

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. 7 OF THE CODE OF CORPORATE
GOVERNANCE FOR LISTED COMPANIES ISSUED BY BORSA ITALIA S.P.A.)**

**Approved by the Board of Directors of Bolzoni S.p.A.
on March 14, 2012**

GLOSSARY

Bolzoni	Bolzoni S.p.A.
Code of Corporate Governance or Code	The Code of Corporate Governance for listed companies approved March 2006 (and amended March 2010) by the Committee for <i>Corporate Governance</i> promoted by Borsa Italiana S.p.A.
Code of Corporate Governance 2011 or Code 2011	The Code of Corporate Governance for listed companies approved December 2011 by the Committee for <i>Corporate Governance</i> and promoted by Borsa Italiana.
Remuneration Committee or Committee	The Remuneration Committee formed by Bolzoni in compliance with the Code.
Board of Directors or Board	Bolzoni's Board of Directors.
Board of Statutory Auditors	Bolzoni's Board of Statutory Auditors.
Managers with Strategic Responsibilities	Any Managers, as under art. 65, paragraph 1- <i>quater</i> , of Rules for Issuers, identified by the Board of Directors.
Group	Bolzoni and the companies under its control as established under art. 93 of TUF
Instructions to Borsa's Regulations	The Instructions to Regulations for Markets organised and managed by Borsa Italiana S.p.A.
Remuneration Policy	The Remuneration Policy approved by the Board of Directors on March 14, 2012, described in Section I of this Report.
Regulations of the Committee	The Regulations of the Remuneration Committee.
Rules for Issuers	Rules issued by Consob on May 14, 1999 with resolution n° 11971 regarding Issuers, and subsequently amended and completed.
Report	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. 7 of the Code.
Company	Bolzoni S.p.A.
TUF	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 2012, pursuant to article 123 – *ter* of the Leg.Decree n° 58 dated 24 February 1998 (“TUF”) and article 7 of the Code, to illustrate to Shareholders the remuneration policy for the members of the administrative bodies, general managers and managers with strategic responsibilities (the “Remuneration Policy”).

SECTION I: REMUNERATION POLICY

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

Once a year and after the opinion of the Board of Statutory Auditors has been acquired, 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.

The Remuneration Committee is responsible for the proper implementation of the Remuneration Policy.

2. Governance of the Company and the Remuneration Policy

The Remuneration Committee is composed of the directors Raimondo Cinti, Giovanni Salsi and Pierluigi Magnelli⁽¹⁾. 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 or retribution policies.

Pursuant to art. 6.C.5. of 2011 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

⁽¹⁾ Mr Pier Luigi Magnelli is included among the eight directors eligible as non-executive. On 11 November 2009 the Board of Directors resolved to grant the director Pier Luigi Magnelli, severally and independently, the most ample powers for the ordinary administration of the Company, save those expressly reserved by law or by the By-laws to the competence of the Company’s Board of Directors or Shareholders’ Assembly, as well as the issues listed below of the exclusive competence of the Board of Directors as a body: (i) approval of strategic, industrial, economic and financial plans of the Company and the Group; (ii) approval of the annual budget of the Company and the Group; (iii) investment or divestiture operations, endorsements or grants of loans or guarantees which individually exceed the amount of 2,000,000 euros; and (iv) operations with related parties. The Board of Directors has deemed it advisable to grant this delegation of powers to avoid, in the absence of the two executive directors, namely the Chairman of the Board and the C.E.O. there not being any other director able to ensure the execution of formalities connected to the day to day management of the Company; in this perspective, Mr Pier Luigi Magnelli should not be considered as an executive director permanently part of the company’s management structure and actively involved in the management of the Company but rather as holding a merely interim function.

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.

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 to reward the achievement of the following objectives:

1. The achievement of the year results contained in the annual budgets;
2. Group expansion;
3. Optimization and improving efficiency of the resources employed;
4. Rationalization of the production facilities.

With reference to the financial year 2011, the Company did not prepare a specific remuneration policy as this was not contemplated by the provisions ruling at the time.

4. Remuneration components

4.1 Remuneration of directors vested with special offices

The remuneration of executive directors is generally made up of the following elements:

- (a) a fixed annual gross component; and
- (b) a variable component linked to pre-determined, measurable objectives and connected to creating value for shareholders over a 12 month period.

In determining the remuneration, the Board of Directors will also take into consideration (i) the remuneration paid during the previous three years, (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 fiscal component.

In particular for the C.E.O., Mr. Roberto Scotti, the following incentives have been foreseen:

- 25% increase of fixed component when Ebitda margin of 9% is achieved on the consolidated financial statement;
- 50% increase of fixed component when Ebitda margin of 10.8% (budget value) is achieved on the consolidated financial statement;
- 75% increase of fixed component when Ebitda margin of 11.8% is achieved on the consolidated financial statement.

For the intermediate values (from 9% to 11.8%), the incentive must be calculated in proportion.

4.2 The remuneration of non-executive directors

In the light of the recommendations contained in the Code of Corporate Governance, 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 Ordinary Assembly of Shareholders.

4.3 Remuneration of Managers with Strategic Responsibilities

The Remuneration Policy for Managers with Strategic Responsibilities for the financial year 2012 is as follows:

Recipients: n° 5 Managers.

1. The value of the “**Annual Bonus**” does not exceed 20% of the annual fixed salary, as defined in the respective employment contracts. 20% of the fixed salary therefore represents the basis for calculation.
2. The objectives on which the Bonus is calculated can be divided into two categories:
 - **Common Objective:** EBITDA margin (*Earning before interests, taxes, depreciation, amortization as a percentage on turnover*) of the Group to which 50% of the value of the ‘Annual Bonus’ is linked .
 - 0% common objective if the consolidated EBITDA margin is under 9%
 - 50% common objective if the consolidated EBITDA margin is equal to 9%
 - 100% common objective if the consolidated EBITDA margin is equal to the budgeted value of 10.8%.

With intermediate Ebitda values the common objective will be calculated in proportion.

- **Objectives of the Function:** they vary according to the relevant corporate function, up to a maximum of 2. An overall 50% of the “Annual Bonus” is linked to these objectives.
 - 0% objective of the function below achievement of 95% of the budgeted result in the case of objectives based on numbers;
 - 50% objective of the function between 95% and 100% of the budgeted result in the case of objectives based on numbers;
 - 100% objective of the function at the achievement of the budgeted result, both quantity and quality.

The parameterisation on the single objectives is correlated to the single percentage weight of each one.

3. The Bonus is paid annually (by the end of June of the year following the year of reference), gross of tax and social security). Being of an extraordinary nature, it is not considered for the calculation of the 13th and 14th monthly salary, TFR (severance indemnity) and any other form of retribution.

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

Recipients: n° 7 Mid-level Managers.

1. The value of the “**Individual Bonus**” should not exceed 20% of the annual gross retribution. 20% of the fixed retribution is therefore the basis for the calculation.
2. The objectives on which the Bonus is calculated are divided into two categories:
 - **Common Objective:** The EBITDA margin (*Earning before interests, taxes, depreciation, amortization-* as a percentage of turnover) of the Group to which 50% of the value of the ‘**Individual Bonus**’ is associated.
 - 0% common objective if the consolidated EBITDA margin is below 9%
 - 50% common objective if the consolidated EBITDA margin is equal to 9%

- 100% common objective if the consolidated EBITDA margin is equal to the 10.8% budgeted value.

With intermediate Ebitda values the common objective is calculated in proportion.

- **Objectives of the Function:** vary according to the relevant company function, up to a maximum of 2. An overall 50% of the 'individual bonus' is linked to these objectives.
 - 0% objective of the function below the achievement of 95% of the budgeted result in the case of objectives based on numbers;
 - 50% objective of the function between 95% and 100% of the budgeted result in the case of objectives based on numbers;
 - 100% objective of the function at the achievement of the budgeted result, both quantity and quality.

The parameterisation on the single objectives is correlated to the single percentage weight of each one.

3. The Bonus is paid annually (by the end of June of the year following the year of reference), gross of tax and social security. Being of an extraordinary nature, it is not considered for the calculation of the 13th and 14th monthly salary, TFR (severance indemnity) and any other form of retribution.

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

5. Policy adopted for non-monetary benefits

Apart from the information already given under Section II, Paragraph 1.3, at the date of this Report, the Company has not prepared a Remuneration Policy for non-monetary benefits.

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 not prepared a Remuneration Policy foreseeing vesting periods, possible deferred payment systems or mechanisms for correction *ex post* because, as already specified, systems of deferment are not key elements for the correct management of company risks.

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 foresee any clauses for maintaining financial instruments in portfolio. Moreover it should be noted that no incentive plans have been approved 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 managers with Strategic Responsibilities 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. The regulations for payments foreseen in the event of termination of office or of the employment contract are remitted to the specific provisions contained in the national labour contract for company managers.

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 C.E.O. and the Managers with Strategic Responsibilities, there is no insurance, social security and pension coverage other than that established by the CCNL (Labour Contract) applied to the Group's managers; it should also be noted that the C.E.O., Mr. Roberto Scotti, in addition to the provisions of the CCNL, is also covered by a medical insurance policy and an insurance against accidents.

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 2011 BY THE MEMBERS OF THE BOARD OF DIRECTORS, OF THE BOARD OF STATUTORY AUDITORS AND BY THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

This section of the Report illustrates the compensation for financial year 2011 due to the members of the Board of Directors, of the Board of Statutory Auditors and to Managers with Strategic Responsibilities.

* * *

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 Managers with Strategic Responsibilities with regards to the financial year 2011.

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 2011:

- i) a fixed retribution of 230,000 euros;
- ii) no variable retribution because it was linked to a certain Ebitda value which was 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, upon nomination, by the Ordinary Shareholders' Assembly.

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 Board of Statutory Auditors

During the financial year 2011, 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 2011 amounts to 25,000 euros;
- Maria Gabriella Anelli, appointed by the Shareholders' Assembly on April 29, 2010; remuneration for the financial year 2011 amounts to 14,000 euros;
- Carlo Baldi appointed by the Shareholders' Assembly on April 29, 2010; remuneration for the financial year 2011 amounts to 14,000 euros.

1.3 Managers with Strategic Responsibilities

The remuneration paid to the 5 Managers with Strategic Responsibilities, for the financial year 2011, is the following:

- total fixed amount of about 371,000 euros;
- further variable component linked to a given Ebitda value which was not achieved;
- non-monetary benefits amounting to 19,493 euros.

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

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 Managers with Strategic Responsibilities paid or to be paid by the Company , the Subsidiary and Associated Companies with reference to financial year 2011.

Table 1: Retribution paid to members of Board of Directors and Board of Statutory Auditors as well as Managers with Strategic Responsibilities over the course of financial year 2011

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	2011	Apr. 2011 finan.report	230,000	-	-	-	-	-	230,000	-	-
Roberto Scotti	C.E.O.	2011	Apr. 2011 finan.report	230,000	-	-	-	-	-	230,000	-	-
Luigi Pisani	Non-executive director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Franco Bolzoni	Non-executive director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Pierluigi Magnelli	Non-executive director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Davide Turco	Non-executive director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Karl Peter Staack	Non-executive director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Raimondo Cinti	Independent Director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giovanni Salsi	Independent Director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Paolo Mazzoni	Independent Director	2011	Apr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giorgio Picone	Chairman Board of Statutory Auditors	2011	Apr. 2012 finan.report	25,000	-	-	-	-	-	25,000	-	-
Maria Gabriella Anelli	Statutory Auditor	2011	Apr. 2012 finan.report	14,000	-	-	-	-	-	14,000	-	-

Carlo Baldi	Statutory Auditor	2011	Appr. 2012 finan. report	14,000	-	-	-	-	-	14,000	-	-
5 Managers with strategic responsibilities		2011		371,000	-	-	-	19,493 ^(*)	-	390,493	-	-
(II) Compensation from subsidiaries and associates												
Emilio Bolzoni	Chairman	2011	Until revoked	28,000 ^(**)	-	-	-	-	-	28,000	-	-
Roberto Scotti	C.E.O.	2011	Until revoked	28,000 ^(***)	-	-	-	-	-	28,000	-	-
(III) Total												
Emilio Bolzoni	Chairman	2011	Appr. 2011 finan.report	258,000	-	-	-	-	-	258,000	-	-
Roberto Scotti	C.E.O.	2011	Appr. 2011 finan.report	258,000	-	-	-	-	-	258,000	-	-
Luigi Pisani	Non-executive director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Franco Bolzoni	Non-executive director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Pierluigi Magnelli	Non-executive director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Davide Turco	Non-executive director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Karl Peter Staack	Non-executive director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Raimondo Cinti	Independent Director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giovanni Salsi	Independent Director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Paolo Mazzoni	Independent Director	2011	Appr. 2011 finan.report	28,000	-	-	-	-	-	28,000	-	-
Giorgio Picone	Chairman of Board Statutory Auditors	2011	Appr. 2012 finan.report	25,000	-	-	-	-	-	25,000	-	-
Maria Gabriella Anelli	Statutory auditor	2011	Appr. 2012 finan.report	14,000	-	-	-	-	-	14,000	-	-

Carlo Baldi	Statutory auditor	2011	Appr. 2012 finan. report	14,000	-	-	-	-	-	14,000	-	-
5 Managers with strategic responsibilities		2011		371,000	-	-	-	19,493	-	390,493	-	-
(III) TOTAL				1,164,000	-	-	-	19,493	-	1,183,493	-	-

(amounts in Euros)

NOTES

Variable non-equity compensation: In 2011 the incentives for the CEO and the managers with strategic responsibilities were not paid as they were linked to a given percentage Ebitda value which was not achieved.

(*) Non-monetary benefits for the 5 Managers with Strategic Responsibilities 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.

SECTION III: INFORMATION ON INVESTMENTS OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE STATUTORY BOARD OF AUDITORS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

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 Managers with Strategic Responsibilities.

Name and Surname	Position	Investee Company	Number of shares held at the end of financial year 2010	Number of shares purchased	Number of shares sold	Number of shares held at end of financial year 2011
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	-	-	4,167
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.	1,410,900	159,100	-	1,570,000
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.	141,195	-	6,375	134,820

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 manager with strategic responsibilities, even for a fraction of the year.

Podenzano, March 14, 2012