

**THE BOARD OF DIRECTORS'**

**REPORT ON REMUNERATION**

**(PREPARED IN COMPLIANCE WITH ARTICLES 123—*TER* OF TUF AND 84-*QUATER* OF  
RULES FOR ISSUERS IN ADDITION TO ART. 6 OF THE CODE OF CORPORATE  
GOVERNANCE FOR LISTED COMPANIES ISSUED BY BORSA ITALIA )**

**Approved by the Board of Directors of Bolzoni S.p.A.  
on March 14, 2013**

## GLOSSARY

<b>Bolzoni</b>	Bolzoni S.p.A.
<b>Code of Corporate Governance or Code</b>	The Code of Corporate Governance for listed companies approved December 2011 by the Committee for <i>Corporate Governance</i> and promoted by Borsa Italiana.
<b>Remuneration Committee or Committee</b>	The Remuneration Committee formed by Bolzoni in compliance with the Code.
<b>Board of Directors or Board</b>	Bolzoni's Board of Directors.
<b>Board of Statutory Auditors</b>	Bolzoni's Board of Statutory Auditors.
<b>Managers with Strategic Responsibilities</b>	Any Managers, as under art. 65, paragraph 1- <i>quater</i> , of Rules for Issuers, and appendix 1 of Consob Ruling resolution n° 17221 dated 12.3.2010 e subsequent modifications and completed, identified by the Board of Directors.
<b>Group</b>	Bolzoni and the companies under its control as established under art. 93 of TUF
<b>Instructions to Borsa's Regulations</b>	The Instructions to Regulations for Markets organized and managed by Borsa Italiana
<b>Remuneration Policy</b>	The Remuneration Policy approved by the Board of Directors on March 14, 2013, described in Section I of this Report.
<b>Regulations of the Committee</b>	The Regulations of the Remuneration Committee.
<b>Rules for Issuers</b>	Rules issued by Consob on May 14, 1999 with resolution n° 11971 regarding Issuers, and subsequently amended and completed.
<b>Report</b>	This remuneration report prepared in accordance with articles 123- <i>ter</i> of TUF and 84- <i>quater</i> of Rules for Issuers in addition to art. 6 of the Code.
<b>Company or Issuer</b>	Bolzoni S.p.A.
<b>TUF</b>	The Legislative Decree n° 58 passed on February 24, 1998 and subsequently amended and completed

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## **Introduction**

This Report has been drawn up and approved by the Board of Directors, on 14 March 2013, pursuant to article 123 – *ter* of the Leg.Decree n° 58 dated 24 February 1998 (“TUF”) and article 6 of the Code, to illustrate to Shareholders the remuneration policy for the members of the administrative bodies, general managers and first level managers (the “**Remuneration Policy**”).

## **SECTION I: REMUNERATION POLICY**

### **1. Procedures employed for the adoption and implementation of the Remuneration Policy**

As established under article 18 of the company bylaws, the Shareholders’ Assembly approves the annual remuneration. Once a year, after the opinion of the Board of Statutory Auditors has been acquired, within the limits established by the Shareholders’ Assembly, the Board of Directors approves the Remuneration Policy based on the proposal by the Remuneration Committee (*cf.* below under Paragraph 2).

The Remuneration Policy, as described in this section of the Report, is submitted to the non-binding approval by the Shareholders’ Assembly called pursuant to art. 2364 of the civil code.

### **2. The Remuneration Committee and its role**

The Remuneration Committee is composed of the directors Raimondo Cinti, Giovanni Salsi and Pierluigi Magnelli. All members of the Remuneration Committee are non-executive, two of which are independent and at least one member possesses an adequate knowledge and experience in financial matters and retribution policies.

Pursuant to art. 6.C.5. of Code, the Remuneration Committee is vested with the following functions in relation to the remuneration policy:

- it periodically assesses the adequacy, the overall consistency and the effective application of the remuneration policy for directors and managers with strategic responsibilities, on the basis of information provided by the managing directors; it periodically formulates proposals to the board of directors on this subject;
- it presents proposals or expresses its opinion to the board of directors regarding remuneration for executive directors and other directors vested with special offices as well as regarding the determination of performance objectives linked to the variable part of this remuneration; it monitors the application of decisions adopted by the board itself and verifies, in particular, the actual achievement of the performance objectives. The Committee meets at least once a year and in any case, on the date of the Board Meeting called to deliberate on the remuneration of the Executive Directors or those invested with special offices and/or the Company’s top management or for possible stock option plans or assignment of shares.

The Company has not considered it necessary to involve independent external experts in the determination of the Remuneration Policy.

### **3. Aims and principles of the Remuneration Policy**

The Company's Remuneration Policy is designed to attract, motivate and retain the human resources with the professional qualities necessary to successfully achieve the Company's objectives.

The Remuneration Policy aims at the achievement of the following objectives:

- to involve and motivate the executive directors and first level managers towards the achievement of the company objectives;
- to encourage the retention of the company's principal resources;
- to set up a remuneration system based on a fixed component and a variable component, linked to the actual realization of specific management results in relation to the creation of value for shareholders on the medium-long term

In determining the remuneration, the Board of Directors will take into consideration (i) the Group's tradition regarding remuneration, (ii) the dimension of the company, (iii) the importance of the positions involved (position and level in the organisation, strategic contribution and priority level of the role, impact on company results) (iv) the risk profile accompanying each position and (v) the fiscal component.

The above described principles for motivating merit and efficiency are behind the Group's entire remuneration policy in its various company and managerial divisions.

With the resolution passed today the Board of Directors believes it is boosting the motivational mechanisms, both for the Managing Director and the first level Managers, stimulating them, on the medium term, to maximize the creation of value for Shareholders. Details are found at points 4.1 and 4.3

### **4. Remuneration components**

#### ***4.1 Remuneration of directors vested with special offices***

The Board of Directors, in assessing the incentive policy for the Executive Directors, also considers their quality as shareholders of reference of Penta Holding S.r.l., the company controlling Bolzoni S.p.A.

This characteristic represents an essential qualifying component, inseparable from the decades of relations with the company, and alone guarantees; the alignment of their operating objectives with the purpose of a stable creation of value for all Shareholders on the long term.

Bolzoni S.p.A.'s remuneration policy in their regards probably does not correspond to the traditional criteria commonly chosen in the Doctrine and, in some ways does not reflect the indications provided by the Code. Nevertheless, the constant commitment of the Executive Directors towards the activity of Bolzoni S.p.A. represents an essential characteristic of their contribution and a crucial factor for the company's well-being.

With reference to the above, the remuneration of the Chairman, Emilio Bolzoni, is not linked to the economic results achieved by the Company and is therefore solely made up of a fixed part established, within the limits of the overall amount established by the Shareholders' Assembly on his appointment.

The remuneration of the CEO, Roberto Scotti, is made up of the following:

- (a) a fixed annual gross amount;

(b) a variable component linked to pre-determined, measurable objectives and connected to creating value for shareholders;

(c) a variable component in proportion to medium-long term objectives over a certain period of time, defined and quantified on a three-year basis.

The decision regarding the remuneration for the CEO is taken once a year, during the meeting of the Board of Directors, in his absence and after having acquired the favourable opinion of the Remuneration Committee and the Board of Statutory Auditors.

In calculating component (b) the result indicators used are consolidated turnover and consolidated Ebitda margin; progressive levels of incentives are linked to various levels of these indicators

As for component (c) the degree of incentive indicated at the previous letter, is applied progressively over a three year period, with a view to a medium-long term, according to a logic suggested by the Code.

In the event of termination of employment in the course of the year the bonus will not be paid.

#### **4.2 *The remuneration of non-executive directors***

In the light of the recommendations contained in the Code, the remuneration of non-executive Directors is not linked to the economic results obtained by the Company and/or Group.

The remuneration of the non-executive Directors is solely made up of a fixed component, resolved by the Board of Directors once the opinion of the Board of Statutory Auditors has been acquired, within a maximum limit established by the Ordinary Assembly of Shareholders.

#### **4.3 *Remuneration of First Level Managers***

The same model illustrated for the CEO is also valid, for the First Level Managers but with different values, and in this case the variable part is divided in two:

- the first part refers to the same variable components previously described, i.e. consolidated turnover and consolidated Ebitda margin;
- the second is linked to specific objectives for each function.

The bonus is likewise applied progressively according to the various levels of achievement of the objectives.

In the event of termination of employment in the course of the year the bonus will not be paid.

#### **4.4 *Remuneration of the Board of Statutory Auditors***

The remuneration for the Board of Statutory Auditors is established by the Assembly of Shareholders during its nomination and is valid for the entire tenure.

### **5. *Policy adopted for non-monetary benefits***

The Company's Remuneration Policy establishes non-monetary benefits solely in favour of the First level Managers. They include the availability of company cars, insurance against accidents and life insurance (see point 9).

**6. Vesting period, possible deferred payment systems, with indications of deferred period and the criteria employed for establishing these periods and, if contemplated, the mechanisms for determining these periods**

At the date of this Report, the Company has prepared a Remuneration Policy which does not foresee deferred vesting periods, nor deferred payment systems or mechanisms for correction *ex post*.

The incentive for a stable and progressive commitment towards the achievement of the results is provided by the mechanism for the accumulation of objectives and bonus which is extended over a three year period.

**7. Disclosure on possible clauses for maintaining financial instruments in portfolio after their purchase, including indications on maintenance periods and criteria used for determining these periods**

The Remuneration Policy does not currently foresee incentive plans based on financial instruments.

**8. Policy regarding payments established in the event of termination of office or of employment contract**

The Remuneration Policy does not foresee the stipulation of agreements between the Company, the C.E.O. and the First Level Managers with the object of contemplating an compensation in the case of resignation or dismissal/removal without just cause or in the event of termination of employment following a takeover bid, excepting, in the case of the First Level Managers, compensation established by the CCNL (National Labour Contract).

**9. Information on insurance coverage, i.e. social security and pensions, other than those which are mandatory**

Except as indicated above, with regards to the First Level Managers there is no insurance, social security and pension coverage other than established by the CCNL (Labour Contract) applied to the Group's managers

**10. Indications on possible use of other companies' retribution policies as a reference**

The Remuneration Policy has been drawn up by the Company without using the policies of other companies as reference.

## **SECTION II – COMPENSATION RECEIVED DURING FINANCIAL YEAR 2012 BY THE MEMBERS OF THE BOARD OF DIRECTORS, OF THE BOARD OF STATUTORY AUDITORS AND BY THE FIRST LEVEL MANAGERS**

This section of the Report illustrates the compensation for financial year 2012 due to the members of the Board of Directors, of the Board of Statutory Auditors and to First Level Managers.

\* \* \*

### **PART 1 – COMPONENTS MAKING UP THE REMUNERATION**

This part of Section II provides adequate information on each component making up the remuneration for the members of the Board of Directors and the Board of Statutory Auditors in addition to the First Level Managers with regards to the financial year 2012.

These components are also indicated in the tables in Part 2 of this Section.

#### **1.1 Board of Directors**

##### *1.1.1 C.E.O. - Roberto Scotti*

The following is a description of each component of the remuneration of the C.E.O. for the financial year 2012:

- i) a fixed retribution of 230,000 euros;
- ii) no variable retribution because linked to indicators whose minimum values established were not achieved.;

##### *1.1.2 Chairman of the Board of Directors - Emilio Bolzoni*

The remuneration of the Chairman is not linked to the economic results achieved by the Company and is therefore solely made up of a fixed part established, within the limits of the overall amount established by the Shareholders' Assembly on his appointment.

##### *1.1.3 Other members of the Board of Directors*

The remuneration for the other members of the Board of Directors, all non-executive, is not linked to the economic results achieved by the Company and is therefore solely made up of a fixed part.

#### **1.2 First level managers**

The remuneration paid to the Company's 5 First Level Managers for the financial year 2012 was the following:

- total fixed amount of approximately 403,000 euros;
- further variable amount of approximately 11,000 euros linked to specific individual objectives achieved;
- non-monetary benefits for a total amount of 20,000 euros

### **1.3 Board of Statutory Auditors**

During the financial year 2012, the Board of Statutory Auditors was made up of the following standing statutory auditors:

- Giorgio Picone (Chairman), appointed by the Shareholders' Assembly on April 29, 2010; remuneration for the financial year 2012 amounted to 25,000 euros;
- Maria Gabriella Anelli, appointed by the Shareholders' Assembly on April 29, 2010; remuneration for the financial year 2012 amounted to 14,000 euros;
- Carlo Baldi appointed by the Shareholders' Assembly on April 29, 2010; remuneration for the financial year 2012 amounted to 14,000 euros.

### **1.4 Agreements which foresee an indemnity in the event of early termination of office**

With particular reference to the Executive Directors and First Level Managers, there are no specific agreements establishing indemnities in the event of early termination of office.

## **SECOND PART - TABLES**

The following tables provide details on the remuneration for the members of the Board of Directors and of the Board of Statutory Auditors as well as the First Level Managers, paid or to be paid by the Company, the Subsidiary and Associated Companies with reference to financial year 2012.

**Table 1: Retribution paid to members of Board of Directors and Board of Statutory Auditors as well as First Level Managers during financial year 2012**

Name and surname	Position	Period in office	Term of office	Fixed compensation	Compensation for sitting on committees	Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of office or termination of employment
						Bonuses and other incentives	Profit sharing					
<i>1) Compensation in the company drafting the financial statement</i>												
Emilio Bolzoni	Chairman	2012	Apr. 2014 finan.report	230,000	-	-	-	-	-	230,000	-	-
Roberto Scotti	C.E.O.	2012	Apr. 2014 finan.report	230,000	-	-	-	-	-	230,000	-	-
Luigi Pisani	Non-executive director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Franco Bolzoni	Non-executive director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Pierluigi Magnelli	Non-executive director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Davide Turco	Non-executive director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Karl Peter Staack	Non-executive director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Raimondo Cinti	Independent Director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giovanni Salsi	Independent Director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Paolo Mazzoni	Independent Director	2012	Apr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Claudio Berretti	Non-executive director	2012 #	Apr. 2014 finan.report	19,000	-	-	-	-	-	19,000	-	-
Giorgio Picone	Chairman Board of Statutory Auditors	2012	Apr. 2014 finan.report	25,000	-	-	-	-	-	25,000	-	-
Maria Gabriella	Statutory Auditor	2012	Apr. 2014	14,000	-	-	-	-	-	14,000	-	-

Anelli			finan.report									
Carlo Baldi	Statutory Auditor	2012	Appr. 2014 finan. report	14,000	-	-	-	-	-	14,000	-	-
5 First level Managers		2012		403,000	-	11,000	-	20,000 <sup>(*)</sup>	-	434,000	-	-
<b>(II) Compensation from subsidiaries and associates</b>												
Emilio Bolzoni	Chairman	2012	Until revoked	28,000 <sup>(**)</sup>	-	-	-	-	-	28,000	-	-
Roberto Scotti	C.E.O.	2012	Until revoked	28,000 <sup>(***)</sup>	-	-	-	-	-	28,000	-	-
<b>(III) Total</b>												
Emilio Bolzoni	Chairman	2012	Appr. 2014 finan.report	258,000	-	-	-	-	-	258,000	-	-
Roberto Scotti	C.E.O.	2012	Appr. 2014 finan.report	258,000	-	-	-	-	-	258,000	-	-
Luigi Pisani	Non-executive director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Franco Bolzoni	Non-executive director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Pierluigi Magnelli	Non-executive director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Davide Turco	Non-executive director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Karl Peter Staack	Non-executive director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Raimondo Cinti	Independent Director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giovanni Salsi	Independent Director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Paolo Mazzoni	Independent Director	2012	Appr. 2014 finan.report	28,000	-	-	-	-	-	28,000	-	-
Claudio Berretti	Non-executive director	2012 #	Appr. 2014 finan.report	19,000	-	-	-	-	-	19,000	-	-
Giorgio Picone	Chairman of Board Statutory Auditors	2012	Appr. 2012 finan.report	25,000	-	-	-	-	-	25,000	-	-

Maria Gabriella Anelli	Statutory auditor	2012	Appr. 2012 finan. report	14,000	-	-	-	-	-	14,000	-	-
Carlo Baldi	Statutory auditor	2012	Appr. 2012 finan. report	14,000	-	-	-	-	-	14,000	-	-
5 First Level Managers		2012		403,000	-	11,000	-	20,000	-	434,000	-	-
(III) TOTAL				1,215,000	-	11,000	-	20,000	-	1,246,000	-	-

(amounts in Euros)

## NOTES

*Variable non-equity compensation:* In 2012 the incentives for the CEO and the first level managers were not paid being linked to a given percentage Ebitda value which was not achieved.

(\*) Non-monetary benefits for the 5 first level Managers refer to insurance policies for accidents, life insurance and company cars.

(\*\*) The Chairman's fixed compensation deriving from Subsidiaries and Associates refers to emoluments resulting from the position of Director of the subsidiary Auramo Oy.

(\*\*\*) The CEO's fixed compensation deriving from Subsidiaries and Associates refers to emoluments resulting from the position of Director of the subsidiary Hans H. Meyer GmbH.

# Refers to 8 months

**TABELLA 3B: Monetary incentive plans in favour of the members of the Board of Directors, general managers and the other first level managers**

Surname and name	Position	Plan	Year's bonus			Bonus for previous years			Other bonuses
			Payable/Paid	Deferred	Deferred period	No longer payable	Payable/Paid	Still deferred	
<i>1. Compensation in the company drafting the financial report</i>									
First level managers	2012	A	11,000	-	-	-	-	-	-
<b>TOTAL</b>			<b>11,000</b>	-	-	-	-	-	-

### SECTION III: INFORMATION ON INVESTMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE STATUTORY BOARD OF AUDITORS AND FIRST LEVEL MANAGERS

The following table gives information on the investments held in Bolzoni and the companies under its control by the members of the Board of Directors and the Statutory Board of Auditors and First Level Managers

Name and Surname	Position	Investee Company	Number of shares held at the end of financial year 2011	Number of shares purchased	Number of shares sold	Number of shares held at end of financial year 2012
Emilio Bolzoni	Chairman of the Board	Bolzoni S.p.A.	21,873	-	-	21,873
Roberto Scotti	C.E.O.	Bolzoni S.p.A.	50,913	-	-	50,913
Pier Luigi Magnelli	Director	Bolzoni S.p.A.	4,167	18,100	-	22,267
Luigi Pisani	Director	Bolzoni S.p.A.	34,002	-	-	34,002
Franco Bolzoni	Director	Bolzoni S.p.A.	208,726	-	-	208,726
Davide Turco	Director	Bolzoni S.p.A.	-	-	-	-
Karl-Peter Staack	Director	Bolzoni S.p.A.	912,282	-	-	912,282
Raimondo Cinti	Director	Bolzoni S.p.A.	-	-	-	-
Giovanni Salsi	Director	Bolzoni S.p.A.	2,000	-	-	2,000
Paolo Mazzoni	Director	Bolzoni S.p.A.	1,570,00	-	-	1,570,000
Claudio Berretti	Director	Bolzoni S.p.A.	-	-	-	-
Giorgio Picone	Chairman Statutory Board of Auditors	Bolzoni S.p.A.	-	-	-	-
Carlo Baldi	Standing Auditor	Bolzoni S.p.A.	-	-	-	-
Maria Gabriella Anelli	Standing Auditor	Bolzoni S.p.A.	-	-	-	-

Managers (5)		Bolzoni S.p.A.	134,820	-	19,690*	115,130
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\* the operation refers to the resignation of a manager during the financial year.

The table includes all the subjects who, during the year of reference, have held an office as member of the administrative and controlling bodies, as general manager or first level managers, even for a fraction of the year.

Podenzano, March 14, 2013