ALERT SERVICE

2 MAY 2024

EXOR N.V.

Agenda AGM, 28 May 2024

1.	Opening	
2a.	Annual Report	
2b.	Corporate Governance section of the Report of the Board of Directors	
2c.	Remuneration Report	Advisory vote
2d.	Adoption 2023 annual accounts	Resolution
2e.	Explanation of the policy on dividends	
2f.	Dividend distribution	Resolution
3a.	Appointment Deloitte Accountants B.V. as independent external auditor charged with the auditing of the annual accounts for the financial year 2024	Resolution
3b.	**Amendment of the remuneration policy**	**Resolution**
3c.	**Approval of the amended LTI Plan**	**Resolution**
4a.	Release from liability of the executive director	Resolution
4b.	Release from liability of the non-executive directors	Resolution
5a.	The authorization of the Board of Directors to repurchase shares	Resolution
5b.	The authorization of the Board of Directors to cancel repurchased shares	Resolution
6.	Close of the meeting	

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EXPLANATION

3b. Amendment of the remuneration policy
3c. Approval of the amended LTI Plan

The EXOR shareholders' meeting is requested to approve an amended remuneration policy, including an amended long-term incentive (LTI) Plan (also a separate voting item).

The key changes to the remuneration policy, including the LTIP, are:

(i) An extension of the peer group from 10 to a range of 12 – 17; the peer group includes similar companies as EXOR in terms of industry, complexity and geography, with the majority headquartered in Europe.

(ii) The introduction of a performance stock option (PSO) Plan. The PSO Plan, together with the already existing performance share units (PSU) Plan, form the new LTI Plan. The LTI Plan may be amended, altered or terminated at any time by the EXOR Board of Directors, including the provisions of an Award Notice and the terms and conditions of an award.

(iii) PSOs will be granted using an exercise price which is higher than the share price on the date of grant (i.e. a hurdle), which exercise price is to be determined by the company's compensation committee. PSOs vest after a 3-year vesting period and can be exercised in a period of 4 years after the vesting period, subject to continued employment. The PSOs may be settled in cash or by delivery of shares.

(iv) The PSU Plan will include non-financial metrics that can range from 0% to a maximum weight of 35% of the PSU grant. Any non-financial metrics can include ESG and strategic measures and are subject to pre-set targets. The performance metrics for the 2024 PSU grant are: net asset value relative to the MSCI World Index (50% weighting), absolute shareholder return (30% weighting) and ESG measures (20% weighting).

(v) The introduction of a minimum share-ownership requirement that is set at ten times the executive directors' base salary, to be built up over five years from the date of approval of the new remuneration policy for the current CEO and five years after appointment for newly appointed executive directors.

<u>Reasons for alert</u>

- *Although we welcome the introduction of a minimum share-ownership requirement and the inclusion of ESG performance metrics in the PSU Plan, we still have concerns with the proposed remuneration policy:*
    - *The company has not disclosed the composition of the peer group and the targeted total compensation level compared to this peer group. As a consequence it is difficult to judge the fairness of the peer group and the overall quantum of the remuneration policy.*
    - *The remuneration policy continues the current levels of the base salary (€ 500,000), fringe benefits (€2,880), short-term incentive opportunity (100% base salary) and LTIP (€ 6 million). The remuneration package for the CEO remains therefore rather generous: € 7 million at-target and € 19 million at max., also taking into account the fact that he is also Executive Chairman of EXOR investee companies Ferrari and Stellantis and receives remuneration from these companies as well (in total approximately € 7.2 million in 2023).*
    - *The Eumedion principles for a sound remuneration policy for members of the management board of Dutch listed companies do not allow for granting PSOs to executive directors of mature companies (principle 7).*
    - *The EXOR Board of Directors has a relatively wide authority to amend the terms and conditions of the LTIP without shareholder approval.*

<u>Contacts with the company</u>
Eumedion was not consulted on a draft proposal to amend the remuneration policy.

EXOR’s response to a draft of this alert was:

- “Peer group selection criteria are clearly outlined in the updated Remuneration Policy with an aim to identify a peer group of 12-17 companies (with majority of companies headquartered in Europe). The fundamental approach towards peer group selection has not changed compared to the previous policy – improvement was made to increase the size of the current peer group of 10 companies to increase the robustness of the benchmark outcomes. In addition, the level of the remuneration package for the Executive Director is not amended compared to the previous policy.
- The Performance Stock Options were selected (among other factors) to signal Exor’s ambition to drive a significant increase in long-term shareholder value aligned with its growth strategy (unlike other stock option plans in the market, Exor’s plan has an exercise price which is higher than the share price on the date of grant (i.e. the hurdle)). PSOs have longer-term focus to complement Performance Shares that drive and reward 3-year financial, share price and ESG performance.
- The authority of the Board of Directors to amend the terms and conditions of the LTIP without shareholder approval is not fundamentally amended and has been benchmarked against market practice.”

DISCLAIMER
This is an alert for the participants of Eumedion with regard to a specific agenda point of a general meeting of shareholders. It is not a voting advice.