



**FIERA MILANO**

## Report on Remuneration

Prepared in accordance with Article 123-*ter* of Legislative Decree no. 58 of 24 February 1998 and with Article 84-*quater* of the Listing Rules adopted by Consob with Resolution no. 11971 of 14 May 1999 and subsequent amendments

**This document contains a true translation in English of the document in Italian “Relazione sulla Remunerazione”.**

**However, for information about Fiera Milano reference should be made exclusively to the original document in Italian.**

**The Italian version of the “Relazione sulla Remunerazione” shall prevail upon the English version.**

10 March 2017

**Fiera Milano SpA**

Registered office: Piazzale Carlo Magno, 1 - 20149 Milan, Italy

Operational and administrative headquarters: Strada Statale del Sempione, 28 - 20017 Rho (Milan) Italy

Share capital: Euro 42,445,141.00 fully paid up

Companies Register, Tax code and VAT no. 13194800150 – Economic Administrative Register 1623812

## FOREWORD

The present Report on Remuneration (the “**Report**”) has been prepared pursuant to Article 123-*ter* of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Finance Act**”) and Article 84-*quater* of the Listing Rules adopted by Consob with resolution no. 11971 of 14 May 1999 and subsequent amendments.

The Report on Remuneration is made up of two sections.

Section One of the Report on Remuneration describes and illustrates:

- a) the policy of Fiera Milano S.p.A. (the “**Company**”) regarding remuneration of the members of the Board of Directors and of Executives with Strategic Responsibilities;
- b) the procedures to adopt and implement this policy (the “**Remuneration Policy**” and/or the “**Policy**”).

Section Two:

- a) gives an appropriate illustration of each component part of the remuneration of the members of the Company Board of Directors and of the Executives with Strategic Responsibilities, including the treatment stipulated should an appointment cease or the employment relationship be terminated, emphasising its consistency with the Remuneration Policy approved in the prior financial year;
- b) gives an analysis of all types of remuneration received by the Company Board of Directors and Executives with Strategic Responsibilities in the financial year under discussion from the Company and the Company subsidiaries and highlights any eventual components that refer to financial years prior to that under discussion and any remuneration due to be paid in the next or other future financial years for activities carried out in the financial year under review.

The Remuneration Policy adopted by the Company conforms to the recommendations of Article 6 of the Self-regulatory Code of July 2014 and applies to members of the Company Board of Directors and Executives with Strategic Responsibilities and of the subsidiary companies (the “**Group**”).

The present Report has been deposited at the registered office and the operational and administrative offices of the Company, as well as at Borsa Italiana S.p.A, and is available on the Company website, [www.fieramilano.it](http://www.fieramilano.it)<sup>1</sup>.

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<sup>1</sup> [www.fieramilano.it/en/report-remuneration](http://www.fieramilano.it/en/report-remuneration)

## **SECTION ONE**

### **(a) Corporate bodies and individuals that prepare, approve and implement the Remuneration Policy**

The Remuneration Policy is prepared annually by the Remuneration Committee and presented to the Board of Directors of the Company for its approval. Once it has been examined and approved, the Board of Directors puts it to a non-binding vote of the Shareholders' Meeting in accordance with Article 123-*ter* of the Consolidated Finance Act.

The Remuneration Committee also submits the application criteria of the Policy for the approval of the Board of Directors and oversees their implementation.

The Policy, prepared by the Remuneration Committee, was approved by the Board of Directors at its meeting on 10 March 2017 and will be put to a non-binding vote at the Ordinary Shareholders' Meeting convened just once on 21 April 2017.

### **(b) Role, composition and competences of the Remuneration Committee**

The Board of Directors set up a Remuneration Committee within the Board of Directors for consultation, advice and recommendations. Specifically, the Remuneration Committee does the following:

- prepares recommendations or gives opinions to the Board of Directors on the remuneration of executive directors and those with specific roles, taking into account each director's membership of one or more committees, in order to ensure that they are aligned with the aim of creating shareholder value over the medium/long period;
- periodically evaluates the overall adequacy and consistency of the remuneration criteria for the Company management and, subject to the responsibilities of the Chief Executive Officer for setting the remuneration policy and salary levels of executives, tables suggestions and recommendations on remuneration matters with particular reference to setting performance targets for the variable component of the remuneration, as well as the use of any eventual stock option plans that include financial securities;
- monitors the implementation of the decisions taken by the Board of Directors, in particular, verifying the effective achievement of any performance targets;
- makes recommendations on decisions concerning the remuneration of the Directors and Statutory Auditors of the subsidiaries;
- monitors the implementation of, and adherence to, any decision taken regarding the Company's policies on remuneration, preparing an annual report on the checks made in which it states if there exists a Company Remuneration and Incentive Policy that adheres to the rules set down by the Board of Directors under enacted regulations, and minimises any legal or reputational risk.

Should the Remuneration Committee choose to use the services of a consultant to obtain information on market practice on remuneration policies, it chooses the consultant having first verified that the circumstances of the consultant can in no way compromise the independence of his/her opinion.

At the date of the present report, the members of the Remuneration Committee are:

- Mr Attilio Fontana – Deputy Vice Chairperson and independent Director under Article 148, paragraph 3 of Legislative Decree no. 58/98 and the Self-regulatory Code;
- Ms Licia Ronzulli – Deputy Chairperson and independent Director under Article 148, paragraph 3 of Legislative Decree no. 58/98 and the Self-regulatory Code;
- Mr Romeo Robiglio – Director.

(c) Independent experts

The Company has not used any independent expert to prepare its Remuneration Policy.

(d) Principles and Aims of the Remuneration Policy

The corporate governance model of the Company employs clear and stringent rules to ensure adequate control of the remuneration policies in keeping with the criteria established by the Board of Directors and with the requirements of transparency, impartiality and objectivity.

Drawing up the Policy was a clear and transparent process in which the Remuneration Committee and the Board of Directors of the Company played central roles.

The Board of Directors, on the recommendation of the Remuneration Committee, approves the criteria for implementing the Remuneration Policy. The Policy defines the principles and guidelines used by the Board of Directors to determine the remuneration of:

- members of the Board of Directors and, in particular, Directors with specific roles;
- members of Committees;
- Group Executives with Strategic Responsibilities.

The Remuneration Policy of the Company aims to:

- attract, motivate and retain personnel with the professional qualities necessary to the advantageous pursuit of the Group objectives;
- align the interests of Management with those of the shareholders pursuing the principal aim of sustainable value creation over the medium/long-term by creating strong links between remuneration and individual and Group performance;
- reward merit in individuals thereby adequately recognising their contribution to the Company.

In addition to these aims, when preparing the Policy other guidelines were taken into consideration, such as the difficult macro-economic environment and the consolidation phase of the recovery.

The Remuneration Policy described in the present Report incorporates the matters disclosed in advance at the Shareholders' Meeting of 29 April 2015 regarding the medium/long-term plans and the proposal made to the Shareholders' Meeting to authorise the Board of Directors, with the support of the Remuneration Committee, to implement a

medium/long-term incentive plan based on financial securities during the 2016 financial year.

(e) Short-term fixed and variable components of remuneration

(e.1) Members of the Board of Directors

As regards the policies on fixed and variable components of remuneration, the Company makes a distinction between Executive Directors and Non-executive Directors.

The remuneration of Non-executive Directors with no specific responsibilities (including independent Directors) is composed of a fixed amount set by the Shareholders' Meeting. Non-executive Directors are also reimbursed for business expenses sustained.

Best practice and Article 6 of the Self-Regulatory Code both recommend that these Directors receive no remuneration related to the achievement of key performance objectives by the Company nor are they recipients of remuneration plans using financial securities.

Executive Directors not only receive the remuneration approved by shareholders at Shareholders' Meetings but also benefit from individual compensation plans. When appointed to specific posts or subsequently charged with certain responsibilities, or at a later date, the Board of Directors establishes the total remuneration to be paid to Executive Directors or to Directors with specific roles. On the basis of the total proposal, the Board of Directors, having consulted the Board of Statutory Auditors, decides - in accordance with Article 2389, third paragraph, of the Italian Civil Code - the fixed component of the remuneration of the Chairperson and the Chief Executive Officer.

In line with the above, the individual remuneration of the Chairperson has no variable component.

The remuneration package of the Chief Executive Officer is composed as follows: (i) a gross annual fixed sum made up of payment for the position of Chief Executive Officer and payment as an employee for the position of Director of the Company; and (ii) a short-term variable cash bonus paid to him for his role as an executive of the Company, receipt of which is dependent on the achievement of pre-established annual objectives - with consolidated gross operating profit and EBIT (earnings before interest and tax) having an equal weighting in the calculation of the bonus - strictly linked to the objectives of the budget, (iii) a medium/long-term variable component based on financial securities.

The Remuneration Committee verifies annually that the Group key performance objectives have been met for the previous financial year and on this basis formulates its recommendations to the Board of Directors. The Board of Directors, having consulted the Board of Statutory Auditors, decides the variable components of the remuneration paid to Executive Directors.

The medium/long-term incentive plan is structured as a stock option plan and uses shares made available for the plan that are treasury shares belonging to the Group.

Under the plan options will be granted free of charge to beneficiaries; the options are non-transferable and each one gives the right to purchase one (1) share under the terms and conditions of the Rules governing the plan at a price equal to the exercise price.

Under the Plan, the options will be granted in three *tranches*:

- by 31 May 2017
- by 31 May 2018
- by 31 May 2019

Under the Plan each *tranche* will have (i) a vesting period of three years, (ii) a further period of one year during which the beneficiary can exercise the Option (the exercise period).

The option rights will be attributed to the beneficiaries when certain conditions have been verified: the consolidated gross operating profit in each of the 2016, 2017, and 2018 financial years has reached those in the 2016-2019 Industrial Plan approved by the Board of Directors on 10 February 2016 and that the relationship between the beneficiary and the Company has continued during the intervening period.

The Plan will expire on 31 May 2023 or when the last beneficiary has exercised his/her rights to shares.

On 28 April 2016, the Shareholders' Meeting approved the Plan and gave the Board of Directors any powers necessary or appropriate for implementing the Plan, in particular (for example) the power (i) to approve the Rules and modify and/or amend them, (ii) identify the beneficiaries, (iii) determine the exercise price of the options, (iv) determine the number of options to be granted to each beneficiary, (v) grant the options to the beneficiary, (vi) ensure the preparation and/or finalisation of any document necessary or appropriate for the Plan or carry out any action, fulfil any obligation or formality and make any communication considered necessary or appropriate to manage and/or implement the Plan, and give the Board of Directors discretion to delegate its powers, roles and responsibilities for the execution and implementation of the Plan.

For the remuneration plan of the Chief Executive Officer, the weighting of the fixed component – calculated as the sum of his remuneration as Chief Executive Officer and for his role as an executive - has been structured using the following criteria:

- (a) the fixed component does not exceed 75% of the expected total annual remuneration;
- (b) the annual variable incentive, based on the degree to which the pre-established objectives' have been achieved or surpassed, does not represent more than 25% of the total annual fixed remuneration.

Furthermore, on the proposal of the Remuneration Committee, the Board of Directors can award extraordinary bonuses to Executive Directors linked to the success of operations deemed to be of particular value in strategic terms for the Company and the Group.

#### (e.2) Committees

A fixed remuneration, which is set by the Board of Directors, is given to members of committees. Each member of a committee is entitled to be reimbursed for business expenses.

#### (e.3) Executives with Strategic Responsibilities

The principles and criteria described above for Executive Directors are also applicable to the remuneration of Executives with Strategic Responsibilities in order to attract, incentivise and retain highly qualified managers with a remuneration package that is

competitive in the marketplace and that rewards the managerial merit of those involved and their contribution to the Company and to Group growth. The remuneration of Executives with Strategic Responsibilities is divided into a fixed component and a variable component and is aimed at creating sustainable value over the medium/long-term and guaranteeing a direct link between the remuneration itself and the specific objectives of the Company and of the Group.

The remuneration of Executives with Strategic Responsibilities currently consists of the following components: (i) a gross annual fixed sum; (ii) an annual variable short-term cash component recognised on the achievement of pre-established key performance objectives (management by objectives, "MBO" defined by a specific policy); (iii) from 2017, a medium/long-term variable component based on financial securities.

The fixed component of the remuneration is determined so as to ensure sufficient remuneration even when the variable components are not paid because the pre-established key performance objectives have not been achieved.

The short-term variable component allows the performance of the beneficiary to be valued annually. The targets of management by objectives (MBO) for Executives with Strategic Responsibilities and for other executives reporting directly to the Chief Executive Officer are set by the Chief Executive Officer in line with Company policies.

Payment of the short-term variable component is dependent on the subject reaching the activation criteria (on/off access conditions) and is linked to a quantitative parameter of annual profitability, the consolidated gross operating profit.

The Group sets a maximum ceiling to incentives payable if the targets are exceeded. In particular, the maximum MBO payable to Executives with Strategic Responsibilities and to other executives may not exceed 50% of the fixed gross annual remuneration.

Specifically, when determining the remuneration of Executives with Strategic Responsibilities, as with Executive Directors, the following criteria are followed:

- (a) the fixed component does not exceed 75% of the expected total annual remuneration;
- (b) the annual variable incentive, based on the degree to which the pre-established objectives have been met or surpassed, does not represent more than 40% of the expected total annual remuneration and, as already stated, may not exceed 50% of the fixed gross annual remuneration.

Executives with Strategic Responsibilities are beneficiaries of a medium/long-term plan that, together with already existing Management by Objective (MBO) system completes the range of instruments aimed at incentivising the key personnel of the Group.

It was felt that a plan based on a time horizon of at least three years would give greater involvement and incentivise the beneficiaries while encouraging them to focus on a lasting improvement in Group results. It was also felt that such a plan would increase their loyalty to the Company, enhance the retention rate and focus the attention of the key officers of the Company on attaining the strategic objectives.

Under the Plan, options will be granted free of charge to beneficiaries; the options are non-transferable and each one gives the right to purchase one (1) share under the terms and conditions of the Rules governing the plan at a price equal to the exercise price.

Under the Plan, the options will be granted in three *tranches*:

- by 31 May 2017
- by 31 May 2018
- by 31 May 2019

Under the plan each *tranche* will have (i) a vesting period of three years, (ii) a further period of one year during which the beneficiary can exercise the option (the exercise period).

The option rights will be attributed to the beneficiaries when certain conditions have been verified: the consolidated gross operating profit in each of the 2016, 2017, and 2018 financial years has reached those in the 2016-2019 Industrial Plan approved by the Board of Directors on 10 February 2016 and that the relationship between the beneficiary and the Company has continued during the intervening period.

The Plan will expire on 31 May 2023 or when the last beneficiary has exercised his/her rights to Shares

The above being stated, if the employment position/mandate is ended early and/or by the Company for justifiable reasons the right to the short and medium-term variable components of remuneration will lapse.

Lastly, in addition to the MBO plans, the Chief Executive Officer may in exceptional circumstances award one-off bonuses to executives for the completion of specific operations deemed to be exceptional in strategic terms and for their effects on the results of the Company and/or the Group and on the attainment of specific performance objectives.

(e.4) Other beneficiaries

Other Group executives and the marketing personnel will be subject to an evaluation of their performances, based on MBO plans, in line with Company policy. The performance objectives are established annually by their senior managers together with the Director of Organisation and Human Resources and may include, in addition to the results of the Company and/or Group, performance objectives linked to the economic and/or qualitative performance of the unit or business area to which they belong.

(f) Non-cash benefits

The Company gives non-cash benefits to directors in line with market best practice and reimburses their business expenses. They are also insured for the responsibilities they cover, save in criminal cases or for serious negligence and for accidents whether relating to professional activities or not, in accordance with the provisions relating to the mandate.

(g) Criteria for determining the variable component of remuneration

Please refer to paragraph (e) above.

(h) Financial Securities

Please refer to paragraph (e) above and to the section on remuneration plans based on financial securities on the Company website.



(i) Risk management policy

The Company has a risk management policy. Detailed information on this policy is given in the section "Risk factors affecting Fiera Milano Group" that is part of the Board of Directors' Management Report in the annual Financial Statements.

(j) Deferred remuneration plans and claw-back mechanisms

With regard to claw-back mechanisms, it should be noted that the variable remuneration is based on MBO plans which are not very complex and the underlying reference parameters cannot easily be manipulated by any single executive who is a beneficiary of the MBO plan.

Moreover, the remuneration Policy provides for claw-back mechanisms to be activated that request the return of the variable components of remuneration already distributed; or to withhold variable remuneration that is deferred if it was received on the basis of information that was subsequently found to be manifestly incorrect; or to request the return of all the incentives relating to a given financial year (or years) where it is found that the data used for the results that triggered the right to the incentives have been fraudulently altered, and/or that there have been intentional and serious breaches of the law and/or rules, of the Code of Ethics or the company rules that have relevance to have repercussions for the employment relationship or affect the underlying relationship, but without prejudice to any action permitted under the rules regarding the protection of the Company interests.

In the Remuneration Policy, the deferment mechanisms of the incentive plan based on financial securities under Article 114-bis of the Consolidated Finance Act are in line with the best practice of comparable markets and can involve vesting periods for the rights.

The Remuneration Policy includes no deferred payment system for the monetary components.

(k) Clauses for retaining financial instruments

Please refer to paragraph (h).

(l) Compensation in cases of resignation, dismissal or termination of employment

With the exception of the Chief Executive Officer of the Company, the Company does not agree contracts for Directors, Executives with Strategic Responsibilities and other executives that govern in advance the financial aspects of an earlier than expected termination of employment whether it be instigated by the Company or an individual (good leaver or bad leaver clauses).

In cases of termination of employment by the Group for reasons other than just cause, the standard procedure is to seek to reach a consensual agreement on the termination of employment. Subject to the legal and/or contractual requirements, agreements for termination of employment with the Group use the relevant reference benchmarks and adhere to the legal conditions and procedures of the country in which the contract was agreed.

When the administrative role of the Chief Executive Officer of the Company terminates he will receive compensation for the termination of his mandate in accordance with Article 17,

paragraph 1, letter c) of the *T.U.I.R.* (Income tax consolidation) no. 917/1986; this is similar to the employee severance indemnity (*TFR*) under Article 2120 of the Italian Civil Code, which is recognised in law to Italian Group executives and which includes the contributions payable by the employer that would have been payable to insurance companies or pension funds for executive employee contracts; it is equal to one-twelfth for each year worked of the total emoluments received over the period of employment.

If, at the end of his mandate the Shareholders' Meeting reappoints the Chief Executive Officer as an executive but the Board of Directors of the Company does not give him the role of Chief Executive Officer, he is entitled to his employment as an executive remaining in force unless termination of this employment is also requested by the Company. Should this occur, the Company will pay a figure of Euro 400,000 gross for each of three annual periods as a redundancy incentive.

(m) Insurance cover

In line with best practice, Directors are insured for the responsibilities they cover, save in criminal cases or for serious negligence and for accidents whether relating to professional activities or not, in accordance with the provisions relating to the mandate. The Group executives, in addition to the obligatory policies, also have supplementary health insurance policies and travel insurance.

(n) Remuneration policy for specific roles

Please refer to paragraph (e) above.

(o) Group policy

The remuneration policy of the Company is not based on that of any other company. The subsidiaries apply the policies of the Company.

## **SECTION TWO**

### **(a) Remuneration of members of the administrative and audit bodies**

The Ordinary Shareholders' Meeting of 29 April 2015 approved the fixed remuneration of the Directors in line with market rates, while ensuring that determination of the special remuneration of Directors given specific roles should remain the competence of the Board of Directors in accordance with Article 17.7 of the Company Articles of Association.

At the Board meeting of 29 April 2015, the Board of Directors approved the remuneration of members of both the Control and Risk Committee and the Remuneration Committee. The Board of Directors also examined the recommendations of the Remuneration Committee, on which the Board of Statutory Auditors had given a favourable opinion pursuant to Article 2389, paragraph 3 of the Italian Civil Code, regarding the remuneration of the Chief Executive Officer and of the other Directors with specific roles – the Chairperson and the Vice Chairperson of the Company.

Non-executive Directors also receive an attendance fee for each Board meeting

The payments approved are unchanged on the payments made to the previous Board of Directors.

The Board of Directors are divided between:

- Directors with specific roles who may also have been given other specific responsibilities;
- Directors with no specific roles.

#### **Directors with specific roles**

During the meeting of the Board of Directors of 29 April 2015 at which the new members of the Board took up their appointments, the Chairperson of the Board of Directors, Roberto Rettani, in addition to legal representation and other duties under the law and the Company Articles of Association, was, in conjunction with the Chief Executive Officer, assigned the following functions:

- (i) to oversee relations with the Company shareholders;
- (ii) to oversee national and international institutional relations and institutional communications with particular reference to relations with Public Administration departments as regards the activities of the Company;
- (iii) to oversee the internationalisation activities of the Group;
- (iv) to offer support in identifying innovative strategic initiatives within the Board of Directors with a particular focus on initiatives to coordinate the activities of the various companies within the Fiera Milano Group;
- (v) to verify the implementation of decisions taken by the Board of Directors;
- (vi) to give responsibility for oversight of the internal audit to the Chairperson of the Board of Directors.

The Chairperson, Mr Roberto Rettani, receives an annual fixed remuneration of Euro 90,000 for the responsibilities given him and a fixed remuneration of Euro 107,000 for his role as Chairperson.

The Director, Mr Attilio Fontana - appointed Deputy Vice Chairperson at the Board of Directors meeting of 29 April 2015 - receives an annual fixed remuneration of Euro 65,000 for the responsibilities carried out in addition to fixed remuneration of Euro 35,000.

The Director, Ms Licia Ronzulli – appointed Deputy Chairperson at the Board of Directors meeting of 29 April 2015 - receives an annual fixed remuneration of Euro 65,000 for the responsibilities carried out in addition to fixed remuneration of Euro 35,000.

The Chief Executive Officer, Mr Corrado Peraboni – appointed at the Board of Directors meeting of 29 April 2015 – was invested with all ordinary and extraordinary management powers except those that are the exclusive responsibility of the entire Board of Directors acting as a whole under Articles 17.1 and 17.2 of the Company Articles of Association.

The Chief Executive Officer receives an annual fixed remuneration of Euro 80,000 for his role as Chief Executive Officer in addition to the fixed remuneration of Euro 35,000 paid to him as a Director.

When the administrative role of the Chief Executive Officer of the Company terminates he will receive compensation for the termination of his mandate in accordance with Article 17, paragraph 1, letter c) of the *T.U.I.R.* (Income tax consolidation) no. 917/1986 that is similar to the employee severance indemnity (*TFR – Trattamento Fine Rapporto*) under Article 2120 of the Italian Civil Code; this is recognised in law to Italian Group executives and includes the contributions payable by the employer that would have been payable to insurance companies or pension funds for executive employee contracts and is equal to one-twelfth for each year worked of the total emoluments received over the period of employment.

If, at the end of his mandate, the Shareholders' Meeting reappoints the Chief Executive Officer as an executive but the Board of Directors of the Company does not give him the role of Chief Executive Officer, he is entitled to his employment as an executive remaining in force unless termination of this employment is also requested by the Company. Should this occur, the Company will pay a figure of Euro 400,000 gross for each of three annual periods as a redundancy incentive.

#### Directors without specific roles, committee members and members of the Board of Statutory Auditors

The Directors without specific roles are:

- Joyce Victoria Bigio
- Renato Borghi
- Pier Andrea Chevallard
- Romeo Robiglio
- Vincenza Patrizia Rutigliano.

The remuneration recognised to Directors without specific roles and committee members is:

- Euro 35,000 for each board Director;

- Euro 22,500 for each member of the Control and Risk Committee;
- Euro 22,500 for each member of the Remuneration Committee;
- Euro 22,500 for each member of the Supervisory Body.

In line with best practice, Directors without specific roles have no variable component in their remuneration.

Directors are reimbursed for business expenses and have an insurance policy in line with existing market practice save in criminal cases or for serious negligence or for accidents whether relating to professional activities or otherwise.

The members of the Board of Statutory Auditors are:

- Federica Nolli (Chairperson);
- Antonio Guastoni (Statutory Auditor);
- Carmine Pallino (Statutory Auditor).

The remuneration is as follows:

- Euro 37,500 for the Chairperson of the Board of Statutory Auditors;
- Euro 25,000 for each Statutory Auditor.

(b) Remuneration of Executives with Strategic Responsibilities

When the Board of Directors was reappointed on 29 April 2015, the Director of Administration, Finance and Tax, also given his position as the Manager Responsible for preparing the Company Accounts, was identified as a Strategic Executive:

In addition to the annual gross remuneration (and the variable component linked to the MBO plan), the Director of Administration, Finance and Tax, also given his position as the Manager Responsible for preparing the Company Accounts, receives an amount equal to 20% of the annual gross remuneration *pro rata temporis* for the period that he holds this office.

He also receives other benefits that are typically paid to Group executives under normal market practice.

In 2016, the Executives with Strategic Responsibilities received no variable remuneration as under the Remuneration Policy approved by the Shareholders' Meeting on 29 April 2015 the objective for consolidated EBIT that would have triggered the variable distribution (MBO) was not achieved.

Due to the particularly strong results achieved in the 2015 financial year, it was decided to pay an extraordinary bonus of Euro 7,850 to all the Executives that was paid in May 2016.

In 2016, the minimum target of the plan (consolidated gross operating profit) was reached and, therefore, the MBO remuneration will be paid depending on individuals having attained their own targets. The remuneration of the Executives with Strategic Responsibilities of the Group is shown in the tables attached to the present Report.



continued

(euro)												
Name and surname	Position	Period in which the position was held	Expiry of mandate	Fixed remuneration	Remuneration as an employee	Attendance fee	Remuneration for membership of committees	Bonus and other incentives	Non-cash benefits	Other remuneration	Total	Indemnity payable at end of mandate or on termination of employment TFR
Federica Noll	Chairperson of the Board of Statutory Auditors	1/1 - 31/12	April 2018	37,500							37,500	
	Remuneration from the Company preparing the Financial Statements			22,500							22,500	
	Remuneration from subsidiaries and associates			60,000							60,000	
				34,054							34,054	
Antonio Guastoni	Standing Statutory Auditor	1/1 - 31/12	April 2018	25,000							25,000	
	Remuneration from the Company preparing the Financial Statements			25,000							25,000	
	Remuneration from subsidiaries and associates			15,307							15,307	
Carmine Pallino	Standing Statutory Auditor	1/1 - 31/12	April 2018	25,000							25,000	
	Remuneration from the Company preparing the Financial Statements			25,000							25,000	
	Remuneration from subsidiaries and associates			22,186							22,186	
Executive with strategic responsibilities	No. 1	01/01 - 31/12	-----	-	162,776	-	-	15,000	15,488	-	193,264	12,162
	Remuneration from the Company preparing the Financial Statements	No. 1			162,776			15,000	15,488		193,264	12,162
	Remuneration from subsidiaries and associates			28,846							28,846	

## Attachment 2

Table 3B – Cash incentive plans for members of the administrative bodies and for other executives with strategic responsibilities.

(euro)

Name and surname	Position held	Plan	MBO/Annual bonus			Bonus for previous years			Other bonuses
			Payable/ Paid	Deferred	Period deferred	No longer payable	Payable/ Paid	Deferred	
Corrado Peraboni	Current Chief Executive Officer	MBO - 2016	60,000						
Enrico Pazzali	Chief Executive Officer no longer in office	MBO - 2015	0				40,000		
<b>Remuneration from the Company preparing the Financial Statements</b>			<b>60,000</b>				<b>40,000</b>		
<b>Remuneration from subsidiaries</b>			<b>0</b>				<b>0</b>		
<b>Remuneration from the Company preparing the Financial Statements</b>			<b>15,000</b>				<b>7,850</b>		
Executive with strategic responsibilities currently in office	No. 1	2016 bonus	15,000				7,850		



### Attachment 3

Form no. 7-ter. Information on the shareholdings of members of the administrative bodies and of other executives with strategic responsibilities.

Name and surname	Position	Company in which shares are held	No. of shares held at 31.12.2015	No. of shares acquired	No. of shares sold	No. of shares held at 31.12.2016
<b>Directors*<sup>o</sup></b>						
Roberto Rettani**	Chairperson	Fiera Milano SpA	-	50,000	-	50,000
Attilio Fontana	Deputy Vice Chairperson	Fiera Milano SpA	-	-	-	-
Licia Ronzulli	Vice Chairperson	Fiera Milano SpA	-	-	-	-
Corrado Peraboni***	Director	Fiera Milano SpA	8,250	7,000	-	15,250
Joyce Victoria Bigio	Director	Fiera Milano SpA	-	-	-	-
Renato Borghi	Director	Fiera Milano SpA	-	-	-	-
Pier Andrea Chevallard	Director	Fiera Milano SpA	-	-	-	-
Romeo Robiglio	Director	Fiera Milano SpA	-	-	-	-
Vincenza Patrizia Rutigliano	Director	Fiera Milano SpA	-	-	-	-
<b>Statutory Auditors*</b>						
Federica Nolli	Chairperson	Fiera Milano SpA	-	-	-	-
Antonio Guastoni	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
Carmine Pallino	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
<b>No. of Executives with strategic responsibilities</b>						
	Company in which shares are held		No. of shares held at 31.12.2015	No. of shares acquired	No. of shares sold	No. of shares held at 31.12.2016
Strategic executives	Fiera Milano SpA	no. 1	-	-	-	-
*Appointed on 29 April 2015.						
** On 13 January 2017, the Board of Directors assigned the responsibility for the ordinary management of the Company to the Chairperson, Mr Rettani.						
*** Mr Peraboni held the position of Chief Executive Officer until 13 January 2017, the date on which he resigned these responsibilities.						