

YOOX  
NET-A-PORTER  
GROUP

2015 Remuneration Report

(PURSUANT TO ART. 123-TER OF THE TUF)

## GLOSSARY

**Board or Board of Directors:** the Board of Directors of the Issuer.

**Civil Code:** the Italian Civil Code.

**Code:** the Corporate Governance Code of listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria. Such Code is available at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/2014clean.pdf>.

**Fiscal Year:** the fiscal year to which the Report refers to.

**Consob Related-Parties Regulation:** the regulation issued by Consob with Resolution 17221 of 12 March 2010 concerning related-parties transactions (as subsequently amended).

**Group:** the group of subsidiaries headed by the Company

**Instructions for Stock Exchange Regulation:** the instructions for regulation of the markets organised and managed by Borsa Italiana S.p.A.

**Issuers' Regulation:** the Regulation issued by Consob with Resolution no. 11971 of 14 May 1999 (as subsequently amended) concerning issuers.

**Merger:** the merger by absorption into YOOX S.p.A. of Largentia Italia S.p.A., pursuant to art. 2504-bis of the Civil Code, which took effect on 5 October 2015, at 00:01 a.m.

**MTA:** the Mercato Telematico Azionario (screen-based equity market) organised and managed by Borsa Italiana S.p.A.

**Reference Year:** the tax year to which the Report refers.

**Remuneration Report or Report:** the remuneration report that companies must prepare pursuant to art. 123-ter of the TUF.

**Stock Exchange Regulation:** the regulation for markets organised and managed by Borsa Italiana S.p.A. (as subsequently amended).

**TUF:** Legislative Decree no. 58 of 24 February 1998 (Consolidated Law on Finance) (as subsequently amended).

**YOOX NET-A-PORTER, YNAP Issuer or Company:** YOOX NET-A-PORTER GROUP S.p.A. (formerly YOOX S.p.A.), the issuer in respect of which this Report is related to.

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## PRELIMINARY REMARKS

### INTRODUCTION

This Remuneration Report was prepared pursuant to art.123-ter of the TUF and art. 84-quater of the Issuers' Regulation, and in compliance with Schedules 7-bis and 7-ter of Annex 3A to the same regulation.

The Remuneration Report is divided into the following sections:

- Section One illustrates Company policy on the remuneration of members of the board of directors, general managers and managers with strategic responsibilities, with reference to at least the following financial year, and the procedures used for the adoption and implementation of this policy;
- Section Two, for payments made to individual Directors and individual Statutory Auditors, and in aggregate form for payments made to managers with strategic responsibilities:
  - provides an adequate representation of each of the items that make up the remuneration, including treatments established in the event of termination of office or employment;
  - analytically illustrates remuneration paid during the reference year, of any kind and in any form, by the Company and by subsidiaries or associated companies, indicating any components of such remuneration that refer to activities carried out in years prior to the reference year and also remuneration to be paid in one or several subsequent years for activities carried out in the reference year, giving an estimated value for any components that cannot be objectively quantified in the reference year.

Section Two also contains information on the equity investments held by members of the board of directors and control body, general managers and managers with strategic responsibilities, as well as by their spouses (unless legally separated) and children under the age of 18, in the Issuer or its subsidiaries, in accordance with art. 84-quater, paragraph 4, of the Issuers' Regulation.

## SECTION ONE

This section of the Remuneration Report describes the essential guidelines of the remuneration policy adopted by the Company (the “**Remuneration Policy**”).

The Remuneration Policy defines the principles and guidelines to which YNAP adheres in determining the policy on remuneration for Directors and managers with strategic responsibilities and in monitoring its application.

The Remuneration Policy, which was drafted in light of recommendations outlined in the Corporate Governance Code, was approved by the Board of Directors on 7 March 2012 upon proposal of the Remuneration Committee and subsequently amended on 5 March 2013, 18 March 2015 and on 30 July 2015, again on the proposal of the Remuneration Committee, under the terms and conditions set out in Section One.

As set out in Consob Regulation no. 17221 of 12 March 2010 on related-party transactions as subsequently amended (the “**Related Parties Regulations**”) and included in the internal procedure adopted by the Company on 11 November 2010, amended on 16 December 2015, available on the Company’s website [www.ynap.com](http://www.ynap.com) (Governance section), the approval of the Remuneration Policy by the Shareholders’ Meeting exempts the Company from applying the above-mentioned procedure for Board decisions on the remuneration of Directors and managers with strategic responsibilities when these decisions are consistent with the Remuneration Policy. In addition, pursuant to art. 13, paragraph 1, of the Related Parties Regulations, the above-mentioned procedure does not apply to Shareholders’ Meeting resolutions, as established in art. 2389, paragraph 1, of the Civil Code, relating to remunerations to members of the Board of Directors and the executive committee, nor to decisions on the remuneration of Directors holding specific positions, which are included in the total amount determined in advance by the Shareholders’ Meeting pursuant to art. 2389, paragraph 3, second period, of the Civil Code.

### 1. BODIES INVOLVED IN THE REMUNERATION PROCESS

The main bodies involved in the preparation and approval of the Remuneration Policy are the Board of Directors, the Remuneration Committee, the Shareholders’ Meeting and the Board of Statutory Auditors.

#### BOARD OF DIRECTORS

The Board of Directors:

- sets up a Remuneration Committee from within its ranks;
- in accordance with the Remuneration Policy, determines the remuneration of executive Directors and Directors holding specific positions upon proposal of the Remuneration Committee, subject to consultation with the Board of Statutory Auditors, as part (where necessary) of the overall compensation determined by the Shareholders’ Meeting pursuant to art. 2389, paragraph 3, of the Civil Code and art. 20 of the Company Bylaws;
- defines the Remuneration Policy after consulting the Remuneration Committee;
- approves the Remuneration Report pursuant to art. 123-ter of the TUF and 84-quater of the Issuers’ Regulation;
- prepares any remuneration plans based on shares or other financial instruments in favour of Directors, employees and co-workers, including managers with strategic responsibilities, submitting them for the approval to the Shareholders’ Meeting pursuant to art. 114-bis of the TUF and dealing with their implementation.

#### REMUNERATION COMMITTEE

The Board of Directors is assisted by the Remuneration Committee to ensure that it makes informed decisions with regard to remuneration that conform to the rules on transparency and the strict governance of potential conflicts of interest.

The Company’s Remuneration Committee, which was appointed by the Board of Directors on 30 April 2015, comprises two independent non-executive Directors:

- Robert Kunze-Concewitz (Chairman), independent non-executive director
- Catherine Gérardin Vautrin, independent non-executive director
- Stefano Valerio, non-executive director

All members of the Remuneration Committee have sufficient financial or remuneration policy experience, as determined by the Board upon their appointment.

The Remuneration Committee has a consulting and advisory role and its main task is to submit proposals to the Board of Directors regarding the Remuneration Policy, including any stock option or stock grant plans, for the Chief Executive Officer and for other Directors holding specific positions, as well as to determine the remuneration criteria for managers with strategic

responsibilities.

The establishment of this Committee ensures the fullest information and transparency regarding the remuneration due to Directors holding specific positions, as well as the procedures through which this is determined. It is, however, understood that, in accordance with art. 2389, paragraph 3 of the Civil Code, the Remuneration Committee only holds a consulting role, while the power to determine the remuneration of Directors holding specific positions remains vested in the Board of Directors, having listened to the advice of the Board of Statutory Auditors.

The Remuneration Committee is responsible for the duties set out in Art. 6 of the Code, specifically:

- a) recommending the adoption of the Remuneration Policy for Directors and managers with strategic responsibilities;
- b) periodically evaluating the adequacy, overall consistency and practical application of the Remuneration Policy for Directors and managers with strategic responsibilities, using information provided by the Chief Executive Officer to perform the latter task; it makes recommendations on the subject to the Board of Directors;
- c) submitting proposals or expressing opinions to the Board of Directors on the remuneration of Executive Directors and other Directors holding specific positions, as well as on setting performance targets for the variable component of such remuneration; it monitors the application of the decisions adopted by the Board, in particular with regard to the achievement of said performance targets.

The Remuneration Committee is also assigned duties in relation to the management of any incentive plans approved by the relevant Company bodies.

On 8 February 2016, the Board of Directors approved a Regulation governing the functioning and roles of the Remuneration Committee in line with the provisions of the Code, which expressly provides for the Remuneration Committee's works to be coordinated by a Chairman and for Remuneration Committee meetings to be formal in collegial form meetings and duly minuted.

No Director takes part in Remuneration Committee meetings in which the Remuneration Committee put proposals relating to his or her own remuneration forward to the Board of Directors'. . Representatives of corporate functions and independent experts and/or other individuals can take part in Committee meetings, by invitation, if their participation is deemed to be helpful.

In order to perform its duties, the Remuneration Committee has the right to access the necessary company's information and functions and avails itself of the Issuers' corporate structures and facilities. The Committee may as well use the services of an external consultant in order to obtain information on market standards for remuneration policies, under the terms established by the Board of Directors.

Since 2011, the Committee has used the services of the consulting firm Spencer Stuart, which has no relationships with the Company that could compromise its independence.

## **SHAREHOLDERS' MEETING**

In respect of remuneration, the Shareholders' Meeting:

- decides the compensation of members of the Board of Directors pursuant to art. 2364, paragraph 1, no. 3), of the Civil Code, also pursuant (where necessary) to art. 2389, paragraph 3, of the Civil Code and art. 20 of the Company Bylaws;
- expresses its opinion through an advisory vote on Section One of the Remuneration Report prepared by the Board of Directors;
- approves any remuneration plans based on shares or other financial instruments for Directors, employees and co-workers, including managers with strategic responsibilities, pursuant to art. 114-bis of the TUF.

## **BOARD OF STATUTORY AUDITORS**

The Board of Statutory Auditors expresses its opinion in respect of remuneration proposals for Directors holding specific positions, pursuant to art. 2389, paragraph 3, of the Civil Code, verifying the consistency of such proposals with the Remuneration Policy.

## **2. PRINCIPLES AND AIMS OF THE REMUNERATION POLICY, WITH REFERENCE TO THE VARIOUS COMPONENTS OF COMPENSATION**

The objective of the Remuneration Policy is to attract and retain highly professional personnel, with a special focus on positions considered key to the development of the organisation and with appropriate skills for the complex, specialist nature of the business. In this regard, a great deal of attention has been paid to performance management, which is considered to be the

cultural cornerstone of any reward system. The Remuneration Policy is therefore linked to the evaluation of individual and corporate performance indicators in order to create an integrated system that measures and rewards individual performance consistent with economic and financial indicators for corporate growth. The incentive scheme is therefore aimed at encouraging improvements in results for short-term and medium- to long-term targets.

In line with the general aims illustrated above, the Remuneration Policy is based on the following reference principles:

- a suitable balance between the fixed component and the variable component based on the Company's strategic targets and risk management policy, which also takes into account the business segment and the nature of the activity actually carried out;
- the definition of limits for the variable components;
- the predetermination and measurability of performance targets relating to the payment of the variable components.

The Remuneration Policy is designed to pursue the Company's short-term and medium- to long-term interests. For this purpose, the composition of the remuneration package for Executive Directors and managers with strategic responsibilities is defined in accordance with the following criteria:

- providing a balanced overall remuneration structure with a suitable balance between fixed and variable components, in order to avoid behaviours not aligned with the creation of sustainable value in the short and medium- to long-term;
- providing a direct link between pay and performance through mechanisms that establish different bonus levels according to the partial or full achievement of targets;
- providing overall remuneration levels that are capable of recognising the professional value of people and their contribution to the creation of sustainable value in the medium- to long-term.

The allocation of variable remuneration components (short-term or medium- to long-term) is linked to the achievement of reasonable, predetermined qualitative and quantitative performance targets set by the Board of Directors, on the proposal of the Remuneration Committee. In particular, the short-term variable part of compensation is subject to the achievement of specific objectives, possibly combined. Such targets are determined by the Board of Directors, based on a proposal from the Remuneration Committee (including, among other possible objectives, parameters such as the EBITDA and the EBITDA margin pre Incentive Plans costs, net revenues growth and net revenues) (the "Target").

In general, the targets have the following features:

- priority: related to the medium- to long-term strategy of the business;
- specific: clear and concrete description of the results expected;
- measurable: measured using clear, predefined indicators;
- realistic: ambitious and challenging, but at the same time felt to be achievable;
- time-based: defined on a temporal range, with a differentiation between short-term targets and medium- to long-term targets;

the above described principles guiding the Remuneration Policy of executive Directors and Managers with strategic responsibilities apply both with reference to the Company, and, possibly, with respect to similar key figures in relevant companies belonging to the Group headed by YNAP (the "YNAP Group").

## NON-EXECUTIVE AND INDEPENDENT DIRECTORS

This category includes Directors who do not have individual specific duties and do not hold management roles/positions in the Company or in other YNAP Group companies. Independent directors are defined as directors holding the independence requisites of art. 148, paragraph 3 of TUF and art. 3 of the Corporate Governance Code. Independent and non-executive Directors receive a fixed compensation approved by the Shareholders' Meeting pursuant to art. 2389 of the Civil Code, as well as the reimbursement of work-related expenses.

Non-executive Directors and Independent Directors do not receive any variable remuneration.

## EXECUTIVE DIRECTORS

### Fixed component

The fixed remuneration component factors in the breadth and importance of the role as well as the person's distinctive qualities and key skills. The fixed component is sufficient to compensate Executive Directors for the work they do even if the performance

targets that determine payment of the variable component are not met. Among other things, this discourages behaviors not consistent with the Company's propensity to risk.

#### Short-term variable component

The short-term variable component of remuneration aims to encourage Executive Directors to work towards achieving annual targets that maximise the value of the Company, in line with shareholders' interests. It can be obtained only if predefined annual financial targets are met. The Remuneration Policy provides for the application of a calculation system to adjust the variable remuneration component in line with results.

Specifically, the determination of the variable component linked to short-term remuneration, **which is approximately equal to 50% of the fixed compensation when 100% of the target is met**, is subject to the achievement of the relevant Target that has been determined. In case of a distance, whether positive or negative, from the Target determined for the payment of the short-term variable component of the remuneration, a calculation method is applied; such calculation method provides for a minimum achievement level - set at **90% of the relevant Target - below which no bonus is paid; and a maximum achievement level, also based on the relevant Target - set at 110% of the Target - whereby 125% of the bonus is paid, which accordingly represents the cap on the short-term variable compensation component**. This calculation system also provides for intermediate thresholds between the minimum limit of 90% and the maximum limit of 110% of the Target, to which different amounts of payable bonus correspond.

The Company has the power to apply the provisions relating to the short-term variable component of the remuneration of executive Directors, so far as compatible, also to Executive Directors of subsidiaries pursuant to art. 93 of the TUF, or companies that may be qualified as subsidiaries by virtue of the accounting principles applicable from time to time or included in the consolidation perimeter.

The Remuneration Committee has the power to propose to the Board of Directors that executive Directors and Directors responsible for specific duties receive extraordinary compensation that is strictly commensurate with their specific contribution to operations of particular strategic importance to the Company and/or the YNAP Group<sup>1</sup>.

With respect to the variable components, the arrangements between the Company and executive Directors may allow the Company to reclaim, in whole or in part, the variable components of the remuneration that were awarded (or to hold deferred payments), as defined on the basis of data which subsequently proved to be manifestly misstated in compliance with Criterion 6.C.1, letter f), of the Code (so called claw-back).

#### Medium-to long-term variable component - Long-Term Incentive Plan (LTI)

The medium-to long-term variable component aims to encourage the executive Director to work towards maximising the Company's value and to align their interests with those of the shareholders. The long-term variable compensation corresponds to **200% of fixed compensation when 100% of the relevant target is met**. The payment of the bonus is subject to achieving a cumulative target defined as EBIT excluding Incentive Plans costs the reference years, as indicated by the Board of Directors, upon proposal of the Remuneration Committee. In case of a distance, whether positive or negative, from the target determined for the payment of the short-term variable component of remuneration, a calculation method is applied; such calculation method provides for a **minimum achievement level - set at 90% of the target - below which no bonus is paid; and a maximum achievement level - set at 110% of the target - whereby 125% of the bonus is paid, which represents the cap on the medium-to long-term variable compensation component**. This calculation system also provides for intermediate thresholds between the minimum limit of 90% and the maximum limit of 110% of the target over the relevant years, to which different amounts of payable bonus correspond.

The medium- to long-term variable component relating to the three years - 2015, 2016 and 2017 - will be paid by the final working day of the month in which the 2017 financial statements are approved by the Board of Directors.

Executive Directors may be recipients of share-based incentive plans, which, in line with the practices adopted by the Company, may include vesting periods and be subject to the achievement of specific predetermined targets.

The Board of Directors is entitled with the power, upon proposal of or after consultation with the Remuneration Committee and with the abstention of the executive Directors concerned, to review the above-mentioned performance targets for executive Directors, in the event that YNAP were to carry out extraordinary transactions with strategic importance and/or that

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<sup>1</sup> Please note that in the year 2015 an extraordinary bonus has been paid to the Chief Executive Officer, in respect of which please refer to Section Two, Part One.



affect the Company's and/or the Group results or its scope of operations, or in the event of extraordinary changes to the market conditions in which the Company operates, or in the event that abnormal, extraordinary and unforeseeable events occur, in order to make such objectives consistent with the new corporate structure and/or business structure and/or with the ensuing economic/financial results.

## MANAGERS WITH STRATEGIC RESPONSIBILITIES

Managers with strategic responsibilities are individuals who have power and responsibility, directly or indirectly, for the planning, management and control of Company activities, as set out in art. 65, paragraph 1-quater of the Issuers' Regulation, which is referred to in Annex 1 of the Related Parties Regulations.

For managers with strategic responsibilities, the short-term variable component (MBO) is paid only when the Annual Target is reached, relating to the annual budget, and in general to the performance of the Group, as identified by the Board of Directors on the proposal of the Remuneration Committee for the relevant period.

The Target for the short-term variable component (MBO) of the remuneration of Managers with strategic responsibilities may also make reference to individual targets related to performance in specific business areas or corporate functions. In particular, individual targets (where defined) are represented by quantitative and/or qualitative parameters proposed by the Board of Directors and assessed through the Performance Evaluation system; said targets may be different and assigned on an on/off basis, and in this case a failure to achieve the target entails that no payment of variable compensation is due, or according to an achievement percentage providing for the failed achievement of the target when it falls below certain previously identified threshold.

**The variable component linked to short-term remuneration is approximately 25%-50% of the fixed compensation, when 100% of the reference Target is met.**

The above system analyses the value added by an individual Manager with strategic responsibilities in relation to his or her targets. The system comprises the following elements:

1. Evaluation of Skills;
2. Evaluation of achievement of Targets (MBO).

This system provides the Company with objective input to determine the variable component of the remuneration to be paid to Managers with strategic responsibilities who are part of this incentive scheme.

For the purposes of value creation for the Company in the medium- to long-term, Managers with strategic responsibilities may be paid a medium- to long-term variable component, which may comprise incentive plans based on financial instruments pursuant to art. 114-bis of the TUF and/or, with regard to last year's Remuneration Policy, monetary incentive-based plans; such plans, in line with the practices adopted by the Company, may include vesting periods and be subject to the achievement of specific predetermined targets.

The Company has the power to apply the provisions relating to the short-term variable component of the remuneration of Managers with strategic responsibilities, so far as compatible, also to Managers with strategic responsibilities of subsidiaries pursuant to art. 93 of the TUF, or companies that may be qualified as subsidiaries by virtue of the accounting principles applicable from time to time or included in the consolidation perimeter.

The Remuneration Committee has the power to propose to the Board that Managers with strategic responsibilities shall receive extraordinary compensation that is strictly commensurate with their specific contribution to operations of particular strategic importance to YNAP<sup>2</sup>.

The Board of Directors has the power upon proposal of or after consultation with the Remuneration Committee, to review the above-mentioned performance targets for Managers with strategic responsibilities, in the event that YNAP were to carry out extraordinary transactions with strategic importance and/or that affect the Company's results or its scope of operations, or in the event of extraordinary changes to the market conditions in which the Company operates, or in the event that abnormal, extraordinary and unforeseeable events occur, in order to make such objectives consistent with the new corporate structure and/or business structure and/or with the resulting economic/financial results.

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Compared to the previous Remuneration Policy, the possibility for the Company to apply the principles of the Remuneration Policy applicable to the compensation of executive Directors and managers with strategic responsibilities also to equivalent strategic people operating in Group's relevant subsidiaries has been introduced. In addition, with respect to the short and medium-long term components of variable remuneration, one or more specific targets can now be defined, possibly combined,

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<sup>2</sup> Please note that in the year 2015 an extraordinary bonus has been paid, in respect of which please refer to Section II, Part One.

as determined by the Board of Directors based on a proposal of the Remuneration Committee (including, among other possible objectives, parameters such as the EBITDA and the EBITDA margin pre Incentive Plans costs, net revenues growth and net revenues).

### 3. WEIGHTING OF FIXED AND VARIABLE COMPONENTS OF COMPENSATION

The Remuneration Policy provides for short- and medium- to long-term fixed and variable components that are broken down according to different principles and methods in relation to the different types of recipients.

Specifically, there are three distinct categories of recipients: (i) non-executive and/or independent Directors, (ii) executive Directors holding specific positions and (iii) Managers with strategic responsibilities.

#### NON-EXECUTIVE AND INDEPENDENT DIRECTORS

Non-executive Directors and independent Directors receive fixed compensation decided by the Shareholders' Meeting pursuant to art. 2389 of the Civil Code, as well as reimbursement of work-related expenses. Non-executive directors and independent Directors do not receive any variable remuneration.

#### EXECUTIVE DIRECTORS

The remuneration of Executive Directors comprises fixed compensation, a short-term variable component and a long-term variable component for each year of office equal to a sum determined by the Board of Directors, upon proposal of the Company's Remuneration Committee. Such proposal is based on market practice within comparable companies of a similar size, as well as profitability and growth rate, and takes into account the value generated in terms of improvement in profit & loss and balance sheet results, and/or an increase in the Company's market capitalisation.

The variable component is subject to the achievement of the determined Target, consisting in one or more targets, possibly combined between them, which may vary depending on them referring to the short or medium-long term variable component of the remuneration, as determined by the Board of Directors upon proposal of the Remuneration Committee, among which, without limitation, the EBITDA parameter, excluding Incentive Plans, the revenues growth rate and the net revenues parameter..

To sum up, Executive Directors' remuneration is composed of the following elements:

- (i) annual fixed component: determined according to the size of the business managed and the individual's ability to contribute to the YNAP Group's consolidated results. This component of the remuneration, which is sufficient to reward the performance of the executive Director in the event that the variable component is not paid if he/she fails to achieve the Target. Such component corresponds approximately to 50% of total remuneration, when 100% of the reference Target is met;
- (ii) short-term variable component (MBO): determined according to the achievement of the annual Targets referring to the budget relevant from time to time, correlated with performance indicators. This component corresponds approximately to 25% of total remuneration, when 100% of the reference Target is met;
- (iii) medium-long-term variable component (LTI): this variable component is paid at the end of the three-year reference period on condition that the economic-financial targets referred to a medium-long term plan is met. This component corresponds approximately to 30% of total remuneration, when 100% of the reference Target is met.

Executive Directors may be recipients of share-based incentive plans, which, in line with the practices adopted by the Company, may include vesting periods and be subject to the achievement of specific predetermined targets.

#### MANAGERS WITH STRATEGIC RESPONSIBILITIES

The Remuneration Policy provides for the following payment structure for managers with strategic responsibilities:

- (i) annual fixed component: usually determined by the professional specialisation of the organisational role held, with related responsibilities and impact on the business, reflecting the experience, abilities and skills required for each position, as well as the level of excellence demonstrated and the overall quality of the manager's contribution to the business results; this component is in most cases equal to approximately 75% of total remuneration;
- (ii) short-term variable component (MBO): payable only upon achievement of the annual Target, referred to the annual budget, and in general to the performance of the YNAP Group, as indicated by the Board of Directors upon proposal of

the Remuneration Committee for the relevant period. This component of the remuneration corresponds approximately 25% of total remuneration when 100% of the reference Target is met.

For the purposes of value creation for the Company in the medium- to long-term period, Managers with strategic responsibilities may be paid a medium-to long-term variable component, which may comprise incentive plans based on financial instruments pursuant to art. 114-bis of the TUF monetary incentive-based plans; such plans, in accordance with the Company's normal practice, may provide for vesting periods and be subject to the achievement of specific predetermined targets.

#### 4. DEFERMENT OF CASH COMPONENTS AND LOCK-UP OF EQUITY COMPONENTS

Plans based on shares or other financial instruments may involve vesting periods.

The medium- to long-term variable component, which is a long-term incentive for the duration of the executive Director's term of office, will not be paid earlier than the end of this term if the target is fully or partially met.

As far as monetary components are concerned, the Remuneration Policy does not include deferred payment systems.

The Remuneration Policy does not include in the share-based incentive plans lock-up clauses in respect of financial instruments.

#### 5. NON-MONETARY BENEFITS

Non-executive Directors and independent Directors do not receive non-monetary benefits.

The remuneration offered to executive Directors, includes life insurance coverage, insurance against illness and accident, and work-related liability coverage as well as the attribution of business car.

The remuneration offered to Managers with strategic responsibilities, as far as non-monetary benefits are concerned, includes life insurance coverage, insurance against illness and accident, and the provision of a company car.

#### 6. SEVERANCE PAY

##### NON-EXECUTIVE DIRECTORS

Non-Executive Directors do not receive severance pay.

##### EXECUTIVE DIRECTORS

The Remuneration Policy provides that payments made upon termination of the office or of the employment relationship are governed by the existing contractual relations with executive Directors.

With the exception of the cases set out below, there were no agreements signed between the Issuer and the Directors providing for compensation in the event of resignation or dismissal/removal without just cause, or if the working relationship ceases following a public purchase offer.

With reference to the agreement signed by the Company and the Chief Executive Officer, on 11 May 2015, the Company's Board of Directors, upon proposal of the Remuneration Committee, approved to enter into a management agreement with the Chief Executive Officer currently in office, subsequently amended by the Board of directors upon proposal of the Remuneration Committee on 11 November 2015 (the "Agreement"), in line with the best practices in the reference market and which resulted to be in line with the Remuneration Policy adopted by the Company as well.

The above Agreement governs, besides the economic conditions of his relationship with YNAP, the event of early removal - in relation to the natural expiration of the office, which is conferred until the approval of the 2017 financial statements (the "Period") - from office as a member of the Board of Directors of the Company ("Office") and the revocation of the delegated powers as Chief Executive Officer of the Issuer (the "Powers"), as illustrated below.

In line with the practices of the reference markets, the Agreement provides that if, before the expiry of the Period:

- (i) the Chief Executive Officer is removed from Office for any reason other than voluntary resignation or just cause due to serious non-fulfilment of his administrative duties;
- (ii) the Powers of the Chief Executive Officer are revoked or reduced, or a person with similar (full or partial) powers is appointed without his prior written consent;

(iii) the Chief Executive Officer is dismissed following a change of controls;

the Company shall be required to pay the Chief Executive Officer a compensation equal to **two years annual fixed remuneration** received by the Chief Executive Officer, without prejudice to any other right already accrued.

In the case of voluntary resignation, the Company shall be required to pay the Chief Executive Officer a compensation equal to the **six months of the fixed gross annual remuneration** received by the Chief Executive Officer in the calendar year prior to the date of termination of the Office. It is also understood that, in such cases, should the employment agreement be terminated after 30 June, the Company shall be required to pay the MBO variable component expected for the year in progress irrespective of whether or not the agreed targets have been reached.

Pursuant to the Agreement, **at the expiry of the Period and if the Office and/or the Powers are not renewed**, the Chief Executive Officer shall receive a severance indemnity equal to **two years' annual gross remuneration** received by the Chief Executive Officer in the calendar year prior to the date of termination date of Office and/or the Powers (including the fixed component, the MBO variable component and any other emoluments received except for the Long term Incentive Plan). If, at the expiry of the Period, the Chief Executive Officer is reconfirmed on the Board of Directors with different powers, the Company shall be required to pay, as severance payment, **one year annual gross remuneration** received in the previous calendar year (including the fixed component, the MBO variable component and any other emoluments received except for the Long Term Incentive Plan).

As regards the agreements involving payments for non-competition obligations, the Agreement provides that, **at the expiry of the Period and if the Office and/or the Powers are not renewed**, the Chief Executive Officer shall receive as compensation for the non-competition obligation an amount equal to 50% of the gross annual compensation received by the Chief Executive Officer in the previous calendar year (including such gross annual remuneration the fixed component, the MBO variable component and any other emoluments received except for the Long Term Incentive Plan).

For more information on the effects of the termination of the employment relationship on stock option plans, reference is made to the informational documents prepared pursuant to art. 84-bis of the Consob Issuers' Regulation held at the Company headquarters, available in the Governance section of the Company website [www.ynap.com](http://www.ynap.com).

## MANAGERS WITH STRATEGIC RESPONSIBILITIES

Without prejudice to the application of the national collective labour agreement, where applicable, in relation to the termination of employment on reasonable grounds or for just cause, the Company may negotiate the introduction of a good/bad leaver system for Managers with strategic responsibilities for the purpose of determining severance payments on resignation or termination of the employment relationship.

## 7. INSURANCE, SOCIAL SECURITY AND PENSIONS

Provisions for executive Directors include life insurance cover, illness and accident risk cover, and professional liability cover.

Provisions for non-executive Directors include professional liability cover, as well as the other statutory covers.

## 8. REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS

Non-executive Directors receive fixed compensation decided by the Shareholders' Meeting pursuant to art. 2389 of the Civil Code and do not receive variable remuneration.

If the Shareholders' Meeting has not taken any resolution in respect of this matter, and if it is deemed appropriate, the Board of Directors determines compensation for committee members and Chairmen.

The Remuneration Policy provides for different compensation for Directors who take on the role of Chairman or Vice Chairman.

## 9. REMUNERATION POLICIES OF OTHER COMPANIES

For the purpose of defining the Remuneration Policy, particularly with regard to the remuneration of executive Directors holding specific positions, the Company has taken into account the remuneration packages offered by: listed luxury goods and fashion companies in Italy and the rest of Europe, private Italian luxury goods and fashion companies that are comparable to YNAP in size and complexity, and companies listed on the Italian Stock Exchange with a similar market capitalisation to YNAP and with comparable characteristics such as sales, size, the ability to set trends and a significant online retail business. The Company has used the independent consulting firm Spencer Stuart for this comparison.

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<sup>3</sup> Change of control pursuant to art. 93 of the TUF, in respect of the shareholding structure of the Issuer at the date this Agreement was signed, even if this does not trigger the obligation to launch a public purchase offer.

## SECTION TWO

This section provides details of payments made to Directors and Statutory Auditors, by name, and to Managers with strategic responsibilities, in aggregate form:

- the first part provides an appropriate description of each of the items that make up the remuneration, including payments in the case of resignation or termination of the employment relationship, highlighting consistency with Company policy on remuneration approved in the previous year;
- the second part analytically illustrates remuneration paid during the reference year (2015) of any kind and in any form by the Company and by subsidiaries or associated companies, indicating any components of such remuneration that refer to activities carried out in years prior to the reference year and also remuneration to be paid in one or more subsequent years for activities carried out in the reference year, giving an estimated value for any components that cannot be objectively quantified in the reference year;
- the third part illustrates, using the criteria established in Annex 3A, Schedule 7-ter of the Issuers' Regulation, the stakes in the Issuer and in its subsidiaries held by members of the Board of Directors and control bodies, by the general manager and Managers with strategic responsibilities, as well as by their spouses (unless legally separated) and children under the age of 18, directly or through subsidiaries, trust companies or nominees, as per the shareholder register, communications received and other information acquired by the same members of the Board of Directors and the control body, the general manager and managers with strategic responsibilities.

As a "small" company pursuant to art. 3, paragraph 1, sub-paragraph f) of the Related Parties Regulations, YNAP may provide: (i) in aggregate form, any information on the remuneration of Managers with strategic responsibilities other than the general manager; (ii) any information on agreements containing clauses for compensation in the event of early termination of the employment relationship for executive Directors and the Chairman of the Board of Directors only.

## SECTION TWO – PART ONE – ITEMS THAT MAKE UP REMUNERATION

The first part of Section Two provides an appropriate description of each of the items that make up remuneration, including payments made on resignation or termination of the employment relationship.

### REMUNERATION OF THE BOARD OF DIRECTORS IN 2015

With reference to the remuneration of the Board of Directors, the Shareholders' Meeting of 30 April 2015 set the overall annual compensation to be paid to the Board of Directors for the term of office at EUR 680,000.00 plus reimbursement of expenses incurred by its members when performing their duties, without prejudice, however, to the remuneration of Directors holding specific positions pursuant to art. 2389, no. 3 of the Civil Code, which is not included in the above amount, and compensation for any specific positions held.

In accordance with the provisions of the Remuneration Policy for 2015, on 30 April 2015, the Board of Directors decided to divide the overall annual compensation for the members of the Board of Directors, as decided by the Shareholders' Meeting, as follows:

- for each director an annual compensation of EUR 25,000.00 plus reimbursement of expenses incurred while performing his duties, without prejudice to the remuneration of Directors holding specific positions;
- for the Chairman Raffaello Napoleone an additional annual compensation of EUR 15,000.00;
- for Vice Chairman Stefano Valerio, an additional annual compensation of EUR 5,000.00;
- for each member of the Board internal committees an overall annual compensation of EUR 6,000.00. This amount is to be considered as an all-inclusive amount and will thus be paid to each committee member regardless of the number of Board committees on which that person sits. For each member of the Control and Risk Committee the Company will further pay an additional annual compensation of Euro 4,000.00.

### REMUNERATION OF CHIEF EXECUTIVE OFFICER IN 2015

In accordance with the provisions of the Remuneration Policy for 2015, upon proposal of the Remuneration Committee and upon favorable opinion from the Board of Statutory Auditors, on 11 May 2015, the Board of Directors approved the management agreement with the Chief Executive Officer (the "**Agreement**"), which was signed by the Chief Executive Officer, Federico Marchetti, and the Company on 11 May 2015 and subsequently amended on 11 November 2015 after approval by the Board of Directors, upon proposal of the Remuneration Committee.

The Agreement governs the economic conditions of the relationship with YNAP, providing for, among other things, the payment of: (i) an annual fixed component (the "**Fixed Compensation**"); (ii) a short-term variable component (the "**MBO Variable Compensation**"); and (iii) a long-term variable component (the "**LTI Variable Compensation**") payable at the termination of the office. The remuneration of the Chief Executive Officer also includes non-monetary benefits.

In relation to the remuneration of the Chief Executive Officer for 2015, the Company:

- a) paid an annual fixed component of EUR 994,847.46. The fixed compensation was approximately 39% of total 2015 remuneration.
- b) paid a short-term variable component as equal to EUR 618,000 awarded as annual variable compensation for 2015, equal to approximately 25% of total 2015 remuneration. It is noted that in 2015, the CEO had waived Euro 240,000.00 envisaged as variable annual compensation for 2014 in favor of Company employees.
- c) set aside for the long-term variable component of EUR 800,000. Said remuneration, together with the amounts set aside in the two subsequent years will be paid at the end of the term of office provided that the targets set by the Board, as specified in Paragraph 2 of Section One, are met. It is noted that the Chief Executive Officer, in 2015, waived Euro 171,600 envisaged as variable long-term compensation in favor of Company's employees.

In the course of 2015, the Board of Directors, on proposal of the Remuneration Committee and having heard the opinion of the Related Parties Committee, paid an extraordinary bonus of Euro 900,000.00 to the Chief Executive Officer, equal to approximately 36 % of the overall compensation, in consideration of the crucial role performed by him in the context of the realization, development and execution of the integration plan with the NET-A-PORTER GROUP S.p.A. Group, conditional upon the effectiveness of the merger transaction between the two groups.

In the course of 2015 the Chief Executive Officer has furthermore been awarded with 2,417,147 Options in the context of the Stock Option 2015-2025 reserved for Directors, Managers and Employees of YNAP and of the companies directly or indirectly controlled pursuant to art. 93 of TUF, approved by the Shareholders' Meeting on 16 December 2015. More information on the existing stock option and incentive plans pursuant to art. 114-bis of the TUF can be found in the information documents published on the Company's website [www.ynap.com](http://www.ynap.com) in the Governance section, as specified by art. 123-ter, paragraph 5, of

the TUF.

*Compensation in the event of early termination of the relationship and the effects of the termination of the relationship on the rights assigned under the incentive plans based on financial instruments to be paid in cash*

No compensation was paid in 2015.

For information regarding compensation in the event of early termination of the relationship, refer to Section One of this Report.

For more information on the effects of the termination of the employment relationship within the scope of the stock option plans, refer to the Information Documents prepared in accordance with art. 84-bis of the Consob Issuers' Regulation filed at the registered office and available on the Company website at [www.ynap.com](http://www.ynap.com) in the Governance section.

#### **REMUNERATION OF STATUTORY AUDITORS IN 2015**

The Shareholders' Meeting decided to award annual compensation of EUR 30,000.00 to the Chairman of the Board of Statutory Auditors and EUR 20,000.00 to each standing statutory auditor, plus reimbursement of expenses incurred while performing their duties.

#### **REMUNERATION OF MANAGERS WITH STRATEGIC RESPONSIBILITIES IN 2015**

Remuneration of Managers with strategic responsibilities for the reference year is made up of fixed compensation, a variable component and non-monetary benefits.

The Board of Directors, upon proposal of the Remuneration Committee, paid to a Manager with strategic responsibilities an extraordinary bonus of Euro 40,000.00 in consideration of the crucial role performed in the context of the planning and execution of the integration plan with the NET-A-PORTER GROUP S.p.A. Group, conditional upon the effectiveness of the merger transaction between the two groups.

In addition, in 2015 an overall amount of no. 600,000 Options was granted to no. 2 Managers with strategic responsibilities within the Stock Option Plan 2015-2025 reserved for Directors, Managers and Employees of YNAP and of the companies directly or indirectly controlled pursuant to art. 93 of TUF, approved by the Shareholders' Meeting on 16 December 2015.

More information on the existing stock option and incentive plans pursuant to art. 114-bis of the TUF can be found in the information documents published on the Company's website [www.ynap.com](http://www.ynap.com) in the Governance section, as specified by art. 123-ter, paragraph 5, of the TUF.

SECTION TWO - PART TWO - BREAKDOWN OF REMUNERATION PAID DURING THE YEAR

TABLE 1

Remuneration paid to members of the Board of Directors and Board of Statutory Auditors, general managers and managers with strategic responsibilities at 31 December 2015

Name and surname	Position held	Period for which the position was held	Termination of position	Fixed Payments	Payments for participation in committees	Non-equity variable payments	Non-equity variable payments	Non-monetary benefits	Other remuneration	Total	Fair value of equity payments	Compensation at end of office or termination of employment relationship
						Bonuses and other incentives	Profit-sharing					
Federico Marchetti (1)	Chief Executive Officer	01/01/2015 - 31/12/2015	2017	994,847	-	2,220,000	-	-	-	3,214,847	1,260,678	-
Raffaello Napoleone	Chairman of the Board of Directors	01/01/2015 - 31/12/2015	2017	32,667	8,667	-	-	-	-	41,334	-	-
Stefano Valerio (2)	Director	01/01/2015 - 31/12/2015	2017	27,973	6,000	-	-	-	-	33,973	-	-
Catherine Gérardin Vautrin	Director	01/01/2015 - 31/12/2015	2017	22,667	8,667	-	-	-	-	31,334	-	-
Mark Evans (3)	Director	01/01/2015 - 30/04/2015	2105	6,000	-	-	-	-	-	6,000	-	-
Massimo Giaconia	Director	01/01/2015 - 30/04/2015	2015	6,320	2,000	-	-	-	-	8,320	-	-
Elserino Mario Piol	Director	01/01/2015 - 30/04/2015	2015	6,000	2,000	-	-	-	-	8,000	-	-
Alessandro Foti	Director	30/04/2015 -31/12/2015	2017	16,667	6,667	-	-	-	-	23,334	-	-
Robert Kunze-Concewitz	Director	30/04/2015 -31/12/2015	2017	16,667	4,000	-	-	-	-	20,667	-	-
Laura Zoni	Director	30/04/2015 -31/12/2015	2017	17,493	4,000	-	-	-	-	21,493	-	-
Richard Lepeu	Director	30/04/2015 -31/12/2015	2017	5,959	1,430	-	-	-	-	7,389	-	-
Gary Saage	Director	30/04/2015 -31/12/2015	2017	5,959	-	-	-	-	-	5,959	-	-
Eva Chen	Director	16/12/2015 -31/12/2015	2017	1,096	-	-	-	-	-	1,096	-	-
Vittorio Radice	Director	16/12/2015 -31/12/2015	2017	1,140	-	-	-	-	-	1,140	-	-
Filippo Tonolo	Chairman of the Board of Statutory Auditor	01/01/2015 - 30/04/2015	2015	10,400	-	-	-	-	-	10,400	-	-
Patrizia Arienti	Standing Auditor	01/01/2015 - 31/12/2015	2017	20,000	-	-	-	-	-	20,000	-	-
David Reali	Standing Auditor	01/01/2015 - 30/04/2015	2015	7,176	-	-	-	-	-	7,176	-	-
Salvatore Tarsia	Alternate Auditor	01/01/2015 - 30/04/2015	2015	-	-	-	-	-	-	-	-	-
Edmondo Maria Bottecchia	Alternate Auditor	01/01/2015 - 30/04/2015	2015	-	-	-	-	-	-	-	-	-
Marco Maria Fumagalli	Chairman of the Board of Statutory Auditor	30/04/2015 -31/12/2015	2017	20,000	-	-	-	-	-	20,000	-	-
Giovanni Naccarato	Sindaco Effettivo	30/04/2015 -31/12/2015	2017	13,867	-	-	-	-	-	13,867	-	-
Nicoletta Maria Colombo	Standing Auditor	30/04/2015 -31/12/2015	2017	-	-	-	-	-	-	-	-	-
Andrea Bonechi	Alternate Auditor	30/04/2015 -31/12/2015	2017	-	-	-	-	-	-	-	-	-
Managers with strategic responsibilities		01/01/2015 - 31/12/2015	-	720,971	0	40,000	-	1,124	-	762,095	37,585	-

(1) Chairman of the Board of Directors until 30 April 2015

(2) Deputy Chairman of the Board of Directors

(3) The Company, at the Director's request, donated his payment to charity.



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TABLE 2

Stock options granted to members of the Board of Directors, general managers and managers with strategic responsibilities.

Name and surname	Position held	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year		
			Number of options	Strike price	Possible exercise period (from – to)	Number of options	Strike price	Possible exercise period (from – to)	Fair value at grant date	Grant date	Market price of underlying shares at granting of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value		
Federico Marchetti (1)  Remuneration in company that prepares the financial statements	Chief Executive Officer and Chairman of the Board of Directors until 30 April 2015 (YNAP S.p.A.), Director (Largenta LTD, NAPG LTD, YOOX Corporation, YOOX Asia, YOOX Jaoo and YOOX China)	2007-2012 (13/06/2007)	17,153	59.17	04/12/2011-03/09/2019								17,153	59.17	31.41		-	-	
		2012-2015 (21/09/2012)	500,000	9.60	20/04/2013-31/12/2017									500,000	9.60	31.41		-	-
		2012-2015 (21/09/2012)	500,000	9.60	18/04/2014-31/12/2017									500,000	9.60	31.41		-	-
		2012-2015 (21/09/2012)	500,000	9.60	30/04/2015-31/12/2017									500,000	9.60	31.41		-	1,014,086
		2015-2025 (16/12/2015)				805,716	32.466	01/04/2018-01/04/2021	5,646,952	16/12/2015	33.90							805,716	103,298
		2015-2025 (16/12/2015)				805,716	32.466	01/04/2019-01/04/2022	6,196,386	16/12/2015	33.90							805,716	78,435
		2015-2025 (16/12/2015)				805,715	32.466	01/04/2020-02/04/2023	6,715,706	16/12/2015	33.90							805,715	64,949
Remuneration from subsidiaries and associated companies																			
<b>Total</b>			<b>1,517,153</b>			<b>2,417,147</b>			<b>18,559,045</b>				<b>1,517,153</b>				<b>-</b>	<b>2,417,147</b>	<b>1,260,768</b>
Massimiliano Benedetti  Remuneration in company that prepares the financial statements	Director (YOOX Corporation)	2007-2012 (13/06/2007)	2,111	59.17	04/12/2011-03/09/2019													2,111	-
		2007-2012 (13/06/2007)	1,150	59.17	04/12/2011-03/09/2019									1,150	59.17	22.27		-	-
		2007-2012 (13/06/2007)	1,450	59.17	04/12/2011-03/09/2019									1,450	59.17	27.75		-	-
		2007-2012 (13/06/2007)																	
Remuneration from subsidiaries and associated companies																			
<b>Total</b>			<b>4,711</b>			<b>-</b>			<b>-</b>				<b>2,600</b>				<b>-</b>	<b>2,111</b>	<b>-</b>

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Name and surname	Position held	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year	
			Number of options	Strike price	Possible exercise period (from – to)	Number of options	Strike price	Possible exercise period (from – to)	Fair value at grant date	Grant date	Market price of underlying shares at granting of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value	
Grignolo Alberto  Remuneration in company that prepares the financial statements	Director (YOOX Japan and YOOX China) and Manager with key responsibilities (YNAP S.p.A.)	2006-2008 (28/02/2006)	1,550	59.17	04/12/2011-03/09/2019											1,550	-	
		2007-2012 (13/06/2007)	8,450	59.17	04/12/2011-03/09/2019											8,450	-	
		<b>Remuneration from subsidiaries and associated companies</b>																
<b>Total</b>			<b>10,000</b>														<b>10,000</b>	
Martines Luca  Remuneration in company that prepares the financial statements	Director (YOOX Asia and YOOX Japan)	2003-2005 (04/02/2009)	1,000	106.50	01/07/2011-31/07/2017											1,000	-	
		2015-2025 (16/12/2015)				40,000	32.466	01/04/2018-01/04/2021	200,706	16/12/2015	33.90					40,000	3,671	
		2015-2025 (16/12/2015)				40,000	32.466	01/04/2019-01/04/2022	190,502	16/12/2015	33.90					40,000	2,411	
		2015-2025 (16/12/2015)				40,000	32.466	01/04/2020-02/04/2023	178,524	16/12/2015	33.90					40,000	1,727	
		2015-2025 (16/12/2015)				13,333	32.466	01/04/2019-01/04/2022	41,274	16/12/2015	33.90					13,333	522	
		2015-2025 (16/12/2015)				13,333	32.466	01/04/2020-02/04/2023	38,679	16/12/2015	33.90					13,333	374	
		2015-2025 (16/12/2015)				13,334	32.466	01/04/2021-01/04/2024	35,928	16/12/2015	33.90					13,334	281	
		<b>Remuneration from subsidiaries and associated companies</b>																
<b>Total</b>			<b>1,000</b>			<b>160,000</b>			<b>685,615</b>								<b>161,000</b>	<b>8,987</b>
Cavatorta Enrico  Remuneration in company that prepares the financial statements	Director (Largenta LTD, NAPG LTD)	2015-2025 (16/12/2015)				133,333	32.466	01/04/2018-01/04/2021	669,018	16/12/2015	33.90					133,333	12,238	
		2015-2025 (16/12/2015)				133,333	32.466	01/04/2019-01/04/2022	635,006	16/12/2015	33.90					133,333	8,038	
		2015-2025 (16/12/2015)				133,334	32.466	01/04/2020-02/04/2023	595,084	16/12/2015	33.90					133,334	5,755	
		<b>Remuneration from subsidiaries and associated companies</b>																
<b>Total</b>			<b>-</b>			<b>400,000</b>			<b>1,899,108</b>								<b>400,000</b>	<b>26,031</b>

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Name and surname	Position held	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
			Number of options	Strike price	Possible exercise period (from – to)	Number of options	Strike price	Possible exercise period (from – to)	Fair value at grant date	Grant date	Market price of underlying shares at granting of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value
Duffy Bill	Director (NAPG LLC)																
Remuneration in company that prepares the financial statements																	
		2015-2025 (16/12/2015)	30,000	32.466	01/04/2018-01/04/2021	150,529	16/12/2015	33.90							30,000	2,754	
		2015-2025 (16/12/2015)	30,000	32.466	01/04/2019-01/04/2022	142,877	16/12/2015	33.90							30,000	1,809	
		2015-2025 (16/12/2015)	30,000	32.466	01/04/2020-02/04/2023	133,893	16/12/2015	33.90							30,000	1,295	
		2015-2025 (16/12/2015)	10,000	32.466	01/04/2019-01/04/2022	30,957	16/12/2015	33.90							10,000	392	
		2015-2025 (16/12/2015)	10,000	32.466	01/04/2020-02/04/2023	29,010	16/12/2015	33.90							10,000	281	
		2015-2025 (16/12/2015)	10,000	32.466	01/04/2021-01/04/2024	26,945	16/12/2015	33.90							10,000	211	
Remuneration from subsidiaries and associated companies																	
<b>Total</b>			-			<b>120,000</b>		<b>514,211</b>						-	<b>120,000</b>	<b>6,740</b>	
Evans Adrian	Director (NAP INTERNATIONAL LTD)																
Remuneration in company that prepares the financial statements																	
		2015-2025 (16/12/2015)	20,000	32.466	01/04/2018-01/04/2021	100,353	16/12/2015	33.90							20,000	1,836	
		2015-2025 (16/12/2015)	20,000	32.466	01/04/2019-01/04/2022	95,251	16/12/2015	33.90							20,000	1,206	
		2015-2025 (16/12/2015)	20,000	32.466	01/04/2020-02/04/2023	89,262	16/12/2015	33.90							20,000	863	
		2015-2025 (16/12/2015)	6,667	32.466	01/04/2019-01/04/2022	20,639	16/12/2015	33.90							6,667	261	
		2015-2025 (16/12/2015)	6,667	32.466	01/04/2020-02/04/2023	19,341	16/12/2015	33.90							6,667	187	
		2015-2025 (16/12/2015)	6,666	32.466	01/04/2021-01/04/2024	17,962	16/12/2015	33.90							6,666	141	
Remuneration from subsidiaries and associated companies																	
<b>Total</b>			-			<b>80,000</b>		<b>342,808</b>						-	<b>80,000</b>	<b>4,494</b>	

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Name and surname	Position held	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
			Number of options	Strike price	Possible exercise period (from – to)	Number of options	Strike price	Possible exercise period (from – to)	Fair value at grant date	Grant date	Market price of underlying shares at granting of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value
Loehnis Alison Remuneration in company that prepares the financial statements	Director (NAPG LTD)	2015-2025 (16/12/2015)				66,667	32.466	01/04/2018-01/04/2021	313,603	16/12/2015	33.90					66,667	5,737
		2015-2025 (16/12/2015)				66,667	32.466	01/04/2019-01/04/2022	297,660	16/12/2015	33.90					66,667	3,768
		2015-2025 (16/12/2015)				66,666	32.466	01/04/2020-02/04/2023	278,944	16/12/2015	33.90					66,666	2,698
		2015-2025 (16/12/2015)				16,667	32.466	01/04/2019-01/04/2022	64,493	16/12/2015	33.90					16,667	816
		2015-2025 (16/12/2015)				16,667	32.466	01/04/2020-02/04/2023	60,438	16/12/2015	33.90					16,667	585
		2015-2025 (16/12/2015)				16,666	32.466	01/04/2021-01/04/2024	56,135	16/12/2015	33.90					16,666	439
		2015-2025 (16/12/2015)															
Remuneration from subsidiaries and associated companies																	
<b>Total</b>			-			<b>250,000</b>			<b>1,071,274</b>				-		<b>250,000</b>	<b>14,043</b>	
Montanari Simone Remuneration in company that prepares the financial statements	Director (NAPG LTD)	2015-2025 (16/12/2015)				25,000	32,466	01/04/2018-01/04/2021	125,441	16/12/2015	33.90					25,000	2,295
		2015-2025 (16/12/2015)				25,000	32,466	01/04/2019-01/04/2022	119,064	16/12/2015	33.90					25,000	1,507
		2015-2025 (16/12/2015)				25,000	32,466	01/04/2020-02/04/2023	111,578	16/12/2015	33.90					25,000	1,079
		2015-2025 (16/12/2015)				8,333	32,466	01/04/2019-01/04/2022	25,796	16/12/2015	33.90					8,333	327
		2015-2025 (16/12/2015)				8,333	32,466	01/04/2020-02/04/2023	24,174	16/12/2015	33.90					8,333	234
		2015-2025 (16/12/2015)				8,334	32,466	01/04/2021-01/04/2024	22,456	16/12/2015	33.90					8,334	176
		2015-2025 (16/12/2015)															
Remuneration from subsidiaries and associated companies																	
<b>Total</b>			-			<b>100,000</b>			<b>428,509</b>				-		<b>100,000</b>	<b>5,617</b>	

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Name and surname	Position held	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options pertaining to the year
			Number of options	Strike price	Possible exercise period (from – to)	Number of options	Strike price	Possible exercise period (from – to)	Fair value at grant date	Grant date	Market price of underlying shares at granting of options	Number of options	Strike price	Market price of underlying shares at exercise date	Number of options	Number of options	Fair value
Managers with strategic responsibilities Remuneration in company that prepares the financial statements																	
		2015-2025 (16/12/2015)	50,000	32.466	01/04/2018- 01/04/2021	250,882	16/12/2015	33.90							50,000	4,589	
		2015-2025 (16/12/2015)	50,000	32.466	01/04/2019- 01/04/2022	238,128	16/12/2015	33.90							50,000	3,014	
		2015-2025 (16/12/2015)	50,000	32.466	01/04/2020- 02/04/2023	223,156	16/12/2015	33.90							50,000	2,158	
		2015-2025 (16/12/2015)	16,667	32.466	01/04/2019- 01/04/2022	51,595	16/12/2015	33.90							16,667	653	
		2015-2025 (16/12/2015)	16,667	32.466	01/04/2020- 02/04/2023	48,351	16/12/2015	33.90							16,667	468	
		2015-2025 (16/12/2015)	16,666	32.466	01/04/2021- 01/04/2024	44,907	16/12/2015	33.90							16,666	352	
Remuneration from subsidiaries and associated companies																	
<b>Total</b>			-			<b>200,000</b>		<b>857,019</b>						-	<b>200,000</b>	<b>11,234</b>	

TABLE 3 B

Monetary incentive plans destined for members of the Board of Directors, general managers and managers with strategic responsibilities

Name and surname	Position	Plan	Bonus for the year			Bonus for previous year			Other bonuses
			Amount owed/paid	Deferred	Deferral period	No longer owed	Amount owed/paid	Deferred	
Federico Marchetti	Chief Executive Officer and Chairman of the Board for Directors until 30 April 2015								
<b>Remuneration in company that prepares the financial statements</b>		MBO Variable Compensation Board Resolutions 11 May 2015 and 11 November 2015	618,000						900,000
		LTI Variable Compensation Board Resolutions 11 May 2015 and 11 November 2015		800,000	Approval of the draft financial statements 2017		1,320,000		
<b>Total</b>			<b>618,000</b>	<b>800,000</b>					<b>900,000</b>
<b>Remuneration in company that prepares the financial statements</b>	Managers with strategic responsibilities		275,000						40,000
<b>Total</b>			<b>275,000</b>	<b>0</b>					<b>40,000</b>

## SECTION TWO – PART THREE – EQUITY INVESTMENTS

Equity investments of members of the management and control bodies, general managers and managers with strategic responsibilities as at 31 December 2015.

Name and surname	Investee company	Method of ownership 1	No. of shares held at 31 Dec 2014	No. of shares bought 2	No. of shares sold	No. of shares held at 31 Dec 2015
Federico Marchetti	YNAP S.p.A.	Direct	4,760,697	2,391,956	1,987,986	5,164,667
Stefano Valerio	YNAP S.p.A.	Direct	114,200	-	-	114,200
Raffaello Napoleone	YNAP S.p.A.	Direct	14,555	-	-	14,555

(1) Including equity investments held through spouses (unless legally separated) and children under the age of 18.

(2) Including through the exercise of stock options.

Number of managers with strategic responsibilities	Investee company	Method of ownership 1	No. of shares held at 31 Dec 2013	No. of shares bought 2	No. of shares sold	No. of shares held at 31 Dec 2014
3	YNAP S.p.A.	Direct	144,550	-	49,356	95,194

(1) Including equity investments held through spouses (unless legally separated) and children under the age of 18.

(2) Including through the exercise of stock options.

For the Board of Directors  
The Chairman of the Board of Directors  
Raffaello Napoleone