - First Cycle

<i>Objective</i>	<i>Weighting</i>	<i>Result</i>
<i>Pro-forma adjusted operating EBITDA margin</i>	60%	Between minimum and target
<i>Relative TSR vs FTSE All Share Index</i>	25%	Below minimum
<i>ESG targets</i>	15%	Between target and maximum
Total	100%	67.7%

The “Relative TSR” target did not result in the payment of the associated bonus as the performance level fell below the minimum, owing to GHC’s stock performance being lower than the reference index over the 2021-2023 period.

The achievement of the ESG targets is linked to the assignment of the “EE (short-term) / EE+ (medium-long term)” rating by Standard Ethics and the positive assessment of the Group’s energy and environmental performance at 31 of the 32 Group facilities involved in the scheme.

In line with the Performance Share Plan conditions, the performance level reached for the first cycle of the Plan activated the long-term incentive system for the Chief Executive Officer and other Plan beneficiaries. Table 3A provides a detailed overview of the Rights accrued by the Plan’s beneficiaries.

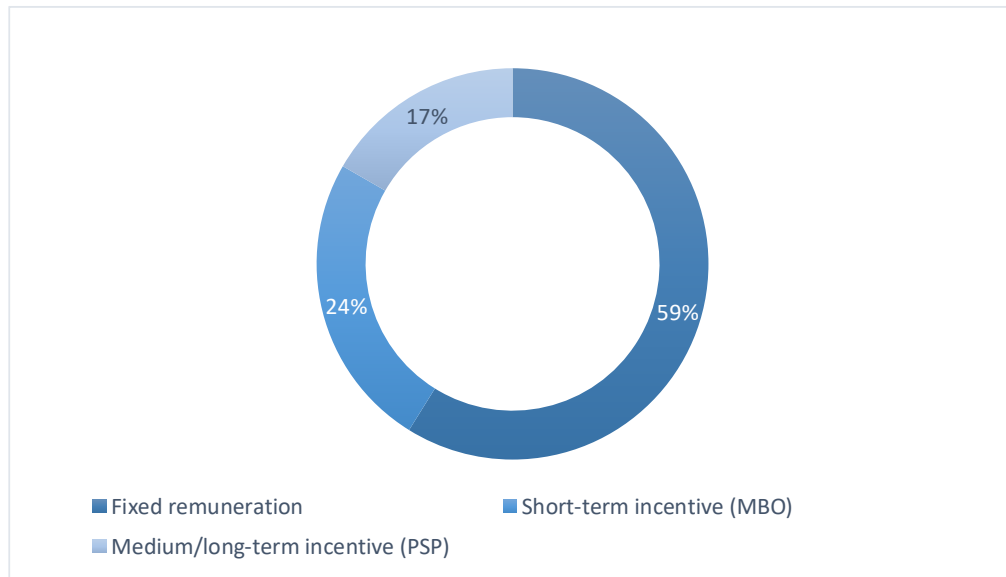
In accordance with the 2023 Remuneration Policy and Performance Share Plan conditions, on September 12, 2023, the Board of Directors approved the number of rights to Shares to be granted to beneficiaries of the 2021-2023 Performance Share Plan, identified by the Board of Directors for the third cycle, as provided for in the “*Regulation on the Third Cycle of the Plan*” approved by the Board of Directors on March 10, 2023.

The Rights granted to the Chief Executive Officer and other individuals requiring disclosure are listed in Table 3A at the end of this Report.

Benefits

The value of benefits granted in 2023 on a tax assessable basis is listed in Table 1 of the “2023 Remuneration Report” chapter. Specifically, these values refer to the following benefit: assignment of a company car for business and personal use (annual value, net of the beneficiary’s contribution).

Ex-post pay mix of the Chief Executive Officer



The values of the ex-post pay mix shown in the pie chart were calculated taking into account the fixed remuneration and short-term incentive values listed in Table 1, while the percentage of medium/long-term incentives refers to the up-front bonus awarded in the first cycle of the 2021-2023 Performance Share Plan (including the portion subject to lock-up). This percentage was finalised and evaluated based on the average stock price of GHG shares in the 30 days preceding this Report’s approval.

Indemnity for the early resolution of employment or payments for non-competition commitments

No employment contracts were entered into by members of the Board of Directors or members of the Board of Statutory Auditors with the Issuer or other Group companies that provide for the payment of indemnity in addition to or in terms other than those provided by law and/or the applicable national collective bargaining agreement.

In 2021, one subsidiary voted to grant 10% of the annual remuneration to the Chairperson of the Board of Directors, Alessandro Maria Rinaldi, and the Chief Executive Officer, Maria Laura Garofalo as part of their end-of-term provision.

There are no non-competition agreements in place.

Annual change in company remuneration

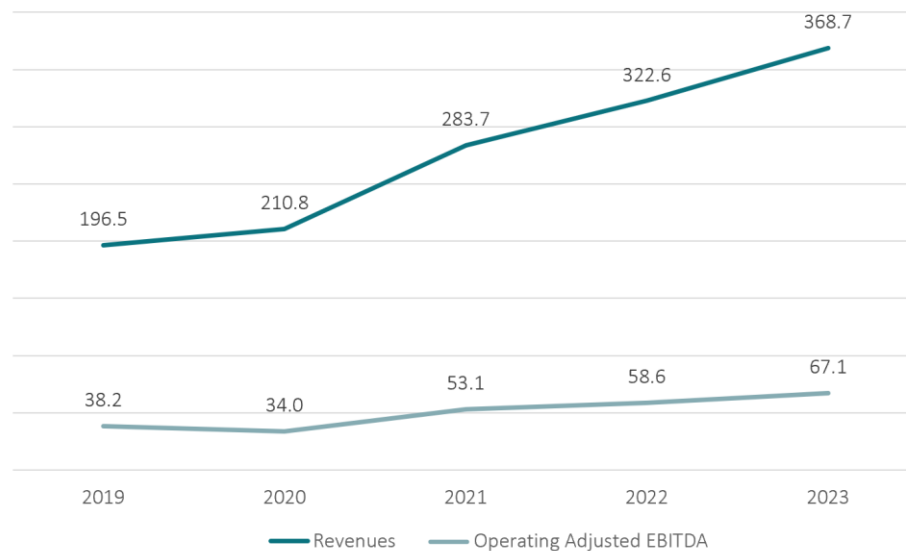
The Company shares the goal of increasing transparency concerning the Chief Executive Officer's remuneration and continuously monitoring the ratio between his/her remuneration, the rest of the workforce, and business results. Specifically, GHC has monitored the annual change in remuneration since 2021, when the Board of Directors and Board of Statutory Auditors were re-appointed, while business performance trends were evaluated over the five-year period from 2019 to 2023.

The remuneration structure adopted by the Company adequately rewards the skills, experience, and contribution required for the various roles, taking into account the targets assigned and results achieved.

The following table outlines the annual change:

- in the total remuneration paid to the Chief Executive Officer, the Chairperson of the Board of Directors, and other Directors and members of the Board of Statutory Auditors; and
- in the average gross annual remuneration, benchmarked against full-time equivalent employees, excluding individuals for whom nominal disclosure is provided.

Financial performance over the years (Euro millions)



Annual change in remuneration

		2023	2022	2021	2023 vs 2022
Board of Directors					
Name	Office				
Alessandro Maria Rinaldi	Chairperson of the Board of Directors	€ 100,000	€ 100,000	€ 90,000	0%
Maria Laura Garofalo	Chief Executive Officer	€ 1,614,412	€ 1,644,862	€ 1,775,017	-2%
Guido Dalla Rosa Prati	Executive Director	€ 410,000	€ 410,000	€ 380,539	0%
Claudia Garofalo	Executive Director	€ 173,232	€ 161,933	€ 153,900	7%
Giuseppe Giannasio	Non-Executive Director	€ 80,000	€ 80,000	€ 80,000	0%
Alessandra Rinaldi Garofalo	Non-Executive Director	€ 46,534	€ 35,712	€ 35,000	30%
Javier de La Rica	Non-Executive Director	€ 20,000	€ 20,000	€ 13,333	0%

				(from 30/04/2021)	
Federico Ferro-Luzzi	Independent Director	€ 49,500	€ 49,500	€ 47,500	0%
Franca Brusco	Independent Director	€ 50,000	€ 50,000	€ 47,667	0%
Giancarla Branda	Independent Director	€ 30,000	€ 30,000	€ 20,000 (from 30/04/2021)	0%
Nicoletta Mincato	Independent Director	€ 35,500	€ 35,500	€ 23,667 (from 30/04/2021)	0%
Board of Statutory Auditors					
Name	Office				
Sonia Peron	Chairperson of the Board of Statutory Auditors	€ 61,000	€ 46,584	€ 25,333 (from 30/04/2021)	31%
Alessandro Musaio	Chairperson (until 30/04/2021) and Statutory Auditor (since 30/04/2021)	€ 121,166	€ 106,042	€ 93,077	14%
Francesca di Donato	Statutory Auditor	€ 48,000	€ 43,397	€ 35,333	11%
Average gross annual remuneration of employees					
Definition of scope	Garofalo Health Care S.p.A. employees	€ 67,488	€ 64,573	€ 63,612	4.5%

2023 remuneration overview

The analytical details of remuneration paid by the Company or other Group companies in any capacity or form in 2023 are provided in the tables below, in compliance with the Consob Issuers' Regulation.

In accordance with the provision of Article 84-*quater* and Annex 3A, Schedule 7-*ter* of the Consob Issuers' Regulation, this Report includes a table outlining the shareholdings held by the Company and its subsidiaries, members of the administrative and control bodies, and other Senior Executives. The table is based on the information provided in the Shareholders' Register, communications received, or information acquired from members of the administrative and control bodies and Senior Executives.

Table 1: Remuneration paid to members of management and control bodies and other Senior Executives

Key

In the “**Fixed Remuneration**” section, the following are indicated separately, possibly in the footnotes and on an accruals basis: (i) the remuneration approved by the Shareholders’ Meeting, even if not paid; (ii) attendance fees; (iii) flat-rate expense reimbursements; (iv) remuneration received for holding particular positions, as per Article 2389, paragraph 3, of the Civil Code (for example, Chairperson, Vice-Chairperson); (v) fixed remuneration for employment before social security and tax charges borne by the employee, excluding mandatory collective social security charges borne by the company and severance reserves. The other components of any employment remuneration (bonuses, other compensation, non-monetary benefits, etc.) should be indicated in the respective columns, specifying the portion paid by virtue of an administrative or employment relationship in the footnotes.

“**Committee participation remuneration**” should be indicated on an accrual basis and can be aggregated. Information about the committees in which the Director participates should be provided in a footnote, in addition to the remuneration received if the Director participates in multiple committees.

Vested remuneration is included in the “**Bonuses and other incentives**” column, even if not yet paid, during the year for targets achieved within that same year as part of monetary incentive plans. Granted or exercised stock-option values or other remuneration in financial instruments are not included in any case. This value is the sum of the amounts shown in Table 3B, columns 2A, 3B and 4, line (III).

The amount in the “**Profit sharing**” column is reported on an accrual basis even if the financial statements and the distribution of profits have not yet occurred.

“**Non-monetary benefits**” indicates the value of fringe benefits (on a tax assessable basis), including any insurance policies and supplementary funds.

“**Indemnity at end of office or termination of employment**” shows the indemnities accrued, even if not yet paid, in favour of Directors for termination of office during the financial year under review, with reference to the year in which the actual termination took place. The estimated value of any non-monetary benefits, consultancy contracts, and indemnity related to non-competition commitments is also indicated. The amount of indemnity for non-competition commitments shall be reported only once at the time of termination of office, specifying in the first part of the second section of the report the duration of the non-competition commitment and the date of actual payment.

The “**Other remuneration**” column separately indicates any additional remuneration resulting from other services provided on an accrual basis. Information on any loans, advance payments, or guarantees granted by the Company or its subsidiaries to Executive Directors and the Chairperson of the Board of Directors is provided in a footnote if they represent a form of indirect remuneration when taking into account specific conditions (differing from market conditions or those applicable in standardised form to categories of individuals).

The “**Fair value of equity remuneration**” column indicates the fair value at the allocation date of equity remuneration for the year under equity-based incentive plans, estimated in accordance with international accounting standards. This value corresponds to the sum of the amounts shown in column 16, row III of Table 2 and column 12, row III of Table 3A below.

Column (6) “**Total**” aggregates accounts (1) to (5).

Row (III) summarises the remuneration received from the reporting Company and the remuneration received for tasks performed in subsidiary and associated companies for each column.

A	B	C	D	1	2	3		4	5	6	7	8
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Remuneration for committee participation	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity at end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Alessandro M. Rinaldi (1)	Chairperson	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				65,000.00						65,000.00		
(II) Remuneration from subsidiaries and associated companies				35,000.00						35,000.00		1,000.00
(III) Total				100,000.00						100,000.00		1,000.00
Maria Laura Garofalo (2)	Chief Executive Officer	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				810,000.00		473,850.00				1,283,850.00	530,409.95	
(II) Remuneration from subsidiaries and associated companies				330,561.64						330,561.64		1,000.00
(III) Total				1,140,561.64		473,850.00				1,614,411.64	530,409.95	1,000.00
Guido Dalla Rosa Prati (3)	Executive Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00						20,000.00		
(II) Remuneration from subsidiaries and associated companies				340,000.00		50,000.00				390,000.00	14,986.72	
(III) Total				360,000.00		50,000.00				410,000.00	14,986.72	
Claudia Garofalo (4)	Executive Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				94,667.00		10,000.00		4,031.10		108,698.00	9,168.14	
(II) Remuneration from subsidiaries and associated companies				64,534.25						64,534.25		
(III) Total				159,201.25		10,000.00		4,031.10		173,232.35	9,168.14	
Giuseppe Giannasio (5)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00						20,000.00		
(II) Remuneration from subsidiaries and associated companies				60,000.00						60,000.00		
(III) Total				80,000.00						80,000.00		
Alessandra Rinaldi Garofalo (6)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00						20,000.00		
(II) Remuneration from subsidiaries and associated companies				26,534.25						26,534.25		
(III) Total				46,534.25						46,534.25		

A	B	C	D	1	2	3	A	4	5	6	7	8
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Remuneration for committee participation	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity at end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Javier de la Rica	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00						20,000.00		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				20,000.00						20,000.00		
Federico Ferro Luzzi (7)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00	29,500.00					49,500.00		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				20,000.00	29,500.00					49,500.00		
Franca Brusco (8)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00	30,000.00					50,000.00		
(II) Remuneration from subsidiaries and associated companies												
(IV) Total				20,000.00	30,000.00					50,000.00		
Giancarla Branda (9)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00	10,000.00					30,000.00		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				20,000.00	10,000.00					30,000.00		
Nicoletta Mincato (10)	Director	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				20,000.00	15,500.00					35,500.00		
(II) Remuneration from subsidiaries and associated companies												
(III) Total				20,000.00	15,500.00					35,500.00		

1) The remuneration received by Alessandro Maria Rinaldi from the company preparing the accounts amounted to Euro 65,000, distributed as follows: a) Euro 20,000 for the role of Director; b) Euro 45,000 for the role of Chairperson of the Board of Directors pursuant to Article 2389, paragraph 3, of the Civil Code.

The annual remunerations received from subsidiary companies are reported below:

- Euro 10,000 per annum, plus a 10% end-of-employment benefit provision, for the role of Director of the company Casa di Cura Prof. Nobili s.r.l.;

- Euro 10,000 per annum for the role of Director of Rugani Hospital s.r.l.;
- Euro 15,000 per annum for the role of Director of Ospedali Privati Riuniti s.r.l..

(2) The remuneration received by Maria Laura Garofalo from the company preparing the accounts amounted to Euro 810,000 annually, composed as follows: a) Euro 20,000 for the role of Director, Euro 790,000 for the role of Chief Executive Officer pursuant to Article 2389, paragraph 3, of the Civil Code.

Remuneration received from subsidiary companies is reported below:

- Euro 2,000 per annum for the role of Director of Aesculapio s.r.l.;
- Euro 10,000 per annum for the role of Director of Aurelia Hospital s.r.l., pro-rated for the period between the appointment date and the end of the year (appointed on 16/11/2023);
- Euro 10,000 per annum, plus a 10% end-of-employment benefit provision, for the role of Director of the company Casa di Cura Prof. Nobili s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of Casa di Cura Villa Berica s.r.l.;
- Euro 10,000 per annum for the role of Director of Casa di Cura Villa Garda s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of Centro di Riabilitazione s.r.l.;
- Euro 20,000 per annum for the role of Director of Centro Medico San Biagio s.r.l.;
- Euro 20,000 per annum for the role of Director of Centro Medico Università Castrense s.r.l.;
- Euro 15,000 per annum for the role of Director of Clinica San Francesco s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of CMSR Veneto Medica s.r.l.;
- Euro 10,000 per annum for the role of Director of Domus Nova S.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of Fides Medica s.r.l.;
- Euro 15,000 per annum for the role of Chairperson of the Board of Directors of Fides Servizi s.c.a.r.l.;
- Euro 10,000 per annum for the role of Director of Gruppo Veneto Diagnostica e Riabilitazione s.r.l.;
- Euro 15,000 per annum for the role of Director of Hesperia Hospital Modena s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of L'Eremo di Miazzina s.r.l.;
- Euro 15,000 per annum for the role of Director of Ospedali Privati Riuniti s.r.l.;
- Euro 20,000 per annum for the role of Director of Poliambulatorio Dalla Rosa Prati s.r.l.;
- Euro 10,000 per annum for the role of Chairperson of the Board of Directors of Prora s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of Roemar s.r.l.;
- Euro 20,000 per annum for the role of Chairperson of the Board of Directors of Rugani Hospital s.r.l.;
- Euro 10,000 per annum for the role of Chairperson of the Board of Directors of Sanatorio Triestino S.p.A., pro-rated for the period between the appointment date and the end of the year (appointed on 25/05/2023);
- Euro 10,000 per annum for the role of Director of XRay One s.r.l.

(3) The details of the annual remuneration received by Guido Dalla Rosa from subsidiary companies are reported below:

- Euro 40,000 for the role of Chairperson of the Board of Directors and Chief Executive Officer of Domus Nova S.r.l.;
- Euro 25,000 for the role of Chairperson of the Board of Directors of Hesperia Hospital s.r.l.;
- Euro 25,000 for the role of Chairperson of the Board of Directors of Ospedali Privati Riuniti s.r.l.;
- Euro 250,000 for the role of Chairperson of the Board of Directors and Chief Executive Officer of Poliambulatorio Dalla Rosa Prati s.r.l.

(4) The remuneration received by Claudia Garofalo from the company preparing the accounts amounted to Euro 90,000 annually, composed as follows: a) Euro 20,000 for the role of Director, b) Euro 77,000 as remuneration for the role of Executive, starting from May 2023.

The details of the annual remuneration received from subsidiary companies are reported below:

- Euro 2,000 per annum for the role of Director of Aesculapio s.r.l.;
- Euro 10,000 per annum for the role of Director of Aurelia Hospital s.r.l., pro-rated for the period between the appointment date and the end of the year (appointed on 16/11/2023);
- Euro 5,000 per annum for the role of Director of Casa di Cura Villa Berica s.r.l.;
- Euro 7,500 per annum for the role of Director of Centro di Riabilitazione s.r.l.;
- Euro 5,000 per annum for the role of Director of CMSR Veneto Medica s.r.l.;
- Euro 10,000 per annum for the role of Director of Domus Nova S.r.l.;
- Euro 5,000 per annum for the role of Director of Fides Medica s.r.l.;

- Euro 10,000 per annum for the role of Director of Gruppo Veneto Diagnostica e Riabilitazione s.r.l.;
- Euro 11,000 per annum for the role of Director of L'Eremo di Miazzina s.r.l.;
- Euro 5,000 per annum for the role of Director of Prora s.r.l.;
- Euro 7,500 per annum for the role of Director of Roemar s.r.l.

In the "Non-Monetary Benefits" column, the amount represents the premium paid in 2023 by the Company to cover insurance policies for the Executive, including life insurance, accident insurance, reimbursement of medical expenses, and meal vouchers.

(5) The details of the remuneration received by Giuseppe Giannasio from subsidiary companies are reported below:

- Euro 20,000 per annum for the role of Director of Centro Medico San Biagio s.r.l.;
- Euro 20,000 per annum for the role of Director of Centro Medico Università Castrense s.r.l.;
- Euro 20,000 per annum for the role of Director of Poliambulatorio Dalla Rosa Prati s.r.l.

(6) The details of the remuneration received by Alessandra Rinaldi-Garofalo from subsidiary companies are reported below:

- Euro 10,000 per annum for the role of Director of Aurelia Hospital s.r.l., pro-rated for the period between the appointment date and the end of the year (appointed on 16/11/2023);
- Euro 10,000 per annum for the role of Director of Gruppo Veneto Diagnostica e Riabilitazione s.r.l.
- Euro 15,000 per annum for the role of Director of Hesperia Hospital s.r.l.

(7) The remuneration received by Ferro Luzzi from the company preparing the accounts for his participation in committees comprises:

- a fee for the role of Chairperson of the Appointments and Remuneration Committee amounting to Euro 14,000 per annum;
- a fee for the role of member of the Control, Risks and Sustainability Committee, amounting to Euro 15,500 per annum.

(8) The remuneration received by Franca Brusco from the company preparing the accounts for her participation in committees comprises:

- a fee for the role of Chairperson of the Control, Risks and Sustainability Committee amounting to Euro 20,000 per annum;
- a fee for the role of member of the Appointments and Remuneration Committee, amounting to Euro 10,000 per annum.

(9) The total remuneration received by Giancarla Branda from the company preparing the accounts for participation in committees consists of a fixed fee of Euro 10,000 per annum for the role of member of the Appointments and Remuneration Committee.

(10) The total remuneration received by Nicoletta Mincato from the company preparing the accounts for participation in committees consists of a fixed fee of Euro 15,500 per annum for the role of member of the Control, Risks and Sustainability Committee.

A	B	C	D	1	2	3		4	5	6	7	8
Name	Office	Period of office	Conclusion of office	Fixed remuneration	Remuneration for committee participation	Non equity variable remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Indemnity at end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
Sonia Peron (1)	Chairperson of the Board of Statutory Auditors	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				38,000.00						38,000.00		
(II) Remuneration from subsidiaries and associated companies				23,000.00						23,000.00		
(III) Total				61,000.00						61,000.00		
Alessandro Musaio (2)	Statutory Auditor	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				28,000.00						28,000.00		
(II) Remuneration from subsidiaries and associated companies				105,165.75						105,165.75		
(III) Total				133,165.75						133,165.75		
Francesca Di Donato (3)	Statutory Auditor	01/01/2023 - 31/12/2023	Approval 2023 FS									
(I) Remuneration from company preparing the accounts				33,000.00						33,000.00		
(II) Remuneration from subsidiaries and associated companies				20,000.00						20,000.00		
(III) Total				53,000.00						53,000.00		

(1) The details of the remuneration received by Sonia Peron from subsidiary companies are reported below:

- Euro 15,000 per annum for the role of Chairperson of the Board of Statutory Auditors of Garofalo Health Care Real Estate S.p.A.;
- Euro 8,000 per annum for the role of Sole Statutory Auditor of Gruppo Veneto Diagnostica e Riabilitazione s.r.l.

(2) The details of the remuneration received by Alessandro Musaio from subsidiary companies are reported below:

- Euro 25,000 per annum for the role of Sole Statutory Auditor of Aurelia Hospital s.r.l., pro-rated for the period between the date of appointment and the end of the year (appointed on 16/11/2023);
- Euro 16,700 for the role of Sole Statutory Auditor of Casa di Cura Villa Garda s.r.l.;
- Euro 15,000 for the role of Chairperson of the Board of Statutory Auditors of Centro Medico San Biagio s.r.l.;

- Euro 15,000 for the role of Chairperson of the Board of Statutory Auditors of Domus Nova S.r.l.;
 - Euro 10,000 per annum for the role of Statutory Auditor of Garofalo Health Care Real Estate S.p.A.;
 - Euro 11,000 for the role of Sole Statutory Auditor of L'Eremo di Miazzina s.r.l.;
 - Euro 15,000 for the role of Chairperson of the Board of Statutory Auditors of Ospedali Privati Riuniti s.r.l.;
 - Euro 11,000 per annum for the role of Chairperson of the Board of Statutory Auditors of Sanatorio Triestino S.p.A., prorated for the period between the date of appointment and the end of the year (appointed on 25/05/2023);
 - Euro 3,000 per annum for the role of member of the Supervisory Board of Casa di Cura Villa Garda s.r.l.;
 - Euro 3,000 per annum for the role of member of the Supervisory Board of Domus Nova S.r.l.;
 - Euro 3,000 per annum for the role of member of the Supervisory Board of L'Eremo di Miazzina s.r.l.;
 - Euro 3,000 per annum for the role of member of the Supervisory Board of Ospedali Privati Riuniti s.r.l.
- (3) The details of the remuneration received by Francesca di Donato from subsidiary companies are reported below:
- Euro 10,000 per annum for the role of Statutory Auditor of Domus Nova S.r.l.;
 - Euro 10,000 per annum for the role of Statutory Auditor of Garofalo Health Care Real Estate Real Estate S.p.A.;
 - Euro 5,000 per annum for the role of member of the Supervisory Body of Garofalo Health Care S.p.A.

Table 3A: Financial instrument-based incentive plans, other than stock options, in favour of members of the Board of Directors and other Senior Executives.

Key

The Total is provided with reference to columns (5), (11), and (12).

Table 3A shows the following for each individual and their related incentive plan:

- financial instruments granted in previous years and not vested in the year, with an indication of the vesting period;
- financial instruments granted during the year, indicating the fair value at the grant date, the vesting period, the grant date, and the market price at grant;
- financial instruments vested in the year and not allocated;
- financial instruments vested in the year and to be allocated, indicating the value at the vesting date;
- fair value of financial instruments attributable to the year.

The **vesting period** refers to the time between the date the Right is granted to participate in the incentive system and the date the right matures.

Financial instruments vested during the financial year and not allocated are those for which the vesting period ended during the financial year and were not allocated to the beneficiary due to a failure to meet the conditions upon which the instrument's allocation was contingent (for example, failure to achieve performance targets).

The **value at the vesting date** is the value of the vested financial instruments, even if not yet issued (for example, due to lock-up clauses), at the end of the vesting period.

If an aggregated representation criterion is adopted, the following information should be provided in the table:

- the total number of non-vested financial instruments held at the beginning of the financial year, indicating the average maturity;
- the total number of financial instruments granted at the beginning of the financial year, indicating the total fair value, average maturity, and average market price upon grant;
- the total number of financial instruments vested in the year and not issued;
- the total number of financial instruments vested in the year and issuable, indicating the total market value;
- the total fair value of the financial instruments for the financial year.

		Financial instruments granted in previous years not vested in the year			Financial instruments granted in the year					Financial instruments vested in the year and not allocated	Financial instruments vested in the year and to be allocated		Financial instruments vested in the year
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name	Office held	Plan	Number and Type of financial instruments	Vesting period	Number and Type of financial instruments	Fair value at grant date (*)	Vesting period	Grant date	Market price on grant	Number and type of financial instruments	Number and Type of financial instruments	Value at vesting date	Fair value (**)
Maria Laura Garofalo	Chief Executive Officer												
(I) Remuneration from company preparing the accounts		2021-2023 PSP (cycle I)								45,273	94,986	461,062.04	44,850.86
		2021-2023 PSP (cycle II)	194,568	Three-year plan									236,020.82
		2021-2023 PSP (cycle III)			190,790	809,998.95	Three-year plan	12/09/2023	4.25				249,538.27
(II) Remuneration from subsidiaries and associated companies													
(III) Total			194,568		190,790	809,998.95			4.25	45,273	94,986		530,409.95
Claudia Garofalo	Executive Director												
(I) Remuneration from company preparing the accounts		2021-2023 PSP (cycle I)								782	1,642	7,970.27	775.13
		2021-2023 PSP (cycle II)	14,000	Three-year plan									4,079.49
		2021-2023 PSP (cycle III)			3,298	14,001.66	Three-year plan	12/09/2023	4.25				4,313.72

(II) Remuneration from subsidiaries and associated companies												
(III) Total		14,000		3,298	14,001.66			4.25	782	1,642		9,168.14
Guido Dalla Rosa Prati	Executive Director											
(I) Remuneration from company preparing the accounts												
(II) Remuneration from subsidiaries and associated companies		2021-2023 PSP (cycle II)	25,000	Three-year plan								7,284.37
		2021-2023 PSP (cycle III)			5,889	25,001.75	Three-year plan	12/09/2023	4.25			7,702.35
(III) Total					5,889	25,001.75			4.25			14,986.72

(*) The value is calculated by multiplying the number of Rights granted by the stock price on the valuation date conducted by the actuary assigned to evaluate the plan according to the International Financial Reporting Standard IFRS 2.

(**) Fair value of Rights for the year pursuant to Reporting Standard IFRS 2.

TABLE 3B: Monetary incentive plans for members of the Board of Directors and other Senior Executives.

Key

The total (III) is provided with reference to all columns except column (2C).

“**Column 2A**” indicates the bonus earned for targets achieved in the year, issued or issuable as not subject to further conditions (up-front remuneration).

“**Column 2B**” indicates the bonus tied to targets to be achieved in the year but not issuable as subject to further conditions (deferred bonus).

“**Column 3A**” indicates the sum of deferred bonuses from previous years still to be issued at the beginning of the year and no longer issuable due to a failure to meet the conditions to which they are subject;

“**Column 3B**” indicates the sum of deferred bonuses from previous years still to be issued at the beginning of the year and issued during the year or issuable.

“**Column 3C**” indicates the sum of deferred bonuses from previous years still to be issued at the beginning of the year and further deferred.

The sum of the amounts in columns 3A, 3B, and 3C corresponds to the sum of columns 2B and 3C in the previous year.

The “**Other Bonuses**” column indicates bonuses earned for the year that are not explicitly included in specific plans defined *ex ante*.

A	B	(1)	(2)			(3)			(4)
Name	Office	Plan	Bonus for the year			Prior year bonuses			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Maria Laura Garofalo	Chief Executive Officer		Issuable/Issued	Deferred	Deferred period	No longer issuable	Paid	Still Deferred	
(I) Remuneration from company preparing the accounts		MBO	473,850.00						
(II) Remuneration from subsidiaries and associated companies									
(III) Total			473,850.00						
Guido Dalla Rosa Prati	Director								
(I) Remuneration from company preparing the accounts									
(II) Remuneration from subsidiaries and associated companies		MBO	50,000.00						
(III) Total			50,000.00						
Claudia Garofalo	Director								
(I) Remuneration from company preparing the accounts		MBO	10,000.00						
(II) Remuneration from subsidiaries and associated companies									
(III) Total			10,000.00						

Table 4: Shareholdings of members of the Board of Directors, Board of Statutory Auditors, and Other Senior Executives.

Shareholdings of the Board of Directors and Board of Statutory Auditors

NAME	OFFICE	SUBSIDIARY COMPANY	NUMBER OF SHARES HELD At 31.12.2022	NO. OF SHARES ACQUIRED IN 2023	NO. OF SHARES SOLD IN 2023	NO. OF SHARES HELD At 31.12.2023
Alessandro M. Rinaldi ¹	Chairperson of the Board of Directors	GHC S.P.A.	1,455,600	0	0	1,455,600
Maria Laura Garofalo	Chief Executive Officer	GHC S.P.A.	11,173,000	60,000	0	11,233,000
Claudia Garofalo	Director	GHC S.P.A.	299,463	0	0	299,463
Guido Dalla Rosa Prati	Director	GHC S.P.A.	7,956	0	0	7,956
Javier de La Rica	Director	-	0	0	0	0
Nicoletta Mincato	Independent Director	-	0	0	0	0
Giancarla Branda	Independent Director	-	0	0	0	0
Giuseppe Giannasio	Director	-	0	0	0	0
Alessandra Rinaldi Garofalo	Director	-	0	0	0	0
Franca Brusco	Director	-	0	0	0	0

