



**Massimo Zanetti Beverage Group S.p.A.**  
**Company offices in Viale Gian Giacomo Felissent, 53, 31020 Villorba - Treviso -**  
**share capital € 34,300,000.00 wholly paid up. Treviso Companies Register, Tax ID**  
**code and VAT code No. 02120510371 - REA No. TV- 300188.**

**REMUNERATION REPORT**  
**issued pursuant to Art. 123-ter of the**  
**Consolidated Law on Finance and Art. 84-**  
**quarter of the Issuer Regulation.**

Approved by the Board of Directors on 28 February 2018

## GLOSSARY

<b>Corporate Governance Code or Code</b>	The Corporate Governance Code of listed companies as most recently approved in July 2015 by the Corporate Governance Committee promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
<b>Nominating and Remuneration Committee or Committee</b>	The Nominating and Remuneration Committee established by the Board of Directors of Massimo Zanetti Beverage Group S.p.A. in accordance with the Code.
<b>Board of Directors or Board</b>	The Board of Directors of Massimo Zanetti Beverage Group S.p.A.
<b>Managers with Strategic Responsibilities</b>	The managers pursuant to Art. 65, Par. 1-quater of the Issuer Regulation, identified by the Board of Directors.
<b>Group</b>	Massimo Zanetti Beverage Group S.p.A. and the companies controlled by it as per Art. 93 of the Consolidated Law on Finance.
<b>Massimo Zanetti Beverage Group or MZBG or Company</b>	Massimo Zanetti Beverage Group S.p.A.
<b>MTA</b>	The "Mercato Telematico Azionario", which is the Italian Electronic Stock Exchange managed by Borsa Italiana S.p.A.
<b>Remuneration Policy or Policy</b>	The remuneration policy for Directors, the General Manager and the managers with strategic responsibilities of MZBG, as approved each time by the Board of Directors.
<b>Committee Regulation</b>	The Regulation of the Nominating and Remuneration Committee
<b>Issuer Regulation</b>	The CONSOB Regulation adopted with Resolution No. 11971 of 14 May 1999 on issuers, as subsequently amended and supplemented.
<b>Remuneration Policy Report or Report</b>	This Remuneration Report issued pursuant to Art. 123-ter of the Consolidated Law on Finance and Art. 84- quater of the Issuer Regulation.

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## INTRODUCTION

This Report was approved on 28 February 2018 by the Board of Directors of Massimo Zanetti Beverage Group, a company listed on the STAR Segment of the Italian Electronic Stock Exchange since 03 June 2015. In accordance with applicable legislation and regulations, it details the Remuneration Policy adopted by the Company with respect to the 2018 financial year ("**2018 Remuneration Policy**"). The second section of the Report outlines the remuneration paid and/or accrued (even if not yet paid) in the year ended 31 December 2017 to members of the management and control bodies, to the General Manager and to the managers with strategic responsibilities.

At the date of this Report:

- the Board of Directors – appointed by the Shareholders' Meeting held on 11 April 2017 – consists of nine members who will be in office until the Shareholders' Meeting approving the financial statements at 31 December 2019, namely: Massimo Zanetti (Chairman and Managing Director), Matteo Zanetti, Laura Zanetti, Massimo Mambelli, Lawrence L. Quier, Maria Pilar Arbona Palmeiro Goncalves Braga Pimenta, Mara Vanzetta, Sabrina Delle Curti and Giorgio Valerio;
- the Board of Statutory Auditors – appointed by the Shareholders' Meeting held on 11 April 2017 – consists of the following Standing Auditors: Fabio Facchini (Chairman), Simona Gnudi and Franco Squizzato;
- Pascal Heritier holds the position of General Manager;
- the Company's Managers with strategic responsibilities are Giorgio Boggero and Francesco Cantini.

Pursuant to Art. 123-ter, Par. 6 of the Consolidated Law on Finance, the 2018 Remuneration Policy, as described in Section I of this Report, shall be subject to the not-binding resolution of the ordinary Shareholders' Meeting of the Company, called in accordance with Art. 2364, Par. 2 of the Italian Civil Code, to approve the 2017 financial statements.

## **SECTION I**

### **2018 REMUNERATION POLICY**

#### **A) Bodies and parties involved in the drafting, approval and implementation of the Remuneration Policy**

The Remuneration Policy is approved annually by the Board of Directors based on a proposal of the Nominating and Remuneration Committee (see point B below).

Pursuant to Art. 123-ter, Par. 6 of the Consolidated Law on Finance, the Remuneration Policy under Section I of this Report, is subject to the not-binding resolution of the Company's ordinary Shareholders' Meeting, convened in accordance with Art. 2364, Par. 2 of the Italian Civil Code, to approve the 2017 financial statements.

The Board of Directors and the Nominating and Remuneration Committee, as recommended by the Corporate Governance Code and Committee Regulation, are responsible for correctly implementing the Policy.

#### **B) Composition, operational procedures and duties of the Nominating and Remuneration Committee**

In accordance with the Committee Regulation, the Nominating and Remuneration Committee is established by way of resolution of the Board of Directors, and consists of at least three independent Directors; alternatively, the Committee may consist of non-executive directors, the majority of whom independent. At least one member must possess adequate knowledge and experience in accounting and financial matters and/or in remuneration policies, which was assessed by the Board at the time of the appointment. The Chairman is chosen from the independent members.

At the date of this Report, the Nominating and Remuneration Committee consists of three non-executive and independent Directors, notably, Giorgio Valerio, acting as Chairman, Sabrina Delle Curti and Mara Vanzetta. The latter was identified as a member with adequate experience in financial matters at the time of her appointment.

Pursuant to the Regulation, the Nominating and Remuneration Committee meets regularly, with the frequency necessary to carry out its activities, usually on the dates scheduled on the annual calendar of meetings approved by the Committee itself. Meetings are convened by the Chairman of the Committee or following a written request by one or more members.

For Committee's meetings to be valid, a majority of its members must be in attendance. The Committee's resolutions are duly passed with the favourable vote of the majority of those in attendance. In the case of a tie, the Chair of the meeting shall have determining vote.

Committee's meetings are attended by the Chairman of the Board of Statutory Auditors, or other Statutory Auditor designated by the former, and the other Statutory Auditors may also attend. Persons that are not members may also attend the meetings upon invitation of the Chairman and with respect to single items on the agenda. Invited persons are not entitled to vote.

Directors must refrain from participating in Committee's meetings where the proposals to the Board of Directors referring to their own remunerations are being formulated.

The Committee assists and supports the Board of Directors, with adequate preliminary work in its assessments and decisions relating to composition of the Board of Directors and remunerations of Directors and managers with strategic responsibilities.

Specifically, the Committee is assigned the following functions referring to remuneration:

- (i) periodically assesses the adequacy, overall consistency and material application of the policy adopted for the remuneration of executive Directors, other Directors entrusted with specific duties and managers with strategic responsibilities; in this regard, making use of the information provided by the Managing Directors, and drawing up proposals for the Board on the subject;
- (ii) submits proposals and delivers opinions to the Board of Directors concerning the remuneration of the executive Directors and of the other Directors entrusted with specific duties, as well as concerning the setting of performance objectives linked to the variable component of said remuneration by monitoring the application of the decisions adopted by the Board, and verifying, in particular, the actual achievement of the performance objectives.

The Committee is entitled to have access to the information and corporate functions as it is necessary to carry out its tasks, as well as to make use of external consultants.

The Committee prepares an annual report at 31 December, which is submitted to the Board of Directors. The Chairman of the Committee also reports (i) to the Board of Directors at least once every six months and not after the term for the approval of the annual and interim financial statements, at the meeting called by the Chairman of the Board of Directors on the activities carried out by the Committee, and (ii) if needed, at the Shareholders' Meeting, at the time of the approval of the annual financial statements, on the way in which it carries out its functions.

#### **C) 2018 Independent experts involved in the preparation of the 2018 Remuneration Policy**

No independent experts were involved in the preparation of the 2018 Remuneration Policy.

#### **D) Objectives pursued with the 2018 Remuneration Policy, basic principles and changes compared to the Policy adopted for the 2017 FY**

In line with the 2017 remuneration policy, the 2018 Remuneration Policy continues to pursue the aim of attracting, retaining and motivating individuals with the professional qualities required to successfully manage the Company. It is formulated so as to align management and shareholders' interests, and foster creation of value for shareholders over the medium-long term.

In particular, the 2018 Remuneration Policy provides the guidelines concerning the incentive mechanisms for executive directors, the General Manager and the other managers with strategic responsibilities, aimed at linking a portion of their remuneration to the achievement of multi-year economic-financial and operational targets, working towards medium and long term strategic objectives. These guidelines have been the basis for the drafting of a long-term cash incentive plan adopted by the Board of Directors on 28 February 2018 and referred to as the "2018-2020 three-year Incentive Plan" ("2018-2020 Incentive Plan"). The objectives of such plan are as follows:

- to reward the Company's short and long-term performance, as well as consolidate the alignment between management and shareholders' interests;
- to develop retention policies, focusing on making key corporate resources loyal and incentivising their stay with the Company;
- to develop attraction policies in respect of talented managerial and professional people.

By resolution on 25 January 2018, upon proposal of the Nominating and Remuneration Committee, and following consultations with the Board of Statutory Auditors, the Board of Directors adopted the 2018 Remuneration Policy, which essentially incorporates the Remuneration Policy implemented in 2017.

The 2018 Remuneration Policy adheres to the principles under Art. 6.C.1 of the Corporate Governance Code. Specifically:

- (a) the fixed and variable components are adequately balanced depending on the Issuer's strategic objectives and risk management policy, also taking into account the business sector in which it operates and the nature of business it actually performs;
- (b) maximum limits are set for the variable components;
- (c) the fixed component is adequate to remunerate the office of the Director where the variable component is not paid as a consequence of the not-achievement of the performance objectives specified by the Board of Directors;
- (d) the performance objectives - i.e. the economic results and any other specific objectives linked to the payment of variable components - are predetermined, measurable and linked to creation of value for the shareholders in the medium/long-term;
- (e) the payment of a significant portion of the variable component of remuneration is deferred for an appropriate period of time with respect to the moment of its accrual; the amount of that portion and the period of deferral are consistent with the characteristics of the business carried out and the associated risk profiles;
- (f) contractual arrangements are provided for that allow the Company to request the return, in whole or in part, of the variable components of remuneration paid (or to withhold sums that have been deferred), which were calculated on the basis of data that later turned out to be manifestly erroneous;
- (g) any indemnity, provided for termination of the directorship, is defined in such a way that its total amount does not exceed a certain amount or a certain number of years of remuneration. This indemnity is not paid if the termination of the relationship is due to the achievement of objectively inadequate results;
- (h) the remuneration of non-executive Directors is proportional to the commitment requested from each of them, also taking into account their participation in one or more committees. Except for an insignificant portion thereof, this remuneration is not linked to the financial results achieved by the Company. Non-executive Directors are not eligible for share-based remuneration plans, unless upon grounded decision of the Shareholders' Meeting.

**E) Description of the policies regarding fixed and variable remuneration components, particularly with regard to the relative weight within the overall remuneration, with distinction between short and medium-to-long term variable components**

Consistently with point D) above, the remuneration of the Directors, the General Manager and the managers with strategic responsibilities consists of the components described below.

**(I) Fixed component**

- (I.1) for the Chairman and Managing Director and for the individual executive and non-executive Directors, the fixed component is made up of the remuneration decided by the Board of Directors, following consultations with the Board of Statutory Auditors, taking also into account the commitment required of each of them and any participation in one or more committees, in any event, within the total amount resolved by the ordinary

Shareholders' Meeting, pursuant to Art. 2389, Par. 3 of the Italian Civil Code and the by-laws;

- (I.2) for the General Manager and the managers with strategic responsibilities, the fixed component is made up of the fixed gross annual remuneration specified in the individual agreements concluded, in accordance with the applicable collective contract regulations.

**(II) Variable component**

- (II.1) for the Chairman and Managing Director and the other executive directors, the General Manager and the Managers with strategic responsibilities, the variable component is made up of a medium-long term cash incentive ("**Cash Long Term Incentive**" or "**LTI**" or "**Incentive**") specified based on the 2018-2020 Incentive Plan and linked to the achievement of specific performance objectives, and more specifically:

- (II.1.1) the consolidated Ebitda attained by the Company in each financial year included in the three-year reference period of the Plan, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**"),

- (II.1.2) the consolidated Free Cash Flow attained by the Company in the three-year reference period of the Plan (cumulative over three years) with respect to the three-year Consolidated FCF Target ("**Component B**").

The following applies to both Components (Component A and Component B):

- (a) correctives are provided for, and in particular:
  - (a.1) Component A may be revised (upwards or downwards) based on the percentage change (%) between the consolidated Ebitda/Gross Margin ratio of MZBG during the reference year and the corresponding target figures;
  - (a.2) the Component B may be revised (upwards or downwards) based on the difference between the Total Shareholder Return ("**TSR**") of MZBG in the period between 2 January 2018 and 31 December 2020 and the TSR achieved in the same reference period by comparable companies included in a reference index used as a comparison. Calculations shall take place at the end of the three-year cycle specified for the accrual of the results;
- (b) three achievement levels for the relevant Performance Objective (Minimum, Target and Maximum), to which to specific value of the relevant Incentive are linked; no Incentive will be paid for results below the Minimum level.

According to the Corporate Governance Code recommendations, the payment of a significant portion of the Incentive is deferred for an appropriate period of time, with respect to the time it is accrued.

Specifically:

- (i) the Incentive relating to Component A is paid 40% up front, and the remaining 60% in the next two financial years, on condition that no "clawback clause" is triggered;



- (ii) the Incentive relating to Component B is paid in full after approval of the consolidated financial statements for the last financial year of the reference three-year period;

A cap has been set for the incentive that can be paid, even when the maximum level for the relative Performance Objective has been exceeded.

Furthermore, the Board of Directors may unilaterally and in good faith amend the value of the Performance Objectives that were already accepted by the beneficiaries of the 2018-2020 Incentive Plan, when

- (1) this should become necessary from a management perspective to make the Performance Objectives consistent with annual objectives approved after the original definition of the Performance Objectives; or
  - (2) when structural changes occur in the Company and/or the Group and/or the business or when extraordinary and/or unexpected events occur that may affect the markets where the Company and/or the Group operates.
- (II.2) for the managers with strategic responsibilities, an additional variable short-term incentive may also be specified, conditional on the achievement of corporate performance objectives specified on an annual basis ("MBO"), such as, for example increased profitability, increased cash generation, higher sales volume, increased Gross Profit per kg.

The MBO must be structured in such a way that the maximum amount thereof cannot in any case exceed 40% of the Gross Annual Remuneration.

#### **F) Policy applied to non-monetary benefits**

Based on the 2018 Remuneration Policy, the executive directors, the general manager and the other managers with strategic responsibilities are granted non-monetary benefits, on the basis of common practices, and the office and the role covered. These benefits may include the use of a company car, notebook and cell phone, as well as a third-party liability insurance policy.

#### **G) In relation to the variable components, a description of performance objectives in basis of which they are assigned, distinguishing between short and medium-to-long term variable components, and information on the connection between changes in results and changes in the remuneration**

In line with the provisions of the 2018-2020 Incentive Plan, the performance objectives for the payment of the variable component of the remuneration are set by the Board of Directors taking into account the specific business carried out by the Company and the related risk profiles.

With reference to the LTI, these objectives are set during the review of the multi-year plan and may be reviewed annually, based on the profitability and cash generation targets at the consolidated level; these objectives are set in such a way so as to avoid that their achievement may result in short-sighted management decisions. Since the variable payment is linked to the above objectives and adjusted on the basis of the Company's share value (and therefore indirectly of the corporate results), both the variable short-term and the medium-long term components are strictly related to the business performance and aim at creating value for shareholders over a medium-long time horizon.

**H) Criteria used to evaluate performance objectives forming the basis of the allocation of shares, options, other financial instruments or other variable components of remuneration**

Reference is made to point E) regarding the criteria used to evaluate performance objectives.

The achievement of performance objectives for the vesting of the annual variable payment and/or annual component thereof is evaluated by the Board of Directors on the basis of the information contained in the reference consolidated financial statements.

**I) Information intended to demonstrate that the remuneration policy is consistent with pursuing the company's long-term interests and with the risk management policy**

Reference is made to points E) and G).

**J) Vesting period, deferred payment systems, with indications of deferral period and criteria used to determine these periods and ex-post correction mechanisms**

As indicated under point E), with regard to the Chairman and Managing Director, the executive directors, the general manager and the other managers with strategic responsibilities of MZBG, the payment of a significant portion of the variable component of remuneration (LTI) is deferred for an appropriate period of time with respect to time of its accrual, so as to align management interests to creating value for shareholders over the medium-long term.

Based on the 2018-2020 Incentive Plan, the Company may withhold amounts subject to deferred payments or to request the refund, in whole or in part, of variable remuneration components already paid, and calculated on the basis of data later found to be manifestly erroneous (clawback clauses).

**K) Policy on the compensation due in the event of termination of office or termination of the employment relationship, specifying in which circumstances the right arises and any link between this compensation and the performance of the Company**

The Company has not entered into nor does it envisage to enter into agreements with Directors for severance pay indemnities or other reasons, in the case of termination of the relevant office.

The above is without prejudice, as far as the general manager and the other managers with strategic responsibilities are concerned, to the provisions under their respective individual employment contracts, in accordance with the collective regulations for sector managers, which stipulate, inter alia, a severance indemnity.

**L) Information on any insurance, social security or pension plans, other than obligatory schemes**

The Company has entered into and envisages entering into insurance, social security and pension plans other than those that are required by the respective employment contracts in the case of directors, the general manager and the other managers with strategic responsibilities, in accordance with applicable collective regulations.

**M) Remuneration policy, if any, with regard to (i) independent directors; (ii) committee membership; and (iii) the performance of specific duties**

The remuneration policy for independent directors does not differ from what is applicable to non-executive directors. It consists exclusively of the fixed component, resolved by the Board of Directors, within the

maximum amounts approved by the ordinary Shareholders' Meeting pursuant to Art. 2389, Par. 3 of the Italian Civil Code and the By-laws.

The remuneration paid to Directors that are part to committees established by the Board of Directors is set by the Board of Directors after due consultation with the Board of Statutory Auditors, taking into consideration the additional commitment required.

Non-executive directors are not entitled to any long-term cash incentive benefit.

**N) Use of remuneration policies of other companies as a reference and, if so, the criteria used for the selection of these companies.**

The 2018 Remuneration Policy was drafted by the Company without making reference to the policies of other companies. It is nonetheless in line with the policy of other companies of comparable size and financial results.

## SECTION II

### PAYMENTS RECEIVED DURING THE 2017 FINANCIAL YEAR BY MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

This Section of the Report details, by name, the payments made to individuals who during the 2017 FY or a portion thereof held the position of member of the Board of Directors, member of the Board of Statutory Auditors, General Manager or Manager with Strategic Responsibilities.

#### Part I – Remuneration Items

This Part provides an adequate representation of each item composing the remuneration of the individuals who during the 2017 FY held the position of member of the Board of Directors, member of the Board of Statutory Auditors, General Manager or Manager with Strategic Responsibilities.

The items composing the remuneration are shown analytically in Table 1 of Annex 3A, Schedule 7-bis of the Issuer Regulation reflected under Part II of this Section.

#### 1. BOARD OF DIRECTORS

##### 1.1. Chairman and Chief Executive Officer

The remuneration for the 2017 FY for the Chairman and Managing Director Massimo Zanetti was as follows:

###### 1.1.1 *Remuneration from the Massimo Zanetti Beverage Group*

Fixed remuneration: Euro 637,500.00, as remuneration for the office of Chairman of the Board of Directors, resolved by the Board of Directors' Meeting held on 13 April 2017;

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the personal objectives was performed by the Board of Directors on 28 February 2018, after hearing the Nominating and Remuneration Committee meeting gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI has been accrued for a total of Euro 1,302,356.00, of which Euro 142,413.00 with regard to Component A and Euro 1,159,943.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 56,965.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31

December 2017 and Euro 85,448.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;

- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: use of company cell phone, third party liability insurance policy.

No remuneration is provided for in the case of termination of the office.

#### 1.1.2 *Remuneration from subsidiaries*

In addition, Massimo Zanetti received:

- a fixed remuneration of Euro 83,382.00 as Board member and Chairman of Massimo Zanetti Beverage USA Inc;
- a fixed remuneration of Euro 637,500.00 as Board member and Chairman of Massimo Zanetti Beverage SA;
- a fixed remuneration of Euro 212,500.00 as Board member and Chairman of Segafredo Zanetti S.p.A.;
- a fixed remuneration of Euro 150,000.00 as Board member and Chairman of Meira OY.

## 1.2. **Executive Directors**

### 1.2.1 Massimo Mambelli

The remuneration of Massimo Mambelli for the 2017 FY was as follows.

#### 1.2.1.1 *Remuneration from the Massimo Zanetti Beverage Group*

Fixed remuneration: Euro 75,000.00, as remuneration for the office of Director, resolved by the Board of Directors' Meeting held on 13 April 2017; and

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the personal objectives was performed by the Board of Directors on 28 February 2018, after hearing the Nominating and Remuneration Committee meeting gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI has been accrued for a total of Euro 339,745.00, of which Euro 37,151.00 with regard to Component A and Euro 302,594.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 14,860.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of

the Company of the consolidated financial statements for the year ended 31 December 2017 and Euro 22,291.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;

- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: use of company cell phone, third party liability insurance policy.

No remuneration is provided for in the case of termination of the office.

#### *1.2.1.2 Remuneration from subsidiaries*

Massimo Mambelli also received:

- a fixed remuneration of Euro 16,677.00 as Board member of Massimo Zanetti Beverage USA Inc;
- a fixed remuneration of Euro 10,000.00 as Board member of Massimo Zanetti Beverage SA;
- a fixed remuneration of Euro 95,000.00 as Board member of Segafredo Zanetti S.p.A.;
- a fixed remuneration of Euro 28,333.00 as Board member of La San Marco S.p.A.;
- a fixed remuneration of Euro 16,667.00 as Board member of Segafredo Zanetti Coffee System S.p.A.;
- a fixed remuneration of Euro 10,000.00 as Board member of TikTak Segafredo Zanetti Nederland B.V.;
- a fixed remuneration of Euro 10,000.00 as Board member of Segafredo Zanetti France S.A.;
- a fixed remuneration of Euro 10,000.00 as Board member of Segafredo Zanetti Australia Pty Ltd;
- a fixed remuneration of Euro 165,704.00 corresponding to the annual gross remuneration specified in the personal contract signed as Manager of Segafredo Zanetti S.p.A.

#### *1.2.2 Larry Quier*

The remuneration of Larry Quier for the 2017 FY is as follows.

##### *1.2.2.1 Remuneration from the Massimo Zanetti Beverage Group*

Fixed remuneration: Euro 27,500.00, as remuneration for the office of Director, resolved by the Board of Directors' Meeting held on 13 April 2017.

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the personal objectives was performed by the Board of Directors on 28 February 2018, after hearing the Nominating

and Remuneration Committee meeting gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI has been accrued for a total of Euro 252,861.00, of which Euro 30,959.00 with regard to Component A and Euro 221,902.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 12,384.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017 and Euro 18,575.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;
- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: third party liability insurance policy.

No remuneration is provided for in the case of termination of the office.

#### 1.2.2.2 *Remuneration from subsidiaries*

Larry Quier also received from Massimo Zanetti Beverage USA Inc:

Fixed remuneration: Euro 343,534.00 corresponding to the annual gross remuneration provided for in his individual employment contract as Chief Operating Manager and Chief Strategy Manager;

Additional variable remuneration (MBO): subject to the achievement of performance objectives set on an annual basis. The assessment of the achievement of the performance objectives on the basis of which the additional variable remuneration is awarded (MBO) - carried out by the Board of Directors of Massimo Zanetti Beverage USA Inc. on the basis of the 2017 financial statements – is equal to 206,120.00 and shall be paid in 2018.

### 1.3. **Non-Executive Directors**

The remuneration of other members of the Board of Directors, all of whom non-executive, for the 2017 FY, was as follows.

#### 1.3.1 Laura Zanetti

##### 1.3.1.1 *Remuneration from Massimo Zanetti Beverage Group*

Fixed remuneration: Euro 27,500.00, as remuneration for the office of Director, resolved by the Board of Directors' Meeting held on 13 April 2017.

##### 1.3.1.2 *Remuneration from subsidiaries*

- a fixed remuneration of Euro 15,000.00 as Board member of Massimo Zanetti Beverage S.A.;
- a fixed remuneration of Euro 95,000.00 as Board member of Segafredo Zanetti S.p.A.;
- a fixed remuneration of Euro 28,333.00 as Board member of La San Marco S.p.A.;
- a fixed remuneration of Euro 100,000.00 corresponding to the annual gross remuneration specified in the personal contract signed as Manager of Segafredo Zanetti S.p.A.

### 1.3.2 Matteo Zanetti:

#### 1.3.2.1 *Remuneration from the Massimo Zanetti Beverage Group*

Fixed remuneration: Euro 27,500.00, as remuneration for the office of Director, resolved by the Board of Directors' Meeting held on 13 April 2017.

#### 1.3.2.2 *Remuneration from subsidiaries:*

- a fixed remuneration of Euro 15,000.00 as Board member of Massimo Zanetti Beverage SA;
- a fixed remuneration of Euro 95,000.00 as Board member of Segafredo Zanetti S.p.A.;
- a fixed remuneration of Euro 28,333.00 as Board member of La San Marco S.p.A.;
- a fixed remuneration of Euro 43,334.00 as Board member of Segafredo Zanetti Coffee System S.p.A.;
- a fixed remuneration of Euro 145,797.00 corresponding to the annual gross remuneration specified in the personal contract signed as Manager of Segafredo Zanetti Coffee System S.p.A.

### 1.3.3 Maria Pilar Arbona Palmeiro Goncalves Braga Pimenta:

#### 1.3.3.1 *Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 77,500.00 of which Euro 27,500.00 as remuneration for the office of Director, as resolved by the Board of Directors on 13 April 2017 and Euro 50,000.00, as remuneration for the position of manager of the Company, corresponding to the gross annual remuneration provided for in her individual employment contract, in compliance with the collective regulations for food industry managers, which also includes a severance indemnity, for the period 01 January 2017 – 31 May 2017;

#### 1.3.3.2 *Remuneration from subsidiaries:*

- a fixed remuneration of Euro 63,712.00 as Managing Director of Brodies Melrose Drysdale & Co Ltd, for the period 1 June 2017 – 31 December 2017.

### 1.3.4 Mara Vanzetta:

#### 1.3.4.1 *Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 41,250.00 (\*) of which Euro 22,500.00 as remuneration for the office of Director; Euro 7,500.00 as remuneration for the office of member and Chairman of the Audit and Risk Committee; Euro 7,500.00 as remuneration



for the office of member and Chairman of the Related-Party Transactions Committee; Euro 3,750.00 as remuneration for the office of member of the Nominating and Remuneration Committee, all this resolved by the Board of Directors on 13 April 2017.

(\*) period 11 April 2017 – 31 December 2017

### 1.3.5 Giorgio Valerio

#### *1.3.5.1 Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 37,500.00 (\*), of which Euro 22,500.00 as remuneration for the office of Director; Euro 7,500.00 as remuneration for the office of member and Chairman of the Nominating and Remuneration Committee; Euro 3,750.00 as remuneration for the office of member of the Related-Party Transactions Committee; Euro 3,750.00 as remuneration for the office of member of the Audit and Risk Committee, all this resolved by the Board of Directors on 13 April 2017.

(\*) period 11 April 2017 – 31 December 2017

### 1.3.6 Sabrina Delle Curti:

#### *1.3.6.1 Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 33,750.00 (\*), of which Euro 22,500.00 as remuneration for the office of Director; Euro 3,750.00 as remuneration for the office of member of the Nominating and Remuneration Committee; Euro 3,750.00 as remuneration for the office of member of the Related-Party Transactions Committee; Euro 3,750.00 as remuneration for the office of member of the Audit and Risk Committee, all this resolved by the Board of Directors on 13 April 2017.

(\*) period 11 April 2017 – 31 December 2017

### 1.3.7 Annapaola Tonelli (in office until 10 April 2017):

#### *1.3.7.1 Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 12,000.00 (\*\*), of which Euro 5,000.00 as remuneration for the office of Director; Euro 3,500.00 as remuneration for the office of member and Chairman of the Nominating and Remuneration Committee; Euro 1,750.00 as remuneration for the office of member of the Related-Party Transactions Committee; Euro 1,750.00 as remuneration for the office of member of the Audit and Risk Committee, all this resolved by the Board of Directors on 29 June 2016.

(\*\*) period 1 January 2017 – 10 April 2017

### 1.3.8 Roberto H. Tentori (in office until 10 April 2017):

#### *1.3.8.1 Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 13,750.00 (\*\*) of which Euro 5,000.00 as remuneration for the office of Director; Euro 3,500.00 as remuneration for the office of member and Chairman of the Audit and Risk Committee; Euro 3,500.00 as remuneration for the office of member and Chairman of the Related-

Party Transactions Committee; Euro 1,750.00 as remuneration for the office of member of the Nominating and Remuneration Committee, all this resolved by the Board of Directors on 29 June 2016.

(\*\*) *period 1 January 2017 – 10 April 2017*

1.3.9 Josè Fernando Pinto dos Santos (in office until 10 April 2017):

*1.3.9.1 Remuneration from the Massimo Zanetti Beverage Group:*

Fixed remuneration: Euro 10,250.00 (\*\*), of which Euro 5,000.00 as remuneration for the office of Director; Euro 1,750.00 as remuneration for the office of member of the Nominating and Remuneration Committee; Euro 1,750.00 as remuneration for the office of member of the Related-Party Transactions Committee; Euro 1,750.00 as remuneration for the office of member of the Audit and Risk Committee, all this resolved by the Board of Directors on 29 June 2016.

(\*\*) *period 1 January 2017 – 10 April 2017*

All directors mentioned benefit (or, for the directors who have left their office in the 2017 FY, have benefited) of a third party liability insurance policy, for the period in office.

No remuneration is provided for these directors (including those who have left office in the 2017 FY) in the case of termination of their office as Directors of the Massimo Zanetti Beverage Group.

#### **1.4. BOARD OF STATUTORY AUDITORS**

The remuneration for the members of the Board of Statutory Auditors, as resolved by the Shareholders' Meeting held on 11 April 2017, is as follows:

- (i) for the Chairman of the Board of Statutory Auditors, Pier Fabio Facchini, a remuneration of Euro 27,225.00 for the period 11 April 2017 - 31 December 2017;
- for the Standing Auditor Simona Gnudi, a remuneration of Euro 18,000.00 for the period 11 April 2017 - 31 December 2017;
- (iii) for the Standing Auditor Franco Squizzato, a remuneration of Euro 18,000.00, for the period 11 April 2017 - 31 December 2017;

The remuneration for the members of the Board of Statutory Auditors in office until the Shareholders' Meeting held on 11 April 2017, as resolved by the Meeting on 15 July 2014, is as follows:

- (i) for the Chairman of the Board of Statutory Auditors Pier Paolo Pascucci, a remuneration of Euro 10,300.00 for the period 1 January 2017- 10 April 2017;
- for the Standing Auditor Ermanno Era, a remuneration of Euro 6,900.00 for the period 1 January 2017- 10 April 2017;
- (iii) for the Standing Auditor Maria Augusta Scagliarini, a remuneration of Euro 6,900.00 for the period 1 January 2017- 10 April 2017.

## 1.5. GENERAL MANAGER

The remuneration for the General Manager Pascal Hérítier for the 2017 FY is as follows.

### 1.5.1 *Remuneration from the Massimo Zanetti Beverage Group*

Fixed Remuneration: Euro 200,000.00, corresponding to the gross annual remuneration provided for in his individual employment contract, in compliance with the collective regulations for food industry managers, which also includes a severance indemnity;

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the personal objectives was performed by the Board of Directors on 28 February 2018, after hearing the Nominating and Remuneration Committee meeting gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI has been accrued for a total of Euro 311,433.00, of which Euro 34,055.00 with regard to Component A and Euro 277,378.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 13,622.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017 and Euro 20,433.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;
- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: use of notebook and company cell phone, third party liability insurance policy.

### 1.5.2 *Remuneration from subsidiaries*

Pascal Hérítier also received the following remuneration:

- Euro 52,200.00, for the office of managing director of Massimo Zanetti Beverage S.A.;
  - Euro 25,000.00, for the office of managing director of Segafredo Zanetti Espresso Worldwide Ltd;
  - Euro 28,333.00, for the office of Board member of La San Marco S.p.A.;
  - Euro 12,568.00 for the office of President of Segafredo Zanetti Espresso Worldwide Japan;
  - Euro 10,678.00 for the office of President of Boncafé International;
- Euro 3,334.00 for the office of Board member of Massimo Zanetti Beverage Ibéria S.A.;

- Euro 5,000.00 for the office of general manager of Segafredo Zanetti Austria GmbH.
- Euro 5,000.00 for the office of Board member of Massimo Zanetti Beverage Thailand Ltd;
- Euro 5,000.00 for the office of Board member of Massimo Zanetti Beverage Thailand Ltd.

## 1.6. MANAGERS WITH STRATEGIC RESPONSIBILITIES

### 1.6.1 Giorgio Boggero

The remuneration of Giorgio Boggero, Managing Director South Europe for the 2017 FY is as follows.

#### *1.6.1.1 Remuneration from the Massimo Zanetti Beverage Group*

Fixed Remuneration: Euro 350,000.00, of which Euro 50,000.00 as entry bonus and Euro 300,000.00 corresponding to the gross annual remuneration provided for in his individual employment contract, in compliance with the collective regulations for food industry managers, which also includes a severance indemnity.

Additional variable remuneration (MBO): subject to the achievement of performance objectives set on an annual basis, at both the corporate and the individual level, and specified according to the position held. The assessment of the achievement of the performance objectives to award the additional variable remuneration (MBO) was performed by the Managing Director and the Chief Financial Officer, based on (i) the 2017 consolidated financial statements approved by the Board of Directors on 28 February 2018 and (ii) the 2017 financial statements for the companies within the area of competence. The MBO amount is equal to Euro 53,609.00 and shall be paid in the FY 2018.

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the objectives used to calculate the additional variable remuneration (LTI) was performed by the Board of Directors on 28 February 2018, after hearing the Nominating and Remuneration Committee gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI for a total of Euro 106,667.00 has been accrued, of which Euro 14,860.00 with regard to Component A and Euro 91,807.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 5,944.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017 and Euro 8,916.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;

- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: use of notebook and company cell phone, use of company car, third party liability insurance policy.

#### 1.6.1.2 Remuneration from subsidiaries

Giorgio Boggero also received the following remuneration:

- Euro 25,000.00 for the office of Chairman of the Board of Directors of Massimo Zanetti Beverage Iberia S.A.

#### 1.6.2 Francesco Cantini

The remuneration of Francesco Cantini, Managing Director North Europe, for the 2017 FY is as follows.

##### 1.6.2.1 Remuneration from the Massimo Zanetti Beverage Group

Fixed Remuneration: Euro 260,000.00, corresponding to the gross annual remuneration provided for in his individual employment contract, in compliance with the collective regulations for food industry managers, which also includes a severance indemnity;

Additional variable remuneration (MBO): subject to the achievement of performance objectives set on an annual basis, at both the corporate and the individual level, and established according to the office held. The assessment of the achievement of the performance objectives to award the additional variable remuneration (MBO) was performed by the Managing Director and the Chief Financial Officer, based on (i) the 2017 consolidated financial statements approved by the Board of Directors on 28 February 2018 and (ii) the 2017 financial statements for the companies within the area of competence. The MBO amount is equal to Euro 81,017.00 and shall be paid in the FY 2018.

Variable remuneration (LTI): subject to achievement of the Performance Objective corresponding to: (i) the consolidated Ebitda attained by the Company in the 2017 FY, with respect to the corresponding Annual Consolidated Ebitda Target ("**Component A**") and (ii) the consolidated Free Cash Flow attained by the Company in the three-year 2015-2017 period with respect to the corresponding Cumulative Consolidated FCF Target ("**Component B**"). The assessment of the achievement of the objectives used to calculate the additional variable remuneration (LTI) was performed by the Board of Directors on 28 February 2018, after hearing the Nominating and Remuneration Committee gathered on the same date, based on the 2017 Consolidated financial statements approved by the Board itself. As a result of this assessment, with regard to the 2017 FY, an additional remuneration linked to the LTI has been accrued for a total of Euro 52,504.00, of which Euro 6,440.00 with regard to Component A and Euro 46,064.00 with regard to Component B. In compliance with the provisions of the 2015-2017 Incentive Plan, this additional remuneration shall be paid as follows:

- a) as for Component A, Euro 2,576.00 (equal to 40% of the amount accrued) by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017 and Euro 3,864.00 (equal to residual 60% of the amount accrued) in two tranches of equal amount, in the FY 2019 and 2020, by and not

after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the corresponding consolidated financial statements, subject to fulfilment of the relevant conditions set out in the 2015-2017 Incentive Plan;

- b) as for Component B, in one single payment by and not after 90 days of the approval by the ordinary Shareholders' Meeting of the Company of the consolidated financial statements for the year ended 31 December 2017.

Non-monetary benefits: use of notebook and company cell phone, use of company car, third party liability insurance policy.

#### 1.6.2.2 *Remuneration from subsidiaries*

Francesco Cantini also received the following remuneration:

- Euro 5,000.00 for the office of Board member of Meira Oy.

### **1.7. AGREEMENTS PROVIDING FOR INDEMNITIES IN THE EVENT OF EARLY TERMINATION**

During 2017 no agreement was signed providing for indemnities in the case of early termination of the working relationship between the Company and its Directors, the Statutory Auditors and General Manager, except in the case of the latter, where the relevant collective regulations find application.

### **1.8. CASH LONG-TERM INCENTIVE**

On 28 February 2018, after consultations with the Nominating and Remuneration Committee, the Board of Directors approved the 2018-2020 Incentive Plan.

Reference is made to point E) for more information on the 2018-2020 Incentive Plan.

The 2018-2020 Incentive Plan regulations are available on the Company's website [www.mzb-group.com](http://www.mzb-group.com) under the section "IR/Corporate Governance/Procedures and Regulations".

\* \* \* \* \*

Villorba (TV), 28 February 2018

For the Board of Directors  
The Chairman

(Massimo Zanetti)

## **PART II - TABLES**

The tables below detail the remunerations paid for any reason and in any form by MZBG and its subsidiaries and associated companies for the 2017 FY, to members of the Board of Directors and Board of Statutory Auditors, the General Manager and the managers with strategic responsibilities.



**TABLE**

**Remuneration paid and/or accrued to members of the management and control bodies, the general manager and the managers with strategic responsibilities**

**(Remuneration is expressed in Euro)**



Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment
							Bonuses and other incentives (*)	Profits sharing					
Massimo Zanetti	Chairman BoD Managing Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	637,500	-	1,302,356	-	-	-	1,939,856	-	-
				Remuneration from subsidiaries and associates (1)	1,083,382	-	-	-	-	1,083,382	-	-	
				<b>Total</b>	<b>1,720,882</b>	-	<b>1,302,356</b>	-	-	<b>3,023,238</b>	-	-	
Matteo Zanetti	Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	27,500	-	-	-	-	-	27,500	-	-
				Remuneration from subsidiaries and associates (2)	327,464	-	-	-	-	327,464	-	-	
				<b>Total</b>	<b>354,964</b>	-	-	-	-	<b>354,964</b>	-	-	
Laura Zanetti	Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	27,500	-	-	-	-	-	27,500	-	-
				Remuneration from subsidiaries and associates (3)	238,333	-	-	-	-	238,333	-	-	
				<b>Total</b>	<b>265,833</b>	-	-	-	-	<b>265,833</b>	-	-	

(\*) variable remuneration accrued (but not yet paid) for objectives achieved in 2017.

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment
							Bonuses and other incentives (*)	Profits sharing					
Massimo Mambelli	Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	75,000	-	339,745	-	-	-	414,745	-	-
				Remuneration from subsidiaries and associates (4)	362,381	-	-	-	-	362,381	-	-	
				<b>Total</b>	<b>437,381</b>	-	<b>339,745</b>	-	-	<b>777,126</b>	-	-	
Lawrence L. Quier	Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	27,500	-	252,861	-	-	-	280,361	-	-
				Remuneration from subsidiaries and associates (5)	343,534	-	206,120	-	-	549,654	-	-	
				<b>Total</b>	<b>371,034</b>	-	<b>458,981</b>	-	-	<b>830,015</b>	-	-	
Maria Pilar Arbona Palmeiro Goncalves Braga Pimenta	Director	1.1.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	77,500	-	-	-	-	-	77,500	-	-
				Remuneration from subsidiaries and associates (6)	63,712	-	-	-	-	63,712	-	-	
				<b>Total</b>	<b>141,212</b>	-	-	-	-	<b>141,212</b>	-	-	

(\*) variable remuneration accrued (but not yet paid) for objectives achieved in 2017.

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment	
							Bonuses and other incentives	Profits sharing						
José Fernando Pinto dos Santos	Director	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	5,000	5,250 (7)	-	-	-	-	10,250	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-
				<b>Total</b>	<b>5,000</b>	<b>5,250</b>	-	-	-	-	<b>10,250</b>	-	-	
Roberto H. Tentori	Independent Director	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	5,000	8,750 (8)	-	-	-	-	13,750	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>5,000</b>	<b>8,750</b>	-	-	-	-	<b>13,750</b>	-	-	
Annapaola Tonelli	Independent Director	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	5,000	7,000 (9)	-	-	-	-	12,000	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>5,000</b>	<b>7,000</b>	-	-	-	-	<b>12,000</b>	-	-	

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment	
Sabrina Delle Curti	Independent Director	11.04.2017 31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	22,500	11,250 (10)	-	-	-	-	33,750	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-
				<b>Total</b>	<b>22,500</b>	11,250	-	-	-	-	<b>33,750</b>	-	-	
Mara Vanzetta	Independent Director	11.04.2017 31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	22,500	18,750 (11)	-	-	-	-	41,250	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>22,500</b>	<b>18,750</b>	-	-	-	-	<b>41,250</b>	-	-	
Giorgio Valerio	Independent Director	11.04.2017 31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	22,500	15,000 (12)	-	-	-	-	37,500	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>22,500</b>	<b>15,000</b>	-	-	-	-	<b>37,500</b>	-	-	

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment	
							Bonuses and other incentives	Profits sharing						
Pier Paolo Pascucci	Chairman of the Board of the Statutory Auditors	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	10,300	-	-	-	-	-	10,300	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	-
				<b>Total</b>	<b>10,300</b>	-	-	-	-	-	<b>10,300</b>	-	-	
Ermanno Era	Standing Auditor	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	6,900	-	-	-	-	-	6,900	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>6,900</b>	-	-	-	-	-	<b>6,900</b>	-	-	
Maria Augusta Scagliarini	Standing Auditor	1.1.2017-10.04.2017	Shareholders' Meeting to approve 2016 Financial Statements	MZBG remuneration	6,900	-	-	-	-	-	6,900	-	-	
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>6,900</b>	-	-	-	-	-	<b>6,900</b>	-	-	

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment
Fabio Facchini	Chairman of the Board of the Statutory Auditors	11.4.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	27,225	-	-	-	-	-	27,225	-	-
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>27,225</b>	-	-	-	-	-	<b>27,225</b>	-	-
Franco Squizzato	Standing Auditor	11.4.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	18,000	-	-	-	-	-	18,000	-	-
				Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-	
				<b>Total</b>	<b>18,000</b>	-	-	-	-	-	<b>18,000</b>	-	-
Simona Gnudi	Standing Auditor	11.4.2017-31.12.2017	Shareholders' Meeting to approve 2019 Financial Statements	MZBG remuneration	18,000	-	-	-	-	-	18,000	-	-
				Remuneration from subsidiaries and associates	9,000	-	-	-	-	-	9,000	-	-
				<b>Total</b>	<b>27,000</b>	-	-	-	-	-	<b>27,000</b>	-	-

Name and surname	Office	Period in which office was held	Expiration of office		Fixed remuneration	Remuneration for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair Value remuneration	Severance indemnities for end of office or termination of employment
							Bonuses and other incentives (*)	Profits sharing					
Pascal Héritier	General Manager	1.1.2017-31.12.2017	N.A.	MZBG remuneration	200,000	-	311,433	-	-	-	511,433	-	-
				Remuneration from subsidiaries and associates (13)	147,113	-	-	-	-	-	147,113	-	-
				<b>Total</b>	<b>347,113</b>	-	<b>311,433</b>	-	-	-	<b>658,546</b>	-	-
Giorgio Boggero	Manager with Strategic Responsibilities	1.1.2017-31.12.2017	N.A.	MZBG remuneration	350,000 (14)	-	160,276	-	-	-	510,276	-	-
				Remuneration from subsidiaries and associates (15)	25,000	-	-	-	-	-	25,000	-	-
				<b>Total</b>	<b>375,000</b>	-	<b>160,276</b>	-	-	-	<b>535,276</b>	-	-
Francesco Cantini	Manager with Strategic Responsibilities	1.1.2017-31.12.201	N.A.	MZBG remuneration	260,000	-	133,521	-	-	-	393,521	-	-
				Remuneration from subsidiaries and associates	5,000	-	-	-	-	-	5,000	-	-
				<b>Total</b>	<b>265,000</b>	-	<b>133,521</b>	-	-	-	<b>398,521</b>	-	-



(\*) variable remuneration accrued (but not yet paid) for objectives achieved in 2017.

- (1) Of which: Euro 83,382 as Board member and Chairman of Massimo Zanetti Beverage USA Inc, Euro 637,500 as Board member and Chairman of Massimo Zanetti Beverage SA, Euro 212,500 as Board member and Chairman of Segafredo Zanetti S.p.A. and Euro 150,000 as Board member and Chairman of Meira OY.
- (2) Of which: Euro 15,000 as Board member of Massimo Zanetti Beverage SA, Euro 95,000 as Board member of Segafredo Zanetti S.p.A., Euro 28,333 as Board member of La San Marco S.p.A., Euro 43,334 as Chairman of Segafredo Zanetti Coffee System S.p.A. and Euro 145,797 as Senior Executive of Segafredo Zanetti Coffee System S.p.A.
- (3) Of which: Euro 15,000 as Board member of Massimo Zanetti Beverage SA, Euro 95,000 as Board member of Segafredo Zanetti S.p.A., Euro 28,333 as Board member of La San Marco S.p.A. and Euro 100,000 as Senior Executive of Segafredo Zanetti S.p.A.
- (4) Of which: Euro 16,677 as Board member of Massimo Zanetti Beverage USA Inc, Euro 10,000 as Board member of Massimo Zanetti Beverage SA, Euro 95,000 as Managing Director of Segafredo Zanetti S.p.A., Euro 28,333 as Board member of La San Marco S.p.A., Euro 16,667 as Managing Director of Segafredo Zanetti Coffee System S.p.A., Euro 10,000 as Board member of TikTak Segafredo Zanetti Nederland B.V., Euro 10,000 as Board member of Segafredo Zanetti France SA, Euro 10,000 as Board member of Segafredo Zanetti Australia Pty Ltd and Euro 165,704 as a Senior Executive of Segafredo Zanetti S.p.A.
- (5) Euro 549,654 as Chief Operating Officer and Chief Strategy Officer of Massimo Zanetti Beverage USA Inc
- (6) Euro 63,712 as Managing Director of Brodies Melrose Drysdale & Co Ltd
- (7) Of which: Euro 1,750 as fixed remuneration as a member of the Audit and Risk Committee, Euro 1,750 as fixed remuneration as a member of the Nominating and Remuneration Committee and Euro 1,750 as fixed remuneration as a member of the Related-Party Committee.
- (8) Of which: Euro 3,500 as fixed remuneration as Chairman of the Audit and Risk Committee, Euro 1,750 as fixed remuneration as a member of the Nominating and Remuneration Committee and Euro 3,500 as fixed remuneration as Chairman of the Related-Party Committee.
- (9) Of which: Euro 1,750 as fixed remuneration as a member of the Audit and Risk Committee, Euro 3,500 as fixed remuneration as Chairman of the Nominating and Remuneration Committee and Euro 1,750 as fixed remuneration as a member of the Related-Party Committee.
- (10) Of which: Euro 3,750 as fixed remuneration as a member of the Audit and Risk Committee, Euro 3,750 as fixed remuneration as a member of the Nominating and Remuneration Committee and Euro 3,750 as fixed remuneration as a member of the Related-Party Committee.
- (11) Of which: Euro 7,500 as fixed remuneration as Chairman of the Audit and Risk Committee, Euro 3,750 as fixed remuneration as a member of the Nominating and Remuneration Committee and Euro 7,500 as fixed remuneration as Chairman of the Related-Party Committee.
- (12) Of which: Euro 3,750 as fixed remuneration as a member of the Audit and Risk Committee, Euro 7,500 as fixed remuneration as Chairman of the Nominating and Remuneration Committee and Euro 3,750 as fixed remuneration as a member of the Related-Party Committee
- (13) Of which: Euro 52,200 as Managing Director of Massimo Zanetti Beverage S.A.; Euro 25,000 as Managing Director of Segafredo Zanetti Espresso Worldwide Ltd.; Euro 28,333 as Director of La San Marco S.p.a.; Euro 12,568 as Chairman of Segafredo Zanetti Espresso Worldwide Japan; Euro 10,678 as President of Boncafe International; Euro 3,334 as Director of Massimo Zanetti Beverage Ibéria S.A.; Euro 5,000 as General Manager of Segafredo Zanetti Austria GmbH; Euro 5,000 as Director of Massimo Zanetti Beverage Thailand Ltd.; Euro 5,000 as Director of Segafredo Zanetti Thailand Ltd.
- (14) Of which Euro 50,000 as entry bonus
- (15) As Chairman of Massimo Zanetti Beverage Ibéria S.A.





**TABLE**  
**Cash incentive plans for members of the administration body, general managers and other managers with strategic responsibilities**  
**(remuneration expressed in Euro)**

Name and surname	Office		Plan	Bonus for the year			Bonuses for previous years			Other bonuses
				Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
Massimo Zanetti	Chairman BoD Managing Director	MZBG remuneration	LTI 2015-2017	1,302,356 <sup>(16)</sup>			-	114,881 <sup>(17)</sup>	-	-
		Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-
		<b>Total</b>		<b>1,302,356</b>			-	<b>114,881</b>	-	-
Massimo Mambelli	Director	MZBG remuneration	LTI 2015-2017	339,745 <sup>18</sup>			-	29,969 <sup>19</sup>	-	-
		Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-
		<b>Total</b>		<b>339,745</b>			-	<b>29,969</b>	-	-
Larry Quier	Director	MZBG remuneration	LTI 2015-2017	252,861 <sup>20</sup>			-	24,974 <sup>21</sup>	-	-
		Remuneration from subsidiaries and associates	MBO 2077	206,120 <sup>22</sup>	-	-	-	-	-	-
		<b>Total</b>		<b>458,981</b>				<b>24,974</b>		

Name and surname	Office		Bonus for the year				Bonuses for previous years			Other bonuses
			Plan	Payable/paid	Deferred	Deferral period	No longer payable	Payable/paid	Still deferred	
Pascal Héritier	General Manager	MZBG remuneration	LTI 2015-2017	311,433 <sup>23</sup>			-	27,472 <sup>24</sup>	-	-
		Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-
		<b>Total</b>		<b>311,433</b>			-	<b>27,472</b>	-	-
Giorgio Boggero	Manager with Strategic Responsibilities	MZBG remuneration	LTI 2015-2017	106,667 <sup>25</sup>			-	6,993 <sup>26</sup>	-	-
			MBO 2017	53,609 <sup>27</sup>						
		Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-
		<b>Total</b>		<b>160,276</b>			-	<b>6,993</b>	-	-
Francesco Cantini	Manager with Strategic Responsibilities	MZBG remuneration	LTI 2015-2017	52,504 <sup>28</sup>			-	4,329 <sup>29</sup>	-	-
			MBO 2017	81,017 <sup>30</sup>						
		Remuneration from subsidiaries and associates	-	-	-	-	-	-	-	-
		<b>Total</b>		<b>133,521</b>			-	<b>4,329</b>	-	-



- <sup>(16)</sup> of which Euro 1,216,908, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 85,448, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(17)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(18)</sup> of which Euro 317,454, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 22,291, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(19)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(20)</sup> of which Euro 234,286, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 18,575, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(21)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(22)</sup> to be paid in 2018 by Massimo Zanetti Beverage Group S.p.A.
- <sup>(23)</sup> of which Euro 291,000, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 20,433, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(24)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(25)</sup> of which Euro 97,751, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 8,916, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(26)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(27)</sup> to be paid in 2018
- <sup>(28)</sup> of which Euro 48,640, equal to 40% of Component A and to 100% of Component B, to be paid in 2018 and Euro 3,864, equal to 60% of Component A, to be paid in two tranches of equal amount in 2019 and 2020
- <sup>(29)</sup> to be paid in two tranches of equal amount in 2018 and 2019
- <sup>(30)</sup> to be paid in 2018

### SECTION III

#### SECTION III - INFORMATION ON SHAREHOLDINGS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS, GENERAL MANAGERS AND MANAGERS WITH STRATEGIC RESPONSIBILITIES

In accordance with Art. 84-quater of the Issuer Regulation, the table below provides the names of the members of the Board of Directors and Board of Statutory Auditors, the General Manager and, on an aggregate basis, of the Managers with Strategic Responsibilities holding shareholdings in MZBG and its subsidiaries.

Name and surname	Office	Period in which office was held	Shareholding in company	Number of shares held at the beginning of the 2017 FY	Number of shares purchased	Number of shares sold	Number of shares held at the end of the 2017 FY
Massimo Zanetti	Chairman BoD and MD	1.1.2017-31.12.2017	Massimo Zanetti Beverage Group S.p.A. (1)	23,339,963		0	23,339,963
Larry Quier	Executive Director	1.1.2017-31.12.2017	Massimo Zanetti Beverage Group S.p.A.	12,000		0	12,000
Pascal Héritier	General Manager	1.1.2017-31.12.2017	Massimo Zanetti Beverage Group S.p.A.	400	0	0	400
Managers with strategic responsibilities				0	0	0	0

(1) Indirect shareholding held through the subsidiary MZ. Industries S.A.

