



LANDI RENZO S.p.A.

REMUNERATION REPORT 2017

provided pursuant to

article 123-*ter* of the Consolidated Law on Financial Intermediation and
article 84-*quater* of the Issuers' Regulations

(Translation from Italian original which remains the definitive version)

Issuer: Landi Renzo S.p.A.

Website: www.landirenzogroup.com/it/

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GLOSSARY

Board of Directors: the Company's Board of Directors.

Board of Statutory Auditors: the Company's Board of Statutory Auditors.

Borsa Italiana: Borsa Italiana S.p.A.

Civil Code: the Italian Civil Code.

Code of Governance: The Code of Governance for listed companies as approved in March 2006 (as subsequently amended) by the Corporate Governance Committee and endorsed by Borsa Italiana, the Italian Banking Association (ABI), Italy's National Association of Insurance Firms (ANIA), the representative association of the Italian investment management industry (Assogestioni), the Association of Italian Listed Companies (Assonime), and Italy's principal business association, Confindustria, available to the public at www.borsaitaliana.it.

Issuers' Regulations: the Regulations issued by CONSOB under its Resolution No. 11971 of 1999 (as amended) concerning the regulations on issuers.

Consolidated Law on Financial Intermediation: Legislative Decree No. 58 of 24 February 1998, as amended.

"**Adjusted EBITDA**" indicates the adjusted EBITDA that will be proposed from the Remuneration Committee and defined by the Board of Directors for the purpose of the remuneration policy.

Financial Year 2016: the financial period ended on 31 December 2016.

Financial Year 2017: the financial period ending on 31 December 2017.

Instructions to the Market Rules: the instructions accompanying the market rules applicable to the markets organised and operated by Borsa Italiana.

Issuer or Landi Renzo or the Company: Landi Renzo S.p.A.

Market Rules: the market rules applicable to the markets organised and managed by Borsa Italiana.

Report: this remuneration report, prepared pursuant to article 123-*bis* of the Consolidated Law on Financial Intermediation, and article 84-*quater* of Issuers' Regulations.

SECTION I

1. INTRODUCTION

The Company establishes and applies a general remuneration policy with a view to attracting, motivating and retaining staff with the professional qualities required for the successful pursuit of the objectives of the Landi Renzo group.

The policy is the product of a well-defined and transparent process in which a central role is played by the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors, and the Company's Remuneration Committee, the latter having been set up in accordance with the Market Rules in connection with the Company's admission to and continued presence as issuer on the STAR segment of the Milan Stock Exchange. More specifically, each of the above bodies has particular functions, as described below.

(a) *Shareholders' Meeting*

In respect of remuneration, the Shareholders' Meeting:

- determines the compensation due to the members of the Boards of Directors and Board of Statutory Auditors, pursuant to article 2364, first paragraph, part (3), of the Civil Code;
- pursuant to article 123-ter, sixth paragraph, of the Consolidated Law on Financial Intermediation, it provides a non-binding, advisory opinion on the section of the report concerning the remuneration policy for the members of the Board of Directors, General Managers and other executives with strategic responsibilities as defined by the Board of Directors (on proposal of the Remuneration Committee); and
- approves by resolution any compensation schemes based upon shares or other financial instruments that are addressed to members of the Board of Directors, employees and/or consultants, including executives with strategic responsibilities, pursuant to article 114-bis of the Consolidated Law on Financial Intermediation.

(b) *Board of Directors*

In respect of remuneration, the Board of Directors:

- establishes a Remuneration Committee from among its members, which must include one member with appropriate expertise and experience in financial matters or remuneration policies, the Board of Directors assessing the relevant individual's knowledge upon appointment of same;
- determines, at the proposal of the Remuneration Committee, the policy regarding the remuneration of directors and executives with strategic responsibilities;

- determines the remuneration of those Directors holding particular duties, having consulted with the Board of Statutory Auditors and at the proposal of the Remuneration Committee;
- approves the remuneration report prepared pursuant to article 123-ter of the Consolidated Law on Financial Intermediation, the first part of which is the subject of a non-binding vote from the Shareholders' Meeting;
- with the support of the Remuneration Committee, draws up the terms of any compensation schemes based upon shares or other financial instruments, and puts them to the Shareholders' Meeting for approval pursuant to article 114-bis of the Consolidated Law on Financial Intermediation; and
- with the support of the Remuneration Committee, implements any compensation schemes based upon shares or other financial instruments, in accordance with instructions delegated by the Shareholders' Meeting.

(c) ***Remuneration Committee***

Information regarding the duties and the role of the Remuneration Committee may be found in section 1, paragraph 3, of this Report.

(d) ***Executive Directors***

In respect of remuneration, the Executive Directors:

- submit any compensation schemes based upon shares or other financial instruments to the Remuneration Committee, and if appropriate assist the Remuneration Committee with the preparation of such schemes;
- provide the Remuneration Committee with such information as it requires for the purpose of assessing the appropriateness and effective application of the general remuneration policy, with regard in particular to the remuneration of executives with strategic responsibilities; and
- implement the Company's remuneration policies in a manner consistent with this Report.

(e) ***Board of Statutory Auditors***

In relation to matters of remuneration, the Board of Statutory Auditors has an advisory role, under which it provides those opinions required by relevant legislation, in particular opinions on proposals for the remuneration of Executive Directors, and of Directors with particular duties more generally; as part of that process, the Board assesses the proposals the Remuneration Committee submits to the Board of Directors for consistency with the general remuneration policy.

In addition, the Board of Directors, the Board of Statutory Auditors and the Remuneration Committee are responsible for ensuring that the remuneration policy is properly implemented and appropriately applied.

The Company did not base itself upon the remuneration policy of any other companies in reaching its own general remuneration policy.

2. **AIMS AND PRINCIPLES**

The remuneration policy that the Company applies is intended to ensure competitiveness with the reference market, to provide appropriate means of assessing performance, and to align the interests of the executive directors and executives with strategic responsibilities with the pursuit of the Company's main objective, the creation of shareholder value in the medium to long term, through the creation of a powerful connection between individual performance and individual remuneration. The principles underlying the remuneration policy applied to the Company, the objectives pursued and the remuneration policy are consistent with the remuneration policy applied to the Company in the past.

3. **REMUNERATION COMMITTEE**

3.1 **Composition and functioning of the Remuneration Committee (pursuant to article 123-bis, second paragraph, of the Consolidated Law on Financial Intermediation)**

As at the date of this Report, the Company's Remuneration Committee is comprised of three Directors, namely Ivano Accorsi, chair of the Committee, and Sara Fornasiero, both Non-Executive Independent Directors of the Company, and Angelo Iori, Non-Executive Director.

The meeting of the Board of Directors of 29 April 2016 decided that each of the Remuneration Committee's members will receive annual gross compensation of Euro 7,500 in each of the three financial years ended and ending as at 31 December 2016, 2017 and 2018.

The Remuneration Committee is governed by its own internal rules, which provide *inter alia* that the Company's Managing Director may take part in its meetings, but he may not vote upon the Committee's business, and he must not attend if the discussions or resolutions regard proposals as to his own remuneration.

In Financial Year 2016, the Remuneration Committee held three meetings with an average duration of 39 minutes. During Financial Year 2016 and until expiry of their term on 29 April 2016, Mr Alessandro Ovi and Mr Tommasi attended 100% of the meetings. Likewise, starting from the date of their appointment on 29 April 2016, Mr Ivano Accorsi, Ms Sara Fornasiero e Mr Angelo Iori attended 100% of the meetings. The meetings were attended also by the members of the Board of Statutory Auditors.

The Remuneration Committee is expected to meet at least once during current financial year. The meetings of the Remuneration Committee were duly minuted.

3.2 **Duties of the Remuneration Committee**

The Remuneration Committee is responsible for preparing proposals and providing opinions to the Board of Directors regarding the remuneration of the Managing Director and directors with specific duties, as well as the establishment of performance objectives in connection with the variable component of such remuneration. Members of the Remuneration Committee who are directly affected by particular proposals are required to be absent for the duration of their consideration. The Committee periodically also evaluates the criteria used to determine the remuneration of executives with strategic responsibilities, monitoring their application and making general recommendations in this area; it also monitors the application of adopted decisions by the Board of Directors, in particular with respect to the actual achievement of performance objectives.

In connection with the performance of its duties, the Remuneration Committee has access to such information and business departments as it may require, and it has not considered it necessary to rely on external advisors, drawing instead upon internal resources. The Remuneration Committee has not made use of the services of any advisor for the purposes of obtaining information on remuneration practices in the market.

In Financial Year 2016, the Remuneration Committee submitted proposals to the Board of Directors on the remuneration of the Chief Executive Officer, Mr Stefano Landi, of the Managing Director, Mr Claudio Carnevale, and of the General Manager, Mr Cristiano Musi, and the establishment of performance objectives in connection with the variable component of such remuneration. It has also verified the application of the proposals previously put forward with regard to the remuneration of the Managing Director and the other Executive Directors for the financial year ended 31 December 2016.

4. **REMUNERATION POLICY**

Under the Company's articles of association, the Board of Directors is granted emoluments by the Shareholders' Meeting, which may comprise both a fixed and variable component, the latter being linked to the achievement of specific objectives and/or the Company's financial results.

The Company believes that the remuneration policy as approved by the Board of Directors is consistent with the pursuit of medium to long-term interests of the Issuer. In particular, the Board of Directors established that the variable part of the remuneration shall represent a considerable percentage of the overall remuneration also with regard to the fixed component. Furthermore, a major portion of such a variable component shall be linked to specific and strategic performance objectives of the Company, such as for example the EBITDA and the revenues, financial figures which can be clearly appreciated by the market.

Compliance with the pursuit of medium to long-term interests of the Issuer is also guaranteed by the terms of payment of the variable component, which is paid according to progressive thresholds based on the performance objectives reached. Consequently, in the event that all the objectives are achieved, the maximum amount

of the variable component is paid as variable remuneration; conversely if none of the performance objectives is achieved, no amount is paid as variable remuneration.

Lastly, compliance with the pursuit of long-term interests of the Issuer is also guaranteed by the provision, whereby a portion of the variable remuneration must be also computed on the Adjusted EBITDA increase (in absolute terms) overall recorded in the three-year period 2016-2018 against the increase foreseen, for the same period, in the multi-year business plan (2016-2020) whose update has been approved by the Board of Directors on 30 December 2016. In this event, the variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipient's relation with the Company is continuing.

In any event, the maximum amount of the variable remuneration shall be limited to Euro 2,000,000, for the three-year period and for all Executive Directors.

Having regard to this aspect, the Board of Directors may provide, by way of separate regulations, specific procedures to protect the Company and the directors and executives with strategic responsibilities in the event of early termination of their relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.).

The Board of Directors confirmed the remuneration policy in respect of the relevant variable component for directors and executives for Financial Year 2017 consistently with the remuneration policy approved for Financial Year 2016, without prejudice to the due alignment and update of the policy to the Company's business development.

4.1 **Executive Directors**

Subject to the Board of Directors' power under article 2389, third paragraph, of the Civil Code to grant further remuneration to those Directors who hold particular duties, the fixed component of Executive Directors' remuneration was established by the Shareholders' Meeting of 29 April 2016.

In terms of the variable component, the Market Rules for inclusion on the STAR segment require the Company to establish a Remuneration Committee, and for a significant part of the remuneration of Executive Directors and other senior executives to be incentive-based.

Consequently, at the meeting of the Board of Directors of 27 March 2017, the Remuneration Committee informed the Board that it considered that the additional requirement for companies listed on the STAR segment, regarding the variable component in the remuneration of Executive Directors and executives with strategic responsibilities, meant that particularly challenging objectives should be set, and payment of the variable component for Financial Year 2017 should depend upon their achievement. The Remuneration Committee proposed that it would identify those objectives bearing in mind, *inter alia*, the role played by the Executive Directors and the senior executives with strategic responsibilities, the demands made upon them by their duties, and the Company's position in the market, its size, and its prospects for growth.

On the basis of the indications provided by the Remuneration Committee, the meeting of the Board of Directors of that same day emphasised how payment of the variable component had to be determined in a manner that: (i) took account of the requirement that a significant part of the remuneration of Executive Directors should be linked to the financial results achieved by the Company and/or the achievement of objectives previously identified by the Board of Directors; and (ii) be such as to ensure that the Executive Directors' interests aligned with the pursuit of the Company's main objective, the creation of shareholder value in the medium to long term. More particularly, the Board of Directors resolved, with the Board of Statutory Auditors' consent, in favour of the payment to the Executive Directors of a variable component of remuneration that would be subject to the achievement of specific objectives regarding the Group's revenues and the Group's Adjusted EBITDA laid down by the Board of Directors. In particular, the Board of Directors further established the following:

- (a) a portion of the variable remuneration should be calculated as follows:
 - (i) 20% upon achievement of the objective for the Group's revenues;
 - (ii) 80% upon achievement of the objective for the Group's Adjusted EBITDA;
- (b) in the event that all two objectives (revenues and the Group's Adjusted EBITDA) are achieved, each Executive Director will receive the maximum amount of the variable component;
- (c) in the event that none of the two objectives (revenues and the Group's Adjusted EBITDA) is achieved, the Executive Directors will receive no amount as variable component;
- (d) in the event that only one of the aforesaid objectives is achieved, each Executive Director will receive the corresponding percentage of the gross annual variable remuneration;
- (e) a further portion of the variable remuneration will be calculated also on the overall increase (in absolute terms) of the Group's Adjusted EBITDA over the three-year period 2016- 2018 compared to the overall increase planned for the same period by the multi-year business plan (2016-2020) whose updated has been approved by the Board of Directors of 30 December 2016. Said remuneration is equal to 5% of the above increase up to a maximum amount of such further variable payable remuneration which may not exceed twice the average of the annual base remuneration for the three-year period. Such variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipients have an ongoing relation with the Company, without prejudice for the Board of Directors to provide specific procedures to protect the Company and its directors in the event of early termination of such relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.); lastly

- (f) the maximum amount of the overall variable remuneration, for the three-year period and for all Executive Directors, is determined in Euro 2,000,000.

4.2 **Non-Executive Directors**

The gross annual remuneration of the Company's Non-Executive Directors will not be linked to the Company's achievement of any financial results but rather upon the commitment required of each such person in the performance of their duties.

4.3 **Compensation for participation in committees**

By a resolution of the Board of Directors dated 29 April 2016, the Company decided upon a specific compensation equal to Euro 7,500.00 to those Directors who are also members of a committee within the Board, namely the Audit and Risk Committee and the Remuneration Committee.

4.4 **General Manager**

In the Board of Directors' meeting of 10 November 2016, Mr Musi was appointed as general manager of the Company. By way of the same resolution, the Board of Directors established to grant to Mr Musi an overall annual gross remuneration of Euro 300,000.00, payable in thirteen monthly payments, as compensation for his office as executive and general manager of the Company, as well as an annual variable compensation payable upon attainment of the objectives to be established from time to time by the Board of Directors, upon consultation of the Remuneration Committee, and subject to his employment relation as an executive being in place on the relevant payment date, provided that (a) if the objectives set from time to time are attained, the annual variable remuneration shall not exceed 40% of his overall annual gross remuneration (to be paid with the terms and mechanisms provided for the Executive Directors), before tax on natural persons and applicable social security contributions; and (b) if the objectives set from time to time are attained in part, the annual variable remuneration will be reduced correspondingly.

4.5 **Executives with strategic responsibilities**

With regard to the variable component of remuneration for those executives with strategic responsibilities (other than the general manager) which is a requirement for obtaining and maintaining listing on the STAR segment, the current legislative and regulatory environment requires a significant part of remuneration for executives with strategic responsibilities to be incentive-based, with payment conditional upon achievement of individual or business-wide objectives.

In that light, and on the basis of the indications provided by the Remuneration Committee, the Board of Directors resolved at its meeting of 27 March 2017 that the executives with strategic responsibilities, that could be identified from time to time, would receive a variable component of remuneration that would be subject to the achievement of the specific objectives regarding the Group's revenues, and in the Group's Adjusted EBITDA laid down by the Board of Directors. At the same meeting, in particular, the Board of Directors further established that:

- (a) for the Financial Year 2017, the variable component of remuneration for each of the executives with strategic responsibilities would be for up to 30% of the gross fixed component of their remuneration;
- (b) the variable component would be determined as follows:
 - (i) 40% of the maximum under the variable component would be paid to each executive with strategic responsibilities upon achievement of the business objectives in terms of the Group's revenues and the Group's Adjusted EBITDA, in the manner and with the mechanisms established for the Executive Directors; and
 - (ii) 60% of the variable component payable to each executive with strategic responsibilities, upon achievement of the individual objectives identified for each by the Managing Director (or from the different competent function);
- (c) in the event that all two business-wide objectives (the Group's revenues and the Group's Adjusted EBITDA) were achieved, and the particular executive with strategic responsibilities also achieved their specific individual objectives, then they receive the whole of their annual gross variable remuneration, being 30% of their gross fixed remuneration;
- (d) in the event that the two business-wide objectives (the Group's revenues and the Group's Adjusted EBITDA) were not achieved, and neither were the specific individual objectives of the particular executive with strategic responsibilities, nothing would be paid to such executive;
- (e) in the event that all two business-wide objectives (the Group's revenues and the Group's Adjusted EBITDA) are all achieved, but the particular executive with strategic responsibilities has not also achieved their specific individual objectives as described above, then they receive 40% of the total amount of the variable component of remuneration;
- (f) in the event that the particular executive with strategic responsibilities has achieved their specific individual objectives as described above, but the two business-wide objectives (the Group's revenues and the Group's Adjusted EBITDA) are not all achieved, then they receive 60% of the total amount of the variable component of remuneration;
- (g) in the event that the particular executive with strategic responsibilities has achieved their specific individual objectives as described above, and one of the two business-wide objectives (the Group's revenues and the Group's Adjusted EBITDA) are achieved, then they receive 60% of the total amount of the variable component of remuneration, and the percentage of the variable remuneration to which they are entitled for the achievement of those business-wide objectives; lastly
- (h) an additional portion of the variable remuneration will be computed also on the overall increase (in absolute terms) of the Adjusted EBITDA in the three-year period 2016-2018 compared to the overall increase planned, for the same

period, by the multi-year business plan (2016-2020) whose updated has been approved by the Board of Directors on 30 December 2016. Said remuneration is equal to 5% of the above increase up to a maximum amount of such further variable payable remuneration which may not exceeding twice the average of the annual gross remuneration for the three-year period. Such variable portion of the remuneration will be paid only at the end of the three-year period, provided that the recipients have an ongoing relation with the Company, without prejudice for the Board of Directors to provide specific procedures to protect the Company and its executives with strategic responsibilities in the event of early termination of such relation for specific causes (for instance, resignation and/or revocation for cause or without cause, force majeure circumstances, etc.).

In consideration of Landi Renzo's corporate and organizational structure, at the date of this Report, the Company didn't deem it necessary to identify any other executives with strategic responsibilities, as no other executives are vested with powers or direct or indirect responsibilities in respect of the planning, management and control of the Company.

4.6 Benefits in kind

Under the Company's general remuneration policy, some members of the Board of Directors, the General Manager and the executives with strategic responsibilities receive benefits in kind, such as a company car. The terms of such arrangements are agreed with the personnel department.

4.7 Equity incentive schemes

As at the date of this Report, there are no securities-based incentive schemes in place with the members of the Board of Directors, employees and independent contractors of the Company, or members of the Boards of Directors, employees and contractors of other controlling companies or subsidiaries.

4.8 Lock-up agreements regarding financial instruments

As at the date of this Report, the Company has not entered into any agreements with provisions that restrict the sale or disposal of financial instruments following their acquisition.

4.9 Compensation to Directors in the event of their dismissal or resignation, or loss of office following a public tender offer (pursuant to article 123-bis, paragraph 1, part (i), of the Consolidated Law on Financial Intermediation)

As at the date of this Report, there are no agreements in place between the Company and any members of the Board of Directors that provide for the payment of compensation in the event of their dismissal, resignation, and/or revocation of their office for reasons other than gross misconduct or breach of contract, or for loss of office following a public tender offer.

4.10 **Insurance and pension provision**

The Company's remuneration policy does not provide for any insurance or pension provision in addition to those required by law.

4.11 **Remuneration policy with reference to Independent Directors, and the performance of particular duties. Deferred payment systems**

As at the date of this Report, the Company does not have a remuneration policy with reference to Independent Directors, the conduct of particular duties.

Having regard to deferred payment systems, the Board of Directors established that a portion of the variable remuneration of directors and executives with strategic responsibilities (i.e. the portion computed on the increase – in absolute terms - of the EBIT attained at the end of the three-year period 2016-2018 compared to the overall increase, for the same period, as foreseen in the Business Plan approved by the Board of Directors of 9 March 2016, based on a pre-set percentage) be paid to the recipients at the end of the three-year period provided that their relation with the Company is continuing.

SECTION II

PART A

1. COMPENSATION TO THE BOARD OF DIRECTORS

Stefano Landi, Chairman of the Board of Directors, Executive Director and Chief Executive Officer

The Board of Directors' meeting of 29 April 2016 resolved to award to Mr Stefano Landi (i) gross fixed annual compensation of Euro 100,000 for his role as Chairman of the Board of Directors and (ii) gross fixed compensation of Euro 200,000 for Financial Year 2016 as Director in charge of special roles.

During Financial Year 2016, the Chairman of the Board of Directors, Mr Stefano Landi, received also non-monetary benefits for Euro 6,599, corresponding to the value of compensation in kind, and Euro 5,000 as attendance fees for his attendance at the meetings of the Board of Directors.

Mr Stefano Landi also received compensation of Euro 20,000 as Chairman of the Board of Directors of the subsidiary companies Lovato Gas S.p.A and SAFE S.p.A.

In consideration of the failure to achieve the performance objectives set for the Financial Year 2016, Chief Executive Officer Mr Stefano Landi did not receive any variable remuneration.

Giovanna Domenichini, Non-Executive Director

The Board of Directors' meeting of 29 April 2016 resolved to award to Non-Executive Director and Honorary Chair of the Board of Directors, Ms Giovanna Domenichini, gross fixed annual compensation of Euro 15,000.

In the course of the Financial Year 2016, Ms Giovanna Domenichini received also Euro 3,500 as attendance fees for her attendance at the meetings of the Board of Directors.

Claudio Carnevale, Executive Director and Managing Director

The Board of Directors' meeting of 29 April 2016 resolved to award to the Executive Director Mr Claudio Carnevale (i) gross fixed annual compensation of Euro 12,500 for his role as Director and (ii) gross fixed compensation of Euro 200,000 on a yearly basis for Financial Year 2016, for his role as Director in charge of special roles.

During Financial Year 2016, the Executive Director Mr Claudio Carnevale received compensation of Euro 213,333 (including remuneration for the period 1 January 2016 through 29 April 2016), non-monetary benefits of Euro 3,663, corresponding to the value of compensation in kind, Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors and Euro 5,000 for his role as director of subsidiary company Emmegas S.r.l.

In consideration of the failure to achieve the performance objectives set for Financial Year 2016, Managing Director Mr Claudio Carnevale did not receive any variable remuneration.

Silvia Landi, Non-Executive Director

The meeting of the Board of Directors of 29 April 2016 resolved to award to Non-Executive Director, Ms Silvia Landi, gross fixed annual compensation of Euro 12,500.

Starting from the date of her appointment on 29 April 2016, Non-Executive Director Ms Silvia Landi received a remuneration of Euro 8,459 for the period of her office during Financial Year 2016, and Euro 3,000 as attendance fees for her attendance at the meetings of the Board of Directors.

Angelo Iori, Non-Executive Director

The meeting of the Board of Directors of 29 April 2016 resolved to award to Non-Executive Director, Mr Angelo Iori, gross fixed annual compensation of Euro 12,500.

Starting from the date of his appointment on 29 April 2016, Non-Executive Director Mr Angelo Iori received compensation of Euro 8,459 for the period of his office in Financial Year 2016, Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors, and Euro 10,151 as compensation as member of the Audit and Risk Committee and the Remuneration Committee.

Anton Karl, Non-Executive Director

The meeting of the Board of Directors of 29 April 2016 resolved to award to Non-Executive Director, Mr Anton Karl, a gross fixed annual compensation of Euro 12,500.

Starting from the date of his appointment on 29 April 2016, Non-Executive Director Mr Anton Karl received compensation of Euro 8,459 for the period of his office in Financial Year 2016, as well as Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors.

Sara Fornasiero, Independent Director

The Board of Directors' meeting of 29 April 2016 resolved to award to Independent Director, Ms Sara Fornasiero, gross fixed annual compensation of Euro 12,500.

Starting from the date of her appointment on 29 April 2016, Independent Director Ms Sara Fornasiero received compensation of Euro 8,459 for the period of her office in Financial Year 2016, Euro 3,500 as attendance fees for her attendance at the meetings of the Board of Directors, as well as Euro 10,151 as compensation as member of the Audit and Risk Committee and the Remuneration Committee.

Ivano Accorsi, Independent Director

The Board of Directors' meeting of 29 April 2016 resolved to award to Independent Director, Mr Ivano Accorsi, gross fixed annual compensation of Euro 12,500.

Starting from the date of his appointment on 29 April 2016, Independent Director Mr Ivano Accorsi received compensation of Euro 8,459 for the period of his office in Financial Year 2016, Euro 3,500 as attendance fees for his attendance at the meetings of the Board of Directors, as well as Euro 10,151 as compensation as member of the Audit and Risk Committee and the Remuneration Committee.

Herbert Paiarl, Non-Executive Director

The Board of Directors' meeting of 24 April 2013 resolved to award to Non-Executive Director Mr Herbert Paiarl gross fixed annual compensation of Euro 15,000.

The Director ceased from office on 29 April 2016 due to the expiry of his term and received compensation of Euro 4,877 for the period of his office in Financial Year 2016, as well as Euro 1,000 as attendance fees for his attendance at the meetings of the Board of Directors.

Antonia Fiaccadori, Non-Executive Director

The Board of Directors' meeting of 24 April 2013 resolved to award to Non-Executive Director Ms Antonia Fiaccadori gross fixed annual compensation of Euro 15,000.

The Director ceased from office on 29 April 2016 due to the expiry of her term and received compensation of Euro 4,877 for the period of her office in Financial Year 2016, as well as Euro 1,000 as attendance fees for her attendance at the meetings of the Board of Directors.

In addition, during Financial Year 2016, Ms Antonia Fiaccadori received compensation of Euro 16,667 for her role as managing director of subsidiary company AUB S.p.A. and non-monetary benefits of Euro 1,138.

Non-Executive Director Ms Antonia Fiaccadori received also fixed remuneration as employee of Euro 29,693 before social security contributions and taxes, save for collective social security contributions payable by the Company and amount set aside to severance indemnity provision.

Finally, Non-Executive Director Ms Antonia Fiaccadori received Euro 158,000 following termination of her employment in Landi Renzo effective from 29 April 2016.

Alessandro Maria Ovi, Independent Director

The Board of Directors' meeting of 24 April 2013 resolved to award to Independent Director Mr Alessandro Maria Ovi gross fixed annual compensation of Euro 15,000.

The Director ceased from office on 29 April 2016 due to the expiry of his term and received compensation of Euro 4,877 for the period of his office in Financial Year 2016, Euro 1,000 as attendance fees for his attendance at the meetings of the Board of Directors and Euro 3,251 as compensation as member of the Audit and Risk Committee and the Remuneration Committee.

Tomaso Tommasi di Vignano, Independent Director

The Board of Directors' meeting of 24 April 2013 resolved to award to Independent Director Mr Tomaso Tommasi di Vignano gross fixed annual compensation of Euro 15,000.

The Director ceased from office on 29 April 2016 due to the expiry of his term and received compensation of Euro 4,877 for the period of his office in Financial Year 2016, Euro 500 as attendance fees for his attendance at the meetings of the Board of Directors and Euro 3,251 as compensation as member of the Audit and Risk Committee and the Remuneration Committee.

2. COMPENSATION TO THE BOARD OF STATUTORY AUDITORS

Eleonora Briolini, Chair of the Board of Statutory Auditors

The ordinary Shareholders' Meeting of 29 April 2016 resolved to award to the Chair of the Board of Statutory Auditors Ms Eleonora Briolini gross annual compensation of Euro 35,000 and provide reimbursement of such documented expenses incurred in the performance of such duties.

In Financial Year 2016 Mr Eleonora Briolini received compensation of Euro 35,000, inclusive of compensation for the period 1 January 2016 through 29 April 2016.

Massimiliano Folloni, acting Statutory Auditor

The ordinary Shareholders' Meeting of 29 April 2016 resolved to award to acting Statutory Auditor Mr Massimiliano Folloni gross annual compensation of Euro 25,000 and provide reimbursement of such documented expenses incurred in the performance of such duties.

The Auditor was appointed on 29 April 2016 and received compensation of Euro 16,667 for the period of his office in Financial Year 2016.

In addition, for Financial Year 2016 Mr Massimiliano Folloni received compensation of Euro 40,000 for his role as Chair of the Board of Statutory Auditors in subsidiary companies Lovato Gas S.p.A. and AEB S.p.A. and for his role as acting Statutory Auditor in subsidiary company SAFE S.p.A.

Diana Rizzo, acting Statutory Auditor

The ordinary Shareholders' Meeting of 29 April 2016 resolved to award to acting Statutory Auditor Ms Diana Rizzo gross annual compensation of Euro 25,000 and provide reimbursement of such documented expenses incurred in the performance of such duties.

The Auditor was appointed on 29 April 2016 and received compensation of Euro 16,667 for the period of his office in Financial Year 2016.

Luca Gaiani, acting Statutory Auditor

The ordinary Shareholders' Meeting of 24 April 2013 resolved to award to acting Statutory Auditor Mr Luca Gaiani gross annual compensation of Euro 25,000 and

provide reimbursement of such documented expenses incurred in the performance of such duties.

The Auditor ceased from office on 29 April 2016 due to the expiry of his term and received compensation of Euro 8,333 for the period of his office in Financial Year 2016.

In addition, for Financial Year 2016 Mr Luca Gaiani received compensation of Euro 30,000 as acting Statutory Auditor of subsidiary companies Lovato Gas S.p.A., SAFE S.p.A. and AEB S.p.A..

Marina Torelli, acting Statutory Auditor

The ordinary Shareholders' Meeting of 24 April 2013 resolved to award to acting Statutory Auditor Ms Marina Torelli gross annual compensation of Euro 25,000, and provide reimbursement of such documented expenses incurred in the performance of such duties.

The Auditor ceased from office on 29 April 2016 due to the expiry of her term and received compensation of Euro 8,333 for the period of her office in Financial Year 2016.

In addition, for the period 2016 Ms Marina Torelli received compensation of Euro 45,000 (i) as chair of the Board of Statutory Auditors of subsidiary company SAFE S.p.A., (ii) as acting Statutory Auditor of subsidiary companies Lovato Gas S.p.A. and AEB S.p.A. and (iii) as sole Auditor of subsidiary company Eighteen Sound S.r.l.

3. COMPENSATION TO THE GENERAL MANAGER

The Board of Directors' meeting of 10 November 2016 approved employment of Mr Cristiano Musi as executive of the Company and his appointment as General Manager starting from 12 December 2016. By way of same resolution, it resolved to pay to Mr Musi an aggregate gross annual remuneration of Euro 300,000.00.

Accordingly, starting from 12 December 2016, General Manager Mr Musi received compensation of Euro 17,327 as remuneration for his role as General Manager and non-monetary benefits of Euro 149.34 corresponding to the value of compensation in kind.

4. COMPENSATION TO EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

In consideration of Landi Renzo's corporate and organizational structure, the Company didn't deem it necessary to identify any other executives with strategic responsibilities, in addition to General Manager Mr Musi, as no other executives are vested with powers or direct or indirect responsibilities in respect of the planning, management and control of the Issuer.

SECTION II

PART B

The following tables set forth details of compensation paid in Financial Year 2016, on any basis and in any form, by the Company or subsidiaries and affiliates of the Issuer.

Table 1 (Form 7-bis): Compensation paid to members of the Board of Directors and Board of Auditors, the General Manager and other executives with strategic responsibilities¹

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Full name	Office held	Period for which office is held	Expiry of term of office	Fixed compensation	Compensation for participation in committees	Variable <i>non equity</i> compensation	Non. monetary benefits	Other compensation	Total	Fair value of equity compensation	Compensation at end of office or upon termination of employment
Board of Directors											
Giovanna Domenichini	Honorary Chairman	01/01/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing				
	Compensation from the company preparing the financial statements			15,000 (emoluments)					18,500		
	Compensation from subsidiaries and affiliates			3,500 (attendance fees)							
	Total			18,500 ²					18,500		
Stefano	Chairman of the	01/01/2016 -	Approval of			Bonus and other	Profit				

¹ Figures shown in the tables are in Euro.

² Compensation shown refers to the aggregate for the period 01/01/2016 – 29/04/2016 and 29/04/2016 – 31/12/2016

Landi	Board of Directors	31/12/2016	financial statements 2018			incentives	sharing					
	Compensation from the company preparing the financial statements			300,000 (emoluments)				6,599		311,599		
				5,000 (attendance fees)								
	Compensation from subsidiaries and affiliates			20,000						20,000		
	Total			331,599 ³				6,599		331,599		
Claudio Carnevale	Managing Director	01/01/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profi sharing					
	Compensation from the company preparing the financial statements			213,333 (emoluments)				3,663		222,996		
				5,000 (attendance fees)								
	Compensation from subsidiaries and affiliates			5,000						5,000		
	Total			223,333 ⁴				3,663		226,996		

³ Compensation shown refers to the aggregate for the period 01/01/2016 – 29/04/2016 and 29/04/2016 – 31/12/2016

⁴ Compensation shown refers to the aggregate for the period 01/01/2016 – 29/04/2016 and 29/04/2016 – 31/12/2016

Silvia Landi	Director	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			8,459 (emoluments)							11,459		
	Compensation from subsidiaries and affiliates			3,000 (attendance fees)									
	Total			11,459 ⁵							11,459		
Angelo Iori	Director	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			8,459 (emoluments)	10,151 ⁶						21,610		
	Compensation from subsidiaries and controlled companies			3,000 (att. fees)									
	Total			11,459							21,610		

⁵ Compensation shown refers to the aggregate for the period 01/01/2016 – 29/04/2016 and 29/04/2016 – 31/12/2016.

⁶ Mr Angelo Iorio is a member of (i) the Audit and Risk Committee (for this office he receives annual gross compensation of Euro 7,000 and (ii) the Remuneration Committee (for this office he receives annual gross remuneration of Euro 7,000).

Anton Karl	Director	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			8,459 (emoluments) 3,000 (att. fees)							11,959		
	Compensation from subsidiaries or controlled companies												
	Total			11,959	10,000						11,959		
Sara Fornasiero	Independent Director	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			8,459 (emoluments) 3,500 (attendance fees)	10,151 ⁷						22,110		
	Compensation from subsidiaries and affiliates												
	Total			11,959									

⁷ Ms Sara Fornasiero is a member of (i) the Audit and Risk Committee (for this office she receives annual gross compensation of Euro 7,500 and (ii) the Remuneration Committee (for this office she receives annual gross remuneration of Euro 7,500) and (iii) the Committed for transactions with related parties.

Ivano Accorsi	Independent Director	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			8,459 (emoluments) 3,500 (att. fees)	10,151 ⁸								
	Compensation from subsidiaries and affiliates												
	Total			11,959									
Herbert Paierl	Director	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			4,877 (emoluments) 1,000 (attendance fees)							5,877		
	Compensation from subsidiaries and affiliates												
	Total			5,877							5,877		

⁸ Independent Director Mr Ivano Accorsi is a member of (i) the Audit and Risk Committee (for this office he receives annual gross compensation of Euro 7,500 and (ii) the Remuneration Committee (for this office he receives annual gross remuneration of Euro 7,500) and (iii) the Committed for transactions with related parties.

Antonia Fiaccadori	Director	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			4,877 (emoluments) 1,000 (att. fees) 29,693 ⁹						32,570		158,000 ¹⁰
	Compensation from subsidiaries and affiliates			16,667				1,138		17,805		
	Total			49,237				1,138		50,375		158,000
Alessandro Maria Ovi	Director	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			4,877 (emoluments) 1,000 (att. fees)	3,251 ¹¹					9,128		
	Compensation from subsidiaries and affiliates											
	Total			5,877	3,251					9,128		

⁹ This compensation was received by Ms Fiaccadori as employee of Landi Renzo and executive with strategic responsibilities.

¹⁰ This amount was received by Mr Fiaccadori following termination of employment with Landi Renzo.

¹¹ Independent Director Mr Ovi is a member of (i) the Audit and Risk Committee (for this office he received annual gross compensation of Euro 5,000 and (ii) the Remuneration Committee (for this office he received annual gross remuneration of Euro 5,000) and (iii) the Committed for transactions with related parties.

Tomaso Tommasi di Vignano	Director	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			4,877 (emoluments) 500 (att. fees)	3,251 ¹²						8,628		
	Compensation from subsidiaries and affiliates												
	Total			5,377	3,251						8,628		
Board of Statutory Auditors													
Eleonora Briolini	Chairman of the Board of Statutory Auditors	01/01/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing						
	Compensation from the company preparing the financial statements			35,000							35,000		
	Compensation from subsidiaries and affiliates												
	Total			35,000 ¹³							35,000		

¹² Independent Director Mr Ovi is a member of (i) the Audit and Risk Committee (for this office he received annual gross compensation of Euro 5,000 and (ii) the Remuneration Committee (for this office he received annual gross remuneration of Euro 5,000) and (iii) the Committed for transactions with related parties.

¹³ Compensation shown refers to the aggregate for the period 01/01/2016 – 29/04/2016 and 29/04/2016 – 31/12/2016.

Massimiliano Folloni	Acting statutory auditor	29/04/2016 - 31/12/2016	Approval of fin. statements 2018			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			16,667						16,667		
	Compensation from subsidiaries and affiliates			40,000						40,000		
	Total			56,667						56,667		
Diana Rizzo	Acting statutory auditor	29/04/2016 - 31/12/2016	Approval of financial statements 2018			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			16,667						16,667		
	Compensation from subsidiaries and affiliates											
	Total			16,667						16,667		
Luca Gaiani	Acting statutory auditor	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			8,333						8,333		
	Compensation from subsidiaries and affiliates			30,000						30,000		
	Total			38,333						38,333		

Marina Torelli	Acting statutory auditor	01/01/2016 - 29/04/2016	Approval of financial statements 2015			Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			8,333						8,333		
	Compensation from subsidiaries and affiliates			45,000						45,000		
	Total			53,333						53,333		
General Manager												
Cristiano Musi	General Manager	10/11/2016 - 31/12/2016				Bonus and other incentives	Profit sharing					
	Compensation from the company preparing the financial statements			17,327				149,34		17,476.34		
	Compensation from subsidiaries and affiliates											
	Total			17,327						17,476,34		

Table 3B (Form 7-bis): Cash-based incentive schemes for members of the Board of Directors¹⁴

Chief Executive Officer, Mr Stefano Landi

A	B	(1)	(2)			(3)			(4)
Full name	Office held	Programme	Bonus for the year			Bonus for previous years			Other bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Board of Directors									
Stefano Landi	Managing Director		Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Deferred and unpaid	
(I) Compensation from the company preparing the financial statements		Programme A (under resolution of 14 March 2016)	0				0		
		Programme B (under resolution of 14 March 2015)					0		
		Programme C (under resolution of 14 March 2014)							
		Programme D (under resolution of 14 March 2013)					0		
		Programme E (under resolution of 15 March 2012)					0		

¹⁴ The following tables reflect all cash-based incentive programmes, both short- and medium-to-long-term, and the figures are in Euro.

		Programme F (under resolution of 15 March 2011)					-		
(II) Compensation from subsidiaries and affiliates									
(III) Total			0				0		
Claudio Carnevale	Director		Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
(I) Compensation from the company preparing the financial statements		Programme A (under resolution of 14 March 2016)	0				0		
		Programme B (under resolution of 14 March 2015)					0		
		Programme C (under resolution of 14 March 2014)					0		
		Programme D (under resolution of 14 March 2013)					0		
		Programme E (under resolution of 15 March 2012)					0		
		Programme F (under resolution of 15 March 2011)					-		
(II) Compensation from subsidiaries and associates									
(III) Total			0				0		

Table 1 (Form 7-ter): Shares owned by members of the Board of Directors and the Board of Statutory Auditors

FULL NAME	OFFICE HELD	COMPANY IN WHICH SHARES ARE HELD	NUMBER OF SHARES HELD AT END OF PREVIOUS FINANCIAL PERIOD	NUMBER OF SHARES PURCHASED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT END OF CURRENT FINANCIAL PERIOD
Claudio Carnevale	Managing Director	Landi Renzo S.p.A.	2,050			2,050
Angelo Iori	Director	Landi Renzo S.p.A.	1,000			1,000
Anton Karl	Director	Landi Renzo S.p.A.	309.794	701.051		1.010.845