



REMUNERATION REPORT

2018

Remuneration Report

in accordance with Article 123-ter Italian Consolidated Finance Act and Article 84-quater
Issuers' Regulation

Traditional management and control model

Issuer: **Unieuro S.p.A.**

Website: **www.unieuro.it**

Financial Year 2018

Approved by the Board of Directors on 26 April 2018

Background and regulatory references

This Report (“**Report**”) has been prepared in accordance with Article 123 ter of the Italian Consolidated Finance Act (TUF) and Article 84-quater of the Issuers' Regulation, according to Scheme 7-ter of Annex 3A to the said Issuers' Regulation, as well as in conformity with the recommendations pursuant to Article 6 of the Corporate-Governance Code.

The Report is divided into two sections:

- Section I, pursuant to Article 123-ter, paragraph three of the TUF, illustrates the policy adopted by the Company and applied to its subsidiary companies pursuant to Article 93 of the TUF on the issue of remuneration:
 - (a) of the members of the Board of Directors, differentiating between executive directors and non-executive directors (the “**Directors**”), and
 - (b) the General Manager, and
 - (c) Managers with strategic responsibilities,with reference to 2019, as well the procedures used for the adoption and implementation of this policy (“**Remuneration Policy**”).
- Section II shows – in accordance with Article 123-ter, fourth paragraph, of the TUF – the individual items that comprise the remuneration of the Directors and Statutory Auditors of the Company, as well as a breakdown of the compensation paid to these persons in financial year 2018 for any reason and in any form, by the company or its subsidiaries or associates. Section II also provides information regarding the compensation of Managers with strategic responsibilities.

This Report: (i) pursuant to Article 84-*quater*, paragraph four of the Issuers' Regulation contains dedicated tables with the data on equity investments owned, directly or indirectly in the Company or in its subsidiary companies, by directors, statutory auditors, general managers and other Managers with strategic responsibilities (as well as by parties closely related to them, understood as not legally separated spouse and minor children); (ii) pursuant to Article 84 -*bis*, paragraph five, of the Issuers' Regulation, contains a dedicated table with the data on financial instruments and/or Unieuro shares granted to implement plans approved by the Company.

The Remuneration Policy outlined below was approved by the Board of Directors on 26 April 2018, at the proposal of the Remuneration and Appointments Committee, and will be put to an advisory vote at the Shareholders' Meeting on 5 June 2018.

DEFINITIONS and GLOSSARY	6
SECTION I	8
a) Bodies or parties involved in the preparation, approval and implementation of the Remuneration Policy	8
b) Remuneration and Appointments Committee	9
a. <u>Composition of the Appointments and Remuneration Committee</u>	9
b. <u>Responsibilities and operating methods of the Remuneration and Appointments Committee</u>	10
c) Names of any independent experts involved in the preparation of the Remuneration Policy	11
d) Principles and aims of the Remuneration Policy and any changes compared with the previous financial year	11
e) Description of policies on fixed and variable components of remuneration, with particular regard to its relative weighting within overall remuneration and the distinction between short-term variable components and medium/long-term variable components	12
I. <u>Executive Directors</u>	18
II. <u>Non-executive and independent directors</u>	18
III. <u>Compensation for participation in committees</u>	18
IV. <u>General Manager</u>	19
V. <u>Managers with strategic responsibilities</u>	19
f) Policy on non-monetary benefits	19
g) Performance targets based on which the variable components of remuneration are assigned	20
h) Criteria used to assess the performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded	20
i) Information showing the consistency of the Remuneration Policy with the pursuit of the long-term interests of the company and its risk management policy	20
j) Vesting period of the rights and any deferred payment systems, stating of the deferment periods and the rules for determining these periods and, where applicable, the mechanisms for ex-post correction	20
k) Information on clauses for holding financial instruments in portfolio after purchase, with indication of holding periods and criteria used to calculate such periods	20
l) Policy regarding benefits provided in case of resignation or termination of employment, specifying what circumstances trigger these benefits and any connection between these benefits and the performance of the company	21
m) Information on the existence of additional, non-mandatory insurance, welfare or pension provisions	21

n) Remuneration policy followed for: (i) independent directors, (ii) participation in committees and (iii) performance of particular duties.	21
o) Indication of remuneration policies of other companies used as reference and criteria used for the selection of these companies.	21
SECTION II	22
Part One	22
a. <u>Compensation of the Board of Directors</u>	22
b. <u>Compensation of the Board of Statutory Auditors</u>	23
c. <u>Compensation of the Supervisory Body</u>	23
d. <u>Compensation of Managers with strategic responsibilities</u>	23
Part Two	25

DEFINITIONS and GLOSSARY

A list of the main definitions and principal terms used in this Document is provided below.

Executive Directors	Directors to whom operational or management tasks have been assigned as well as those who have been assigned particular duties by the Board of Directors.
Non-executive directors	Directors to whom operational or management tasks have not been assigned nor particular duties by the Board of Directors.
Independent Directors	Directors in possession of the independence requirements set out in the Corporate-Governance Code.
Shareholders' Meeting/Meeting	The Company Shareholders' Meeting
Borsa Italiana	Borsa Italiana S.p.A., with registered office at Piazza degli Affari 6 - Milan
Code/Corporate-Governance Code	The Code of conduct of listed companies approved in July 2015 by the Corporate Governance Committee of Borsa Italiana S.p.A., available on its website at www.borsaitaliana.it
Italian Civil Code	The Italian Civil Code
Board of Statutory Auditors	The Company's Board of Statutory Auditors
Control and Risks Committee	The committee set up within the Board of Directors pursuant to Article 7(4) of the Corporate-Governance Code
Related-Party Committee	The committee for related party transactions, set up within the Board of Directors pursuant to the Consob Related Parties Regulation
Remuneration and Appointments Committee	The committee set up within the Board of Directors pursuant to Article 6(3) of the Corporate Governance Code
Board/Board of Directors	The Company's board of directors in office.
Trading Start Date	The first day on which the shares of Unieuro were traded on the MTA – STAR Segment (as defined below), i.e. 4 April 2017
Managers with strategic responsibilities	Company's officers with the power and responsibility, directly or indirectly, for planning, management and control of Company assets, according to the definition provided in Appendix 1 to the Consob Regulation on related-party transactions adopted through resolution no. 17221 of 12 March 2010.
Issuer / Company / Unieuro	Unieuro S.p.A., with registered office in Forlì, Via V.G. Schiaparelli 31.

Financial Year 2018	The Company's financial year from 1 March 2017 to 28 February 2018.
Instructions to the Stock Market Regulations	The Instructions to the Regulations of the Markets organised and operated by Borsa Italiana S.p.A.
Long Term Incentive Plan (LTIP)/Plan/Stock Option Plan	The long-term incentive plan that pays a bonus in financial instruments
MTA – STAR Segment	The Mercato Telematico Azionario (Electronic Stock Exchange) - STAR Segment, organised and managed by Borsa Italiana S.p.A.
Stock Market Regulations	The Regulations of the Markets organised and operated by Borsa Italiana S.p.A.
Issuers' Regulation	The regulation approved by Consob with resolution 11971 of 14 May 1999 (as amended)
Markets Regulation	The regulation on the markets issued by Consob with resolution 20249 of 28 December 2017 (as amended)
Consob Related Parties Regulations	The regulation on related-party transactions approved by Consob with resolution 17221 of 12 March 2010, as subsequently amended
Report	This Remuneration Report, prepared pursuant to Article 123-ter of the TUF and Article 84-quater of the Issuers' Regulation, as well as in conformity with Article 6 of the Corporate Governance Code, available pursuant to the law at the head office and website of the Issuer at the address www.unieurospa.com .
Report on corporate governance and ownership structures	The report on corporate governance and ownership structures prepared pursuant to Article 123-bis of the TUF and in conformity with the "format for the report on corporate governance and ownership structures" (Edition VII January 2018) prepared by Borsa Italiana.
Articles of Association	The Articles of Association of the Company approved by the extraordinary Shareholders' Meeting of 12 December 2016, as amended, which entered into force on the Trading Start Date.
Italian Consolidated Finance Act/TUF	Legislative Decree 58 of 24 February 1998, as amended.

SECTION I

a) Bodies or parties involved in the preparation, approval and implementation of the Remuneration Policy

The bodies or persons involved in the preparation and approval of the Remuneration Policy are indicated below, specifying their respective roles, together with the bodies or persons responsible for the proper implementation of this policy.

The Remuneration Policy is adopted according to a process that involves the Shareholders' Meeting, the Board of Directors and the Remuneration and Appointments Committee, in accordance with the rules and regulations in force and the principles set out in the Corporate Governance Code.

The remuneration of directors assigned with particular duties (including the Chairman and Vice Chairman) is set by the Board of Directors upon proposal of the Remuneration and Appointments Committee, in consultation with the Board of Statutory Auditors. The Shareholders' Meeting may set an overall amount for the remuneration of all directors, including those assigned with particular duties.

Shareholders' Meeting

With regard to remuneration, the shareholders' meeting

- pursuant to Article 2364, paragraph one, no. 3) of the Italian Civil Code, decides the compensation of the members of the Board of Directors and the Board of Statutory Auditors;
- pursuant to Article 123-ter, sixth paragraph, of the TUF, it provides a non-binding opinion on the section of the Remuneration Report that describes the Remuneration Policy of the members of the Board of Directors and the other Managers with strategic responsibilities as defined by the Board of Directors; and
- pursuant to Article 114-*bis* of the TUF, resolves on any share-based payment plans or other financial instruments intended for members of the Board of Directors, employees and associates not related to the Company by employment relationships, including Managers with strategic responsibilities, or intended for members of the Board of Directors, employees and associates not related to the Company by employment relationships of subsidiary companies of the Issuer.

Board of Directors

With regard to remuneration, the Board of Directors:

- sets the remuneration of directors tasked with specific duties, on proposal of the Remuneration Committee having listened to the opinion of the Board of Statutory Auditors;
- approves the Remuneration Report, prepared in accordance with Article 123-ter TUF, the first part of which is subject to a non-binding vote by the Shareholders' Meeting;
- prepares any compensation plans based on shares or other financial instruments, with the assistance of the Remuneration and Appointments Committee, submitting these plans for the approval of the Shareholders' Meeting in accordance with Article 114-*bis* TUF;
- adopts the policy for the remuneration of directors and Managers with strategic responsibilities and is responsible for its implementation; and

- implements any compensation plans based on shares or other financial instruments, with the assistance of the Remuneration and Appointments Committee, upon delegation by the Shareholders' Meeting.

Executive Directors

With regard to remuneration, the Executive Directors:

- submit any compensation plans based on shares or other financial instruments to the Remuneration and Appointments Committee, or where appropriate assist the Remuneration and Appointments Committee with drawing up said plans;
- provide the Remuneration and Appointments Committee with all information useful to enable the Committee to assess the adequacy and actual implementation of the general Remuneration Policy, with particular regard to the remuneration of Managers with strategic responsibilities.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors serves a consultative role, wherein it formulates the opinions required by current regulations and in particular expresses its opinion on proposals for the remuneration of Executive Directors. In expressing its opinion as above, it verifies the consistency of the proposals made by the Remuneration and Appointments Committee to the Board of Directors with the general remuneration policy.

b) Remuneration and Appointments Committee

On 7 February 2017, the Board of Directors, in conformity with the recommendations contained in the Corporate-Governance Code, resolved, with effect from the Trading Start Date, to establish an Appointments and Remuneration Committee, approving the regulation for the operation of the actual committee.

a. Composition of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee is composed of Gianpiero Lenza (non-executive director), Marino Marin (director in possession of the requirements of independence indicated by the TUF and by the Corporate-Governance Code) and Stefano Meloni (director in possession of the requirements of independence indicated by the TUF and by the Corporate-Governance Code) as Chairman.

The Remuneration and Appointments Committee was established pursuant to principle 6.P.3 of the Corporate-Governance Code, which provides that it shall be composed of independent directors, or alternatively, non-executive directors, the majority of whom must be independent (in this case the Chairman was appointed amongst independent directors).

Stefano Meloni has expertise and experience in financial matters and remuneration policies, in conformity with Article 6 (3) of the Corporate-Governance Code.

In the current financial year, the Remuneration and Appointments Committee intends to meet whenever this is necessary to ensure the correct and effective fulfilment of duties.

b. Responsibilities and operating methods of the Remuneration and Appointments Committee

The operation of the Remuneration and Appointments Committee is governed by the Regulation approved by the Board of Directors on 7 February 2017 - which can be consulted on the Issuer's website in the "Corporate Governance" section - with the most important provisions listed below.

In view of the Company's organisational needs, its mode of operation and the size of its Board of Directors, the Company has established a single committee for remuneration and appointments pursuant to Articles 5 and 6 of the Corporate-Governance Code, which is responsible for making enquiries, providing advice and offering suggestions to the Board of Directors.

As regards remuneration, in accordance with the recommendations set out in Article 6 of the Corporate-Governance Code, the Remuneration and Appointments Committee has the following responsibilities:

- (i) making proposals to the Board of Directors for the establishment of a general policy for the remuneration of the Chief Executive Officer, the General Manager and the other Managers with strategic responsibilities – also for the purposes of the preparation, by the Board, of the Remuneration Report to be submitted to the Shareholders' Meeting on an annual basis – and periodically assessing the adequacy, overall consistency and actual implementation of the general policy on remuneration approved by the Board of Directors;
- (ii) making proposals to the Board of Directors regarding the overall remuneration of the Chief Executive Officer, the General Manager and the other Managers with strategic responsibilities, and for the establishment of the remuneration criteria for the Company's senior management, including the performance targets linked to the variable component of that remuneration;
- (iii) monitoring the implementation of decisions taken by the Board of Directors, by verifying, in particular, the actual achievement of performance targets;
- (iv) examining any share-based or cash incentive plans for Company employees and the policies for the strategic development of human resources.

The Remuneration and Appointments Committee was able to access the information and corporate functions necessary to carry out its duties, as well as rely on external consultants, within the terms established by the Board of Directors, in conformity with the provisions of Application criterion 4.C.1., letter e).

However, in accordance with Article 19 of the Articles of Association and Article 2389, paragraph 3, of the Italian Civil Code, the Remuneration and Appointments Committee only performs advisory and recommendation functions, whereas the power to set the remuneration of the directors holding specific offices remains with the Board of Directors, in consultation with the Board of Statutory Auditors, without prejudice to the power of the Shareholders' Meeting to decide the overall amount of the remuneration of all directors, including those assigned with particular duties.

In conformity with the provision of Application criterion 6.C.6 of the Corporate-Governance Code, no director takes part in the Remuneration and Appointments Committee meetings in which proposals are made to the Board of Directors regarding their remuneration, unless the proposals regard all members in general of the Board Committees.

The Chairman will provide information to that next Board of Directors meeting regarding the activities of the Remuneration and Appointments Committee.

c) Names of any independent experts involved in the preparation of the Remuneration Policy

The Company did not resort to any independent expert for the definition of the Remuneration Policy.

d) Principles and aims of the Remuneration Policy and any changes compared with the previous financial year

Also in accordance with the Corporate-Governance Code, the Remuneration Policy is mainly designed to:

- attract, motivate and retain adequate human resources and skills to successfully pursue the Company's objectives;
- to align the interests of management with those of the Company and its shareholders; and
- to promote the creation of value for the Company and for its shareholders in the medium-/long-term.

The Remuneration Policy meets the following criteria in accordance with the provisions of the Corporate-Governance Code:

- the fixed component and the variable component are suitably balanced in view of the Issuer's strategic goals and its risk management policy;
- there are maximum limits on the variable components of remuneration;
- the fixed component is sufficient to remunerate directors in case the variable component is not paid because of failure to reach performance objectives.

In order to pursue these objectives, under the Remuneration Policy the compensation of the Directors and the Managers with strategic responsibilities is determined on the basis of the following components:

- (i) a fixed annual component, commensurate with their position and the commitment required;
- (ii) a variable component, proportionate to the performance of the Company, in the form of a bonus or through equity, equity-based or cash-based incentive plans;
- (iii) other forms of discretionary, occasional and non-recurring remuneration awarded in the form of bonuses and one-off lump sums that reward results of particular strategic significance, not already included in the variable component of remuneration;
- (iv) non-monetary benefits (fringe benefits), such as provision of a company telephone, computer or vehicle, as well as participation in welfare and insurance plans that include,
 - a. for employees of the Company, ordinary welfare and social security protection (as per the national collective bargaining agreement, where applicable) and insurance against the risk of death, permanent disability and temporary incapacity;
 - b. as far as directors are concerned, insurance cover in relation to the office held on the Board of Directors.

- (v) compensation payable in connection with any non-compete agreement entered between the Company and the Managers with Strategic Responsibilities.

There were no changes in the Remuneration Policy compared with the year ended 28 February 2018.

e) Description of policies on fixed and variable components of remuneration, with particular regard to its relative weighting within overall remuneration and the distinction between short-term variable components and medium/long-term variable components.

The policies on the remuneration of directors and Managers with strategic responsibilities are adequately balanced to ensure alignment between short-term growth objectives and the sustainable creation of value for the Company and its shareholders in the medium-long term.

In particular, the remuneration structure comprises the following components:

- a fixed component that reflects their specific powers, positions, role and strategic responsibilities;
- a variable component designed to remunerate expected short-term performance (in the case of MBO) and medium/long-term performance (in the case of stock option plans).

The variable remuneration and the fixed annual components have different weightings according to the characteristics of the role in the company and the responsibilities assigned, in order to ensure the sustainability of company results and the creation of medium/long-term value for shareholders.

Regarding Managers with strategic responsibilities, when drawing up the relevant Remuneration Policy, the Board of Directors works on the basis of an assessment of the current contractually agreed remuneration with each Manager with strategic responsibilities, which also includes benefits and variable short-term remuneration (MBO) connected to the achievement of individual or company performance targets set for each financial year, whose payment is subject to remaining with the company for the reference period.

The variable part of the remuneration is therefore set in such a way as to

- take account of the requirement whereby a significant part of the remuneration of Executive Directors and Managers with strategic responsibilities must be linked to performance results achieved by the Issuer and/or the achievement of targets set in advance by the Board of Directors;
- ensure that the interests of the Executive Directors and Managers with strategic responsibilities are in line with the priority objective of creating medium/long-term value for the Company and its shareholders; and
- retain and motivate people with the required qualities to manage the Issuer successfully, including through the use of retention conditions.

As indicated above, the variable component of the remuneration includes a short-term component (MBO) and a medium/long-term component (a stock option plan), which are described below.

Management By Objectives ("MBO")

The remuneration of Managers with strategic responsibilities includes an annual variable component (MBO) – which is a significant amount in percentage terms of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each

financial year by the Board of Directors, whose payment is subject to remaining with the company for the reference period.

The pay-mix (the weighting of the different components as a proportion of total remuneration paid excluding benefits (annual total compensation) is provided below:

- fixed component: between 50% and 62.5%;
- variable short-term component relative to the Target Bonus (as defined below): between 37.5% and 50%.

The current MBO system envisages payment of a cash bonus with the amount of the target defined for each manager in the individual contract of employment. The recognition of the bonus is subject to remaining in office for the reference year and reaching the performance targets, to which a predefined weighting is assigned, and specific identifiable entry levels. The bonus effectively due is calculated according to a linear progression system bearing in mind the actual performance achieved with respect to the performance targets.

The MBO system for the year 1 March 2018 - 28 February 2019, as approved by the Board of Directors on 26 April 2018, at the proposal of the Appointments and Remuneration Committee, is structured on the basis of the following parameters and criteria:

- the performance objectives are connected to targets involving (i) EBITDA (common to all Managers with strategic responsibilities) ("**EBITDA Performance Target**") and (ii) the reduction of the net financial position or net debt (depending on the role performed) ("**NFP Performance Target**");
- the EBITDA Performance Target and the NFP Performance Target weighting is 75% and 25%, respectively;
- the Target Bonus - supplied if 100% of the targets are reached and defined individually in the contracts of employment - is broken down according to the weightings in the "**EBITDA Target Bonus**" (75%) and in the "**NFP Target Bonus**" (25%);
- the accrual and payment of the EBITDA Target Bonus and the NFP Target Bonus are conditional to (i) the reaching of predefined entry levels, below which the beneficiary shall not have the right to receive any compensation and (ii) the fact that the beneficiary is employed by the Issuer at the closing date of the reference year, except in the event of termination of the employment for objective reasons in which case the bonus will be readjusted proportionally *ratione temporis*.

Specifically, if the effective consolidated performance in the reference year relating to EBITDA ("**EBITDA Effective Performance**") is:

- a) below 80% of the EBITDA Performance Target, the EBITDA Target Bonus is not paid, not even pro rata, as the entry level has not been reached;
- b) equal to 80% of the EBITDA Performance Target, 50% of the EBITDA Target Bonus is paid;
- c) between 81% and 99% of the EBITDA Performance Target, in addition to the amount indicated in point b) above, a sum equal to 2.5% of the EBITDA Target Bonus would be

- paid for each percentage point of the EBITDA Effective Performance above 81% of the EBITDA Performance Target;
- d) an amount equal to the EBITDA Target Bonus is paid at 100% of the EBITDA Performance Target;
 - e) between 101% and 120% of the EBITDA Performance Target, a sum in addition to the EBITDA Target Bonus is paid, proportionally, equal to 2.5% of the EBITDA Target Bonus for each percentage point better than the EBITDA Effective Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each percentage point better than the EBITDA Effective Performance above 120% of the EBITDA Performance Target.
- the NFP Target Bonus is paid exclusively on condition that 70% of the EBITDA Performance Target is reached; if this level is not reached, the right to receive the NFP Target Bonus will not be accrued, in spite of reaching the Performance Target for the net financial position/net debt. Without prejudice to the above, if the effective consolidated performance in the reference year relating to the net financial position/net debt ("**NFP Effective Performance**") is:
- a) below 80% of the NFP Performance Target, the NFP Target Bonus is not paid, not even pro rata, as the entry level has not been reached;
 - b) equal to 80% of the NFP Performance Target, 50% of the NFP Target Bonus is paid;
 - c) between 81% and 99% of the NFP Performance Target, in addition to the amount indicated in point b) above, a sum equal to 2.5% of the NFP Target Bonus would be paid for each percentage point of the NFP Effective Performance above 81% of the NFP Performance Target;
 - d) an amount equal to the NFP Target Bonus is paid at 100% of the Performance Target;
 - e) between 101% and 120% of the NFP Performance Target, a sum in addition to the NFP Target Bonus is paid, proportionally, equal to 2.5% of the NFP Target Bonus for each percentage point better than the NFP Effective Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each percentage point better than the NFP Effective Performance above 120% of the NFP Performance Target.

The Board of Directors has reserved the right to set a cap to the cash bonus to be recognized to the Managers with Strategic Responsibilities, subject to prior favourable opinion by the Appointment and Remuneration Committee.

For each financial year, in line with the Remuneration Policy adopted, the Board of Directors has the power to set other terms and conditions in addition to the Performance Targets that must be met for the payment of the bonus, such as the introduction of a different incentive system in view of pre-established strategic company objectives.

Stock Option Plan

On 6 February 2017, the extraordinary Shareholders' Meeting resolved to adopt a stock option plan (the “**Long-Term Incentive Plan 2018-2025**” or “**Stock Option Plan**” or “**Plan**”) reserved to Executive Directors, associates and employees (managers and otherwise) of the Company.

The Plan specifies the following objectives: (i) to get beneficiaries to focus on factors of a strategic interest to the Company, (ii) to obtain the loyalty of plan beneficiaries and give them an incentive to remain with the Company, (iii) to increase the Company's competitiveness by identifying medium-term goals and fostering the creation of value for both the Company and its shareholders, and (iv) to ensure that the overall remuneration of Plan beneficiaries is competitive in the market.

The implementation and determination of the specific characteristics of the Plan were delegated by the same Shareholders' Meeting to the company's Board of Directors, to take place after April 4, 2017, that is the start date of trading of the Company's shares.

The Plan calls for assigning (free of charge) of up to a maximum amount of 1,032,258 subscription rights- non transferrable *per acta inter vivos*- for the subscription or purchase (against a price) of a corresponding number of ordinary shares, derived from a capital increase or, alternatively, from treasury stock of the Company, at the latter's choice (the “**Subscription Rights**”). For these purposes, on February 6, 2017, the shareholders' meeting resolved upon a capital increase pursuant to art. 2441, paragraphs 5 and 8 of the Italian Civil Code, up to a nominal amount of €206,452 plus share premium, for a total amount (capital plus share premium) equal to the price at which the Company's shares has been placed on the STAR segment of the MTA, through the issuance of up to 1,032,258 ordinary shares.

Moreover, on 6 February 2017, the Shareholders' Meeting authorised the Board of Directors to determine criteria for identifying beneficiaries and a number of Subscription Rights to assign to the beneficiaries of the Plan, based on objective and predetermined criteria in the interest of the Issuer, to be indicated in the relevant Regulations. The Board of Directors had also to determine a maximum number of Subscription Rights for each beneficiary, to be decided in accordance with the terms and conditions set out in the Regulations, also considering the role performed within the company's organisation. The exercise of the Subscription Rights and ensuing subscription of all of n. 1,032,258 shares allocated under the Plan, will cause a dilution of the shareholding existing at that date, which would be equal to app. 4.9%.

On 29 June 2017, the Board of Directors approved the 2018-2025 the regulation of the Long Term Incentive Plan and the list of recipients (the “**Beneficiaries**”), as defined in the above-mentioned regulation. The assigning of Subscription Rights to each Beneficiary took place in line with the role played by them and the respective level of pay. Subscription Rights are to be granted, in one instalment, and the deadline for doing so is February 29, 2020.

Except for cases of "good leaver", as indicated below, Subscription Rights will become effective on 29 February 2020, provided that the employment relationship with the Beneficiary lasts until that date. If the conditions are met, the Subscription Rights will be exercisable starting from July 31, 2020 and until the final deadline of July 31, 2025, even in several installments. The exercise price of the Subscription Rights is equal to Euro 11, which is the placement price of the Company's shares at the time of listing.

After approval of the consolidated financial statements as at 29 February 2020, the Board of Directors will proceed to verify the degree of achievement of the objectives in respect of financial years 2018, 2019 and 2020, in terms of aggregate adjusted net income (“**Target**”), as indicated in the Company's

Business Plan, and to inform each Beneficiary, about the number of Subscription Rights that can be exercised on the basis of the following criteria:

(i) if aggregate adjusted net income for financial years 2018, 2019 and 2020, falls short of 85% of the Target, no Subscription Right can be exercised;

(ii) if aggregate adjusted net income for financial years 2018, 2019 and 2020, equals 85% of the Target, only half of the Subscription Rights shall be exercisable;

(iii) if aggregate adjusted net income for financial years 2018, 2019 and 2020, is higher than 85% of the Target but lower than 100% of the Target, a number of Subscription Rights can be exercised, to be calculated, from 50% to 100%, in a linear fashion, in proportion to the achieved percentage of the Target;

(iii) if aggregate adjusted net income for financial years 2018, 2019 and 2020, equals 100% of the Target, 100% of the Subscription Rights shall be exercisable;

(iv) if aggregate adjusted net income for financial years 2018, 2019 and 2020, exceed 100% of the Target and up to 120% of the same, a number of Subscription Rights can be exercised, to be calculated in a linear fashion, from 100% to 120%, in proportion to the achieved percentage of the Target;

(v) if aggregate adjusted net income for financial years 2018, 2019 and 2020, is equal to, or higher than 120% of the Target, then 120% of the Subscription Rights shall be exercisable, this being intended as the maximum limit.

In the event of change of control or delisting of Unieuro before 29 February 2020, the Board of Directors may decide to bring forward the end of the vesting period (i.e. on 29 February 2020) on the date of the change of control or delisting; as a consequence, all the Subscription Rights will be considered as vested at that date and will be exercisable as indicated above.

The termination of the employment relationship before July 31, 2025 due: (i) to voluntary resignation from office, and (ii) dismissal for just cause, will determine the automatic, definitive and irrevocable termination of the Beneficiary from all Subscription Rights until then assigned, even if they have already become effective but not exercised.

In the case of termination of the employment relationship prior to July 31, 2025, due to: (i) dismissal without just cause, or (iii) the termination of the employment relationship due to death, retirement, or disabling event such as to determine the impossibility of the Beneficiary to the useful continuation of the relationship, the Beneficiary (or his/her heirs): a) will retain in any case the Subscription Rights that have become exercisable pursuant to the regulation if the termination of the employment relationship took place after 29 February 2020; b) will retain a pro-rata share of the Subscription Rights, to be determined on a *pro rata temporis basis*. The rest will definitely be no longer exercisable. Except for the case of death or disability, the employment contract may be deemed as terminated starting from the date of the termination notice, whatever the cause, and without regard to any applicable notice period.

If, due to an extraordinary circumstance (mergers, demergers, share capital increases, treasury shares transactions, or other extraordinary transactions of the Company that would change the current perimeter of the group) it is necessary to change the objectives established by the business plan for any financial year of the Plan, the Board of Directors shall proceed with the necessary amendments, and shall inform the Beneficiaries about the new objectives. It is being understood that the Board of

Directors of the Company has the right and duty to amend the regulation of the Plan, whenever an opportunity arises, or is warranted by the introductions of new laws or regulations.

Moreover, the regulation of the Stock Option Plan provides that after 29 February 2020, at the end of each year in which the Beneficiary exercises all or part of his/her Subscription Rights, he/she shall be entitled to receive an extraordinary cash bonus equal to the dividends that he/she would have received from the date of approval of the Stock Option Plan until 29 February 2020, based on the number of shares obtained by exercising the Subscription Rights, in that specific year.

For further information regarding the Plan, please, refer to the information in the registration document published by the Company and available on its website at www.unieurospa.com/it/investor-relations/prospetto.

Forms of discretionary, occasional and non-recurring remuneration (bonuses)

Other forms of discretionary, occasional and non-recurring remuneration are also available. By way of bonuses and discretionary, non-recurring lump-sum payments, these components occasionally reward strategically significant management results or performance levels that are set from time to time by the Board of Directors and are not already included in the variable components of short- and long-term remuneration, obtained through outstanding individual contributions.

The Remuneration Policy for directors, the General Manager and the Managers with strategic responsibilities is described below.

Chairman of the Board of Directors

Fixed component

The remuneration of the Chairman comprises a fixed component, as resolved upon by the Shareholders' Meeting on 6 February 2017.

Variable component

With reference to the variable component, the Chairman is not included in Stock Option Plan.

The Chairman is not included in annual variable incentive plans.

Non-monetary benefits

The Chairman does not receive additional benefits compared to those awarded to the other Directors of the Company.

Directors

The compensation of the directors is structured in such a way as to attract and motivate the best professionals and skills, to ensure the best possible performance of their roles and the achievement of the goals of the Remuneration Policy.

All directors receive fixed compensation that ensures adequate remuneration for their services and commitment to the Company.

Pursuant to Article 19 of the Articles of Association and Article 2389(3) of the Italian Civil Code, the fixed component of directors' compensation is set by the Shareholders' Meeting; the fixed component

includes gross annual compensation predetermined for the entire period in which the director is in office, commensurate with the commitment required, plus reimbursement of expenses incurred in the performance of their duties.

I. Executive Directors

The remuneration of Executive Directors is adequately balanced to ensure alignment between short-term growth objectives and the sustainable creation of value for shareholders in the medium-long term.

As at the date of this Report, the only Executive Director is Giancarlo Nicosanti Monterastelli, in his quality as Managing Director of the Company. In this respect, it is to note that, based on his employment contract, which provides for an all-inclusive annual gross remuneration; Mr Nicosanti Monterastelli has expressly waived any right to any emoluments as Board's Member and Managing Director.

Fixed component

Pursuant to Article 19 of the Articles of Association and Article 2389(3) of the Italian Civil Code, the fixed component of Executive Directors' compensation is set by the Shareholders' Meeting; the fixed component includes gross annual compensation predetermined for the entire period in which the director is in office, commensurate with the commitment required.

Pursuant to Article 19 of the Articles of Association, the remuneration of directors assigned with particular duties is set by the Board of Directors in consultation with the Board of Statutory Auditors.

The Shareholders' Meeting may set an overall amount for the remuneration of all directors, including those assigned particular duties.

Variable component

Executive Directors are included in the Stock Option Plan.

Non-monetary benefits

The general non-monetary benefits recognised to Executive Directors includes Directors' and Officers' Liability Insurance ("D&O").

II. Non-executive and independent directors

As at the date of this Report, the non-Executive Directors are Bernd Erich Beetz (Chairman of the Board of Directors), Robert Frank Agostinelli, Gianpiero Lenza, Uwe-Ernst Bufe, and the independent directors are Stefano Meloni and Marino Marin.

In accordance with the principles of the Self-Governance Code and, in particular, the implementing rule set out in Article 6.C.4, the gross annual remuneration of non-executive directors and independent directors is not connected to the achievement by the company of earnings and is instead commensurate with the commitment required from each of them to perform their role.

The general non-monetary benefits recognised to Non-executive directors includes D&O (Directors and Officer) liability insurance.

III. Compensation for participation in committees

For participation in committees, on 6 February 2017 the Shareholders' Meeting resolved to pay (i) €10,000 for each member of the Remuneration and Appointments Committee and of the Control and

Risks Committee, and (ii) €15,000 for the Chairman of the aforesaid committees, clarifying that total compensation will be proportionate to the actual number of months in office. On 10 May 2017, the Board determined the gross payment due to members of the Related Party Transaction Committee at €10,000 each.

IV. General Manager

As at the date of this Report, the Company has not appointed a General Manager.

V. Managers with strategic responsibilities

As at the date of this Report, the Issuer has identified 5 Managers with strategic responsibilities from among the persons who, in the opinion of the Issuer, have the power and responsibility, directly or indirectly, for the planning, management and supervision of Unieuro's activities.

They are the managers who currently fill the positions of (i) Chief Operations Officer (ii) Chief Omnichannel Officer (iii) Chief Corporate Development Officer and (iv) Chief Financial Officer and Manager Responsible for Preparing Accounting Documents, plus the Chief Executive Officer Giancarlo Nicosanti Monterastelli, who is an employee responsible for coordinating the other Chiefs and has also been assigned the responsibilities of Chief Commercial Officer on an interim basis.

Fixed component

The remuneration of Managers with strategic responsibilities includes a gross fixed annual component (gross annual salary) including compensation for the non-competition agreement, which is paid separately to the other elements of the remuneration (see point (d), Part One, Section II);

Variable component

The remuneration of Managers with strategic responsibilities includes an annual variable component (MBO) – which is a significant amount in percentage terms of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each financial year by the Board of Directors, whose payment is subject to remaining with the company for the reference period (see point (d), Part One, Section II).

With reference to the variable component of remuneration for Managers with strategic responsibilities, they participate to the Stock Option Plan (see point (e) in Section I above).

Non-monetary benefits

All managers are awarded a series of benefits, including – according to the provisions of the applicable national collective bargaining agreement and individual employment contracts – a vehicle for personal and business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and Directors & Officers Liability (“D&O”), and in some cases a house allowance.

f) Policy on non-monetary benefits

The purpose of non-monetary benefits is to ensure the compensation package is competitive and is provided in line with market practice.

Non-monetary benefits are awarded in line with current practices and in accordance with the position and role held. As such, a D&O insurance policy is provided for all Directors.

According to the provisions of the applicable national collective bargaining agreement and individual employment contracts, Managers with strategic responsibilities receive the following benefits: a vehicle for personal and business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and Directors & Officers Liability (“D&O”), and in some cases a house allowance.

g) Performance targets based on which the variable components of remuneration are assigned

Refer to letters d) and e) above and to Table 2.

h) Criteria used to assess the performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded

Refer to letters d) and e) above and to Table 2.

i) Information showing the consistency of the Remuneration Policy with the pursuit of the long-term interests of the company and its risk management policy

The Company's Remuneration Policy states that the established performance objectives and the method of payment of the variable component must be consistent with the risk management policy adopted by the company, taking into account the risks assumed by the Company in the performance of its business and resources – in terms of capital and liquidity – required to undertake the activities it pursues.

On the subject, refer to the contents of preceding points d) and e), as well as Section II of Part Two.

j) Vesting period of the rights and any deferred payment systems, stating of the deferment periods and the rules for determining these periods and, where applicable, the mechanisms for ex-post correction

With regard to the stock option plan approved by the extraordinary Shareholders' Meeting on 6 February 2017 and reserved to the Executive Directors, collaborators and employees (managers and otherwise) of the Company, the rights of each Beneficiary to exercise the Subscription Rights will vest on 31 July 2020 (vesting period).

k) Information on clauses for holding financial instruments in portfolio after purchase, with indication of holding periods and criteria used to calculate such periods

As far as information on any clauses for maintaining financial instruments in the portfolio is concerned, note that the Subscription Rights assigned through the stock option plan approved by the Company's Extraordinary Shareholders' Meeting on 6 February 2017, are not transferable by an act *inter vivos*, and there are no clauses requiring the beneficiaries to keep the securities in their portfolios, after the purchase.

l) Policy regarding benefits provided in case of resignation or termination of employment, specifying what circumstances trigger these benefits and any connection between these benefits and the performance of the company

At the date of this Report, there are no agreements between the Company and members of the Board of Directors that involve the payment of indemnities in the event of resignation, dismissal and/or revocation without just cause, or if their employment contract should be terminated as a result of a takeover bid.

As regards the Chief Executive Officer, no specific “golden parachute” agreements have been made connected to the termination of his role and – as regards the CEO’s employment relationship with the Issuer – the CEO does not receive additional payments to those provided by law and the collective bargaining agreement in the event of dismissal.

m) Information on the existence of additional, non-mandatory insurance, welfare or pension provisions

In line with best practices, a D&O (Directors & Officers) liability insurance policy is provided to cover the third-party civil liability for actions of the corporate bodies and the Managers with strategic responsibilities in the course of their duties. This policy is designed to indemnify policyholders from the costs associated with claims for damages made by third parties, excluding cases of wilful misconduct or gross negligence.

n) Remuneration policy followed for: (i) independent directors, (ii) participation in committees and (iii) performance of particular duties.

The Company’s Remuneration Policy states that independent directors are to be paid “basic” compensation as members of the Board of Directors.

Additional annual compensation is paid if the directors are members of Board committees, including in accordance with the Corporate-Governance Code.

Note that, in line with the fact that the Chairman of the Board of Directors is a non-executive director, the Issuer has not appointed a lead independent director as it does not believe that the conditions set out in implementing rule 2.C.3 of the Self-Governance Code apply.

For further details refer to previous parts of Section I.

o) Indication of remuneration policies of other companies used as reference and criteria used for the selection of these companies.

Notwithstanding the statement made on market practices on remuneration policies, the Company’s Remuneration Policy was not drawn up on the basis of the remuneration policies of other companies.

SECTION II

Part One

This section illustrates the compensation of the management and control bodies and Managers with strategic responsibilities, by name, as at 28 February 2018.

The above-mentioned compensation is determined continuously with regard to the previous year and based on the principles followed by the Company for defining the remuneration of members of the governing and supervisory bodies, the General Manager and Managers with strategic responsibilities. These principles are in line with the recommendations of the Corporate-Governance Code.

a. Compensation of the Board of Directors

Fixed remuneration

On 6 February 2017, the Shareholders' Meeting also resolved to award total annual gross compensation for the entire Board of Directors of €580,000, divided as follows: (i) €60,000 for each non-executive director, (ii) €150,000 for the Chairman of the Board of Directors, (iii) €10,000 for the members of the Remuneration and Appointments Committee and the Control and Risks Committee, and (iv) €15,000 for the Chairman of the aforesaid committees, clarifying that total compensation will be proportionate to the actual number of months in office. Additionally, on 10 May 2017, the Board of Directors resolved €10,000 each by way of the gross remuneration due to the members of the Related Party Transaction Committee.

In accordance with the agreements governing the Chief Executive Officer's employment relationship with the Issuer and in particular the agreed nature of his annual gross remuneration, which is inclusive of all compensation also for additional duties and positions in the company, the CEO has waived the compensation awarded to him for holding the position of Executive Director and Board's Member.

By virtue of these agreements and in particular the fact that the remuneration paid to the Chief Executive Officer relates to his management position, the amount paid to him in financial year 2018 is included in the compensation paid to Managers with strategic responsibilities and represented in detail in the attached tables.

Variable remuneration

The members of the Board of Directors – with the exception of the Chief Executive Officer – do not participate in the stock-option plan, the MBO system or other forms of variable remuneration.

Non-monetary benefits

The non-monetary benefits awarded to members of the Company's Board of Directors include an insurance policy to cover the civil liability of directors and managers, i.e. Directors' and Officers' Liability Insurance ("D&O").

b. Compensation of the Board of Statutory Auditors

On 12 December 2016 the Shareholders' Meeting resolved, inter-alia, to appoint a Board of Statutory Auditors comprising three standing members and two alternate members, for a term of three financial years: Maurizio Voza (Chairman), Giorgio Gavelli (standing auditor), Luigi Capitani (standing auditor), Sauro Garavini (alternate auditor) and Giancarlo De Marchi (alternate auditor).

Fixed remuneration

On 12 December 2016, the Shareholders' Meeting resolved to assign members of the Board of Statutory Auditors compensation, for the entire period of their term of office, of €60,000, specifying that this compensation would be commensurate with the number of months they effectively remain in office. At the same Shareholders' Meeting the above-mentioned compensation was broken down as follows: (i) a sum of €26,000 to the Chairman, in addition to pension contributions, (ii) a sum of €17,000 to each Statutory Auditor, in addition to pension contributions.

Variable remuneration and non-monetary benefits

Members of the Board of Statutory Auditors will not be paid any variable remuneration or non-monetary benefits.

c. Compensation of the Supervisory Body

Fixed remuneration

On 17 May 2016, the Board of Directors of the Company resolved to appoint the following as members of the Supervisory Body for a term of three years (ending on the date of approval of the Annual Financial Statements for the year ended 28 February 2019): Giorgio Rusticali (Chairman of the Supervisory Body), Chiara Tebano, and Raffaella Folli, with their gross annual compensation: €15,000 to the Chairman Giorgio Rusticali, €7,500 to Chiara Tebano and €7,500 to Raffaella Folli.

Variable remuneration and non-monetary benefits

Members of the Supervisory Body will not be paid any variable remuneration or non-monetary benefits.

d. Compensation of Managers with strategic responsibilities

Fixed remuneration

The Managers with strategic responsibilities received the fixed component of the remuneration determined by their respective employment contracts, including payments due under applicable legal and contractual provisions.

During the financial year ended 28 February 2018, the 5 Managers with strategic responsibilities (including Nicosanti Monterastelli who is also currently Chief Executive Officer) were paid a total of €1,399,533.66 in fixed remuneration.

Variable remuneration

The variable remuneration of Managers with strategic responsibilities comprises participation in the MBO scheme, the Stock Option Plan and bonuses, if any.

In particular, the following was paid, in aggregate:

- by way of gross variable remuneration (relating to the MBO scheme for the year 2017, paid in 2018 relating to the year 2017): €1,039,500.00; and
- In connection with the Stock Option Plan, n. 566,584 Subscription Rights;

Additionally, please note that in February 2017, Italian Electronics Holding S.r.l. resolved upon an incentive plan envisaging, in the favour of some Company managers (i.e. the current Managers with strategic responsibilities): (i) in the event of the success of the project for admission to listing, the assignment, on the day on which the listing price is fixed, by IEH, of a number of shares in the Company free of charge, with the obligation to re-sell the shares assigned by the Trading Start Date to IEH, at a price equal to the listing price; or (ii) in the event of the sale to a third party of all or part of the Company's shares, the assignment, before the sale to the third party, by IEH, of a number of shares in the Company free of charge, with the obligation to sell the shares assigned, to the third party buyer in accordance with the terms and conditions to be defined with the third party buyer. The occurrence of events was envisaged as mutually exclusive, therefore, upon occurrence of one event, the other would automatically become ineffective. In compliance with the provisions of the plan, the shares in Unieuro assigned to said beneficiaries were bought back by IEH. The price of this sale was paid to the beneficiaries by Unieuro (the "Transaction Bonus") by means of a payment delegation; this amount was fully reimbursed to Unieuro by IEH, together with all costs incurred by Unieuro in connection with its disbursement.

The amount paid in account of Transaction Bonus is equal to: €1,383,971.00.

For further information, please see tables below.

Non-monetary benefits

As regards non-monetary benefits, it is noted that all Managers with strategic responsibilities are awarded a series of benefits, including – according to the provisions of the applicable national collective bargaining agreement and individual employment contracts – a vehicle for personal and business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and D&O liability insurance, and in some cases a house allowance.

Policy on payments in the event of resignation or termination of employment and non-competition agreements

The Company has non-competition agreements in place with Managers with strategic responsibilities in accordance with Article 2125 Civil Code. This entails the payment of compensation – determined in relation to the duration and breadth of the restrictions under said agreement – at a fixed rate while employed by the Company, with guaranteed final settlement on the date of termination of the employment agreement to be paid if the total amount paid up to that moment does not reach a predefined percentage of the annual gross remuneration provided for the last year in which the employment agreement is in place.

Part Two

The tables below provide a breakdown of the compensation paid by the Company during financial year 2018 for any purpose and in any form, or by subsidiaries or associates of the Issuer.

Table 1: Compensation paid to members of management and control bodies and other Managers with strategic responsibilities (*)

All compensation is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

(A) Name and surname	(B) Office	(C) Period office held	(D) End of period in office	(1) Fixed compensation	(2) Compensation for participation in committees	(3) Variable non-equity compensation		Non-monetary benefits	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Bernd Erick Beetz	Chairman	01/03/2017–28/02/2018	28/02/2019	150,000						150,000		
Gianpiero Lenza	Director	01/03/2017–28/02/2018	28/02/2019	60,000						78,146.12		
	Remuneration and Appointments Committee member	04/04/2017–28/02/2018			9,073.06 ¹							
	Control and Risks Committee member	04/04/2017–28/02/2018			9,073.06 ²							
Robert Frank Agostinelli	Director	01/03/2017–28/02/2018	28/02/2019	60,000						60,000		

¹ Remuneration due for the position of member of the Remuneration and Appointments Committee.

² Remuneration due for the position of member of the Control and Risks Committee.

Nancy Arleen Cooper	Director	01/03/2017–12/10/2017	28/02/2019	36,935.48					36,935.48		
Uwe Ernst Bufe	Director	13/10/2017–28/02/2018	28/02/2019	23,064.52					23,064.52		
Stefano Meloni	Independent Director	01/03/2017–28/02/2018	28/02/2019	60,000 ³					96,292.26		
	Remuneration and Appointments Committee Chairman	04/04/2017–28/02/2018			13,609.60 ⁴						
	Control and Risks Committee Chairman	04/04/2017–28/02/2018			13,609.60 ⁵						
	Related-Party Committee member	04/04/2017–28/02/2018			9,073.06 ⁶						
Marino Marin	Independent Director	01/03/2017–28/02/2018	28/02/2019	60,000 ⁷					87,219.18		
	Remuneration and Appointments Committee member	04/04/2017–28/02/2018			9,073.06 ⁸						
	Control and Risks Committee member	04/04/2017–28/02/2018			9,073.06 ⁹						
					9,073.06 ¹⁰						

³ Total remuneration resolved for FY18, of which €35,000 disbursed.

⁴ Total remuneration resolved for the position of Chairman of the Remuneration and Appointments Committee for FY18, of which €7,500 disbursed.

⁵ Total remuneration resolved for the position of Chairman of the Control and Risks Committee for FY18, of which €7,500 disbursed.

⁶ Total remuneration resolved for the position of member of the Related-Party Committee for FY18, of which €4,999.98 disbursed.

⁷ Total remuneration resolved for FY18, of which €55,000 disbursed.

⁸ Total remuneration resolved for the position of member of the Remuneration and Appointments Committee for FY18, of which €8,239.73 disbursed.

⁹ Total remuneration resolved for the position of member of the Control and Risks Committee for FY18, of which €8,239.73 disbursed.

¹⁰ Total remuneration resolved for the position of member of the Related-Party Committee for FY18, of which €8,239.73 disbursed.

	Related-Party Committee member	04/04/2017 – 28/02/2018									
Maurizio Voza	Chairman of the Board of Statutory Auditors	01/03/2017 – 28/02/2018	28/02/2019	26,000 ¹¹					26,000		
Giorgio Gavelli	Auditor	01/03/2017 – 28/02/2018	28/02/2019	17,000 ¹¹					17,000		
Luigi Capitani	Auditor	01/03/2017 – 28/02/2018	28/02/2019	17,000 ¹¹					17,000		
Giorgio Rusticali	Supervisory Body Chairman	01/03/2017 – 28/02/2018	28/02/2019	15,000 ¹¹					15,000		
Raffaella Folli	Supervisory Body member	01/03/2017 - 28/02/2018	28/02/2019	7,500					7,500		
Chiara Tebano	Supervisory Body member	01/03/2017– 28/02/2018	28/02/2019	7,500 ¹²					7,500		
Giancarlo ¹³ Nicosanti Monterastelli	CEO – Chief Commercial Officer – Executive Director	01/03/2017– 28/02/2018		351,703.58		911,853.00 ¹⁴	3,895.78		1,267,452.36	420,387	
Luigi Fusco	Chief Operating Officer	01/03/2017– 28/02/2018		251,153.94		500,248.00 ¹⁵	4,024.10		755,426.04	140,129	
Bruna Olivieri	Chief Omni Channel Officer	01/03/2017 - 28/02/2018		251,153.94		480,510.00 ¹⁶	3,748.42		735,412.36	140,129	

¹¹ Total compensation resolved for FY18 not yet paid.

¹² Total remuneration resolved for FY18, of which €1,582.19 disbursed.

¹³ It is noted that Mr Nicosanti Monterastelli waived the compensation awarded to him for occupying the position of Executive Director for financial year 2018. This was because, as CEO and Chief Commercial Officer, his employment relationship with the Issuer and his annual gross remuneration is inclusive of all compensation, including additional duties and positions in the company.

¹⁴ €515,478.00 relates to the payment of the Transaction Bonus on behalf of the Company IEH; €396,375.00 refers to MBO FY2018, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements as at February 28, 2018. It is specified that in FY 2018, €404,250.00 was disbursed by way of MBO applicable to FY 2017.

¹⁵ €217,123.00 relates to the payment of the Transaction Bonus on behalf of the Company IEH; €283,125.00 refers to MBO FY2018, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements as at February 28, 2018. It is specified that in FY 2018, €202,125.00 was disbursed by way of MBO applicable to FY 2017.

¹⁶ €197,385.00 relates to the payment of the Transaction Bonus on behalf of the Company IEH; €283,125.00 refers to MBO FY2018, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements as at February 28, 2018. It is specified that in FY 2018, €173,250.00 was disbursed by way of MBO applicable to FY 2017.

Italo Valenti	Chief Financial Officer	01/03/2017–28/02/2018		294,285.84		471,935.50 ¹⁷	1,648.16		767,869.50	182,168	
Andrea Scozzoli	Chief Corporate Development Officer	01/03/2017–28/02/2018		251,236.36		406,737.00 ¹⁸	3,561.34		661,534.70	68,958	

¹⁷€217,123.00 relates to the payment of the Transaction Bonus on behalf of the Company IEH; €254,812.50 refers to MBO FY2018, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements as at February 28, 2018. It is specified that in FY 2018, €86,625.00 was disbursed by way of MBO applicable to FY 2017.

¹⁸€236,862.00 relates to the payment of the Transaction Bonus on behalf of the Company IEH; €169,875.00 refers to MBO FY2018, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements as at February 28, 2018. It is specified that in FY 2018, €173,250.00 was disbursed by way of MBO applicable to FY 2017.

Table 2: Stock options granted to the members of the Board of Directors, to general managers and to the other Managers with strategic responsibilities

Name and surname	Position	Plan ¹⁹	Options held at the start of the financial year			Options awarded during the financial year						Options exercised during the financial year			Options expired during the financial year	Options held at the end of the financial year	Options accrued in the financial year
			Number of options	Exercise price	Period of possible exercise (from – to)	Number of options	Exercise price	Period of possible exercise (from – to)	Fair value at grant date	Grant date ²⁰	Market price of the shares underlying options granted ²¹	Number of options	Exercise price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair value ²²
Giancarlo Nicosanti Monteras telli	CEO – CCO – Executive Officer	Long Term Incentive Plan 2018- 2025	n.a.	n.a.	n.a.	248,139	11.00	31/07/2020 31/07/2025	1,786,238.51	29/06/2017	16.29	n.a.	n.a.	n.a.	n.a.	248,139	420,387
Luigi Fusco	COO	Long Term Incentive Plan 2018- 2025	n.a.	n.a.	n.a.	82,713	11.00	31/07/2020 31/07/2025	589,412.84	29/06/2017	16.29	n.a.	n.a.	n.a.	n.a.	82,713	140,129
Bruna Olivieri	COCO	Long Term Incentive Plan 2018- 2025	n.a.	n.a.	n.a.	82,713	11.00	31/07/2020 31/07/2025	589,412.84	29/06/2017	16.29	n.a.	n.a.	n.a.	n.a.	82,713	140,129
Italo Valenti	CFO	Long Term Incentive Plan 2018- 2025	n.a.	n.a.	n.a.	107,527	11.00	31/07/2020 31/07/2025	766,237.40	29/06/2017	16.29	n.a.	n.a.	n.a.	n.a.	107,527	182,168
Andrea Scozzoli	CCDO	Long Term Incentive Plan 2018- 2025	n.a.	n.a.	n.a.	45,492	11.00	31/07/2020 31/07/2025	324,175.89	29/07/2017	16.29	n.a.	n.a.	n.a.	n.a.	45,492	68,958
Total			n.a.	n.a.	n.a.	556,584			4,037,477.58			n.a.	n.a.	n.a.	n.a.	566,584	566,584

¹⁹Plan approved by the company's extraordinary Shareholders' Meeting on 06/02/2017; the plan regulation was approved by the Board of Directors on 29/06/2017.

²⁰The grant letter was delivered on 23/10/2017 with retroactive effect from 29/06/2017.

²¹ Market price at 29/06/2017.

²² Value inclusive of retention rate of Plan's Beneficiaries (5%/15%).

Table 3: Incentive plans in favour of members of the management body and general managers and other Managers with strategic responsibilities

Table 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of the management body, general managers and other Managers with strategic responsibilities

Name and surname	Position	Plan	Financial instruments granted in previous years and not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not awarded	Financial instruments vested during the financial year and awarded		Financial instruments for the financial year
			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 of shares underlying the grant	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Compensation from the company in charge of preparing the financial statements		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan C (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Compensation from subsidiaries and associates		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total			n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Table 3B: Monetary incentive plans for members of the management body, general managers and other Managers with strategic responsibilities.

Name and surname	Position	Plan	Annual bonus		Bonuses paid in previous years				Other bonuses ²³
			Payable ²⁴ /Paid	Deferred	Deferral period	No longer payable	Payable / Paid ²⁵	Still deferred	
Giancarlo Nicosanti Monterastelli	CEO – Chief Commercial Officer		396,375.00				404,250.00		515,478.00
Luigi Fusco	Chief Operating Officer		283,125.00				202,125.00		217,123.00
Bruna Olivieri	Chief Omni Channel Officer		283,125.00				173,250.00		197,385.00
Italo Valenti	Chief Financial Officer		254,812.50				86,625.00		217,123.00
Andrea Scozzoli	Chief Corporate Development Officer		169,875.00				173,250.00		236,862.00
Total			1,387,312.50				1,039,500.00		1,383,971.00

²³Amounts relating to the payment of the transaction bonus on behalf of the Company IEH.

²⁴Amounts relating to the MBO FY18, estimated and awaiting approval of the Annual Financial Statements.

²⁵ Amounts relative to the MBO FY17.

Table 1 (model 7-ter): Equity interests of the members of the governing and supervisory boards and of the general managers

Name and surname	Position	Investee	Number of shares held at the end of FY 2017	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2018
Giancarlo Nicosanti Monterastelli	CEO- Chief Commercial Officer, Executive Director	Unieuro S.p.a. ²⁶				136,976 ²⁷
Stefano Meloni	Independent Director Remuneration and Appointments Committee Chairman Control and Risks Committee Chairman Related-Party Committee member	Unieuro S.p.A. ²⁸	-	30,000	21,500	8,500

²⁶ Through subsidiary; GNM Investimenti S.r.l..

²⁷ Granted as a result of IEH Demerger.

²⁸ Through subsidiary, Melpart S.p.A..

Table 2 (model 7-ter): Equity investments of other Managers with strategic responsibilities

Number of Managers with strategic responsibilities	Investee	Number of shares held at the end FY 2017	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2018
2 ²⁹	Unieuro S.p.A. ³⁰	n.a.	-	-	256,784 ³¹

²⁹ The day of the pricing of the shares, during the IPO process, IEH granted to the Managers with strategic responsibilities, Giancarlo Nicosanti Monterastelli, Luigi Fusco, Bruna Olivieri, Italo Valenti and Andrea Scozzoli, respectively, no. 43,209, 18,200, 16,545, 18,200 and 19,855 shares of the Company, free of charge. The beneficiaries shall have to sell-back such shares to IEH before the Start Date of Trading (i.e. April 4, 2017), against the payment of the Transaction Bonus, as price of the shares.

³⁰ Held through GNM Investimenti S.r.l. and Giufra S.r.l., respectively.

³¹ Shares transferred as a result of IEH Demerger; no. 136,977 of these shares are owned, by Giancarlo Nicosanti Monterastelli, Managing Director of the Company, as well as Chief Executive Officer, and interim Chief Commercial Officer.

Table n. 1 of Model 7, Appendix 3A of Issuers Regulation n. 11971/1999

Long Term Incentive Plan 2018-2025

Part 2, Section 2- Stock Option

Newly granted Subscription Rights, in furtherance of the Shareholders' Resolution.

Name or category	Title	Shareholders' resolution date	Type of security ³²	Number of Options	Grant Date ³³	Exercise price	Market price of shares attached to options	Time-line for exercise of Options
Giancarlo Nicosanti Monterastelli	CEO-CCO- Executive Director	February 6, 2017	Subscription Rights	248,139	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025
Luigi Fusco	COO	February 6, 2017	Subscription Rights	82,713	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025
Bruna Olivieri	COCO	February 6, 2017	Subscription Rights	82,713	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025
Italo Valenti	CFO	February 6, 2017	Subscription Rights	107,527	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025
Andrea Scozzoli	CCDO	February 6, 2017	Subscription Rights	45,492	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025
Others	-	February 6, 2017	Subscription Rights	264,671	June 26, 2017	11,00	16,29	From July 31, 2020 to July 31, 2025

³² Option to subscribe newly issued shares, or, alternatively, to buy Treasury stock from the Company.

³³ Granted by means of a letter dated October 23, 2017, effective date being June 29, 2017.