



REMUNERATION REPORT

2019

Remuneration Report

in accordance with Article 123-*ter* Italian Consolidated Finance Act and Article 84-*quater*
Listing Regulation

Traditional management and control model

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

Website: **www.unieuro.it**

Financial Year 2019

Approved by the Board of Directors on 8 May 2019

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 Listing Regulation, according to Framework e 7-*ter* of Annex 3A to the said Listing Regulation, as well as in conformity with the recommendations pursuant to Article 6 of the Self-Regulation 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 controlled companies pursuant to Article 93 of the TUF on the subject of remuneration:
 - (a) of the members of the Board of Directors, differentiating between executive directors and non-executive directors (the "**Directors**"), and
 - (b) of Managers with Strategic Responsibilities,with reference to the financial year ending on 29 February 2020, 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 2019 for any reason and in any form, by the Company or the companies controlled by it. 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 Listing Regulation contains dedicated tables with the data on shareholdings owned, directly or indirectly in the Company or in its controlled companies, by directors, statutory auditors, general managers and other Managers with Strategic Responsibilities (as well as by parties closely related to them, which are spouse, provided not legally separated, and minor children); (ii) pursuant to Article 84-*bis*, paragraph five, of the Listing 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 8 May 2019, at the proposal of the Remuneration and Appointments Committee and will be submitted to an advisory vote at the Shareholders' Meeting, on 18 June 2019.

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DEFINITIONS and GLOSSARY

A list of the principal definitions and terms used in this Admission 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 Self-Regulation Code.
Shareholders' Meeting/Meeting	The Company Shareholders' Meeting.
Borsa Italiana	Borsa Italiana S.p.A., with its registered office at Piazza degli Affari 6 – Milan.
Code/Self-Regulation Code	The Code of Self-Regulation of listed companies approved in March 2006 by the Self-Regulation Committee (and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria), as last amended in July 2018.
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 principle 7.P.4. of the Self-Regulation Code.
Related-Party Committee	The committee for related party transactions, set up within the Board of Directors pursuant to the Consob Related Parties Regulations.
Remuneration and Appointments Committee	The committee set up within the Board of Directors pursuant to principle 6.P.3. of the Self-Regulation Code.
Board/Board of Directors	The Company's board of directors.
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 managers that hold the powers and responsibilities, directly or indirectly, for planning, management and control of Company activities, according to the definition provided in Appendix 1 to the Consob Regulations on related-party transactions adopted by resolution no. 17221 of 12 March 2010.

Issuer / Company / Unieuro Unieuro S.p.A., with its registered office in Forlì, Via V.G. Schiaparelli 31.

Financial period/year 2019 The Company's financial period from 1 March 2018 to 28 February 2019.

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 2018-2025 or LTIP or Plan or 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..

Listing Regulation The listing Regulation approved by Consob with Resolution no. 11971 of 14 May 1999 (as subsequently amended).

Markets Regulations The markets regulations approved by Consob with Resolution no. 20249 of 28 December 2017 (as subsequently amended).

Consob Related Parties Regulations The regulations on related-party transactions approved by Consob with Resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.

Report This remuneration report, prepared pursuant to Article 123-ter of the TUF and Article 84-quater of the Listing Regulations, as well as in conformity with Article 6 of the Self-Regulation Code, available pursuant to the law at the head office of, and on the website of, the Issuer at the address http://unieurospa.com/en/_home/.

Articles of Association The articles of association of the Company approved at the extraordinary Shareholders' Meeting of 12 December 2016, as subsequently amended, and which entered into force on the Trading Start Date.

Italian Consolidated Finance Act/TUF Legislative Decree no. 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 parties involved in the preparation and approval of the Remuneration Policy are indicated below, with a specification of their respective roles, together with the bodies or parties responsible for the proper implementation of said 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 Self-Regulation Code.

The remuneration of directors assigned with particular duties (including the Chairman and Vice Chairman) is determined 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 the 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, provides a non-binding opinion on the section of the Remuneration Report that describes the remuneration policy of the members of the managing bodies and of 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 compensation plans based on shares or other financial instruments intended for members of the Board of Directors, employees and collaborators not related to the Company by an employment relationships, including Managers with Strategic Responsibilities, or intended for members of the Board of Directors, employees and collaborators of any company that controls or is controlled by 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 authorisation of 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 useful information so as 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 an advisory role, wherein it formulates the opinions required by the regulations in force and in particular expresses its opinion on proposals for the remuneration of Executive Directors. In expressing its opinion as mentioned 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 corporate governance recommendations contained in the Self-Regulation Code, resolved, with effect from the Trading Start Date, to establish an Appointments and Remuneration Committee, approving the regulations for the operation of such committee.

a. Composition of the Appointments and Remuneration Committee

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

The Remuneration and Appointments Committee was established pursuant to principle 6.P.3 of the Self-Regulation Code, which provides that such committee shall be made up of independent directors, or alternatively, non-executive directors, the majority of whom must be independent (in this case the Chairman was appointed from the independent directors).

Stefano Meloni has expertise and experience in financial matters and remuneration policies in conformity with Principle 6.P. 3. of the Self-Regulation Code.

In the current financial period, the Remuneration and Appointments Committee shall meet whenever 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 reproduced 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 Self-Regulation 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 Self-Regulation 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 is able to access the information and corporate functions necessary to carry out its duties, as well as avail itself of external consultants, within the limits established by the Board of Directors, in conformity with the provisions of application criterion 4.C.1., letter e) of the Self-Regulation Code.

Nevertheless, 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 assigned with specific duties 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 the directors, including those assigned with particular duties.

In conformity with the provisions of application criterion 6.C.6 of the Self-Regulation Code, no director can take 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 committees established within the remit of the Board of Directors.

At the very next Board of Directors meeting, the Chairman will report on the activities carried out by the Remuneration and Appointments Committee.

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

The Company has not used any independent experts for the preparation 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 Self-Regulation 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 sustainable medium/long term values for the Company and for its shareholders .

The Remuneration Policy meets the following criteria in accordance with the provisions of the Self-Regulation 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 deemed sufficient to remunerate directors for their services in the event 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 based on the following components:

- (i) a fixed annual component, commensurate with the position and the commitment required;
- (ii) a variable component, measured on the performance of the Company, in the form of 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 the 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 applicable national collective bargaining agreement) and insurance coverage against the risk of death, permanent disability and temporary incapacity;
 - b. as far as Directors are concerned, insurance coverage in relation to the office held on the Board of Directors.
- (v) compensation payable as consideration for any non-compete obligations agreed with the Managers with Strategic Responsibilities.

With respect to the Remuneration Policy for financial period ending on February 28 2019, the following modifications have been introduced: (i) a cap, on any MBO cash bonus (as defined below)

for Managers with Strategic Responsibilities, of 150% of the amount payable in the case of achievement of 100% of the contracted objectives, as this is indicated in the relevant employment agreement and (ii) a new measurement indicator for the purpose of determining the incentive envisaged by the MBO, being the "Net Promoter Score", a criterion based on customer satisfaction levels as resulting from questionnaires obtained from said customers. The introduction of the Net Promoter Score indicator is aimed at focusing the actions of Executives with Strategic Responsibilities on satisfying and retaining customers.

In particular, with respect to the MBO referred to in the Remuneration Policy for the financial year ended February 28 2019, which provided that 75% of the Target Bonus was linked to EBITDA and 25% Bonus Target linked to the net financial position or net debt (depending on the corporate role held), the MBO for the financial year ending on February 29 2020 requires that: (i) 70% Bonus Target will be connected to EBITDA, (ii) 20% to the Net Financial Position and (iii) 10% to the Net Promoter Score. For further information, see paragraph e) below.

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

The policies concerning remuneration of the Directors and Managers with Strategic Responsibilities are adequately balanced to ensure alignment between short-term growth objectives and the creation of sustainable 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 the person's 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 held, in order to ensure the sustainability of company results and the creation of medium/long-term value for the shareholders.

Regarding Managers with Strategic Responsibilities, when determining the relevant Remuneration Policy, the Board of Directors take as a base starting point an assessment of the current contractually agreed remuneration with each Manager with Strategic Responsibilities, which includes, *inter alia*, benefits and variable short-term remuneration (MBO) connected to the achievement of individual or company performance targets set for each financial period, the payment of which is conditional upon executive's remaining with the Company for the relevant period, as better described below.

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

- take into account the requirement that a significant part of the remuneration of Executive Directors and Managers with Strategic Responsibilities must be linked to economic 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 staff holding 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 provides for an annual variable component (MBO) – which is a significant amount in percentage terms in respect of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each financial period by the Board of Directors, the payment of which is conditional upon the Manager’s remaining with the company for the relevant period.

The pay-mix -the weighting of the different components as a proportion of total remuneration paid excluding benefits (so-called 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 variable monetary component (cash bonus), payable upon achievement of the 100% of targets, in an amount determined for each manager in his/her individual contract of employment. The recognition of the bonus is conditional upon the manager’s remaining in office for the reference period and reaching the performance targets, which are given predetermined weighting, 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 2019 - 29 February 2020, as approved by the Board of Directors on May 8 2019, 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 with reference to (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 corporate role performed) (“**NFP Performance Target**”) and (iii) Net Promoter Score, a criterion based on customer satisfaction as resulting from questionnaires obtained from customers (“**NPS Performance Target**”);
- the weighting given to the EBITDA Performance Target, the NFP Performance Target and the NPS Performance Target is 70%, 20% and 10%, respectively;
- the Target Bonus - payable if 100% of the targets are reached and determined individually in the contracts of employment - is broken down according to the above-mentioned weighting of the “**EBITDA Target Bonus**” (70%), the “**NFP Target Bonus**” (20%) and in the “**NPS Target Bonus**” (10%);

- the accrual of and payment of the EBIDTA Target Bonus, the PFN Target Bonus and the NPS Target Bonus are conditional upon (i) the reaching of predetermined entry levels, below which levels the beneficiary shall not have the right to receive any compensation and (ii) the beneficiary being employed by the Issuer at the closing date of the reference period, except in the event of termination by Company 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 relevant period relating to EBITDA ("**EBITDA Actual Performance**") is:

- a) below 80% of the EBITDA Performance Target, then the EBITDA Target Bonus would not be due, not even pro rata, as the entry level has not been achieved;
 - b) equal to 80% of the EBITDA Performance Target, then 50% of the EBIDTA Target Bonus would be due;
 - c) between 81% and 99% of the EBITDA Performance Target, then - in addition to the amount indicated in point b) above - 2.5% of the EBITDA Target Bonus would be due for each plus percentage point of the EBITDA Actual Performance above 81% of the EBITDA Performance Target;
 - d) 100% of the EBITDA Performance Target, then an amount equal to the EBITDA Target Bonus would be due;
 - e) between 101% and 120% of the EBITDA Performance Target, then a sum in addition to the EBITDA Target Bonus would be due, equal to 2.5% of the EBITDA Target Bonus for each plus percentage point of the EBIDTA Actual Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each plus percentage point of the EBIDTA Actual Performance above 120% of the EBITDA Performance Target.
- the NFP Target Bonus is due exclusively on condition that 70% of the EBIDTA Performance Target is achieved. On the failure to achieve such threshold, the right to receive the NFP Target Bonus will not accrue, in spite of reaching the Performance Target for the net financial position/net debt. Notwithstanding the foregoing, if the effective consolidated performance in the reference period relating to the net financial position/net debt ("**NFP Actual Performance**") is:
 - a) below 80% of the NFP Performance Target, then the NFP Target Bonus would not be due, not even pro rata, as the entry level has not been achieved;
 - b) equal to 80% of the NFP Performance Target, then 50% of the NFP Target Bonus would be due;
 - c) between 81% and 99% of the NFP Performance Target, then - in addition to the amount indicated in point b) above -, 2.5% of the NFP Target Bonus would be due for each plus percentage point of the NFP Actual Performance above 81% of the NFP Performance Target;
 - d) 100% of the Performance Target, then an amount equal to the NFP Target Bonus would be due;

- e) between 101% and 120% of the NFP Performance Target, then a sum in addition to the NFP Target Bonus would be due equal to 2.5% of the NFP Target Bonus for each plus percentage point of NFP Actual Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each plus percentage of the NFP Actual Performance above 120% of the NFP Performance Target.
- the NPS Target Bonus is due exclusively on condition that 70% of the EBIDTA Performance Target is achieved; in the event that this threshold is not reached, the right to receive the NPS Target Bonus will not accrue, despite the achievement of the Target Performance relating to the customer satisfaction level. Notwithstanding the foregoing, in the event that the actual consolidated performance of the reference period relative to customer satisfaction ("**NPS Actual Performance**") is:
 - a) less than 80% of the NPS Performance Target, then the NPS Target Bonus would not be recognized, not even pro rata, as the related entry threshold has not been achieved;
 - b) equal to 80% of the NPS Performance Target, then an amount equal to 50% of the NPS Target Bonus would be due;
 - c) between 81% and 99% of the NPS Performance Target, then - in addition to that indicated in point b) above -, 2.5% of the NPS Bonus Target for each plus percentage point of NPS Actual Performance greater than 81% of the NPS Performance Target would be recognized;
 - d) 100% of the Performance Target, then an amount equal to the NPS Target Bonus would be due;
 - e) between 101% and 120% of the NPS Performance Target, then an additional sum would be recognized, - equal to 2.5% of the NPS Target Bonus for each plus percentage point of the NPS Actual Performance between 101% and 120% (inclusive) of the NPS Performance Target, and equal to 3% for each plus percentage point of the NPS Actual Performance above 120% of the NPS Performance Target.

Notwithstanding the foregoing, the MBO system envisages a cash bonus cap of 150% of the maximum amount payable in the event that 100% of the objectives are achieved, since this amount is defined in the relevant employment agreement for each Managers with Strategic Responsibilities.

For each financial period, 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 right to 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, collaborators 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 the beneficiaries of the Plan 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 provides for the allocating of up to a maximum of 1,032,258 non-transferrable, *per acta inter vivos*, free of charge option rights - for the subscription to or purchase of, for consideration, (at the Company's discretion) a corresponding number of ordinary shares, derived from a new share issuance or from treasury stock of the Company (the "**Option Rights**"). For this purpose, on February 6 2017, the shareholders' meeting resolved upon a capital increase (excluding option rights), 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 have been listed on the STAR segment of the MTA, through the issuance of up to 1,032,258 ordinary shares.

Also on 6 February 2017, the Shareholders' Meeting authorised the Board of Directors to determine the criteria for identifying the beneficiaries and the Options Rights to be allocated 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 was also required to determine a maximum number of Option Rights for each beneficiary, to be decided in accordance with the terms and conditions set out in the regulations, also mindful of the role performed within the company's organisation. Any exercise of the Option Rights allocated under the Plan and the subscription to the 1,032,258 shares earmarked for the Plan, will dilute the shareholding existing at that date by about 4.9%.

On 29 June 2017, the Board of Directors approved the regulation of the 2018-2025 Long Term Incentive Plan and the list of recipients (the "**Beneficiaries**"), which may be supplemented from time to time within the limits of the subscription rights still available. The granting of Option Rights to each Beneficiary was commensurate to their role and respective level of pay. Option Rights are to be granted in a single instance and the deadline for doing so is February 28, 2020.

Except for cases of "good leaver", as defined below, the Option Right will become effective upon on 29 February 2020, provided that the employment relationship with the Beneficiary is still in force as at that date. If the conditions are met, the Option Right will vest and be exercisable starting from July 31, 2020 until the final deadline of July 31, 2025, including in installments. The exercise price of the Option Rights is Euro 11, the same as 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 verify the degree of achievement of the objectives, in terms of adjusted net profits as indicated in the Company's business plan, relating to the periods ending in 2018, 2019 and 2020 (the "**Objective**"), and to inform each Beneficiary, of the number of Option Rights deemed vested that can be exercised on the basis of the following criteria:

- (i) in the event that aggregate Unieuro adjusted net profits relating to the financial periods which ended in 2018, 2019 and 2020 is less than 85% of the Objective, no Option Right may be exercised;
- (ii) in the event that aggregate Unieuro adjusted net profits relating to the financial periods which ended in 2018, 2019 and 2020 is equal to 85% of the Objective, each Beneficiary may exercise half of the Option Right granted to him/her;

(iii) in the event that aggregate Unieuro adjusted net profits relating to the financial periods which ended in 2018, 2019 and 2020 is greater than 85% but less than 100% of the Objective, Beneficiary may exercise a number of Option Rights, from 50% to 100%, calculated in proportion to the percentage of Objective actually achieved.

(iv) in the event that aggregate Unieuro adjusted net profits relating to the financial periods which ended in 2018, 2019 and 2020, equals 100% of the Objective, Beneficiary may exercise 100% of the Option Rights;

(v) in the event that aggregate adjusted net profits for financial periods which ended in 2018, 2019 and 2020, is greater than 100% but less than 120% of the Objective, Beneficiary may exercise a number of Option Rights, from 100% to 120%, calculated in proportion to the percentage of Objective actually achieved.

(vi) in the event that aggregate adjusted net profits for financial periods which ended in 2018, 2019 and 2020, is equal to, or greater than 120% of the Objective, then Beneficiary may exercise 120% of his/her Options Rights. 120% is the absolute top 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 vesting period (i.e. 29 February 2020) to the date of the change of control or delisting; as a consequence, all the Option Rights will be deemed vested at that date and will be exercisable as indicated above.

Termination of any employment relationship before July 31, 2025 due: (i) to voluntary resignation from office, and (ii) dismissal for just cause, will cause the automatic, definitive and irrevocable forfeiture of the Beneficiary from all the Option Rights granted up to that time, including where vested 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 cessation of the employment relationship due to death, retirement, or invalidity such as to rule out any useful continuation of the relationship by Beneficiary, said Beneficiary (or his/her heirs): a) will retain in any case those Option Rights that have become exercisable pursuant to the regulation if the cessation of the employment relationship occurred after 29 February 2020; b) will retain a share of the Option Rights, to be determined on a *pro rata temporis* basis. The remainder thereof will definitely be no longer exercisable. Except for in the case of death or invalidity, the employment contract shall be deemed as terminated with effect as of the date of the termination notice, whatever the termination cause, and irrespective of any applicable notice period.

If, due to an extraordinary circumstance (mergers, demergers, share capital increases, Company share 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, having verified the changes to be made, shall implement the necessary amendments and shall inform the Beneficiaries of the new objectives. Furthermore, the Board of Directors of the Company has the right and duty to amend the regulations of the Plan, whenever opportune to do so or such amendments are warranted by the introduction 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 Option Rights, he/she shall be entitled to receive an extraordinary cash bonus equal to the dividends that such Beneficiary 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 Option 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 http://unieurospa.com/en/_investor_relations/_ipo0/.

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 determined by the Shareholders' Meeting.

Variable component

With reference to the variable component, the Chairman is not included in the stock option Plan.

The Chairman is not included in annual variable incentive Plans.

Non-monetary benefits

The Chairman does not receive any 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 duties 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 sole Executive Director is Giancarlo Nicosanti Monterastelli, who is the Chief Executive Officer. Attention is drawn to the fact that, based on the agreed terms of his subordinate employment contract with Issuer - which provides for an all-inclusive annual gross remuneration, which is deemed to also compensate any additional offices or Company duties, Mr Nicosanti Monterastelli has expressly waived any right to any compensation resolved in his favour for the roles of member of the Board of Directors and as Chief Executive Officer.

Fixed component

Pursuant to Article 19 of the Articles of Association and Article 2389(1) 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 for which the director is in office, commensurate with the commitment required.

Pursuant to Article 19 of the Articles of Association and the paragraph 3 of Article 2389 of the Italian Civil Code, the remuneration of Directors assigned with particular duties may be 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 of the Directors, including those assigned particular duties.

Variable component

As regards the variable component of the Executive Directors remuneration, Executive Directors are included in the Stock Option Plan. It should be noted that the Executive Director, Giancarlo Nicosanti Monterastelli, participates in the Stock Option Plan in his quality of Manager with Strategic Responsibilities.

Non-monetary benefits

The general non-monetary benefits recognised to Executive Directors include the so-called Directors' and Officers' Liability Insurance coverage ("**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-Regulation Code and, in particular, the implementing rule set out in principal 6.C.4., the gross annual remuneration of non-executive Directors and Independent Directors is not connected to the achievement by the Company of economic targets and is, instead, commensurate to the commitment required from each of them to perform their roles.

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

III. Compensation for participation in committees

The remuneration for participation in committees may be established by the Shareholders' Meeting.

As regards 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 afore-said committees, clarifying that total compensation will be proportionate to the actual number of months spent 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 the employee responsible for coordinating the other Chief officers and whom has also been entrusted on an interim basis with the responsibilities of Chief Commercial Officer.

Fixed component

The remuneration of Managers with Strategic Responsibilities includes a gross fixed annual component (gross annual salary) including compensation for the non-competition obligation 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 period by the Board of Directors, the payment of which is conditional upon the Manager remaining with the Company for the reference period (see point (d), Part One, Section II).

With reference to the medium-/long term variable component of remuneration for Managers with Strategic Responsibilities, such Managers participate in 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 motor vehicle for personal and business use, contributions to mandatory social security funds and supplementary medical cover, insurance coverage against death, injury, illness deriving from and professional and non-professional activity Directors & Officers Liability insurance (“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 duties entrusted and role held. In this regard, a D&O insurance coverage 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 motor vehicle for personal and business use, contributions to mandatory social security funds and supplementary medical cover, insurance coverage against death, injury, illness deriving from and professional and non-professional activity, Directors & Officers Liability insurance and in some cases a house allowance.

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

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 this 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 the deferment periods and rules for determining these periods and, where applicable, the mechanisms for subsequent adjustment

With regard to the Stock Option Plan approved by the extraordinary Shareholders' Meeting on 6 February 2017 and for the specific benefit of 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 29 February 2020 (vesting period).

k) Information on clauses for holding financial instruments in portfolio after purchase, with indication of the 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, please note that the Option Rights granted through the stock option plan approved by the Company's

Extraordinary Shareholders' Meeting on 6 February 2017, are not transferable by any *inter vivos* transaction. There are no clauses requiring the beneficiaries to keep the shares in their portfolios, after their purchase.

l) Policy regarding any payments provided in case of resignation or termination of the work relations, specifying what circumstances trigger such payments and any connection between such payments 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 provide for the payment of any compensation in the event of resignation, dismissal and/or revocation of office 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 entered into connected to the termination of his role and – as regards the CEO’s subordinate employment relationship with the Issuer – said CEO does not receive additional payments to those provided by law and the collective bargaining agreements in the event of dismissal.

m) Information on the existence of insurance, medical care welfare or pension provisions in addition to mandatory coverage

In line with best practices, D&O liability insurance is provided to cover 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 the insured parties from the amounts associated with any claims for damages made by injured third parties, excluding cases of wilful misconduct and 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 due if the Directors are members of Board related committees, including in accordance with the Self-Regulation Code.

Please 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 deem that the conditions set out in implementing rule 2.C.4 of the Self-Regulation Code apply.

For further details refer to that already stated above in Section I.

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

Save for the reference to the correlation of market practices and remuneration policies, the Company's Remuneration Policy was not determined 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, identified by name, as at 28 February 2019.

The above-mentioned compensation is determined continuously with regard to the previous financial period and based on the principles followed by the Company for setting 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 Self-Regulation Code.

a. Compensation of the Board of Directors

Fixed remuneration

On 6 February 2017, the Shareholders' Meeting 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 by way of the gross remuneration due to each of the members of the Related Party Transaction Committee.

In accordance with the agreements governing the Chief Executive Officer's subordinate employment relationship with the Issuer and in particular the fact that his annual gross remuneration, is agreed to be inclusive of all compensation, including that for additional duties and positions in the company, said CEO has waived the right to compensation awarded to him for holding the position of Executive Director.

By virtue of such agreements and in particular the fact that the remuneration paid to the CEO relates to his subordinate employment managerial position, the amount paid to him in Financial year 2019 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 do not participate in the Stock Option Plan, the MBO system or other forms of variable remuneration. It should be noted that the Executive Director, Giancarlo Nicosanti Monterastelli, participates in the Stock Option Plan as a Manager with Strategic Responsibilities.

Non-monetary benefits

The non-monetary benefits awarded to members of the Company's Board of Directors include insurance 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 periods: 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 grant compensation to members of the Board of Statutory Auditors for the entire period of their term of office in the overall amount of €60,000, specifying that this compensation is 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 standing Statutory Auditor, with pension contributions in addition.

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. Their respective gross annual compensation is as follows: €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 have received the fixed component of the remuneration determined by their respective employment contracts, including any payments due under contract or by law .

During the Financial Period 2019, the 5 Managers with Strategic Responsibilities (including Nicosanti Monterastelli who is also currently Chief Executive Officer) were paid a total of € 1,406,676.52 in fixed remuneration.

Variable remuneration

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

In particular, gross variable remuneration of €1,387,312.50

relating to the MBO scheme for the year ended on 28 February 2018 was paid in the Financial year ended on 28 February 2019.

In relation to the Stock Option Plan, no additional Option Rights were assigned during the Financial year nor have any of the beneficiaries of the Stock Option Plan exercised the Option Rights granted during the Financial Year ended on 28 February 2018.

For more detail, as to the variable remuneration in favour of each Executive with Strategic Responsibilities, please refer to the attached tables.

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 motor vehicle for personal and business use, contributions for mandatory social security funds and supplementary medical cover, insurance coverage against death, injury and illness relating to professional and non-professional activity, D&O liability insurance, and in some cases a house allowance.

Payments provided in the event of resignation from office 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 agreed non-compete, restrictions, at a fixed rate while employed by the Company, with guaranteed final balance payment on the date of termination of the employment relationship to be paid provided that the total amount paid up to that moment is less than a predetermined 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 an itemised breakdown of the compensation paid by the Company during Financial Year 2019 of whatever nature and grounds or by Issuer controlling of controlled companies.

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	01/03/2018-28/02/2019	28/02/2019	150,000						150,000		
Gianpiero Lenza	Director	01/03/2018-28/02/2019	28/02/2019	60,000						80,000		
	Remuneration and Appointments Committee member	01/03/2018-28/02/2019			10,000 ¹							
	Control and Risks Committee member	01/03/2018-28/02/2019			10,000 ²							

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.

Robert Frank Agostinelli	Director	01/03/2018-28/02/2019	28/02/2019	60,000					60,000		
Uwe Ernst Bufe	Director	01/03/2018-28/02/2019	28/02/2019	60,000					60,000		
Stefano Meloni	Independent Director	01/03/2018-28/02/2019	28/02/2019	60,000 ³					100,000		
	Remuneration and Appointments Committee Chairman	01/03/2018-28/02/2019			15,000 ⁴						
	Control and Risks Committee Chairman	01/03/2018-28/02/2019			15,000 ⁵						
	Related-Party Committee member	01/03/2018-28/02/2019			10,000 ⁶						
Marino Marin	Independent Director	01/03/2018-28/02/2019	28/02/2019	60,000 ⁷					90,000		
	Remuneration and Appointments Committee member	01/03/2018-28/02/2019			10,000 ⁸						
	Control and Risks Committee member	01/03/2018-28/02/2019			10,000 ⁹						

³ Total remuneration resolved for FY19, of which €50,000 disbursed.

⁴ Total remuneration resolved for the position of Chairman of the Remuneration and Appointments Committee for FY19, of which €12,500 disbursed.

⁵ Total remuneration resolved for the position of Chairman of the Control and Risks Committee for FY19, of which €12,500 disbursed.

⁶ Total remuneration resolved for the position of member of the Related-Party Committee for FY19, of which €8,333.33 disbursed.

⁷ Total remuneration resolved for FY19, of which €55,000 disbursed.

⁸ Total remuneration resolved for the position of member of the Remuneration and Appointments Committee for FY18, of which €9,166.66 disbursed.

⁹ Total remuneration resolved for the position of member of the Control and Risks Committee for FY19, of which € 9.166,66 disbursed.

	Related-Party Committee member	01/03/2018-28/02/2019			10,000 ¹⁰					
Maurizio Voza	Chairman of the Board of Statutory Auditors	01/03/2018-28/02/2019	28/02/2019	26,000 ¹¹				26,000		
Giorgio Gavelli	Auditor	01/03/2018-28/02/2019	28/02/2019	17,000 ¹¹				17,000		
Luigi Capitani	Auditor	01/03/2018-28/02/2019	28/02/2019	17,000 ¹¹				17,000		
Giorgio Rusticali	Supervisory Body Chairman	01/03/2018-28/02/2019	28/02/2019	15,000 ¹¹				15,000		
Raffaella Folli	Supervisory Body member	01/03/2018-28/02/2019	28/02/2019	7,500				7,500		
Chiara Tebano	Supervisory Body member	01/03/2018-28/02/2019	28/02/2019	7,500 ¹²				7,500		
Giancarlo¹³ Nicosanti Monterastelli	CEO – Chief Commercial Officer – Executive Director	01/03/2018-28/02/2019		351,703.58		402,500 ¹⁴	3,928.53	758.132,11		
Luigi Fusco	Chief Operating Officer	01/03/2018-28/02/2019		251,153.94		287,500 ¹⁵	3,988.46	542.642,40		
Bruna Olivieri	Chief Omni Channel Officer	01/03/2018-28/02/2019		251,153.94		287,500 ¹⁶	3,637.02	542.290,96		
Italo Valenti	Chief Financial Officer	01/03/2018-28/02/2019		301,428.70		258,750 ¹⁷	1,787.48	561.966,18		

¹⁰ Total remuneration resolved for the position of member of the Related-Party Committee for FY18, of which €9.166,66 disbursed.

¹¹ Total compensation resolved for FY19 not yet paid.

¹² Total remuneration resolved for FY19, of which €5,917.82 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 2019. 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 € 402.500 refers to MBO FY2019, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements. It is specified that in FY 2019, € 396,375.00 was disbursed by way of MBO applicable to FY 2018

¹⁵ € 287.500 refers to MBO FY2019, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements. It is specified that in FY 2019, € 283,125.00 was disbursed by way of MBO applicable to FY.

¹⁶ € 287.500 refers to MBO FY2019, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements. It is specified that in FY 2019, € 283,125.00 was disbursed by way of MBO applicable to FY 2018.

¹⁷ € 258.750 refers to MBO FY2019, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements. It is specified that in FY 2019, €254.812.50 was disbursed by way of MBO applicable to FY 2018.

Andrea Scozzoli	Chief Corporate Development Officer	01/03/2018-28/02/2019		251,236.36		172.500 ¹⁸	3,635.68		427.372,04		
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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	Office	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
Giancarlo Nicosanti Monterastelli	CEO - CCO - Executive Director	Long Term Incentive Plan 2018-2025	n.a.	n.a.	n.a.								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.								n.a.	n.a.	n.a.	n.a.	82,713	140,129
Bruna Olivieri	COCO	Long Term Incentive Plan	n.a.	n.a.	n.a.								n.a.	n.a.	n.a.	n.a.	82,713	140,129

¹⁸ € 172.500 refers to MBO FY2019, estimated and not yet disbursed, awaiting approval of the Annual Financial Statements. It is specified that in FY 2019, € 169,875 was disbursed by way of MBO applicable to FY 2018.

¹⁹ Plan 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.

²⁰ The 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%).

		2018-2025															
Italo Valenti	CFO	Long Term Incentive Plan 2018-2025	n.a.	n.a.	n.a.							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.							n.a.	n.a.	n.a.	n.a.	45,492	68,958
Total			n.a.	n.a.	n.a.							n.a.	n.a.	n.a.	n.a.	556,584	951,771

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	Office	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 at grant	Number and type of financial instruments	Number and type of financial instruments	Value at Vesting 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	Office	Plan	Annual bonus		Bonuses paid in previous years				Other bonuses
			Payable ²³ /Paid	Deferred	Deferral period	No longer payable	Payable / Paid ²⁴	Still deferred	
Giancarlo Nicosanti Monterastelli	CEO - Chief Commercial Officer		402,500				396,375		
Luigi Fusco	Chief Operating Officer		287,500				283,125		
Bruna Olivieri	Chief Omni Channel Officer		287,500				283,125		
Italo Valenti	Chief Financial Officer		258,750				254,812.50		
Andrea Scozzoli	Chief Corporate Development Officer		172,500				169,875		
Total			1,408,750				1,387,312.50		

²³ Amounts referred to FY19 MBO estimated and awaiting approval of the Financial Statements as of February 28, 2019.

²⁴ Amounts referred to MBO FY18.

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

Name and surname	Office	Investee	Number of shares held at the end of FY 2018	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2019
Giancarlo Nicosanti Monterastelli	CEO - Chief Commercial Officer -	Unieuro S.p.A.²⁵	136,977²⁶	-	-	136,977
Stefano Meloni	Independent Director Remuneration and Appointments Committee Chairman Control and Risks Committee Chairman Related-Party Committee member	Unieuro S.p.A.²⁷	8,500	-	8,500	-

²⁵ Shareholding held through the subsidiary GNM Investimenti S.r.l.

²⁶ Shares assigned in the context of the asymmetric partial split of IEH.

²⁷ Shareholding held through the 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 2018	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2019
2	Unieuro S.p.A. ²⁸	256,784	-	-	256,784 ²⁹

²⁸ The investments are held, respectively, through GNM Investimenti S.r.l. and Giufra S.r.l.

²⁹ Shares assigned in the context of the asymmetric partial split of IEH, of which 136,977 shares held by Giancarlo Nicosanti Monterastelli, Chief Executive Officer who is holds the office of Chief Executive Officer with coordination functions of the other Chiefs and to whom the duties of Chief Commercial Officer are also assigned on an interim basis.

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

Long Term Incentive Plan 2018-2015

PART 2, SECTION 2 - Stock Option

New assignment options, based on the decision of the body responsible for implementing the meeting resolution

Name or category	Office	Shareholders' resolution date	Type of security	Number of Options	Grant Date	Exercise price	Market price of shares attached to options	Time-line for exercise of Options
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A