



REMUNERATION REPORT

2017

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Remuneration Report

in accordance with Article 123-ter Italian Consolidated Finance Act and Article 84-quater
Consob Issuer Regulations

Traditional management and control model

Issuer: **Unieuro S.p.A.**

Website: **www.unieuro.it**

Financial Year 2017

Approved by the Board of Directors on 10 May 2017



Background and regulatory references

This Report ("Report") has been prepared in accordance with Article 123-ter of the Italian Consolidated Finance Act (TUF) and Article 84-quater of the Issuer Regulation, according to Scheme 7-ter of Annex 3A to the said Issuer Regulation. The Report is divided into two sections.

When preparing the Report, the Company also took into account the principles laid down by Article 6 of the Corporate Governance Code.

The Report is divided into two sections:

- Section I illustrates the Company's policy regarding the remuneration of members of the Board of Directors, the General Manager and the Key Managers for the financial year 2018, and the procedures used for the adoption and implementation of said policy ("Remuneration Policy").
- Section II shows – in accordance with Article 123-ter, fourth paragraph, of the TUF – the individual items that comprise the remuneration of the Directors and Statutory Auditors of the Company, as well as a breakdown of the remuneration paid to these persons in financial year 2017 for any reason and in any form, by the company or its subsidiaries or associates. Section II also provides information regarding the remuneration of Key Managers.

Finally, Tables 1 and 2 – prepared in accordance with Article 84-quater, fourth paragraph, of the Issuer Regulation – show any equity investments in the Company or its subsidiaries held by the persons referred to above, their non-legally separated spouses and minor children, directly or through subsidiaries, trust companies or by intermediaries.



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DEFINITIONS and GLOSSARY

A list of the main definitions and principal terms used in the Listing Document is provided below.

Executive Directors	Directors tasked with specific duties by the Board of Directors
Shareholders' Meeting	The Company Shareholders' Meeting
Borsa Italiana	Borsa Italiana S.p.A., with registered office at Piazza degli Affari 6 - Milan
Code/Corporate Governance Code	The Corporate Governance Code of listed companies approved in July 2015 by the Corporate Governance Committee of Borsa Italiana S.p.A., available on its website at www.borsaitaliana.it
Italian Civil Code	The Italian Civil Code
Board of Statutory Auditors	The Company's Board of Statutory Auditors
Control and Risks Committee	The committee set up within the Board of Directors pursuant to Article 7(4) of the Corporate Governance Code
Related-Party Committee	The committee for related party transactions, set up within the Board of Directors pursuant to the Consob Related Parties Regulation
Remuneration and Appointments Committee	The committee set up within the Board of Directors pursuant to Article 6(3) of the Corporate Governance Code
Board/Board of Directors	The Board of Directors of the Issuer
Trading Start Date	The first day on which the shares of Unieuro were traded on the MTA – STAR Segment (as defined below), i.e. 4 April 2017
Key Managers	The managers of the Company defined in Annex 1 pursuant to Consob Regulation 17221 of 12 March 2010. In particular, for the purposes of this Report, Key Managers means people other than (executive and non-executive) directors who have the power and responsibility, directly or indirectly, for the planning, management and supervision of the Company's activities.
Issuer / Company / Unieuro	Unieuro S.p.A., with registered office in Forlì, Via V.G. Schiaparelli n. 31.
Financial Year 2017	The Company's financial year from 1 March 2016 to 28 February 2017
Instructions to the Stock Market Regulations	The Instructions to the Regulations of the Markets organised and operated by Borsa Italiana S.p.A.
Long Term Incentive Plan (LTIP)	The long-term incentive plan that pays a bonus in financial instruments

MTA – STAR Segment	The Mercato Telematico Azionario (Electronic Stock Exchange) - STAR Segment, organised and managed by Borsa Italiana S.p.A.
Stock Market Regulations	The Regulations of the Markets organised and operated by Borsa Italiana S.p.A.
Issuer Regulation	The regulation approved by Consob with resolution 11971 of 14 May 1999 (as amended)
Markets Regulation	The regulation on the markets issued by Consob with resolution 16191 of 29 October 2007 (as amended)
Consob Related Parties Regulations	The regulation on related-party transactions approved by Consob with resolution 17221 of 12 March 2010, as subsequently amended
Report	This Remuneration Report, prepared pursuant to Article 123-ter Italian Consolidated Finance Act (TUF) and Article 84-quater Issuer Regulation and in accordance with Article 6 of the Code. In conformity with legal requirements, the Report is available at the company's registered office, from Borsa Italiana and on the website of the Issuer at www.unieurocorporate.it .
Report on corporate governance and ownership structures	The report on corporate governance and ownership structures prepared pursuant to Article 123-bis of the TUF and in accordance with the format established by Borsa Italiana.
Articles of Association	The Articles of Association of the Company approved by the extraordinary Shareholders' Meeting of 12 December 2016, as amended, which entered into force on the Trading Start Date.

Italian Consolidated Finance Act/TUF Legislative Decree 58 of 24 February 1998, as amended.

SECTION I

a) Bodies or persons involved in the preparation and approval of the Remuneration Policy and bodies or persons responsible for the proper implementation of this policy

Within the scope of the definition of the Remuneration Policy, the bodies or persons involved in the preparation and approval of the Remuneration Policy are indicated below, specifying their respective roles, together with the bodies or persons responsible for the proper implementation of this policy.

The Policy is adopted according to a process that involves the shareholders of the Company, the Board of Directors and the Remuneration and Appointments Committee, in accordance with the rules and regulations in force and the principles set out in the Corporate Governance Code. The Executive Directors contribute to the implementation of the Remuneration Policy.

The remuneration of directors assigned particular duties (including the Chairman and vice Chairman) is set by the Board of Directors upon proposal of the Remuneration and Appointments Committee, in consultation with the Board of Statutory Auditors. The shareholders' meeting may set an overall amount for the remuneration of all directors, including those assigned particular duties.

Shareholders' Meeting

With regard to remuneration, the Shareholders' Meeting

- determines the remuneration of the members of the Board of Directors and the Board of Statutory Auditors, pursuant to Article 2364, first paragraph, no. 3), Italian Civil Code;
- pursuant to Article 123-ter, sixth paragraph, of the TUF, it provides a consultative non-binding opinion on the section of the Remuneration Report that describes the Remuneration Policy of the members of the Board of Directors and the other Key Managers as defined by the Board of Directors; and
- resolves on any remuneration plans based on shares or other financial instruments allocated to members of the Board of Directors, employees and collaborators, including Key Managers, pursuant to Article 114-bis of the TUF.

On 6 February 2017, the Shareholders' Meeting set the fixed annual remuneration for the entire Board of Directors, deciding on the way it is divided among each director, the Chairman of the Board of Directors, and the members of the committees established within the Board (Remuneration and Appointments Committee and the Control and Risk Committee).

Board of Directors

With regard to remuneration, the Board of Directors:

- sets the remuneration of directors tasked with specific duties, on proposal of the Remuneration Committee and upon consultation with the Board of Statutory Auditors;
- establishes a Remuneration and Appointments Committee at board-level;
- approves the Remuneration Report, prepared in accordance with Article 123-ter of the TUF, the first part of which is subject to a non-binding vote by the Shareholders' Meeting;

- prepares any remuneration plans based on shares or other financial instruments, with **the** assistance of the Remuneration and Appointments Committee, submitting these plans for **the** approval of the Shareholders' Meeting in accordance with Article 114-bis of the TUF;
- adopts the policy for the remuneration of directors and Key Managers and is responsible **for** its implementation; and
- implements any remuneration plans based on shares or other financial instruments, with **the** assistance of the Remuneration and Appointments Committee, upon **delegation** by **the** Shareholders' Meeting.

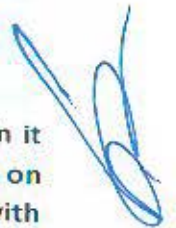
Executive Directors

With regard to remuneration, the Executive Directors:

- submit any remuneration plans based on shares or other financial instruments to **the** Remuneration and Appointments Committee, or where appropriate assist **the** Remuneration and Appointments Committee with drawing up said plans;
- provide the Remuneration and Appointments Committee with all information useful to enable the Committee to assess the adequacy and actual implementation of the general Remuneration Policy, with particular regard to the remuneration of Key Managers; and
- implement the Company's Remuneration Policy in accordance with this Report.

Board of Statutory Auditors

With regard to remuneration, the Board of Statutory Auditors serves a consultative role, wherein it formulates the opinions required by current regulations and in particular expresses its opinion on proposals for the remuneration of Executive Directors and, more generally, of directors tasked with specific duties. In expressing its opinion as above, it verifies the consistency of the proposals made by the Remuneration and Appointments Committee to the Board of Directors with the general Remuneration Policy.



b) Involvement of a remuneration committee or other committee responsible for this area: composition, powers and functioning

a. Composition and functioning of the Remuneration and Appointments Committee (Article 123-bis, second paragraph, letter d), TUF)

On 7 February 2017, the Board of Directors of the Company resolved, effective as of the Trading Start Date of the Issuer's ordinary shares on the MTA – STAR Segment, to establish a Remuneration and Appointments Committee comprising Mr Gianpiero Lenza (non-executive director), Mr Marino Marin (director meeting the independence requirements indicated in the TUF and Corporate Governance Code), and Mr Stefano Meloni as Chairman (director meeting the independence requirements indicated in the TUF and Corporate Governance Code).

It is noted that, at the date of this Report, Mr Stefano Meloni has knowledge and experience of financial matters and remuneration policies.

At least one meeting of the Remunerations and Appointments Committee is due to be held this year.

b. Powers of the Remuneration and Appointments Committee

In view of the Company's organisational needs, its mode of operation and the size of its Board of Directors, the Company has established a single committee for remuneration and appointments pursuant to Articles 5 and 6 of the Corporate Governance Code, which is responsible for making enquiries, providing advice and offering suggestions to the Board of Directors.

As regards remuneration, in accordance with the recommendations set out in Article 6 of the Corporate Governance Code, the Remuneration and Appointments Committee has the following responsibilities:

- (i) making proposals to the Board of Directors for the establishment of a general policy for the remuneration of the Chief Executive Officer, the General Manager and the other Key Managers – also for the purposes of the preparation, by the Board, of the Remuneration Report to be submitted to the Shareholders' Meeting on an annual basis – and periodically assessing the adequacy, overall consistency and actual implementation of the general policy on remuneration approved by the Board of Directors;
- (ii) making proposals to the Board of Directors regarding the overall remuneration of the Chief Executive Officer, the General Manager and the other Key Managers, and for the establishment of the remuneration criteria for the Company's senior management, including the performance targets linked to the variable component of that remuneration;
- (iii) monitoring the implementation of decisions taken by the Board of Directors, by verifying, in particular, the actual achievement of performance targets;
- (iv) examining any share-based or cash incentive plans for Company employees and the policies for the strategic development of human resources.

The establishment of this Committee ensures the fullest possible disclosure and transparency regarding the remuneration of the Chief Executive Officer and senior management, as well as the procedures for its determination. However, in accordance with Article 20 of the Articles of Association and Article 2389, paragraph 3, of the Italian Civil Code, the Remuneration and Appointments Committee only performs advisory and recommendation functions, whereas the power to set the

remuneration of the directors holding specific offices remains with the Board of Directors, in consultation with the Board of Statutory Auditors.

In accordance with implementing rule 6.C.6 of the Corporate Governance Code, no director shall participate in meetings of the remuneration committee in which proposals are submitted to the Board of Directors relating to his/her own remuneration.

c) Names of any independent experts involved in the preparation of the Remuneration Policy

The Board of Directors availed of the support of Willis Tower Watson as an independent expert for the preparation of the Remuneration Policy.

d) Aims pursued with the Remuneration Policy, underlying principles and any changes in the Remuneration Policy compared to the previous financial year

Also in accordance with the Corporate Governance Code, the Remuneration Policy is mainly designed to:

- attract, motivate and retain adequate human resources and skills to successfully pursue the Company's objectives; and
- align management's interests with shareholders' interests, rewarding the medium/long-term growth of the Company in a sustainable way;
- support the creation of value for shareholders in the medium-long term.

As per implementing rule 6.c.1 of the Corporate Governance Code, the Remuneration Policy meets the following criteria:

- the fixed component and the variable component are suitably balanced in view of the Issuer's strategic goals and its risk management policy;
- there are maximum limits on the variable components of remuneration;
- the fixed component is sufficient to remunerate directors in case the variable component is not paid because of failure to reach performance objectives;

In order to pursue these objectives, under the Remuneration Policy the remuneration of the Directors and the Key Managers is determined on the basis of the following components:

- (i) a fixed annual component, commensurate with their position and the commitment required;
- (ii) a variable component, proportionate to the performance of the Company or paid on a discretionary basis, in the form of a bonus or through equity, equity-based or cash-based incentive plans;
- (iii) non-monetary benefits, such as provision of a company telephone, computer or vehicle, as well as participation in welfare and insurance plans that reflect,
 - a. for employees of the Company, ordinary welfare and social security protection (as per the national collective bargaining agreement, where applicable) and insurance against the risk of death, permanent disability and temporary incapacity.
 - b. for members of the Board of Directors, insurance protection relating to their roles on the Company's Board of Directors.

In addition, as regards remuneration, Article 19 of the Articles of Association states that the remuneration due to members of the Board of Directors is determined by the Shareholders' Meeting. Directors are entitled to a refund of expenses incurred in respect of their office.

The remuneration of directors assigned particular duties is set by the Board of Directors in consultation with the Board of Statutory Auditors.

The shareholders' meeting may set an overall amount for the remuneration of all directors, including those assigned particular duties.

The Shareholders' Meeting held on 6 February 2017 approved the guidelines for a stock option plan, which responds to medium/long-term incentive requirements, whose definitive terms will be identified in the regulation to be approved by the Board of Directors upon consultation with the Remuneration and Appointments Committee and in accordance with the related party transactions procedure.

Purely for the sake of completeness, with regards to 2017, it is noted that on 26 February 2016 the Shareholders' Meeting resolved to set the total remuneration payable to the directors of the company at €270,000 starting from the financial year 1 March 2015 – 29 February 2016, authorising the Board of Directors of the company to divide the total remuneration thus determined appropriately among all of the directors. The Board of Directors in office at that date was composed of Giuseppe Silvestrini, as Chairman, Giancarlo Nicosanti Monterastelli, as Chief Executive Officer, and Pierluigi Mainetti, as director.

Subsequently, also on 26 February 2016, the Board of Directors of the company met and resolved to divide the total remuneration of the management body decided by the Shareholders' Meeting as follows: (i) €260,000 gross per year to the Chairman of the Board of Directors, Giuseppe Silvestrini, (ii) €10,000 gross per year to Mr Pierluigi Mainetti.

On 12 December 2016, the Shareholders' Meeting resolved – among other things – to transform the company from a limited company into a joint-stock company. In addition, in light of the resignation of the previous members of the Board of Directors on 21 November 2016, it resolved that the Board of Directors would be composed of three members, nominating the following as directors for three years: Giancarlo Nicosanti Monterastelli, as Chairman, Gianpiero Lenza, as director, and Robert Frank Agostinelli, as director. The Board of Directors was awarded annual remuneration of €65,000 gross, divided as follows: (i) €30,000 gross to the Chairman of the Board of Directors, Giancarlo Nicosanti Monterastelli, (ii) €17,500 gross to Mr Robert Frank Agostinelli, and (iii) €17,500 gross to Mr Gianpiero Lenza.

Subsequently, on 6 February 2017, the Shareholders' Meeting resolved to expand the Board of Directors of the company to seven directors by appointing four new members (i.e. Bern Beetz, as Chairman, Nancy Cooper, as director, Stefano Meloni, as independent director and Marino Marin, as independent director) for the same three years as the already appointed directors and therefore until the Shareholders' Meeting to be called to approve the annual financial statements at 28 February 2019.

On this date, the Shareholders' Meeting also resolved to award total annual gross remuneration for the entire Board of Directors of €580,000, divided as follows: (i) €60,000 for each non-executive director, (ii) €150,000 for the Chairman of the Board of Directors, (iii) €10,000 for the members of the Remuneration and Appointments Committee and the Control and Risk Committee, and (iv) €15,000

for the Chairman of the aforesaid committees, clarifying that total remuneration will be proportionate to the actual number of months in office.

The Remuneration Policy pursuant to the Corporate Governance Code applies for the first time in the financial year ended at 28 February 2018, and therefore no comparison can be made with previous years.

e) Description of policies on fixed and variable components of remuneration, with particular regard to its relative weighting within overall remuneration and the distinction between short-term variable components and medium/long-term variable components.

The policies on the remuneration of directors and Key Managers are adequately balanced to ensure alignment between short-term growth objectives and the sustainable creation of value for shareholders in the medium-long term.

In particular, the remuneration structure comprises the following components:

- a fixed component that reflects their specific powers, positions, role and strategic responsibilities;
- a variable component designed to remunerate expected short-term performance (in the case of MBO) and medium/long-term performance (in the case of stock option plans).

The variable remuneration and the fixed annual components have different weightings according to the characteristics of the role in the company and the responsibilities assigned, in order to ensure the sustainability of company results and the creation of medium/long-term value for shareholders.

Regarding Key Managers, when drawing up the relevant Remuneration Policy, the Board of Directors works on the basis of an assessment of the current contractually agreed remuneration with each Key Manager, which also includes benefits and variable short-term remuneration (MBO) connected to the achievement of individual or company performance targets set for each financial year, whose payment is subject to remaining with the company for the reference period.

The variable part of the remuneration is therefore set in such a way as to

- take account of the requirement whereby a significant part of the remuneration of Executive Directors and Key Managers must be linked to performance results achieved by the Issuer and/or the achievement of targets set in advance by the Board of Directors;
- ensure that the interests of the Executive Directors and Key Managers are in line with the priority objective of creating medium/long-term value for shareholders; and
- retain and motivate people with the required qualities to manage the Issuer successfully, including through the use of retention conditions.

As indicated above, the variable component of the remuneration includes a short-term component (MBO) and a medium/long-term component (the Stock Option Plan), which are described below.

Management By Objectives ("MBO")

The remuneration of Key Managers includes an annual variable component (MBO) – which is a significant amount in percentage terms of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each financial year by the Board of Directors, whose payment is subject to remaining with the company for the reference period.

The pay-mix (the weighting of the different components as a proportion of total remuneration paid excluding benefits (annual total remuneration) is provided below:

- fixed component: between 50% and 62.5%;
- Variable short-term component relative to the Target Bonus (as defined below): between 37.5% and 50%.

The current MBO system provides for payment of a variable monetary compensation (i.e. a cash bonus) the target amount of which is defined for each manager in his or her individual employment agreement. The payment of the bonus is subject to remaining in office for the year of reference and reaching performance objectives which are assigned a predefined weight and there are specific trigger thresholds. The bonus payable is calculated according to a linear progression system based on the actual performance achieved with respect to the Performance Targets.

The MBO system for the year from 1 March 2017 - 28 February 2018, as it was approved by the Board of Directors on 10 May 2017, on the proposal of the Appointments and Remuneration Committee, is structured based on the following parameters and criteria:

- the performance objectives are connected to targets involving (i) EBITDA (common to all Key Managers) (the EBITDA Performance Target") and (ii) the reduction of the net financial position or net debt (depending on the role performed) ("NFP Performance Target");
- the weight relative to the EBITDA Performance Target and the NFP Performance Target is respectively 75% and 25%;
- the Target Bonus - which is payable if 100% of the objectives are reached and defined individually within the employment agreement - is subdivided based on the aforementioned weights into the "Target EBITDA Bonus" (75%) and "Target NFP Bonus" (25%);
- the accrual and payment of the Target EBITDA Bonus and the Target NFP Bonus is subject to (i) reaching a pre-defined trigger threshold, under which the beneficiary is not entitled to receive any compensation and (ii) the beneficiary must continue to be employed by the Issuer on the closing date of the reference year, except in the event of a withdrawal by the employer for objective reasons in which case the bonus will be paid in proportion to the applicable time.

In particular, if the actual consolidated performance of the reference year relative to the EBITDA (The "Actual EBITDA Performance") is:

- a) lower than 80% of the Actual EBITDA Performance, then the Target EBITDA Bonus is not paid, even on a percentage basis, as the relative trigger threshold has not been reached;
- b) equal to 80% of the EBITDA Performance Target, then an amount of 50% of the Target EBITDA Bonus is payable;
- c) between 81% and 99% of the EBITDA Performance Target, in addition to the amount under point b) above, an additional amount of 2.5% of the Target EBITDA Bonus is paid for each percentage point above the Actual EBITDA Performance that exceeds 81% of the EBITDA Performance Target;
- d) equal to 100% of the EBITDA Performance Target, an amount equal to the Target EBITDA Bonus is payable;

- e) between 101% and 120% of the EBITDA Performance Target, a proportional amount in addition to the Target EBITDA Bonus is payable. This is 2.5% of the Target EBITDA Bonus for each percentage point above the Actual EBITDA Performance between 101% and 120% (included) and 3% for each percentage of improvement over the Actual EBITDA Performance that exceeds 120% of the Target EBITDA Performance.
- the Target NFP Bonus is payable only if 70% of the EBITDA Performance Target is reached; if this threshold is not reached, the rights to receive the NFP Bonus Target will not accrue, despite reaching the target performance relative to the net financial position/net debt. Notwithstanding the above, if the actual consolidated performance of the reference year relative to the net financial position/net debt (The "Actual NFP Performance") is:
 - a) lower than 80% of the Actual NFP Performance, then the Target NFP Bonus is not paid, even on a percentage basis, as the relative trigger threshold has not been reached;
 - b) equal to 80% of the Target NFP Bonus, then an amount of 50% of the Target NFP Bonus is payable;
 - c) between 81% and 99% of the NFP Performance Target, in addition to the amount under point b) above, an additional amount of 2.5% of the Target NFP Bonus is paid for each percentage points above the Actual NFP Performance that exceeds 81% of the NFP Performance Target;
 - d) equal to 100% of the NFP Performance Target, an amount equal to the Target NFP Bonus is payable;
 - e) between 101% and 120% of the Target NFP Bonus, a proportional amount in addition to the Target NFP Bonus is payable. This is 2.5% of the Target NFP Bonus for each percentage point above the Actual NFP Performance between 101% and 120% (included) of the Actual NFP Performance and 3% for each percentage of improvement over the Actual NFP Performance that exceeds 120% of the Target EBITDA Performance.

For each financial year, in line with the Remuneration Policy adopted, the Board of Directors has the power to set other terms and conditions in addition to the Performance Targets that must be met for the payment of the bonus, such as the introduction of a different incentive system in view of pre-established strategic company objectives.

Stock Option Plans

On 6 February 2017, the extraordinary Shareholders' Meeting resolved to adopt a stock option plan (the "Plan") reserved to Executive Directors, collaborators and employees (managers and otherwise) of the Company. The Plan envisages the grant of ordinary shares deriving from a capital increase with no pre-emption right pursuant to Article 2441, paragraphs 5 and 8, Italian Civil Code, resolved upon by the Shareholders' Meeting on the same date.

The Plan has the following objectives: (i) to focus the attention of people covered by the plan on matters of strategic importance to the Company, (ii) to increase loyalty among people covered by the plan and incentivise them to remain with the Company, (iii) to increase the competitiveness of the company by identifying medium-term objectives and promoting the creation of value both for the company and its shareholders, and (v) to ensure that the overall remuneration of the people covered by the plan remains competitive on the market.

The implementation and determination of the specific characteristics of the Plan were delegated by the same Shareholders' Meeting to the company's Board of Directors, which will take place after the start date of trading in the Company's shares.

The Plan is also subject to the terms and conditions described below

- condition: the Plan and the grant of the options associated with it will be subject to the conclusion of the listing of the Company by 31 July 2017 ("IPO");
- recipients: the Plan is aimed at directors with executive duties, collaborators and employees (managers and otherwise) of the Company ("Recipients") to be identified by the Board of Directors;
- object: the object of the Plan is to grant the Recipients option rights that are not transferable by act *inter vivos* for the purchase or subscription against payment of ordinary shares in the Company for a maximum of 860,215 options, each of which entitling the bearer to subscribe one newly issued ordinary share ("Options"). In the event that the target is achieved with a performance equal to 120% of the expected results, the number of Options will be increased to 1,032,258. To this end an increase in share capital has been approved for a maximum nominal of €206,452, plus premium, for a total value (capital plus premium) equal to the price at which the shares will be placed on the MTA, by issuing a maximum of 1,032,258 ordinary shares. If the granted Options are exercised and the 1,032,258 shares allocated to the Plan are subscribed, this will result in a dilution for the shareholders in existence at that date of around 4.9%;
- grant: the Options will be granted in one or more tranches and the number of Options of each tranche will be decided by the Board of Directors upon consultation with the Remuneration and Appointments Committee;
- exercise of the rights: the Board of Directors is empowered to set the terms, conditions and procedures for the grant, implementation and exercise of the option rights, defining these in the regulations (the "Regulations"), however the shares can only be subscribed after 31 July 2020 and within the final deadline of 31 July 2025;
- vesting: the existence and extent of each recipient's right to exercise the options will be verified on 31 July 2020 in relation to the achievement of the objectives, in terms of distributable profits, indicated in the business plan on the basis of the following criteria:
 - in the event of failure to achieve at least 85% of the expected results, no options will be eligible for exercise;
 - If 85% of the expected results are achieved, only half the options will be eligible for exercise;
 - If between 85% and 100% of the expected results are achieved, the number of options eligible for exercise will increase on a straight line between 50% and 100%;
 - If between 100% and 120% of the expected results are achieved, the number of options eligible for exercise will increase proportionally on a straight line between 100% and 120% – the maximum limit;
- exercise price: the exercise price of the Options will be equal to the placement price on the day of the IPO, i.e. at least €11 (eleven/00);

- duration: the Plan covers a time horizon of five years, from 31 July 2020 to 31 July 2025.

Also on 6 February 2017, the Shareholders' Meeting authorised the Board of Directors to determine criteria for identifying beneficiaries and a number of Options to assign to the beneficiaries of the Plan, based on objective and predetermined criteria in the interest of the Company, to be indicated in the relevant Regulations. The Board of Directors must also determine a maximum number of Options for each beneficiary, to be decided in accordance with the terms and conditions set out in the Regulations, also considering the role performed within the company's organisation.

As at the date of this Report, the Board of Directors has not yet taken the decisions referred to above.

Forms of discretionary, occasional and non-recurring remuneration (bonuses)

Other forms of discretionary, occasional and non-recurring remuneration are also available. By way of bonuses and discretionary, non-recurring lump-sum payments, these components occasionally reward strategically significant management results or performance levels that are set from time to time by the Board of Directors and are not already included in the variable components of short- and long-term remuneration, obtained through outstanding individual contributions.

The Remuneration Policy for directors, the General Manager and the Key Managers is described below.

Chairman of the Board of Directors

Fixed component

The remuneration of the Chairman comprises a fixed component, as resolved upon by the Shareholders' Meeting.

Variable component

With reference to the variable component, the Chairman is not included in the stock option plan resolved upon by the extraordinary Shareholders' Meeting of 6 February 2017.

The Chairman is not included in annual variable incentive plans.

Benefits

The Chairman does not receive additional benefits compared to those awarded to the directors of the Company.

Directors

The remuneration of the directors is structured in such a way as to attract and motivate the best professionals and skills, to ensure the best possible performance of their roles and the achievement of the goals of the Remuneration Policy.

All directors receive fixed remuneration that ensures adequate remuneration for their services and commitment to the Company.

Pursuant to Article 19 of the Articles of Association and Article 2389(3) of the Italian Civil Code, the fixed component of directors' remuneration is set by the Shareholders' Meeting; the fixed component includes gross annual remuneration predetermined for the entire period in which the director is in office, commensurate with the commitment required, plus reimbursement of expenses incurred in the performance of their duties.

I. Executive Directors

The remuneration of Executive Directors is adequately balanced to ensure alignment between short-term growth objectives and the sustainable creation of value for shareholders in the medium-long term.

As at the date of this Report, the only Executive Director is Giancarlo Nicosanti Monterastelli, who is the Chief Executive Officer.

Fixed component

Pursuant to Article 19 of the Articles of Association and Article 2389(3) of the Italian Civil Code, the fixed component of Executive Directors' remuneration is set by the Shareholders' Meeting; the fixed component includes gross annual remuneration predetermined for the entire period in which the director is in office, commensurate with the commitment required.

Pursuant to Article 19 of the Articles of Association, the remuneration of directors assigned particular duties is set by the Board of Directors in consultation with the Board of Statutory Auditors.

The shareholders' meeting may set an overall amount for the remuneration of all directors, including those assigned particular duties.

Variable component

Executive Directors are not included in the stock option plan resolved upon by the extraordinary Shareholders' Meeting of 6 February 2017.

Benefits

The general non-monetary benefits recognised to Executive Directors includes D&O (Directors and Officer) liability insurance.

II. Non-executive and independent directors

As at the date of this Report, the non-Executive Directors are Bernd Erich Beetz (Chairman of the Board of Directors), Robert Frank Agostinelli, Gianpiro Lenza, Nancy Arlene Cooper, and the independent directors are Stefano Meloni and Marino Marin.

In accordance with the principles of the Corporate Governance Code and, in particular, the implementing rule set out in Article 6.C.4, the gross annual remuneration of non-executive directors and independent directors is not connected to the achievement by the company of earnings and is instead commensurate with the commitment required from each of them to perform their role.

The general non-monetary benefits recognised to Executive Directors includes D&O (Directors and Officer) liability insurance.

III. Remuneration for participation in committees

For participation in committees, on 6 February the Shareholders' Meeting resolved to pay (i) €10,000 for the members of the Remuneration and Appointments Committee and the Control and Risk Committee, and (ii) €15,000 for the Chairman of the aforesaid committees, clarifying that total remuneration will be proportionate to the actual number of months in office. On May 10, 2017, the Board of Directors resolved to grant the members of the Committee for Related Parties Transactions, a gross emolument equal to Euro 10,000, each.

IV. General Manager

As at the date of this Report, the Company has not appointed a General Manager.

V. Key Managers

As at the date of this Report, the Issuer has identified four Key Managers from among the persons who, in the opinion of the Issuer, have the power and responsibility, directly or indirectly, for the planning, management and supervision of Unieuro's activities.

They are the managers who currently fill the positions of (i) Chief Operations Officer (ii) Chief Omnichannel Officer (iii) Chief Corporate Development Officer and (iv) Chief Financial Officer and Manager Responsible for Preparing Accounting Documents, plus the Chief Executive Officer Giancarlo Nicosanti Monterastelli, who is an employee responsible for coordinating the other Chiefs and has also been assigned the responsibilities of Chief Commercial Officer on an interim basis.

Fixed component

The remuneration of Key Managers includes a gross fixed annual component (gross annual salary) including remuneration for the non-competition agreement, which is paid separately to the other elements of the remuneration (see point (d), Part One, Section II);

Variable component

The remuneration of Key Managers includes an annual variable component (MBO) – which is a significant amount in percentage terms of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each financial year by the Board of Directors, whose payment is subject to remaining with the company for the reference period (see point (d), Part One, Section II);

As regards the variable component of the remuneration of Key Managers, the terms and conditions of participation in the stock option plan approved by the extraordinary Shareholders' Meeting of 6 February 2017 (as described in point (e) Section 1, above) will be decided by the Board of Directors, which has been empowered to identify the beneficiaries and define and implement the specific characteristics of the Plan.

Benefits

All managers are awarded a series of benefits, including – according to the provisions of the applicable national collective bargaining agreement and individual employment contracts – a vehicle for personal and business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and Directors & Officers Liability ("D&O"), and in some cases a house allowance.

f) Policy on non-monetary benefits

The purpose of non-monetary benefits is to ensure the remuneration package is competitive. It is provided in line with market practice.

Non-monetary benefits are awarded in line with current practices and in accordance with the position and role held. As such, a D&O insurance policy is provided for all members of the Board of Directors.

According to the provisions of the applicable national collective bargaining agreement and individual employment contracts, Key Managers receive the following benefits: a vehicle for personal and

business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and Directors & Officers Liability ("D&O"), and in some cases a house allowance.

- g) With regard to the variable components, description of the performance objectives on which basis they are awarded, distinguishing between short- and medium-long term variable components, and information on the connection between changes in results and changes in remuneration**

Refer to letters d) and e).

- h) Criteria used to assess the performance objectives on which basis shares, options, other financial instruments or other variable components of remuneration are awarded**

Refer to letters d) and e).

- i) Information showing the consistency of the Remuneration Policy with the pursuit of the long-term interests of the company and its risk management policy**

The Company's Remuneration Policy states that the established performance objectives and the method of payment of the variable component must be consistent with the risk management policy adopted by the company, taking into account the risks assumed by the Company in the performance of its business and resources – in terms of capital and liquidity – required to undertake the activities it pursues.

On the subject, refer to the contents of preceding paragraphs d) and e), as well as section II, paragraph 2, below.

- j) Vesting period of the rights and any deferred payment systems, stating of the deferment periods and the rules for determining these periods and, where applicable, the mechanisms for ex-post correction**

With regard to the stock option plan approved by the extraordinary Shareholders' Meeting on 6 February 2017 and reserved to the Executive Directors, collaborators and employees (managers and otherwise) of the Company, the existence and the extent of the right of each recipient to exercise the options will be verified on 31 July 2020 (vesting period).

- k) Information on clauses for holding financial instruments in portfolio after purchase, with indication of holding periods and criteria used to calculate such periods**

As regards information on clauses for holding financial instruments in portfolio, it is noted that the stock option plan approved by the extraordinary shareholders' meeting of the Company on 6 February 2017 envisages the grant to the recipients of gratuitous option rights that are not transferable by act *inter vivos* for the purchase or subscription against payment of ordinary shares in the Company for a maximum number of 860,215 options, each of which entitling the bearer to subscribe one newly issued ordinary share. These options will be granted in one or more tranches and the number of Options of each tranche will be decided by the Board of Directors upon consultation with the Remuneration and Appointments Committee;

In this regard, it is noted that the Board of Directors is empowered to set the terms, conditions and procedures for the grant, implementation and exercise of the option rights, defining these in the regulations (the "Regulations"), however the shares can only be subscribed after 31 July 2020 and within the final deadline of 31 July 2025.

As regards the aforesaid stock option plan, the Board of Directors, in accordance with the objectives of the plan – (i) to focus the attention of the recipients of the plan towards matters of strategic importance to the Company, (ii) to increase loyalty among people covered by the plan and incentivise them to remain with the Company, (iii) to increase the competitiveness of the company by identifying medium-term objectives and promoting the creation of value both for the company and its shareholders, and (v) to ensure that the overall remuneration of the recipients of the plan remains competitive on the market – will set out specific provisions in the Regulations for the recipients, in order to ensure that the financial instruments are held in the portfolio after their acquisition.

As stated, at the date of this Report, the Board of Directors has not yet approved these Regulations.

l) Policy regarding benefits provided in case of resignation or termination of employment, specifying what circumstances trigger these benefits and any connection between these benefits and the performance of the company

At the date of this Report, there are no agreements between the Company and members of the Board of Directors that involve the payment of indemnities in the event of resignation, dismissal and/or revocation without just cause, or if their employment contract should be terminated as a result of a takeover bid.

As regards the Chief Executive Officer, no specific “golden parachute” agreements have been made connected to the termination of their role and – as regards the CEO’s employment relationship with the Issuer – the CEO does not receive additional payments to those provided by law and the collective bargaining agreement in the event of dismissal.

m) Information on the existence of additional, non-mandatory insurance, welfare or pension provisions

In line with best practices, a D&O (Directors & Officers) liability insurance policy is provided to cover the third-party civil liability for actions of the corporate bodies and the Key Managers in the course of their duties. This policy is designed to indemnify policyholders from the costs associated with claims for damages made by injured third parties, excluding cases of wilful misconduct or gross negligence.

n) Remuneration policy followed for: (i) independent directors, (ii) participation in committees and (iii) performance of particular duties.

The Company’s Remuneration Policy states that independent directors are to be paid “basic” remuneration as members of the Board of Directors.

Additional annual remuneration is paid if the directors are members of Board Committees, including in accordance with the Corporate Governance Code.

In line with international best practices, as the Chairman of the Board of Directors is a non-executive director, the Issuer has not appointed a lead independent director as it does not believe that the conditions set out in implementing rule 2.C.3 of the Corporate Governance Code apply.

For further details refer to previous parts of Section I.

o) Indication of remuneration policies of other companies used as reference and criteria used for the selection of these companies.

Notwithstanding the statement made on market practices on remuneration policies, the Company’s Remuneration Policy was not drawn up on the basis of the remuneration policies of other companies.

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SECTION II

Part One

This section describes the remuneration received in financial year 2017, before the start of trading of Unieuro ordinary shares on the MTA – STAR Segment, on 4 April 2017.

a. Remuneration of the Board of Directors

Fixed remuneration

On 26 February 2016, the Shareholders' Meeting resolved to set the total remuneration payable to the directors of the company at €270,000 starting from the financial year 1 March 2015 – 29 February 2016, authorising the Board of Directors of the company to divide the total remuneration thus determined appropriately among all of the directors. The Board of Directors in office at that date was composed of Giuseppe Silvestrini, as Chairman, Giancarlo Nicosanti Monterastelli, as Chief Executive Officer, and Pierluigi Mainetti, as director.

Subsequently, also on 26 February 2016, the Board of Directors of the company met and resolved to divide the total remuneration of the management body decided by the Shareholders' Meeting as follows: (i) €260,000 gross per year to the Chairman of the Board of Directors, Giuseppe Silvestrini, (ii) €10,000 gross per year to Mr Pierluigi Mainetti.

On 12 December 2016, the Shareholders' Meeting resolved – among other things – to transform the company from a limited company into a joint-stock company. In addition, in light of the resignation of the previous members of the Board of Directors on 21 November 2016, it resolved that the Board of Directors would be composed of three members, nominating the following as directors for three years: Giancarlo Nicosanti Monterastelli, as Chairman, Gianpiero Lenza, as director, and Robert Frank Agostinelli, as director. The Board of Directors was awarded annual remuneration of €65,000 gross, divided as follows: (i) €30,000 gross to the Chairman of the Board of Directors, Giancarlo Nicosanti Monterastelli, (ii) €17,500 gross to Mr Robert Frank Agostinelli, and (iii) €17,500 gross to Mr Gianpiero Lenza.

Subsequently, on 6 February 2017, the Shareholders' Meeting resolved to expand the Board of Directors of the company to seven directors by appointing four new members (i.e. Bern Beetz, as Chairman, Nancy Cooper, as director, Stefano Meloni, as independent director and Marino Marin, as independent director) for the same three years as the already appointed directors and therefore until the Shareholders' Meeting to be called to approve the annual financial statements at 28 February 2019.

On this date, the Shareholders' Meeting also resolved to award total annual gross remuneration for the entire Board of Directors of €580,000, divided as follows: (i) €60,000 for each non-executive director, (ii) €150,000 for the Chairman of the Board of Directors, (iii) €10,000 for the members of the Remuneration and Appointments Committee and the Control and Risk Committee, and (iv) €15,000 for the Chairman of the aforesaid committees, clarifying that total remuneration will be proportionate to the actual number of months in office.

In accordance with the agreements governing the Chief Executive Officer's employment relationship with the Issuer and in particular the agreed nature of his annual gross remuneration, which is inclusive of all remuneration also for additional duties and positions in the company, the CEO has waived the remuneration awarded to him for holding the position of Chairman for financial year 2017.

By virtue of these agreements and in particular the fact that the remuneration paid to the CEO relates to his management position, the amount paid to him in financial year 2017 is included in the remuneration paid to Key Managers and represented in detail in the attached tables.

Variable remuneration

The members of the Board of Directors – with the exception of the Chief Executive Officer – do not participate in the stock-option plan, the MBO system or other forms of variable remuneration.

Non-monetary benefits

The non-monetary benefits awarded to members of the Company's Board of Directors include an insurance policy to cover the civil liability of directors and managers, i.e. Directors' and Officers' Liability Insurance ("D&O").

b. Remuneration of the Board of Statutory Auditors

On 12 December 2016 the Shareholders' Meeting resolved, inter-alia, to appoint a Board of Statutory Auditors comprising three standing members and two alternate members, for a term of three financial years: Maurizio Voza (Chairman), Giorgio Gavelli (standing auditor), Luigi Capitani (standing auditor), Sauro Garavini (alternate auditor) and Giancarlo De Marchi (alternate auditor).

Fixed remuneration

During the financial year ended 28 February 2017, the Shareholders' Meeting resolved to award the current members of the Board of Statutory Auditors total remuneration of €60,000.00 per year (gross).

The statutory auditors have received the fixed remuneration decided by the Shareholders' Meeting. On 12 December 2016, the Company's ordinary Shareholders' Meeting resolved to award (i) the Chairman €26,000.00 (twenty-six thousand), plus pension contributions, and (ii) each Standing Auditor €17,000.00 (seventeen thousand), plus pension contributions. These levels of remuneration apply for their entire term of office and with the proviso that its payment will be commensurate to the number of months actually in the position.

Variable remuneration

No variable remuneration or non-monetary benefits are paid to the members of the Board of Statutory Auditors.

c. Remuneration of the Supervisory Body

On 17 May 2016, the Board of Directors of the Company resolved to appoint the following as members of the Supervisory Body for a term of three years (ending on the date of approval of the Annual Financial Statements for the year ended 28 February 2017): Giorgio Rusticali (Chairman of the Supervisory Body), Chiara Tebano, and Raffaella Folli. At the same time the Board of Directors also resolved to set the annual gross remuneration due to the members of the Supervisory Body as follows: €15,000 to the Chairman Giorgio Rusticali, €7,500 to Chiara Tebano and €7,500 to Raffaella Folli.

Fixed remuneration

Refer to the previous paragraph.

Variable remuneration

No variable remuneration or non-monetary benefits are paid to the members of the Supervisory Body.

d. Remuneration of Key Managers

Fixed remuneration

The Key Managers received the fixed component of the remuneration determined by their respective employment contracts, including payments due under applicable legal and contractual provisions.

During the financial year ended 28 February 2017, the five Key Managers (including Mr Nicosanti Monterastelli who is also currently Chief Executive Officer) were paid a total of €1,033,620.39 in fixed remuneration.

Variable remuneration

The variable remuneration of Key Managers comprises participation in the MBO scheme and bonuses.

In particular, the following was paid:

- as gross variable remuneration (for the MBO scheme for financial year 2016, paid in 2016): €738,564.00;
- as a gross entry bonus: €210,000.00;
- as an extraordinary gross bonus relating to the restructuring of Unieuro s.r.l.: €550,000.00;
- as a one-off amount: €10,000.00.

Non-monetary benefits

As regards non-monetary benefits, it is noted that all Key Managers are awarded a series of benefits, including – according to the provisions of the applicable national collective bargaining agreement and individual employment contracts – a vehicle for personal and business use, contributions to mandatory social security funds and supplementary welfare, insurance coverage against death, injury and professional and non-professional illness, and D&O liability insurance, and in some cases a house allowance.

Policy on payments in the event of resignation or termination of employment and non-competition agreements

The Company has non-competition agreements in place with Key Managers in accordance with Article 2125 Civil Code. This entails the payment of remuneration – determined in relation to the duration and breadth of the restrictions under said agreement – at a fixed rate while employed by the Company, with guaranteed final settlement on the date of termination of the employment agreement if the amount paid up to that moment does not reach a predefined percentage of the annual gross remuneration (in any case not exceeding 30%, for each year in which the agreement is in place).

For the sake of completeness, it is noted that Italian Electronics Holdings S.r.l. ("IEH"), the parent company of the Issuer set up an option plan in early February 2017 called the transaction bonus ("Transaction Bonus") in order to continue to incentivise the recipients of a pre-existing Call Option Agreement with the former Venice Holdings S.r.l. (now merged into Italian Electronics Holdings S.r.l.). Under the Transaction Bonus, IEH is committed to awarding several managers of the Company – on the day the listing price is set by IEH – a number of shares in the Company for free. The managers must

then sell the shares awarded back to IEH by the Trading Start Date at a price equal to the placement price.

Pursuant to the Transaction Bonus, IEH is committed to granting the Beneficiaries (as defined above) a number of shares, on the day on which the final price of the book building is determined, worth a maximum total equivalent value calculated on the basis of the placement price. Specifically: (i) the Chief Executive Officer, Giancarlo Nicosanti Monterastelli, will receive a number of shares for a maximum total equivalent value not exceeding €1,305,000.00; (ii) the Chief Financial Officer, Italo Valenti, will receive a number of shares for a maximum total equivalent value not exceeding €550,000.00; (iii) the Chief Operations Officer, Luigi Fusco, will receive a number of shares for a maximum total equivalent value not exceeding €550,000.00; (iv) the Chief Omnichannel Officer, Bruna Olivieri, will receive a number of shares for a maximum total equivalent value not exceeding €500,000.00; (v) and the Chief Corporate Development Officer, Andrea Scozzoli, will receive a number of shares for a maximum total equivalent value not exceeding €615,000.00.

As noted above, the managers that benefit from the Transaction Bonus are:

- the Chief Executive Officer, Giancarlo Nicosanti Monterastelli,
- the Chief Financial Officer, Italo Valenti,
- the Chief Operations Officer, Luigi Fusco,
- the Chief Omnichannel Officer, Bruna Olivieri, and
- the Chief Corporate Development Officer, Andrea Scozzoli (“Beneficiaries”).

Based on the placement price, including at the end of the period of stabilisation of Company shares, the total equivalent value of the transfer of shares to the Beneficiaries is as follows:

- €515,478.00 for the Chief Executive Officer, Giancarlo Nicosanti Monterastelli,
- €217,123.00 for the Chief Financial Officer, Italo Valenti,
- €217,123.00 for the Chief Operations Officer, Luigi Fusco,
- €197,385.00 for the Chief Omnichannel Officer, Bruna Olivieri, and
- €236,862.00 for the Chief Corporate Development Officer, Andrea Scozzoli.



Part Two

The tables below provide a breakdown of the remuneration paid by the Company during financial year 2017 for any purpose and in any form, or by subsidiaries or associates of the Issuer.

It is noted that the Company has ordinary shares listed on the MTA – STAR Segment as at 4 April 2017; accordingly, as at that date it has assumed the status of company with listed shares pursuant to and in accordance with Article 119 of the TUF.




Table 1 (model 7-bis): Remuneration paid to members of management and control bodies and other Key Managers (*)

DIRECTORS. All remuneration is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

(A) Name and surname	(B) Position	(C) Period office held	(D) End of period in office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Giuseppe Silvestrini	Chairman	01/03/2016 12/12/2016	12/12/2016	203,333.36						203,333.36		
Pierluigi Mainetti	Director	01/03/2016 12/12/2016	12/12/2016	10,000.00						10,000.00		
Gianpiro Lenza	Director	12/12/2016 28/02/2017	28/02/2019	6,465.75 ¹						6,465.75		
Robert Frank Agostinelli	Director	12/12/2016 28/02/2017	28/02/2019	6,465.75 ²						6,465.75		
Bernd Erick Beetz	Chairman	06/02/2017 28/02/2017	28/02/2019	9,452.05 ³						9,452.05		
Nancy Arleen Cooper	Director	06/02/2017 28/02/2017	28/02/2019	3,780.82 ⁴						3,780.82		
Stefano Meloni	Independent Director	06/02/2017 28/02/2017	28/02/2019	3,780.82 ⁵						3,780.82		

¹ Remuneration due for FY17 not yet paid.

² Remuneration due for FY17 not yet paid.

³ Remuneration due for FY17 not yet paid.

⁴ Remuneration due for FY17 not yet paid.

⁵ Remuneration due for FY17 not yet paid.

Marino Marin	Independent Director	06/02/2017 28/02/2017	28/02/2019	3,780.82 ⁶						3,780.82		
Giancarlo Nicosanti Monterastelli	Chairman	13/12/2016 05/02/2017	05/12/2017	4,602.74 ⁷						4,602.74		

STATUTORY AUDITORS. All remuneration is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

(A) Name and surname	(B) Position	(C) Period office held	(D) End of period in office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Maurizio Voza	Chairman	01/03/2016 28/02/2017	28/02/2019	24,432.88 ⁸						24,432.88		
Giorgio Gavelli	Auditor	01/03/2016 28/02/2017	28/02/2019	16,608.22 ⁹						16,608.22		
Roberto Lazzarone	Auditor	01/03/2016 12/12/2016	12/12/2016	13,320.75 ¹⁰						13,320.75		
Luigi Capitani	Auditor	12/12/2016 28/02/2017	28/02/2019	3,679.45 ¹¹						3,679.45		

⁶ Remuneration due for FY17 not yet paid.

⁷ On 14 February 2017, he waived this remuneration.

⁸ Remuneration due for FY17, of which €18,805.48 paid.

⁹ Remuneration due for FY17, of which €12,929 paid.

¹⁰ Remuneration due for FY17, of which €12,375 paid.

¹¹ Remuneration due for FY17 not yet paid.

SUPERVISORY BODY. All remuneration is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

(A) Name and surname	(B) Position	(C) Period office held	(D) End of period in office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Giorgio Rusticali	Chairman of the Supervisory Body	17/05/2016 28/02/2017	28/02/2019	12,500.00 ¹²						12,500.00		
Raffaella Folli	Member of SB	17/05/2016 28/02/2017	28/02/2019	6,250.00						6,250.00		
Chiara Tebano	Member of SB	17/05/2016 28/02/2017	28/02/2019	6,250.00 ¹³						6,250.00		

¹² Remuneration due for FY17 not yet paid.

¹³ Remuneration due for FY17 not yet paid.

Remuneration paid to Key Managers: all remuneration is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

(A) Name and surname	(B) Position	(C) Period office held	(D) End of period in office	(1) Fixed remuneration	(2) Remuneration for participation in committees	(3) Variable non-equity remuneration		Non-monetary benefits ¹⁴	Other remuneration	Total	Fair value of equity remuneration	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Giuseppe Nicosanti Monterastelli ¹⁵	CEO – Chief Commercial Officer – Executive Director	01/03/2016 28/02/2017		353,379.41		875,000.00 ¹⁶		3,859.24		1,232,238.65		
Luigi Fusco	Chief Operating Officer	01/03/2016 28/02/2017		176,769.24		360,763.00 ¹⁷		4,026.24		541,558.48		
Bruno Olivieri	Chief Omni Channel Officer	01/03/2016 28/02/2017		159,501.82		221,651.00 ¹⁸		3,736.76		384,889.58		
Italo Valenti	Chief Financial Officer	01/11/2016 28/02/2017		91,428.69		285,000.00 ¹⁹		653.84		377,082.46		
Andrea Scorzoli	Chief Financial Officer	01/03/2016 31/10/2016		161,401.16		506,150.00 ²⁰		2,351.12	10,000.00 ²¹	679,902.28		

¹⁴ Value of the fringe benefits associated with the company car.

¹⁵ It is noted that Mr Nicosanti Monterastelli waived the remuneration awarded to him for occupying the position of Chairman and Executive Director for financial year 2016. This was because, as CEO and Chief Commercial Officer, his employment relationship with the Issuer and his annual gross remuneration is inclusive of all remuneration, including additional duties and positions in the company.

¹⁶ €375,000 MBO relative to FY16 but paid in 2017, €150,000 relative to the Extraordinary Bonus for the restructuring of Unieuro S.r.l. paid in 2017 and €350,000 not yet paid, equal to the Target Bonus FY2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).

¹⁷ €185,763 for the MBO relative to FY16 but paid in 2017, €175,000 relative to the Target Bonus 2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).

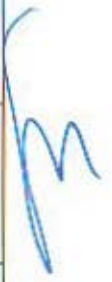
¹⁸ €71,651 for the MBO relative to FY16 but paid in 2017, €150,000 relative to the Target Bonus 2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).

¹⁹ €210,000 for the Entry Bonus paid in 2017 and €75,000 not yet paid relative to the Target Bonus 2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).

²⁰ €106,150 MBO relative to FY16 but paid in 2017 and €400,000 for the Extraordinary Bonus for the restructuring of Unieuro S.r.l. paid in 2017.

²¹ Received as a one-off amount.

Address Scorzoli	Chief Corporate Development Officer	01/11/2016 28/02/2017	91,140.14	150,000.00 ²²	1,180.62	242,320.76		
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²² €150,000 not yet paid relative to the Target Bonus 2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).



Table 2 (model 7-bis): Stock-options granted to the members of the Board of Directors, to general managers and to the other Key Managers

Name and surname	Position	Plan	Options held at the start of the financial year			Options awarded during the financial year						Options exercised during the financial year			Options expired during the financial year	Options held at the end of the financial year	Options accrued in the financial year
			Number of options	Exercise price	Period of possible exercise (from - to)	Number of options	Exercise price	Period of possible exercise (from - to)	Fair value at grant date	Grant date	Market price of the shares underlying options granted	Number of options	Exercise price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair value
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Remuneration from the company that prepares the financial statements		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan C (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Remuneration from subsidiaries and associates		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total			n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Table 3A (model 7-bis): Incentive plans based on financial instruments, other than stock options, in favour of members of the management body, general managers and other Key Managers.

Name and surname	Position	Plan	Financial instruments granted in previous years and not vested during the financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not awarded	Financial instruments vested during the financial year and awarded		Financial instruments for the financial year
			Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at grant date	Vesting period	Grant date	Market price of shares underlying the grant	Number and type of financial instruments	Number and type of financial instruments	Value at maturity date	Fair value
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Remuneration from the company in charge of preparing the financial statements		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan C (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Remuneration from subsidiaries and associates		Plan A (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
		Plan B (date of relevant resolution)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Total			n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Table 3B (model 7-bis): Monetary incentive plans for members of the management body, general managers and other Key Managers. All remuneration is paid by the company in charge of preparing the financial statements. Amounts stated in euros.

Name and surname	Position	Plan	Annual bonus		Bonuses paid in previous years				Other bonuses
			Payable/Paid ²³	Deferred	Deferral period	No longer payable	Payable / Paid ²⁴	Still deferred	
Luigi Fusco	Chief Operating Officer		175,000.00				185,763.00		
Bruna Olivieri	Chief Omni Channel Officer		150,000.00				71,651.00		
Italo Valenti	Chief Financial Officer		75,000.00						210,000.00 ²⁵
Andrea Scozzoli	Chief Financial Officer						106,150.00		400,000.00 ²⁶
Andrea Scozzoli	Chief Corporate Development Officer		150,000.00						
Giancarlo Nicosanti Monterastelli	CEO – Chief Commercial Officer		350,000.00				375,000.00		150,000.00 ²⁷
Total			900,000.00				738,564.00		760,000.00

²³ Amounts relative to the Target Bonus 2017 (as per individual contracts, whose accrual and availability is subject to checking targets were met upon approval of the Annual Financial Statements, due in June 2017).

²⁴ Amounts relative to the MBO for FY16 but paid in 2017.

²⁵ Relative to the Entry Bonus paid in 2017.

²⁶ Relative to the Extraordinary Bonus for the restructuring of Unieuro S.r.l. paid in 2017.

²⁷ Relative to the Extraordinary Bonus for the restructuring of Unieuro S.r.l. paid in 2017.



Table 1 (model 7-ter): Equity interests of the members of the governing and supervisory boards and of the general managers

Name and surname	Position	Investee	Number of shares held at the end of the previous year	No. of shares purchased	No. of shares sold	Number of shares held at the end of the current financial year
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Table 2 (model 7-ter): Equity investments of other Key Managers

Number of Key Managers	Investee	Number of shares held at the end of the previous year	No. of shares purchased	No. of shares sold	Number of shares held at the end of the current financial year
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
n.a.	n.a.	n.a.	n.a.	n.a.	n.a.