



*Unieuro S.p.A. registered office in forlì, giovanni schiaparelli, no. 31
share capital euro 4,000,000 fully paid
tax identification number and number of
registration in the business register of forlì-cesena 00876320409.*

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS
ON THE PROPOSAL AT ITEM 1 OF THE AGENDA OF THE
ORDINARY SHAREHOLDERS' MEETING OF UNIEURO
S.P.A., CONVENED ON 17 DECEMBER 2020 IN SINGLE
CALL**

1. Resolutions on the Company's remuneration policy referred to in the first section of the report pursuant to art. 123-ter paragraph 3-bis of Legislative Decree 24 February 1998 No. 58.

Dear Shareholders,

At the Shareholders' Meeting of 12 June 2020, the Shareholders approved the first section of the report concerning the policy for remuneration and recompense paid. Said report illustrates the Unieuro S.p.A. policy to be adopted for the 2020/2021 financial year for Directors, Statutory Auditors and those Managers with Strategic Responsibilities, as well as the procedures used for the adoption and implementation of said policy ("Remuneration Policy").

As set forth in said Remuneration Policy in relation to the pursuit of long-term interests, mindful of the emergency situation caused by Covid-19 and the impact the pandemic may have on the Company's performance, the Board of Directors deemed it appropriate to postpone the definition of any long-term incentive plan (LTIP) based on financial instruments in conformance with the responsibility and sustainability requirements that underpin the choices of Unieuro. More specifically, the Board of Directors advised that it was desirous to establish a performance share plan for submission for approval at the Shareholders' Meeting to be held within and no later than December 2020.

In line with that stated, the Board intends to submit for approval at the Shareholders' Meeting, pursuant to and for the purposes of Article 114-bis of Legislative Decree No. 58 of 24 February 1998 ("TUF"), its proposal for the said incentive plan which is entitled "2020-2025 Performance Share Plan" ("Plan"). Such Plan provides for the grant of rights on gratuitous basis which entitle the beneficiary, subject to his/her achievement of certain performance objectives, to be allocated ordinary shares of the Company, again on a gratuitous basis.

In consideration of the foregoing and without prejudice to the principles and objectives that underpin the Remuneration Policy, the Board intends to submit its proposed integrations and amendments to such Remuneration Policy for approval at the Shareholder's Meeting in accordance with paragraph 3-bis of art. 123-ter TUF. Such integrations and amendments are for the purpose of: (i) adding Plan to the variable components of remuneration for Executive Directors and Managers with Strategic Responsibilities of the Company and consequently; (ii) redefining the pay-mix of the relative remuneration package; (iii) acknowledge the establishment within the Board of Directors of Unieuro of the so-called Sustainability Committee with advisory and propositional functions towards the Board with regard to social and environmental sustainability issues, as well as the remuneration of its members.

We also draw to your attention the fact that the second section of the Report concerning the policy for remuneration and recompense paid - which sets forth the remuneration of

Directors, Statutory Auditors and Managers with Strategic Responsibilities of the Company relating to the year which closed as at 29 February 2020 - will not be put to vote, on grounds that this section has not been subject to any variation, and is thus the same text which received favorable opinion at the Shareholders' Meeting held on 12 June last in accordance with the provisions of paragraph 6 of art. 123-ter TUF.

We therefore propose that you approve the contents of the Remuneration Policy in accordance with the provisions of paragraphs 3-bis of article 123-ter TUF.

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In consideration of all the foregoing, the Board of Directors respectfully submits the following resolution proposal for your approval:

"The Shareholders of Unieuro S.p.A., at the ordinary Shareholder's meeting,

- *having examined the report concerning the policy for remuneration and recompense paid drawn up by the Board of Directors pursuant to Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Issuers' Regulations adopted by Consob by resolution No. 11971/1999, which report includes the amendments and integrations to the remuneration policy as stated in this explanatory report;*
- *having acknowledged that, pursuant to Article 123-ter paragraph 3-bis of Legislative Decree No. 58 of 24 February 1998, the Shareholders' Meeting is called to express its binding vote regarding the proposed integrations and amendments to the first section of the report concerning the policy for remuneration and recompense paid;*

resolve

that they approve the proposed integrations and amendments to the first section of the report concerning the policy for remuneration and recompense paid, as has been prepared in accordance with Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Article 84-quater of the Issuers Regulations adopted by means of Consob resolution No. 11971/1999."

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Forlì, 27th October 2020

*On behalf of the Board of Directors
Stefano Meloni
Chairman of the Board of Directors of Unieuro S.p.A.*