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AMENDED AND RESTATED REMUNERATION POLICY

EXOR N.V.



## INTRODUCTION

This remuneration policy will, upon approval by the shareholders' meeting on 20 May 2020, replace the current remuneration policy, which was approved by the shareholders' meeting on 30 May 2017. The policy has been updated in line with the requirements of the Shareholder Rights Directive and its implementation into the Dutch Civil Code.

It describes the policies, structures and principles in the area of executive and non-executive remuneration at EXOR N.V. ("**EXOR**" or the "**Company**").

The objective of the remuneration policy is to provide a compensation structure that allows the Company to attract and retain the most highly qualified executives and to motivate them to achieve business and financial goals that create long-term value for shareholders in a manner consistent with the core business and leadership values of the Company. Furthermore this policy supports our purpose, vision and values by aligning pay programs in a consistent manner.

## GOVERNANCE

The Compensation and Nominating Committee (the "**Committee**") is responsible for submitting a clear and understandable proposal to the Board concerning the Executive Directors remuneration policy.

The Board of Directors of EXOR determines the compensation for the Executive and Non-Executive Directors of the Company in accordance with this remuneration policy.

To avoid any conflicts of interest, the Committee meetings usually include a so-called 'closed' session, during which only members of the Committee are present and the other meeting attendees, including Executive Directors, are requested to leave. This means that Executive Directors, Board members and other meeting attendees are not involved in any decisions, and are not present at any discussions regarding their own remuneration to avoid any conflict of interests.

However, the Committee may invite members of the management, other competent functions (for example, legal or finance) or other relevant employees to their meetings.

At least every four years, the Committee will review the adequacy, overall coherence and effective application of the remuneration policy and make recommendations to the Board in respect of any proposed changes, after which it will be submitted for approval to the general meeting of shareholders.

## OVERVIEW OF APPROACH

The Company's remuneration policy aims to provide total compensation opportunity that:

- attracts, retains and motivates qualified executives;
- is competitive as compared to the compensation paid by comparable companies;
- reinforces the Company's performance driven culture and meritocracy;
- is aligned to shareholders interests; and
- create long-term value for shareholders and other stakeholders in a manner consistent with the core business and leadership values of the Company.

The compensation structure for Executive Directors includes fixed components (salary and benefits) and variable components based on the Company's short and long-term performance. The Company believes that its compensation structure promotes the identity, mission and values of the Company and is designed to encourage the Executive Directors to act in the best interests of the Company. In determining the level and structure of the compensation of the Executive Directors, the

Non-Executive Directors will take into account, among other things, the Company's financial and operational results and other business objectives.

The Company operated and granted the 2016 long-term incentive plan. The options awarded under this plan, provided a significant link between the participants in the plan and the long-term value of the Company. This plan was intended to cover the period 2016-2020, and all awards under this plan granted to the Chief Executive Officer remain exercisable. Upon completion of the period covered by this plan in 2020, the Committee will undertake a review of variable remuneration at the Company.

#### SUMMARY OF CHANGES

In response to the implementation of the Shareholder Rights Directive, this policy formalises many of the remuneration arrangements which are currently in place at EXOR. This includes salary, short-term incentives and benefits for Executive Directors and the remuneration policy for Non-Executive Directors.

For 2020, remuneration arrangements at EXOR will continue under their previous operation. The variable components will include short-term variable compensation, which is based upon pre-determined financial goals. There is no proposed change to the operation of, nor any increase in available opportunity to the short-term incentive. This annual incentive will remain linked to EXOR's primary financial measure, the outperformance of Net Asset Value per Share growth against a benchmark index. This has been a consistent measure at EXOR in recent years and focusses on the delivery of long-term, sustainable value growth for our shareholders.

With respect to long-term incentives, the proposed policy provides only for the fulfilment of legacy plans, under which awards have already been granted.

In light of the prevailing economic situation at the time of the 2020 shareholder meeting, the Company does not intend to make any long-term incentive awards during the 2020 financial year, nor does the Company consider it appropriate to make any significant changes to the overall remuneration structure.

The Company will review its approach to variable compensation throughout the year and will, if appropriate, submit a revised remuneration policy to shareholders at the shareholder meeting in 2021. Such revised policy may incorporate a proposal for a long-term incentive, linked to the long-term interests and strategy of the business.

Once adopted by the shareholders' meeting, this remuneration policy will be effective with retroactive effect from 1 January 2020 until, at the latest, the 2024 shareholder meeting. If no policy is approved by the shareholder meeting, the Company shall pay its Executive and Non-Executive Directors in accordance with the existing policy and submit a revised policy for approval to the next shareholder meeting.

## REMUNERATION COMPONENTS

The table below summarises the policy for the remuneration of the Company's Executive Directors.

Element	Purpose and link to strategy	Operation	Performance measures
<b>Fixed components</b>			
<b>Base salary</b>	The primary objective of the base salary (the fixed part of the annual cash compensation) for Executive Directors is to attract and retain highly qualified senior executives.	The Company's policy is to periodically benchmark comparable salaries paid to executives with similar experience by comparable companies. For 2020, the CEO's salary is unchanged at \$1,000,000.	n/a
<b>Benefits</b>	A range of benefits may be provided to Executive Directors in order to place EXOR in a competitive position	Executive Directors may also be entitled to fringe benefits, including but not limited to, medical insurance, liability insurance, tax preparation, financial counselling and discounted fund management charges on funds managed by EXOR.  The Committee may grant other benefits to the Executive Directors in particular circumstances.	n/a
<b>Retirement Benefits</b>	Provides cost-effective, competitive post-retirement benefits in order to attract and retain highly qualified senior executives.	Provision of market competitive pension arrangements or a cash alternative based on a percentage of base salary. <i>The Chief Executive Officer does not currently receive any retirement benefits from the Company.</i>	n/a
<b>Variable components</b>			
<b>Short-Term Incentives (Annual Bonus)</b>	The primary performance objective of short-term variable incentives is to incentivise Executive Directors to focus on the business priorities. Executive Directors' variable remuneration is linked to the achievement of short-term financial or other identified objectives proposed by the Committee and approved by the Non-Executive Directors each year.	<b>Operation</b> Performance measures weightings and targets are set annually by the Committee. Performance will normally be measured over the financial year of the Company. Appropriately stretching targets are set by reference to the financial and strategic objectives of the Company for the relevant financial year. The level of award is determined with reference to EXOR's overall financial and strategic performance and individual performance and is paid out in either cash or EXOR shares as soon as reasonably practical after the end of the financial year. If delivered in shares, the number of shares will be calculated by the market value on the date of grant up to the maximum allowable under this policy. The Committee has discretion to adjust the level of payment if it is not deemed to appropriately reflect the individual's contribution or the overall business performance.  <b>Opportunity</b> The maximum opportunity payable to Executive Directors is equivalent to 100% of annual base salary.	Performance will be measured using a balance of financial and/or non-financial measures.  Details of the performance measures will be disclosed in the remuneration report for the relevant financial year.  For 2020, performance will be measured using the average change in NAV per EXOR share in US\$ measured in the three preceding financial years against the average change in the MSCI World index over the same period.

## Notes

### *Recovery provisions*

The Company is entitled to recover any payments made under the short-term incentive either in full or in part to the extent that payment thereof has been made on the basis of incorrect information about the realisation of the underlying goals or about the circumstances from which the entitlement to the bonus was made dependant.

### *Leaver provisions*

Under the short-term incentive, “good leavers” may be entitled to retain a portion of their awards on cessation of appointment pro-rated for the time elapsed during the year. “Good leavers” are defined as those who leave because of death, injury, ill-health, disability or the sale of the Company. The Committee will also have the discretion to determine that any other leaver should be treated as a “good leaver”. “Bad leavers” awards will lapse.

### RECRUITMENT

In the event that EXOR wishes to recruit and appoint an Executive Director to the Board, the Board’s approach to remuneration when recruiting new proposed Executive Director is to pay no more than is necessary to attract the best candidates to the role. The approach to the recruitment of new Executive Director members aims to be competitive and to structure ongoing remuneration arrangements in line with the remuneration policy.

The Board retains the flexibility to provide compensation (a ‘buy-out’) to replace variable remuneration awards forfeited or payments foregone. The Board will minimise buy-outs wherever possible and ensure they are no more generous than, and on substantially similar terms to, the original awards or payment they are replacing. Depending on individual circumstances at the time, the Committee has the discretion to determine the type of award (i.e. cash, shares, lock-up period and whether or not performance conditions would apply).

In the event that an internal candidate is promoted to Executive Director, legacy terms and conditions would normally be honoured.

### LEGACY ARRANGEMENTS

The Board of Directors will respect any agreements made between EXOR and the Executive Directors, irrespective of whether they are in line with this remuneration policy, if the terms were agreed:

- prior to the implementation of the Executive Board remuneration policy at the 2020 General Meeting; and
- at a time when the relevant individual was not an Executive Director of the Company nor agreed in respect of joining the Board as an Executive Director.

At the time of approval, the sole Executive Director of EXOR, the Chief Executive Officer is a beneficiary of the following plan:

- **2016 Long Term Stock Option Plan** - approved at the shareholder meeting of the Company’s predecessor, EXOR S.p.A. held on 29 May 2016.

Under the 2016 Long Term Stock Option Plan, the Chief Executive Officer was awarded a number of options in 2016 made in lieu of annual long-term incentive awards for the five years 2016 through to 2020. These options vest on a phased basis, and each option may be exercised three years after the vesting date. The final tranche of the 2016 award is due to vest in 2021 and may be exercisable in 2024. All options under the 2016 plan may be exercised until 31 December 2026 and recipients who do not exercise their options by that date will cease to have any rights.

No further awards will be made under the 2016 Long Term Stock Option Plan.

## EMPLOYEE, SHAREHOLDER AND PUBLIC CONSIDERATIONS

In determining this policy, the Committee took into account different scenario assumptions, the relationship between the performance criteria chosen and the possible results of the variable remuneration components and the manner in which this effects the remuneration of the Executive Directors (scenario analysis). As such, the Non-Executive Directors have assessed the functioning of the remuneration policy taking into account the relationship between the Company's objectives, the chosen performance criteria and long-term value creation.

In line with the Dutch Corporate Governance Code and the requirements of the Shareholder Rights Directive and its implementation into the Dutch Civil Code the internal pay ratio is taken into consideration to determine the remuneration policy for Executive Directors.

The policy also seeks to enable the Company to provide a well-balanced and performance-related remuneration package which takes into account the broader public debate on remuneration. This broader consideration of remuneration and in light of the prevailing economic situation in 2020 contributed to the decision not to implement a long-term incentive within this policy. Any decision on this topic will be deferred until at least the 2021 shareholder meeting.

## NON-EXECUTIVE DIRECTORS

### **Remuneration policy for Non-Executive Directors**

Remuneration of Non-Executive Directors is approved by the Company's meeting of shareholders and will be periodically reviewed by the Committee.

The remuneration arrangements for Non-Executive Directors provide a simple and transparent structure:

- Bring remuneration levels in line with peers and with levels adequate to attract qualified (international) Board members
- Align remuneration with responsibilities and time spent.

In receiving fixed cash remuneration, Non-Executive Directors can provide independent, objective stewardship of the Company with no financial conflict between individual financial interest and decisions made by the Board.

This approach to Non-Executive Director remuneration aligns with the business strategy and long-term interests of shareholders, whilst also contributing to the sustainability, identity, mission and values of the Company.

At the time of approval, the annual remuneration for the Non-Executive Directors is:

- €50,000 for each Non-Executive Director;
- An additional €15,000 for each member of the Audit Committee and €20,000 for the Audit Committee Chairman; and
- An additional €7,500 for each member of the Compensation and Nominating Committee and €10,000 for the Compensation and Nominating Committee Chairman.

The Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans. In compliance with the Dutch Corporate Governance Code, Non-Executives are not eligible to compensation in the form of shares and/or rights to shares.

### **Non-monetary benefits and supplementary insurance coverage**

The compensation plans of Non-Executive Directors include non-monetary benefits, including but not limited to reimbursement of out-of-pocket expenses and expenses for travelling required for the performance of the activities associated with the specific responsibilities assigned.

For all Non-Executive Directors there is also insurance cover for directors' civil liability relating to claims for compensation for non-fraudulent acts performed in the performance of the director's duties.

### **CONTRACT INFORMATION AND TERMINATION**

The Company has not entered into written agreements with its Executive and Non-Executive Directors. Pursuant to the Articles of Association and the Dutch Corporate Governance Code, the term of office of Directors may not exceed a maximum period of four years at a time. A Director who ceases office in accordance with the previous provisions is immediately eligible for re-appointment.

There are no severance agreements between the Company and its Executive and Non-Executive Directors which provide for indemnities in the event of early termination of the relationship, or for the granting or maintaining of non-monetary benefits for Directors who have left the Company, or for consulting arrangements covering periods after termination of the relationship or for compensation for non-competition agreements.

### **MINOR CHANGES AND DEROGATION**

The Board may make minor amendments to the remuneration policy set out above for regulatory, exchange control, tax or administrative purpose or to take account of a change in legislation without obtaining shareholder approval for that amendment. In the performance of this task, the Board receives input and support from the other Board committees.

The Board of Directors may, in exceptional circumstances as deemed by the Board and within the statutory limits, decide to temporarily derogate from the remuneration policy, and ultimately until a new remuneration policy is approved by a shareholders' meeting. Exceptional circumstances shall cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of EXOR as a whole or to assure its viability. Amongst others, by making its decision, the Board of Directors intends to take into account stakeholder support.

In the event of a derogation, the Board of Directors will present the derogation and proposed new policy to the shareholders' meeting as soon as reasonably possible where it will be subject to a binding approval vote.

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