



**FIERA MILANO**

## Report on Remuneration

Prepared in accordance with Article 123-*ter* of Legislative Decree no. 58 of 24 February 1998 and with Article 84-*quater* of the Listing Rules adopted by Consob with Resolution no. 11971 of 14 May 1999 (and subsequent amendments) and with the recommendations of the Self-regulatory Code for Listed Companies of Borsa Italiana S.p.A.

This document contains a true translation in English of the document in Italian “Relazione sulla Remunerazione”. However, for information about Fiera Milano reference should be made exclusively to the original document in Italian.  
The Italian version of the “Relazione sulla Remunerazione” shall prevail upon the English version.

12 March 2018

**Fiera Milano S.p.A.**

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

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

Share capital: Euro 42,445,141 fully paid up

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

## FOREWORD

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

The Report on Remuneration comprises two sections.

Section One of the Report on Remuneration describes and illustrates:

- a) the policy of Fiera Milano S.p.A. (hereinafter the "**Company**") for the remuneration of the members of the Board of Directors (hereinafter the "**BoD**") of the Company and of Executives with Strategic Responsibilities in the Group (as defined below);
- b) the procedures to adopt and implement this policy (hereinafter the "**Remuneration Policy**" and/or the "**Policy**").

Section Two:

- a) gives an appropriate illustration of each component part of the remuneration of the members of the Company BoD and of the Executives with Strategic Responsibilities, including the treatment stipulated should an appointment cease or the employment relationship be terminated, and of the members of the Board of Statutory Auditors, highlighting its consistency with the remuneration policy approved in the previous financial year;
- b) gives an analysis of all types of remuneration received on whatever basis and in whatever form in the financial year under review by the members of the Company BoD, Executives with Strategic Responsibilities, members of the Board of Statutory Auditors of the Company and the Company subsidiaries or associate companies (hereinafter the "**Group**") and highlights any eventual components that refer to financial years prior to that under review and any remuneration due to be paid in the next or future financial years for activities carried out in the financial year under review.

The Remuneration Policy adopted by the Company conforms to the recommendations of Article 6 of the Self-regulatory Code for Listed Companies of Borsa Italiana S.p.A. of July 2015 (hereinafter the "**Self-regulatory Code**") to which the Company adheres.

The Remuneration Policy described in this Report has also been also adopted, in accordance with the Listing Rules covering related-party transactions and pursuant to and in accordance with the provisions of Article 12.2 of the *Procedures for Related-party Transactions* implemented by the Board of Directors of the Company.

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

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<sup>1</sup> [www.fieramilano.it/en/Report on Remuneration](http://www.fieramilano.it/en/Report on Remuneration)

## **SECTION ONE**

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

The Remuneration Policy is prepared annually by the Appointments and Remuneration Committee and subsequently presented to the BoD of the Company for its approval. The Appointments and Remuneration Committee also submits the implementation criteria for the approval of the BoD and supervises that they are applied

Once the Remuneration Policy has been examined and approved, the BoD puts it to a non-binding vote of the Shareholders' Meeting in accordance with Article 123 -ter of the Consolidated Finance Act.

The Policy in the present Report was approved by the BoD at its meeting on 12 March 2018 and will be put to a non-binding vote at the Ordinary Shareholders' Meeting convened just once on 23 April 2018.

(b) Role, composition, functioning and competences of the Appointments and Remuneration Committee

The BoD of the Company set up an Appointments and Remuneration Committee within the BoD for consultation, advice and recommendations. Specifically, the Committee does the following:

- prepares recommendations or gives opinions to the BoD on the remuneration of Executive Directors and those with specific roles, taking into account each Director's membership of one or more Committees, in order to ensure that remuneration is aligned with the aim of creating shareholder value over the medium/long term;
- periodically evaluates the overall adequacy and consistency of the remuneration criteria for the Company management and, subject to the responsibilities of the Chief Executive Officer for setting the remuneration policy and salary levels of executives, tables suggestions and recommendations on remuneration matters. These refer, in particular, to the performance targets for the variable component of the remuneration, as well as any eventual incentive schemes that include financial securities;
- monitors the implementation of the decisions taken by the BoD, in particular, verifying the effective achievement of any performance targets;
- monitors the implementation of, and adherence to, the Company's remuneration policies, preparing an annual report on the checks made in which it declares if there is a Company remuneration and incentive Policy that adheres to the rules set down by the BoD while respecting enacted regulations and minimising any legal or reputational risk.

Should the Appointments and Remuneration Committee opt to use the services of a consultant to obtain information on market practice on remuneration policies, it selects the consultant having first verified that the latter's circumstances can in no way compromise the independence of his/her opinion.

The BoD, appointed by the Shareholders' Meeting of 21 April 2017, set up an internal Committee, the Appointments and Remuneration Committee on 2 May 2017. It appointed the Directors Mr Alberto Baldan, Ms Elena Vasco, and Mr Gianpietro Corbari to this Committee and appointed Mr Corbari as its Chairperson. Subsequently, on 23 October 2017, the BoD, having (i) accepted the resignation of Mr Corbari as Chairperson and member of the Committee, (ii) acknowledged the need to appoint a new member to the Committee (iii) considered the proposals put forward by its Chairperson, appointed Ms Marina Natale as the new member of the Committee to replace Mr Corbari and appointed Ms Elena Vasco as the new Chairperson of the Committee.

Therefore, at the date of the present Report, the members of the Appointments and Remuneration Committee are:

- Ms Elena Vasco, Independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-Regulatory Code; Chairperson of the Appointments and Remuneration Committee;
- Mr Alberto Baldan, Independent Director under Article 148, paragraph 3 of the Consolidated Finance Act and under the Self-Regulatory Code;
- Ms Marina Natale, Non-executive Director.

During the financial year ended 31 December 2017, this Committee held eight meetings that were regularly minuted and carried out its advisory role to the BoD. The average duration of the meetings was one hour and ten minutes.

In the current financial year, at the date the present Report was approved, it had already held two meetings.

#### (c) Independent experts

The Company used an independent expert from the firm KornFerry HayGroup to prepare its Remuneration Policy. The external consultant helped the Company devise the new medium/long-term incentive scheme.

#### (d) Principles and Aims of the Remuneration Policy

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

Drawing up the Policy was a clear and transparent process in which the Appointments and Remuneration Committee and the BoD of the Company played central roles; the BoD, on the recommendation of the Appointments and Remuneration Committee, approves the criteria for implementing the Remuneration Policy.

The Policy defines the principles and guidelines used by the BoD to determine the remuneration of:

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

The Policy of the Company aims to:

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

These were the aims followed in preparing the Remuneration Policy but it also takes account of the critical state of the macroeconomic scenario, which shows a gradual recovery, and the specific period of disruption that the Company has suffered, as well as the need to retain the new Management.

The Policy incorporates the fundamental guidelines presented at the Shareholders' Meeting of 29 April 2015 regarding medium/long-term variable remuneration and the proposal approved by the Shareholders' Meeting of 28 April 2016, including the Plan based on the allocation of stock options. The next Shareholders' Meeting will be asked to approve a mandate for the BoD to implement in 2018, with the support of the Appointments and Remuneration Committee, a long-term incentive scheme comprising cash and performance shares of the Company as detailed below.

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

(e.1) Members of the BoD. The Company makes a distinction between Executive Directors and Non-executive Directors in its policies on the fixed and variable components of remuneration of the members of the BoD.

The remuneration of Non-executive Directors with no specific responsibilities (including Independent Directors) is composed of a fixed amount set by the Shareholders' Meeting when these Directors are appointed. Non-executive Directors receive an attendance allowance of Euro 350.00 (three hundred and fifty) for each Board of Directors meeting they attend and are reimbursed for business expenses sustained.

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

The BoD, on the proposals of the Appointments and Remuneration Committee, sets the total remuneration of Executive Directors and Directors with specific roles. Specifically, the BoD, having heard the opinion of the Board of Statutory Auditors, decides – in accordance with

Article 2389, paragraph 3 of the Italian Civil Code – the remuneration of the Chairperson and the Chief Executive Officer.

The Chairperson of the BoD, as a Non-executive Director, receives no variable component of remuneration.

The remuneration package of the Chief Executive Officer who, at the date of the present Report, is the only Executive Director, is composed as follows: (i) a gross annual fixed sum in payment of his role as Chief Executive Officer and remuneration as an employee for his position as an Executive of the Company; (ii) a short-term variable cash component paid to him as an Executive of the Company, receipt of which is dependent on the achievement of pre-established annual objectives set by the BoD or is subject to the attainment of annual targets that are closely linked to the budget targets approved by the BoD (“**MBO**” – Management by Objectives); and (iii) a medium/long-term variable component comprising cash and award performance shares (see the section below on the proposed long-term incentive Plan).

The Appointments and Remuneration Committee verifies annually that the Company and Group key performance targets for the previous financial year have been met and, based on its findings, prepares recommendations for the BoD. The BoD, having consulted the Board of Statutory Auditors, decides the variable components of the remuneration paid to Executive Directors.

Given the changes in the management and corporate governance of the Company, the BoD will propose to the Shareholders’ Meeting that it approves a new medium/long-term incentive Plan (hereinafter the “**Plan**”) comprising both cash and performance shares (shares of the Company) to be paid to certain beneficiaries (including Executives with Strategic Responsibilities) if the performance targets defined and quantified by the BoD with reference to pluriennial budget targets have been met.

In addition to the Chief Executive Officer, the Plan is for other executives and aims to:

- (i) align the interests of management with those of shareholders through the use of equity-based incentives and build a more stable shareholder base for the Company.
- (ii) retain and incentivise those persons in the Group most responsible for attaining the corporate objectives and motivate them to add value to the Company whilst, at the same time, creating a means of increasing the Beneficiary’s loyalty to the Company.
- (iii) link total remuneration and, in particular, the incentive schemes aimed at executives and key Group personnel to the real growth in the Company and value creation of the Group as recommended in the Self-regulatory Code;

The Beneficiaries, the amount of the Bonus and the number of Shares to be allocated to each Beneficiary are at the exclusive discretion of the BoD, having considered the strategic relevance of the position held by the Beneficiary and his/her annual fixed and variable remuneration, while ensuring that the total remuneration remains competitive.

The Plan has a two-year duration (the "performance period"), a period considered consistent with the aim of measuring value creation of the Group in the medium-term. The shares underlying the Plan are shares that the Company holds directly or indirectly – already purchased or to be purchased under Article 2357 and following of the Italian Civil Code. The maximum number of Shares required for the Plan is 1,000,000 shares.

No form of bonus will be paid unless the minimum level of the performance targets set by the BoD is reached.

The personal remuneration plan of the Chief Executive Officer and, in particular, the weighting of the fixed component of this remuneration will be based on the following criteria:

(a) the fixed component will not be more than 50% of the total expected annual remuneration (including the remuneration received under the Plan calculated on an annual basis<sup>2</sup>) assuming the targets on which the variable component depends are attained and (b) if the targets on which the variable remuneration is based are exceeded, the variable component will not be more than 75% of the total annual remuneration (including the remuneration received under the Plan calculated on an annual basis).

On the proposal of the Appointments and Remuneration Committee, the BoD may pay on-off bonuses to Executive Directors linked to the success of operations held to be of particular strategic value to the Company and the Group.

#### (e.2) Committees

Members of the internal Committees of the BoD (i.e. the Internal Control and Risk Management Committee and the Appointments and Remuneration Committee) receive a fixed remuneration that is decided by the BoD. All members of the Committees are entitled to reimbursement of expenses incurred carrying out their roles.

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

The principles and criteria described above for Executive Directors are also applied when determining the remuneration of Executives with Strategic Responsibilities and other executives identified by the BoD. The aim is the same - to attract, motivate and retain highly qualified executives through a remuneration package that is competitive in the market place and that rewards the managerial merit of those involved and their contribution to Company and Group growth. The remuneration of these executives is divided into a fixed component and a variable component and aims to create sustainable value over the medium/long-term and ensure a direct link between remuneration and the specific objectives of the Company and Group.

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<sup>2</sup> in which the share component is valued at fair value when allocated.



The remuneration of Executives with Strategic Responsibilities and some other executives normally consists of the following components: (i) a gross annual fixed sum; (ii) a short-term variable cash component recognised on the achievement of pre-established key performance targets ("MBO" – Management by Objectives defined by a specific policy); and (iii) for beneficiaries of the Plan, a medium/long-term variable component comprising both cash and performance shares.

It should be noted that determination of the fixed component ensures sufficient remuneration even when the variable components are not paid because the pre-established key performance targets have not been met.

The short-term variable cash component permits its annual assessment of the performance of the beneficiary. Specifically, the Chief Executive Officer, in line with the Company policies, determines the MBO targets for Executives with Strategic Responsibilities and for other executives that report directly to the Chief Executive Officer. Payment of the short-term variable component of remuneration depends on a trigger condition being met (known as "on/off" or "gate") that has been set by the BoD and is based on the targets of the annual budget. The Group sets a maximum limit to the incentive payable if the targets are exceeded. Specifically, under the MBO plans for Executives with Strategic Responsibilities and some other executives, the maximum incentive payable cannot be more than 50% of the gross annual remuneration.

For the medium/long-term variable component of the Plan, comprising cash and performance shares, the maximum payable during the life of the Plan may not exceed 55% of the annual gross remuneration.

The above being stated, if the employment position/mandate ceases early and/or is terminated by the Company for just cause, the right to the short and medium/long-term variable components of remuneration will lapse.

Lastly, in addition to the MBO plans, the Chief Executive Officer may in exceptional circumstances award one-off bonuses to Executives with Strategic Responsibilities for specific transactions deemed to be of exceptional strategic importance or due to their effects on the results of the Company and/or the Group and on the attainment of specific performance targets.

#### (e.4) Other beneficiaries

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

The Company is implementing a new Performance & Leadership Management (hereinafter "PLM") system as a way of promoting the attainment of strategic business targets and assessing expected behaviour based on a leadership model that is representative of the Group. From 2018, the PLM system will be linked to the MBO scheme for Group managers and the Incentives for marketing personnel. The MBO and incentive targets will be

calculated and paid under specific conditions and variables. MBO and Incentive payments will be triggered on reaching a corporate performance target. No payment will be made if this target fails to be reached.

(f) Non-cash benefits

The Company gives non-cash benefits to Directors and executives in line with market best practice and reimburses business expenses incurred in carrying out their roles. They are also insured for the responsibilities they cover, save in criminal cases or for gross negligence and for accidents whether relating to professional activities or not, in accordance with the provisions relating to the mandate (as described under paragraph (m) below).

(g) Criteria for determining the variable component of remuneration

Please refer to paragraph (e) above.

(h) Financial instruments

Please refer to paragraph (e) above and to the section on remuneration schemes based on financial securities in accordance with Article 114- *bis* of the Consolidated Finance Act, available on the Company website [www.fieramilano.it](http://www.fieramilano.it) (in the section Investor Relations/Corporate Governance/Shareholders' Meetings).

(i) Risk management policy

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

(j) Deferred remuneration plans and clawback mechanisms

With regard to clawback mechanisms, it should be noted that the variable remuneration is based on MBO plans that are not very complex but any single executive who is a beneficiary of the MBO plan cannot easily manipulate the underlying reference parameters.

The Remuneration Policy on medium/long-term variable remuneration comprising both cash and performance shares (restricted to those included in the Plan to be proposed to the Shareholders' Meeting) has a clawback clause whereby restitution of variable components of remuneration already paid may be requested if these have been allocated based on information that subsequently proves to be manifestly incorrect. Restitution may also be requested for all the incentives paid in the financial year (or financial years) in which it is found that the data used to calculate the results that trigger the right to the incentives have been deliberately altered and/ or there has been gross and intentional breach of the laws and/or regulations, the Code of Ethics or the Company rules, if relevant to the employment and trust relationship, without prejudice to any other action permitted by law and regulations to protect the interests of the Company.

The Remuneration Policy establishes that the deferred mechanisms for incentive plans based on financial instruments under Article 114-*bis* of the Consolidated Finance Act are in

line with comparable market best practice and can include lock-up periods for the financial instruments.

(k) Clauses for retaining financial instruments

Please refer to paragraph (h).

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

It is the policy of the Company not to agree compensation with Directors (with the exception of the Chief Executive Officer of the Company, whose compensation is described in Section Two of this Report), Executives with Strategic Responsibilities and other executives, which that govern in advance the financial conditions ensuing from an earlier than expected termination of employment whether it be instigated by the Company or an individual (good leaver or bad leaver clauses). In cases of termination of employment by the Group for reasons other than just cause, the standard procedure is to seek to reach a consensual agreement on the termination of employment. Subject to the legal and/or contractual requirements, agreements for termination of employment with the Group use the relevant reference benchmarks and adhere to the legal conditions and procedures of the country in which the contract was agreed.

(m) Insurance cover and social security or pension payments that are not mandatory

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

(n) Remuneration policy for specific roles

Please refer to paragraph (e) above.

(o) Group policy

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

## **SECTION TWO**

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

The Ordinary Shareholders' Meeting of 21 April 2017 approved the fixed remuneration of the members of the BoD in line with market rates, while ensuring that decisions on the special remuneration of Directors with specific roles remained the competence of the BoD in accordance with Article 17.7 of the Company Articles of Association.

The Shareholders' Meeting approved:

- fixed annual remuneration of Euro 107,000 (one hundred and seven thousand) for the Chairperson of the BoD;
- fixed annual remuneration of Euro 35,000 (thirty-five thousand) for each other Director;
- an attendance allowance of Euro 350 (three hundred and fifty) payable to every Director for each Board meeting attended and reimbursement of expenses incurred in carrying out their roles.

In the meeting on 15 May 2017, the BoD approved the remuneration of members of the Internal Control and Risk Management Committee and those of the Appointments and Remuneration Committee. Moreover, the BoD, having studied the proposals of the Appointments and Remuneration Committee on which the Board of Statutory Auditors had expressed prior approval under Article 2389, paragraph 3 of the Italian Civil Code, decided the remuneration of the Chief Executive Officer and of the other Directors with specific roles or responsibilities.

The payments approved were unchanged on the payments approved for the members of the previous Board of Directors of the Company.

As regards remuneration, members of the BoD are either:

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

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

During the BoD meeting of 2 May 2017, at which the new members of the Board took up their appointments, the Chairperson of the BoD, Professor Lorenzo Caprio, in addition to legal representation and other duties under the law and the Company Articles of Association, was assigned the following responsibilities:

- (i) to convene and prepare the agenda of Board meetings and to Chair the meetings;
- (ii) to stimulate internal discussion, promote the effective functioning of the corporate governance system and guarantee a balance of powers with the Chief Executive Officer;

- (iii) to coordinate the work of the Board ensuring that adequate information regarding items on the agenda is provided to all Board members. To this end, the Chairperson makes certain that: a) the Directors receive adequately in advance any documentation on matters to be discussed by the BoD or, at least, basic information on the matters to be discussed; b) the documentation on items on the agenda of the meeting, in particular, that given to Non-executive members, is adequate both in quantity and quality;
- (iv) he is the direct reference point on the Board for the internal control bodies and the internal Committees of the BoD; acting on behalf of the BoD, the Chairperson is the reference point for the head of internal audit, who reports directly to the Board on the role and responsibilities assigned him/her in accordance with applicable law;
- (v) oversees, in conjunction with the Chief Executive Officer, external institutional relations.

On 10 July 2017, the BoD, having acknowledged that Professor Caprio, as Chairperson of the BoD, not only supervised but followed and was directly involved in external institutional relations, agreed, on the proposal of the Appointments and Remuneration Committee, to pay him additional remuneration of Euro 45,000 (forty-five thousand).

On 2 May 2017, Ms Marina Natale was appointed Chief Executive Officer. During the Board meeting of 15 May 2017, on the proposal of the Appointments and Remuneration Committee, the Chief Executive Officer, under Article 2389, paragraph 3, of the Italian Civil Code was awarded annual gross remuneration of Euro 350,000 (three hundred and fifty thousand) in addition to fixed remuneration of Euro 35,000 (thirty-five thousand), as well as the attendance allowance and reimbursement of expenses already approved for Directors by the Shareholders' Meeting of 21 April 2017. Details of the mandate given Ms Natale as Chief Executive Officer are described in the Report on Corporate Governance and Ownership Structure at 31 December 2017, which is available on the Company website [www.fieramilano.it](http://www.fieramilano.it), in the section Investor Relations/Corporate Governance/Shareholders' Meetings.

On 25 July 2017, the Shareholders' Meeting approved an increase in the number of the Board Directors to nine and appointed Mr Fabrizio Curci (hereinafter "**Mr Curci**") as the new Director effective from 1 September 2017 and until the expiry of the mandates of the other Directors. The aforementioned Shareholders' Meeting approved fixed annual remuneration of Euro 35,000 (thirty-five thousand) for the Director Mr Curci, equal to that approved for the other Directors on 21 April 2017, plus the attendance allowance and reimbursement of expenses.

After the Shareholders' Meeting and, therefore, also on 25 July 2017, the BoD of the Company met and appointed Mr Curci as Chief Executive Officer and General Manager of the Company effective from 1 September 2017. The Report on Corporate Governance and Ownership Structure at 31 December 2017 details the powers given Mr Curci.

At the aforementioned meeting, the BoD approved that the remuneration received by Mr Curci, the Chief Executive Officer and General Manager, should be that agreed in the permanent employment contract (hereinafter the "**Contract**") agreed between Mr Curci and the Company on 20 July 2017.

Under the Contract, the Chief Executive Officer, Mr Curci, receives annual fixed remuneration for his role as Chief Executive Officer (hereinafter the "**Role**") of Euro 80,000 (eighty thousand) that is added to his gross annual remuneration as an Executive with the responsibilities of General Manager of the Company (hereinafter the "**Employment Contract**") of Euro 320,000 (three hundred and twenty thousand), giving total fixed remuneration of Euro 400,000 (four hundred thousand).

The Employment Contract has a minimum guaranteed length. Under the Contract, the Company has agreed not to cancel the Contract for any reason whatsoever, unless for just cause under Article 2119 of the Italian Civil Code, until the date of approval of the Financial Statements at 31 December 2019.

In case of termination of the Contract, Mr Curci will receive twelve months of salary in lieu of notice or a substitute indemnity calculated as the global remuneration paid in the following cases:

- dismissal without just cause;
- resignation from his position as an Executive for just cause or for a Good Leaver circumstance (as defined in the Contract).

In addition to the conditions in the above paragraphs, under Good Leaver circumstances, and excluding any Bad Leaver circumstances under the Contract, Mr Curci will receive a redundancy incentive (hereinafter the "**Incentive**"), equal to:

- 18 months of the total fixed remuneration described above (including the share of remuneration for his Role) or a maximum supplementary payment under the existing state collective employment agreement (*CCNL*) or any subsequent improvements to the latter if higher (including the share remuneration for his Role) until the date of the approval of the Financial Statements at 31 December 2019 and, however, not beyond 30 April 2020;
- 18 months basic remuneration (including the share of remuneration for his Role) or a maximum supplementary payment under the existing state collective employment agreement (*CCNL*) or any subsequent improvements to the latter if higher (including the share remuneration for his Role), from the day after the date of the approval of the Financial Statements at 31 December 2019 and, however, from 1 May 2020.

The Incentive and the sum in lieu of notice will be paid to Mr Curci should one of the following occur:

- termination of both employment agreements with the Company (the Employment Contract and that for his Role) due to one or more of the Good Leaver circumstances specified in the Contract;
- termination of his Role due to the termination of the employment contract for a Good Leaver event for an Executive as specified in the Contract;
- termination of the employment contract due to the termination of his Role for a Good Leaver event for a Director as specified in the Contract.

Should the employment relationship cease in the year that the short-term cash element of the variable component (MBO) of the Contract is paid, the MBO payment for the year in

which the employment relationship ceases will be paid to the Executive in proportion to the period of employment that year commensurate with an amount of MBO due that is no less than the amount paid in the previous year. Should the employment relationship cease during the vesting period of the medium/long-term component comprising cash and performance shares, the incentive payments due will be recalculated to take account of the shorter reference period and will be paid when the next Financial Statements are approved.

On 3 August 2017, the Company reached an agreement to terminate the contract of Mr Corrado Peraboni (hereinafter "**Mr Peraboni**"). Due to the termination of the agreement that made him Chief Executive Officer Mr Peraboni was paid a severance fee (*TFM – Trattamento di Fine Mandato*) of Euro 30,000 (thirty thousand). Following the final and consensual termination of his employment as an executive, effective from 31 August 2017, Mr Peraboni was paid a redundancy incentive of Euro 440,000 (four hundred and forty thousand). These payments were made under an agreement consistent with the then current Remuneration Policy of the Company and under the contractual obligations agreed with Mr Peraboni when he became an employee of the Company. The aforementioned employment contract included a non-competition clause lasting three years from the date the employment contract ceased. As part of this clause, Mr Peraboni receives a gross annual sum of Euro 30,000 (thirty thousand), paid for the term of the agreement to which was added an adjustment of approximately Euro 243,000 (two hundred and forty-three thousand). Should Mr Peraboni breach the non-competition clause, he must pay a penalty of Euro 100,000 (one hundred thousand) to the Company if the clause is breached in the first year, Euro 75,000 (seventy-five thousand) if it is breached in the second year and Euro 50,000 (fifty thousand) if it is breached in the third year. Mr Peraboni also received an all-inclusive payment of Euro 30,000 (thirty thousand) as part of a general and novation agreement. Lastly, Mr Peraboni received his leaving indemnity calculated at the time his employment contract in accordance with law and the contract. The Company agreed to appoint Mr Peraboni as the Chairperson of the Board of the subsidiary CIPA Fiera Milano Publicações e Eventos Ltda for one year to coincide with the first year of his appointment as President of the Global Association of the Exhibition Industry (UFI). For this position he will be paid an annual sum of Euro 15,000 (fifteen thousand).

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

The Directors without specific roles are:

- Mr Alberto Baldan;
- Ms Francesca Golfetto;
- Ms Stefania Chiaruttini;
- Ms Marina Natale;
- Ms Elena Vasco;
- Mr Gianpietro Corbari;
- Mr Angelo Meregalli.

The remuneration of Directors without specific roles and Committee members is:

- Euro 35,000 (thirty-five thousand) for each Director without a specific role;
- Euro 22,500 (twenty-two thousand five hundred) for each member of the Internal Control and Risk Management Committee;
- Euro 22,500 (twenty-two thousand five hundred) for each member of the Appointments and Remuneration Committee;

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

Directors without specific roles are reimbursed for business expenses incurred in carrying out their roles and have an insurance policy in line with existing market practice save in criminal cases or for gross negligence or for accidents whether relating to professional activities or otherwise.

The Standing Statutory Auditors of the Board of Statutory Auditors are:

- Ms Federica Palmira Nolli (Chairperson);
- Mr Antonio Guastoni (Standing Statutory Auditor);
- Mr Carmine Pallino (Standing Statutory Auditor).

The remuneration of the Standing Statutory Auditors of the Board of Statutory Auditors is:

- Euro 37,500 (thirty-seven thousand five hundred) for the Chairperson of the Board of Statutory Auditors;
- Euro 25,000 (twenty-five thousand) for each Standing Statutory Auditor.

(b) Remuneration of Executives with Strategic Responsibilities

On 2 May 2017, the Board of Directors of the Company reconfirmed the position of the Head of the Administration, Finance and Tax department, who is also the Manager responsible for preparing the Company accounts.

The Manager responsible for preparing the Company accounts was paid, in addition to his annual gross remuneration (and to a one-off payment), an amount of 20% of his annual gross remuneration *pro-rata temporis* for the time he held this position.

On 13 November 2017, the Company appointed a Group Chief Financial Officer, who meets the requirements to be considered the only Executive with strategic responsibilities in the Company apart from the Chief Executive Officer who is also the General Manager.

The Table attached to this Report shows the remuneration paid to Group Executives with Strategic Responsibilities.







(euro)

Name and surname	Position	Period in which the position was held	Expiry of mandate	Fixed remuneration	Remuneration as an employee	Attendance fee	Remuneration for membership of committees	Bonus and other incentives	Non-cash benefits	Other remuneration	Total	Indemnity payable at end of mandate or on termination of employment TFR
Federica Nollì	Chairperson of the Board of Statutory Auditors	1/1 - 31/12	April 2019	37,500							37,500	
				7,621							7,621	
	Member of the Supervisory Board			45,121	-	-	-	-	-	-	45,121	
											-	
				39,390							39,390	
Antonio Guastoni	Statutory Auditor	1/1 - 31/12	April 2019	25,000							25,000	
				25,000	-	-	-	-	-	-	25,000	
				26,316							26,316	
Carmine Pallino	Statutory Auditor	1/1 - 31/12	April 2019	25,000							25,000	
				25,000	-	-	-	-	-	-	25,000	
				29,307							29,307	
<b>Executive with strategic responsibilities ceased during the financial year</b>												
Executive with strategic responsibilities	No. 3	01/01 - 12/11		-	124,206	-	-	-	14,269	-	138,475	-
				-							-	
											-	
Executive with strategic responsibilities	No. 1											

<b>Compensi nella società che redige il bilancio</b>	<b>583,557</b>	<b>493,398</b>	<b>58,800</b>	<b>-</b>	<b>160,000</b>	<b>26,407</b>	<b>-</b>	<b>7,322,162</b>	<b>42,984</b>
<b>Compensi da controllate e collegate</b>	<b>95,056</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>43</b>	<b>95,056</b>	<b>43</b>

## Attachment 2

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

(euro)

Name and surname	Position held	Plan	MBO/Annual bonus			Bonus for previous years			Other bonuses
			Payable/ Paid	Deferred	Period deferred	No longer payable	Payable/ Paid	Deferred	
Fabrizio Curci	Current Chief Executive Officer	MBO - 20%	0						
Corrado Peraboni	Chief Executive Officer no longer in office	MBO - 20%	60,000						
<b>Remuneration from the Company preparing the Financial Statements</b>			<b>0</b>						
<b>Remuneration from subsidiaries</b>			<b>0</b>						
<b>Remuneration from the Company preparing the Financial Statements</b>			<b>0</b>						
Executive with strategic responsibilities currently in office	No. 2	Bonus 20%	0						
Executive with strategic responsibilities no longer in office	No. 2		<b>22,000</b>						
<b>Remuneration from subsidiaries</b>			<b>0</b>						
Executive with strategic responsibilities currently in office		Bonus 20%	0						
Executive with strategic responsibilities no longer in office									
<b>Executive with strategic responsibilities</b>			<b>22,000</b>						
Executive with strategic responsibilities currently in office	No. 2	Bonus 20%	0						
Executive with strategic responsibilities no longer in office	No. 2		<b>22,000</b>						

## Attachment 3

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

Name and surname	Position	Company in which shares are held	No. of shares held on 31.12.2016	No. of shares acquired	No. of shares sold	No. of shares held on 31.12.2017
<b>Directors**</b>						
Lorenzo Caprio	Chairperson	Fiera Milano SpA	-	-	-	-
Fabrizio Curci***	Chief Executive Officer	Fiera Milano SpA	-	-	-	-
Alberto Baldan	Director	Fiera Milano SpA	-	-	-	-
Stefania Chiaruttini	Director	Fiera Milano SpA	-	-	-	-
Gianpietro Corbari	Director	Fiera Milano SpA	-	-	-	-
Francesca Golfetto	Director	Fiera Milano SpA	-	-	-	-
Angelo Meregalli	Director	Fiera Milano SpA	-	-	-	-
Marina Natale****	Director	Fiera Milano SpA	-	-	-	-
Elena Vasco	Director	Fiera Milano SpA	-	-	-	-
<b>Directors no longer in office*</b>						
Roberto Rettani	Chairperson	Fiera Milano SpA	50,000	-	-	-
Corrado Peraboni	Director	Fiera Milano SpA	15,250	-	-	-
Attilio Fontana	Deputy Vice Chairperson	Fiera Milano SpA	-	-	-	-
Licia Ronzulli	Vice Chairperson	Fiera Milano SpA	-	-	-	-
Joyce Victoria Bigio	Director	Fiera Milano SpA	-	-	-	-
Renato Borghi	Director	Fiera Milano SpA	-	-	-	-
Pier Andrea Chevallard	Director	Fiera Milano SpA	-	-	-	-
Romeo Robiglio	Director	Fiera Milano SpA	-	-	-	-
Vincenza Patrizia Rutigliano	Director	Fiera Milano SpA	-	-	-	-
<b>Statutory Auditors</b>						
Federica Nolli	Chairperson	Fiera Milano SpA	-	-	-	-
Antonio Guastoni	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
Carmine Pallino	Standing Statutory Auditor	Fiera Milano SpA	-	-	-	-
<b>No. of Directors with Executive Responsibilities</b>						
<b>No. of Directors with Executive Responsibilities</b>	<b>Company in which shares are held</b>		<b>No. of shares held on 31.12.2016</b>	<b>No. of shares acquired</b>	<b>No. of shares sold</b>	<b>No. of shares held on 31.12.2017</b>
In office	Fiera Milano SpA	no. 1	-	-	-	-
No longer in office	Fiera Milano SpA	no. 1	-	-	-	-
* No longer in office from 21 April 2017.						
** Appointed on 21 April 2017.						
***Chief Executive Officer of the Company from 1 September 2017						
****Chief Executive Officer of the Company from 2 May 2017 until 31 August 2017						