

GEFRAN

Remuneration Report

Pursuant to article 123-ter of the TUF
and article 84-quater of the Consob Issuers' Regulation

www.gefran.com

Approved by the Board of Directors on 09 March 2017

Preliminary remarks

This Remuneration Report (the “**Report**”) is divided into two sections:

- Section I: Remuneration Policy for 2017 (the “**2017 Policy**”) and
- Section II: Remuneration Statement for 2016 (the “**2016 Statement**”).

This Report is prepared in accordance with art. 123-ter of the Consolidated Financial Act and art. 84-quater of the Consob Issuers' Regulations (as amended by Consob resolution no. 18049 of December 23, 2011 and resolution no. 18214 of 9.5.2012). It was prepared in accordance with article 6 of the Code of Conduct promoted by Borsa Italiana S.p.A., as amended in July 2014, which Gefran has adopted.

Moreover, the Report has been adopted pursuant to article 13, paragraph 3, letter b) of Consob Regulation 17221/2010 and article 13 of the Regulation governing transactions with related parties, approved by the Company's Board of Directors on 12 November 2010.

The information required under schedule 7-bis of attachment 3 to the Issuers' Regulation, adopted with Consob resolution 18049 of 23 December 2011 regarding the members of management bodies, chief executive officers and other executives with strategic responsibilities, is contained in Section I of this Report.

SECTION I

Remuneration Policy for 2017

1. General principles

The Remuneration Policy defines the whole series of principles and guidelines used to determine the remuneration of executive directors, directors with special duties and executives with strategic responsibilities. This policy governs the remuneration system for the Gefran Group employees, both in the Parent Company Gefran S.p.A. and its foreign subsidiaries.

In light of the recommendations of the Code of Conduct promoted by Borsa Italiana, this policy was prepared to determine the remuneration system, in order to align the interests of management with those of the shareholders, and boost Gefran's sustainability in the medium/long term.

The remuneration system is an essential tool for attracting, motivating and retaining competent staff who can contribute to the Group's performance, while upholding Gefran's values and mission, given that company size and the size of the remuneration package are closely linked.

With this in mind, the remuneration policy implemented takes into account the Company's best practices and internal equilibrium more than those of other companies or external benchmarks, which are nevertheless assessed and taken into consideration.

The guidelines are adopted by Gefran when new managers join the Company and when career advancement paths are prepared and implemented for existing staff.

2. Determining and implementing the Policy and parties involved

The Remuneration Committee heads up the process of drawing up the Remuneration Policy, in light of the experience it has acquired in implementing the Policy in previous years.

The document is then examined and approved by the Board of Directors.

The Remuneration Committee:

- periodically assesses the adequacy, overall consistency and actual application of the policy for the remuneration of directors and managers with strategic responsibilities, based on the information provided by the managers responsible; it submits proposals in relation thereto to the Board of Directors;
- submits proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors with special duties, and sets performance objectives associated with the variable component of this remuneration; it also monitors the application of the decisions adopted by the Board, checking in particular that performance objectives are actually achieved.

In preparing the Remuneration Policy, the Committee takes into account business strategies, the market environment and the Group's consequent performance, in order to better align its remuneration systems with Gefran's actual requirements.

In accordance with the guidelines contained in the policy, remuneration of executive directors and directors entrusted with particular responsibilities are concretely determined by the Board of Directors, while the remuneration of executives with strategic responsibilities and Italian and international management is determined by executive directors (i.e. Group HR Management, in accordance with the CEO and the Chairman).

The Remuneration Policy is implemented by the HR Department, which supervises the administration of remuneration, and reports regularly to the Remuneration Committee.

In order to assess the appropriateness, consistency and application of the Policy, HR provides all members of the Committee with documentation containing all the information necessary for such an assessment, including that pertaining to remuneration and incentive schemes, and cooperation agreements.

At the end of the financial year, the HR Department, assisted by the Remuneration Committee, ascertains to what extent targets have been met, based on final figures supplied by Management Control.

3. Remuneration Committee

The Company has set up a Remuneration Committee composed of three non-executive directors, the majority of which are independent directors, who will remain in office until the approval of the 2016 financial statements. At the time of its appointment, the Board believed that the Committee's members included persons with sufficient financial know-how and experience. The Remuneration Committee does not have the same members as the Committee for Transactions with Related Parties.

The Directors currently sitting on the Committee are:

Office	First name and surname
Independent Director Committee Chairman	Daniele Piccolo
Independent Director	Cesare Vecchio
Non-executive Director	Romano Gallus

The Remuneration Committee has advisory, proposal-making and supervisory functions to ensure the remuneration policies are defined and applied within the Group. The purpose of these policies is, on the one hand, to attract, motivate and retain staff with the professional skills required to successfully pursue the Group's objectives, and, on the other, to align the interests of management and shareholders.

The Committee submits proposals or expresses opinions to the Board of Directors on the remuneration of executive directors and other directors with special duties, and sets performance objectives associated with the variable component of their remuneration; it also monitors the application of the decisions adopted by the Board, checking in particular that the performance objectives are actually achieved.

Fees for directors with special duties must be calculated after consultation with the Board of Statutory Auditors, pursuant to article 2389 of the Civil Code.

The Committee also formulates proposals regarding the division among the members of the Board of the overall remuneration package approved by the Shareholders' Meeting.

In addition, it formulates proposals on any incentive plans for the aforementioned parties.

It periodically assesses the adequacy, overall consistency and actual application of the policy for the remuneration of directors and managers with strategic responsibilities, based on the information provided by the managers responsible; it submits proposals in relation thereto to the Board of Directors;

The Committee also consults with the Board of Directors, whenever requested to do so, on remuneration and other related matters.

The Committee has access to all company information and may also use external consultants, when this is considered useful for comparing the market standards of remuneration systems, after ascertaining that their independence of judgement is not compromised in any way.

The Remuneration Committee meets whenever the chairman of the Committee considers it necessary or when requested at least by one member, and in any event, with the frequency required to perform its duties.

The Secretary of the Board of Directors acts as the Secretary for the Remuneration Committee. The meetings are duly minuted.

Committee meetings may be attended by the Chairman of the Board of Directors, provided that he has no personal interest in the matters being discussed. Meetings may also be attended by other representatives of the Company, especially the HR manager, when deemed appropriate or on the Committee's invitation.

The Chairman of the Board of Statutory Auditors and the standing auditors are also entitled to attend Committee meetings.

No director may attend Remuneration Committee meetings in which proposals concerning their own remuneration are being formulated for the Board of Directors.

Available and necessary documentation and information are sent to all members of the Remuneration Committee sufficiently in advance of the meeting to enable them to express an opinion.

In 2016, the Committee held two meetings of 1 hour and half each, attended by all members. On the chairman's invitation, the Group's HR manager also attended to provide details of the incentive scheme adopted by the Company.

The Committee has so far met once in the year 2017.

4. Directors' remuneration

At the Gefran Shareholders' Meeting held on 29 April 2014 to appoint the Board of Directors, the shareholders approved an overall remuneration package for the directors pursuant to article 2389, paragraph 1, of the Civil Code, and assigned the Board of Directors the task of sharing it out.

The Shareholders' Meeting approved an overall gross annual remuneration package of EUR 240,000.00, divided as follows by the Board of Directors, on the Remuneration Committee's proposal:

- EUR 225,000.00 divided equally among the directors, that is a gross amount of EUR 25,000 a year for each director;
- EUR 14,000.00 for the committees;
- EUR 1,000.00 for the Lead Independent Director.

The members of the Board of Directors are divided into:

- (i) Directors with special duties, who may also be granted specific powers;
- (ii) Directors without special duties.

At 31 December 2016:

- Directors with special duties: Chairman Ennio Franceschetti, Chief Executive Officer Maria Chiara Franceschetti and directors Giovanna Franceschetti and Andrea Franceschetti;
- Directors without special duties: Directors Romano Gallus, Cesare Vecchio, Marco Agliati, Daniele Piccolo and Monica Vecchiati.

For more information, see the Report on Corporate Governance and Ownership Structure.

Remuneration of directors without special duties

In line with best international practices, directors without special duties are not entitled to a variable component of their fees (bonus).

Committee members are entitled to an attendance fee of EUR 500.00 for every committee meeting attended, up to the maximum limit of EUR 14,000.00 established by the Shareholders' Meeting. This criterion enables non-executive directors to be remunerated according to their actual commitment.

Remuneration of directors with special duties

As regards directors with special duties, it should be noted that:

- pursuant to article 2389, paragraph 3, of the Civil Code, the Chairman of the Board of Directors is paid the fixed all-inclusive sum of EUR 420,000.00 every year, in addition to the fee of EUR 25,000.00 paid to each director;
- Chief Executive Officer Maria Chiara Franceschetti will, in addition to her pay as executive and the € 25,000.00 paid to all directors, following her appointment to her current post, also be paid an occupational benefit of € 60,000.00, as well as variable pay as MBO;
- a variable component is also assigned to directors Giovanna Franceschetti and Andrea Franceschetti.

The fixed component and the variable component are always appropriately balanced in accordance with the Company's strategic objectives. Furthermore, the fixed fee is considered sufficient to remunerate directors if the variable component is not paid due to a failure to meet the performance targets set.

The financial results and any other specific targets to which the variable component is linked are predetermined, measurable and related to the creation of shareholder value in the medium to long term. They are also consistent with the guidelines contained in the general Remuneration Policy drawn up by the Board of Directors.

In line with international best practice, an insurance policy of the type known as D&O (*Directors & Officers Liability*) will provide third-party liability coverage for company bodies, General Managers, executives with strategic responsibilities, Senior Managers and Executives in the exercise of their functions, with the aim of protecting the Group against claims for compensation consequent upon the provisions of the applicable national collective labour contracts and regulations governing mandates.

5. Remuneration of the Board of Statutory Auditors

Standing auditors are entitled to the fee set by the Shareholders' Meeting of 29 April 2015, when the current Board of Statutory Auditors was appointed.

The remuneration of the Statutory Auditors is commensurate with the work required, the relevance of the position held, as well as the size and sector characteristics of the Company.

The fees accrued in 2016 are shown in Table I attached to this Report.

6. Remunerations for the executive officers and other executives with strategic responsibilities.

As of the date of this Report, executive officers of the Company are:

- Mr Marcello Perini, engineer: Director of the Sensors and Automation Components Business Unit;
- Mr Marco Giacometti: Director of the Drives Business Unit.

As of the date of this Report, executives with strategic responsibilities are:

- Ms Fausta Coffano: Group Chief Financial Officer;
- Mr Luigi Adriano, responsible for the subsidiaries Siei Areg, Gefran France, Gefran UK, Gefran Benelux;
- Mr Fabrizio Merz, General Manager of the Chinese subsidiary Gefran Siei Drives Technology Co Ltd.

Starting in the year 2016, strategic responsibilities have also been assigned to the General Manager of the US subsidiary Gefran Inc. (temporarily Maria Chiara Franceschetti).

It is also established that starting in the year 2017, Mr Stefano Mazzola will also be considered to hold strategic responsibilities, by virtue of his powers for planning and management of the corporate supply chain.

The remuneration policy for executive officers or executives with strategic responsibilities is intended to attract and retain professionals with the skills required to successfully pursue the Group's objectives, as well as motivating them and giving them an incentive to remain with the Company. In addition, it aims to align the interests of management with those of the shareholders, thereby increasing the Group's value in a sustainable manner in the medium to long term.

The remuneration package, which includes a balanced mix of fixed and variable, monetary and non-monetary, direct and deferred elements, is divided into four components:

- > the gross annual fee (GAF) - the fixed component
- > the bonus - the short-term variable component
- > the long-term incentive
- > benefits

It should be noted that the Company applies, in principle, this same scheme not only to strategic executives, but also to senior managers of the Parent Company and foreign subsidiaries, who are regularly included in the Management-by-Objectives (MbO) Plan drawn up by the HR Department every year. The underlying principle is to develop a pay-for-performance system that links remuneration to real results, both collective and individual.

The company's orientation toward results is also clear in the definition of performance-related pay for middle management, office staff and workers: at the time of renewal of the supplementary contract, and in harmony with the approved stability law, performance-related pay will be determined on the basis of indicators linked with economic and performance results specific to the BU, defined annually.

Gross annual fee (GAF) is the fixed component of remuneration. It is associated with the level of expertise, specialisation and management skills, and the accountability of the position held within the organisation. The principle adopted by the Company for determining that this amount is both *appropriate and functional* is based first and foremost on compliance with the Group's current policy and balances, taking into account the benchmarks on the job market.

It is standard practice to support managers' professional growth, in terms of both responsibilities and remuneration, in light of a positive performance.

For executives with strategic responsibilities, in the year 2016, the fixed component was equal to an average of 80% of compensation, while the indicator drops to 75% if the portion of LTI is taken into account.

The MbO or "Management by Objectives" bonus is a variable component based on the achievement of annual objectives set in the first quarter of the year in question. It is intended to recognise the results achieved by establishing a direct correlation between remuneration and short-term results.

The MbO system is structured and implemented in accordance with the guidelines issued by the HR Department, in cooperation with the CEO and the Chairman.

The criteria and indicators used by the MbO system are established for each employee by each manager with strategic responsibilities and by each head of department, in cooperation with the HR Department.

The MbO system adopts a common, organic approach intended to represent the unity of the Group and the interdependence of the activities of the various functions. It is also intended to bring the interests of management further into line with those of the employees involved in the process, and those of shareholders. Performance is measured in relation to the actual results achieved at Group, Business, Organisational Unit and individual level.

Entitlement to the variable annual component is subject to the financial access condition (the on/off condition).

The incentive rewards the achievement of quantitative and qualitative targets in relation to the beneficiary's role. The main economic/financial performance objective relates to Group EBIT, which is common for all management positions, with a weight within the overall framework of objectives that varies according to the manager's role. This may be accompanied by other financial indicators such as NWC (Net Working Capital); business indicators, such as revenues, gross margin, cost control, or by objectives linked to the specific performance of various functions, such as market service levels or stock rotation.

Individual objectives may be performance- or management-based, and are always defined objectively, in a way that ensures they are measurable over time and are interpreted in an unequivocal manner. They may be linked to management targets (processes/projects), or managerial/organisational development targets (competences).

Each MbO bonus is structured in such a way as to have a maximum limit on the variable payment, depending on the extent to which the Group's results are affected, and the ability of individual to influence the objective. Pay-out may range from 50% to a maximum of 200% of the target value.

As a rule, the maximum variable component of the remuneration cannot exceed the gross annual fee (GAF).

The variable component is normally paid upon approval of the draft financial statements and the consolidated financial statements, in the first quarter of the year following that in which they were accrued, to beneficiaries still employed at the Company at the time of payment, and not those who have left.

Since the Internal Audit Manager operates independently of the Company, there is no incentive plan in his favour.

Although the Remuneration Policy does not provide for the payment of discretionary bonuses, the Board of Directors may, on the Remuneration Committee's proposal, assign bonuses linked to specific operations and/or tasks of particular strategic importance for the Company and/or the Group, and in light of an excellent performance according to merit-based criteria.

MbO FOR 2017

The guidelines behind the MBO system for the year 2017 support the goals of growth, of business profitability, of focusing on the organisation's sustainability and quality of service, and of rethinking processes to give them a leaner form. The system is confirmed as the primary method and tool for orientation of management and focusing on the Group's strategic goals. The incentive scheme based on short-term results (MbO) has been supplemented with a medium- to long-term scheme (LTI).

The MbO scheme thus comprises a minimum of three and a maximum of five components overall, each of which is an addendum.

There is a condition enabling the system (on/off), represented by a financial meta-target in relation to profitability with a quantitative parameter.

This condition, differentiated on the basis of whether the beneficiary belongs to one of the two Business Units (EBITDA of the corresponding BU), or the Staff functions (EBITDA of Gefran Spa), will be described to beneficiaries at the time of definition of the 2017 incentives plan.

The structure is based on three macro areas:

- Economic/Financial Objectives
- Performance Objectives
- Management Objectives

For quantitative objectives, minimum and maximum limits of percentage importance have been defined. These recognise results exceeding 90% of the target with a bonus of 50%, and reward over-performance, with the meeting of the target at 120-150% possibly corresponding to 150-200% of the related bonus.

A portion of the over-achievement in certain homogeneous categories of beneficiaries may be provided as corporate welfare, permitting access to a basket of services as permitted by legislation.

Safeguarding of EBIT will be a common goal, with the following rules:

no bonus under 90% of the target

EBIT between 90% and 99.99% = 50% of the bonus

EBIT between 100% and 109.00% = 100% of the bonus

EBIT 110% and > = 150% of the bonus

While revenue targets will have rules representing a significant lever

no bonus under 98% of the target

revenues between 98% and 99.99% = 50% of the bonus

revenues between 100% and 109.00% = 100% of the bonus

revenues 110% and > = 150% of the bonus

Cost optimisation while maintaining defined levels of quality and performance will be another important element contributing to definition of targets.

The Long-Term Incentive (LTI) is a variable medium-/long-term component, set in order to focus management on the plans, projects and results within a period of more than one year, and on sustainable business growth by developing forward-looking vision, as well as retaining key resources.

The activating condition of the LTI system is represented by the continuation of the work relationship at the end of the three years.

The scheme sets two types of objectives:

- 1) STRATEGIC ECONOMIC/FINANCIAL TARGET: objective linked to the overall results achieved by the Company over the three-year period (EBIT).
- 2) EARNINGS PER SHARE PERFORMANCE TARGET: objective based on earnings per share (EPS).

The bonus amount and its composition vary depending on the mutual interests of the Company and the managers during the period. Factors taken into consideration are: position held in the organisation and management experience; the manager's ability to influence the Group's long-term growth; annual results achieved to date and all remuneration received; the beneficiary's growth potential and loyalty-building requirements.

The LTI is not awarded to strategic directors/executives who own shares in the company, as they would already benefit from an increase in share value.

The benefits awarded to management are intended to ensure that overall remuneration is as competitive as possible, and is in line with the best practices adopted on the job market. They complete the monetary remuneration package. They consist of:

- ✓ insurance for the reimbursement of healthcare costs (in Italy supplementary to FASI - supplementary health insurance fund)
- ✓ company car for business/private use
- ✓ a home near the company, when necessary
- ✓ life and accident insurance
- ✓ D&O insurance

7. Indemnity for resignation, dismissal or termination of employment

Although it does not rule out the option, it is not standard practice for the Gefran Group to enter into agreements with directors or managers with strategic responsibilities that regulate ex-ante the financial aspects of early termination of employment, upon the initiative of the Company or the individual (the "parachute indemnity").

Subject to legal and/or contractual obligations, any agreements on termination of employment with the Group are based on specific benchmarks, and fall within the limits set by the laws and practices of the country in which the agreement is entered into. If employment is terminated with the Group for reasons other than just cause, the usual approach is to seek an agreement to "terminate" the employment in a consensual manner.

In the event that an amount is paid as a settlement, this is established in accordance with the guidelines set out in the Code of Conduct (6.C.1, letter g), with particular reference to the criteria set forth in the national collective bargaining agreement (CCNL) for managers.

There are no agreements in place between the Company and strategic directors or managers that provide for an indemnity for resignation or dismissal/revocation without just cause or if their employment ceases following a tender offer.

8. Non-competition agreements

It is not standard practice for the Gefran Group to enter into non-competition agreements with its staff.

9. Other information

Pursuant to Consob resolution 18049 of 23 December 2011, it should be noted that:

- the Company did not make use of any consulting company and/or external experts in drawing up the 2017 Policy;
- Gefran does not have any equity incentive plans in place, nor any other plans based on financial instruments;
- in definition of its 2017 Policy Gefran has not used specific remuneration policies of other companies as a standard, but did draw on statistical and qualitative surveys available on the market.

It is the Remuneration Committee's view that the Policy described above is in line with the approach followed in 2016 as regards the remuneration of directors and strategic managers.

SECTION II

TABLE 1: Remuneration paid to directors and auditors, chief executive officers and other executives with strategic responsibilities - 2016

Year 2016

First name and surname	Office	Period of office	Expiry of office	Fixed remuneration	Remuneration for sitting on committees	Variable non-equity remuneration		Non-monetary benefits (3)	Other remuneration	Total	Fair value of equity remuneration	Severance indemnity for end of office or termination of employment
						Bonus and other incentives	Profit sharing					
Ennio Franceschetti ⁽¹⁾	Chairman	Entire period	Approval of the financial statements as at 31/12/2016									
Remuneration at the reporting entity				€ 445,000	€ -	€ -		€ 5,023	€ -	€ 450,023	€ -	€ -
Remuneration from subsidiaries and affiliates												
Total				€ 445,000	€ -	€ -	€ -	€ 5,023	€ -	€ 450,023	€ -	€ -
Andrea Franceschetti ¹	Executive Director	Entire period	Approval of the financial statements as at 31/12/2016									
Remuneration at the reporting entity				€ 125,000	€ -	€ 20,000	€ -	€ 21,042	€ -	€ 159,580	€ -	€ -
Remuneration from subsidiaries and affiliates												
Total²				€ 125,000	€ -	€ 20,000	€ -	€ 21,042	€ -	€ 159,580	€ -	€ -
Giovanna Franceschetti ¹	Executive Director	Entire period	Approval of the financial									

¹ The fixed fee comprises EUR 25,000 approved by the Shareholders' Meeting for each director

² It does not include remuneration granted for special duties.

³ FASI, ASSIDIM and INJURY INSURANCE are included, in addition to the company car.

			statements as at 31/12/2016								
Remuneration at the reporting entity				€ 86,000	€ -	€ 21,939	€ -	€ 13,458	€ -	€ 107,953	€ -
Remuneration from subsidiaries and affiliates										€ -	
Total²				€ 86,000	€ -	€ 21,939	€ -	€ 13,458	€ -	€ 107,953	€ -
Maria Chiara Franceschetti ¹	Executive/Delegated Director since 29/04/2014	Entire period	Approval of the financial statements as at 31/12/2016								
Remuneration at the reporting entity				€ 206,678	€ -	€ 84,398	€ -	€ 17,262	€ -	€ 308,338	€ -
Remuneration from subsidiaries and affiliates										€ -	
Total				€ 206,678	€ -	€ 84,398	€ -	€ 17,262	€ -	€ 308,338	€ -
Marco Mario Agliati	Director	Entire period	Approval of the financial statements as at 31/12/2016								
Remuneration at the reporting entity				€ 25,000	€ 2,000	€ -	€ -	€ -	€ -	€ 27,000	€ -
Remuneration from subsidiaries and affiliates										€ -	
Total				€ 25,000	€ 2,000	€ -	€ -	€ -	€ -	€ 27,000	€ -
Romano Gallus	Director	Entire period	Approval of the financial statements as at 31/12/2016								
Remuneration at the reporting entity				€ 25,000	€ 500	€ -	€ -	€ -	€ -	€ 25,500	€ -

Remuneration from subsidiaries and affiliates										€			
Total				€ 25,000	€ 500	€ -	€ -	€ -	€ -	€ -	€ 25,500	€ -	€ -
Daniele Piccolo	Director	Entire period	Approval of the financial statements as at 31/12/2016										
Remuneration at the reporting entity				€ 25,000	€ 500	€ -	€ -	€ -	€ -	€ -	€ 25,500	€ -	€ -
Remuneration from subsidiaries and affiliates											€ -		
Total				€ 25,000	€ 500	€ -	€ -	€ -	€ -	€ -	€ 25,500	€ -	€ -
Cesare Giovanni Vecchio	Director	Entire period	Approval of the financial statements as at 31/12/2016										
Remuneration at the reporting entity				€ 25,000	€ 4,000	€ -	€ -	€ -	€ -	€ -	€ 29,000	€ -	€ -
Remuneration from subsidiaries and affiliates											€ -		
Total				€ 25,000	€ 4,000	€ -	€ -	€ -	€ -	€ -	€ 29,000	€ -	€ -
Monica Vecchiati	Director	Entire period	Approval of the financial statements as at 31/12/2016										
Remuneration at the reporting entity				€ 25,000	€ 5,000	€ -	€ -	€ -	€ -	€ -	€ 30,000	€ -	€ -
Remuneration from subsidiaries and affiliates											€ -		
Total				€ 25,000	€ 5,000	€ -	€ -	€ -	€ -	€ -	€ 30,000	€ -	€ -

Marcello Perini	Director of Sensors and Automation Components Business Unit	Entire period	Until revocation									
Remuneration at the reporting entity				€ 170,000	€ -	€ 55,853	€ -	€ 13,974	€ -	€ 239,827	€ -	€ -
Remuneration from subsidiaries and affiliates												
Total				€ 170,000	€ -	€ 55,853	€ -	€ 13,974	€ -	€ 239,827	€ -	€ -
Marco Giacometti	Director of the Drive Business Unit	Entire period	Until revocation									
Remuneration at the reporting entity				€ 145,000	€ -	€ -	€ -	€ -	€ -	€ -	€ -	€ -
Remuneration from subsidiaries and affiliates					€ -	€ -	€ -	€ 19,932	€ -	€ 164,932	€ -	€ -
Total³				€ 145,000	€ -	€ -	€ -	€ 19,932	€ -	€ 164,932	€ -	€ -
/	Executives with strategic responsibilities	Year 2016	/									
Remuneration at the reporting entity				€ 156,667	€ -	€ 24,000	€ -	€ 13,458	€ -	€ 194,125	€ -	€ -
Remuneration from subsidiaries and affiliates				€ 133,394	€ -	€ 30,000	€ -	€ 179,000	€ -	€ 342,394	€ -	€ -
Total⁴				€ 290,061	€ -	€ 54,000	€ -	€ 192,458	€ -	€ 536,519	€ -	€ -
Marco Gregorini	Chairman of the Board of Statutory Auditors	Entire period	Approval of the financial statements as at 31/12/2017									
Remuneration at the reporting entity				€ 30,000.00	€ -	€ -	€ -	€ -	€ -	€ 30,000.00	€ -	€ -

³ Of which € 70,000 recharged by the associate to Gefran pursuant to an intercompany service agreement.

⁴ The figure includes the fee for three strategic executives in office in the year 2016: one of these has been internationally transferred.

Remuneration from subsidiaries and affiliates										€ -		
Total				€ 30,000.00	€ -	€ -	€ -	€ -	€ -	€ 30,000.00	€ -	€ -
Primo Ceppellini	Standing Auditor	Entire period	Approval of the financial statements as at 31/12/2017									
Remuneration at the reporting entity				€ 20,000.00	€ -	€ -	€ -	€ -	€ -	€	€ -	€ 20,000.00
Remuneration from subsidiaries and affiliates										€ -		
Total				€ 20,000.00	€ -	€ -	€ -	€ -	€ -	€	€ -	€ 20,000.00
Alessandra Zunino de Pignier	Standing Auditor	Entire period	Approval of the financial statements as at 31/12/2017									
Remuneration at the reporting entity				€ 20,000.00	€ -	€ -	€ -	€ -	€ -	€	€ -	€ 20,000.00
Remuneration from subsidiaries and affiliates										€ -		
Total				€ 20,000.00	€ -	€ -	€ -	€ -	€ -	€	€ -	€ 20,000.00

TABLE 3B: Monetary incentive schemes for directors, chief executive officers and other executives with strategic responsibilities - 2016

The table below shows the monetary incentive schemes in favour of the members of the Board of Directors and other executives with strategic responsibilities in the Company.

Year 2016

NAME AND SURNAME	Office	Scheme	Bonus for the year			Bonus from previous years			Other bonuses
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
Maria Chiara Franceschetti	Chief Executive Officer	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€ 84,398		2016				
(II) Remuneration from subsidiaries and affiliates		Scheme A							
Giovanna Franceschetti	Executive Director	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€ 21,940		2016				
(II) Remuneration from subsidiaries and affiliates		Scheme A							
Andrea Franceschetti	Executive Director	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€ 20,000		2016				
(II) Remuneration from subsidiaries and affiliates		Scheme A							
Marcello Perini	Executive Officer	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€ 55,853	150.00 LTI 2016/18	2016				

(II) Remuneration from subsidiaries and affiliates		Scheme A							
Marco Giacometti	Executive Officer	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€-		2016				
(II) Remuneration from subsidiaries and affiliates		Scheme A	€ -						
/	Executives with strategic responsibilities	A	Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration at the reporting entity		Scheme A (14/03/2016)	€ 24,000		2016				
(II) Remuneration from subsidiaries and affiliates		Scheme A (14/03/2016)	€30,000		2016				

SCHEDULE 7-TER Information about the shareholdings of members of the Board of Directors and the Board of Statutory Auditors, executive officers and other executives with strategic responsibilities.

TABLE 1: Shareholdings held by directors, auditors and executive officers

Name and surname	Office	Subsidiary	no. of shares at 31/12/2015	no. of shares purchased	no. of shares sold	no. of shares at 31/12/2016
Ennio Franceschetti	<i>(Chairman)</i>	GEFRAN S.P.A.	8,669,655	-	-	8.669.655*
Romano Gallus	<i>(Director)</i>	GEFRAN S.P.A.	1,020	-	-	1,020
Maria Franceschetti	Chiara <i>(Chief Executive Officer)</i>	GEFRAN S.P.A.	81,294	-	-	81,294**
Giovanna Franceschetti	<i>(Director)</i>	GEFRAN S.P.A.	74,843	-	-	74,843***
Andrea Franceschetti	<i>(Director)</i>	GEFRAN S.P.A.	63,016	-	-	63,016

* of which 3,417 held by spouse

** of which 7,038 held by spouse

*** of which 12,011 held by spouse

Ennio Franceschetti personally holds 502,158 Gefran S.p.A. shares and indirectly owns the remaining 8,164,080 shares through ownership of 54% of the share capital of Fingefran S.r.l.

TABLE 2: Shareholdings of other executives with strategic responsibilities

Number of executives with strategic responsibilities	Subsidiary	no. of shares at 31/12/2015	no. of shares purchased	no. of shares sold	no. of shares at 31/12/2016
2	GEFRAN S.P.A.	0	-	-	0

Provaglio d'Iseo, 09 March 2017

For the Board of Directors
The Chairman
Ennio Franceschetti