



GIGLIO GROUP S.p.A.

REMUNERATION REPORT - 2019

pursuant to Art. 123-*ter* of the Consolidated Financial Act and 84-*quater* of the Issuers'
Regulation

Issuer: Giglio Group S.p.A.

Website: <https://www.giglio.org>

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GLOSSARY

Borsa Italiana: Borsa Italiana S.p.A..

Corporate Governance Code: the self-regulatory code for listed companies approved on July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria, available to the public on the Website of the Corporate Governance Committee at <http://www.borsaitaliana.it/comitato-corporate-governance/codice/codice.htm>.

Civil Code: the Italian Civil Code.

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

Appointments and Remuneration Committee or Committee: the committee for remuneration and appointments constituted within the Company's Board of Directors.

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

Issuer or Giglio Group or Company: Giglio Group S.p.A.

Fiscal Year 2018: the fiscal year closed at 31 December 2018.

Borsa Instructions: instructions for the regulation of the markets organised and managed by Borsa Italiana S.p.A.

New Industrial Plan: the industrial plan for years 2019-2021, approved by the Board of Directors on 15 March 2019.

Remuneration Policy: the remuneration policy of executive directors and general managers with strategic responsibilities of the Company, approved by the Board of Directors on 3 September 2018 upon the proposal of the Appointments and Remuneration Committee, available on the Company's Website at <https://www.giglio.org>, in the Corporate Governance section, as amended by the Board of Directors on 27 March 2019 following the approval of the New Industrial Plan.

Borsa Regulation: the regulation of the markets organised and managed by Borsa Italiana S.p.A.

Issuers Regulation: the regulation issued by Consob with resolution no. 11971 of 1999 (as amended) regarding the regulation of issuers.

Report: this remuneration report, pursuant to Art. 123-*bis* of the Consolidated Financial Act and 84-*quater* of the Issuers' Regulation.

Consolidated Act: the Legislative Decree no. 58 of 24 February 1998 (Consolidated Financial Act), as amended.

INTRODUCTION

Giglio Group's Remuneration Policy, approved and defined by the Board of Directors, upon the proposal of the Appointments and Remuneration Committee on 27 March 2019, is divided into two Sections:

- 1) **Section I** shows (i) the Remuneration Policy adopted by the Company with specific reference to 2019, and (ii) the procedures used for the adoption and implementation of the Remuneration Policy;
- 2) Section II shows the compensations paid in 2018, for any reason and in any form, by the Company and its subsidiaries and associates, to Directors, Managers with strategic responsibilities and members of the Board of Statutory Auditors, providing a representation of every item of their remuneration. Section II, pursuant to art. 84-quarter, par. 4 of the Issuers' Regulation, also shows, in specific tables, the data regarding equity investments held by Directors, Auditors and Managers with strategic responsibilities in the Company and its subsidiaries, as well as by the above's spouses not legally separated and minor sons and daughters, either directly or through companies controlled by the same, through trust companies or fiduciaries, as resulting from the Shareholders' Register, by communications received and by other information acquired by the same Directors, Auditors and Managers with strategic responsibilities.

For the purposes of this Report, it is noted that:

- a. the Board of Directors was appointed in the Shareholders' Meeting of 11 May 2018 and integrated through co-optation pursuant to Art. 2386 of the Civil Code on 23 January 2019 and on 4 February 2019, and shall remain in office until the approval of 2020 financial statements¹. As at 31 December 2018, the Board of Directors, following the resignation of director Carlo Frigato on 21 December 2018, was composed of 6 members: Alessandro Giglio (CEO and Chairman of the Board of Directors), Massimo Mancini (Vice-Chairman and General Manager), Anna Maria Lezzi (Executive Director), Yue Zhao (Non-executive Director), Giorgio Mosci (Independent Director), Graziella Capellini (Independent Director). In replacement of resigning directors Carlo Frigato and Graziella Capellini, resigned on 25 January 2019, the Board of Directors co-opted directors Carlo Micchi and Silvia Olivotto;
- b. the Board of Statutory Auditors was appointed by the Shareholders' Meeting of 11 May 2018 and shall remain in office until the approval of the 2020 financial statements. As at 31 December 2018 and at the date of this Report, the Board of Statutory Auditors is composed of Cristian Tundo (Chairman), Monica Mannino (Statutory Auditor), Marco Andrea Centore (Statutory Auditor), Cristina Quarleri (Alternate Auditor) and Stefano Mattioli (Alternate Auditor);

¹ It is noted that co-opted directors Carlo Micchi and Silvia Olivotto shall remain in office until the Shareholders' Meeting called for the approval of the Company's financial statements at 31 December 2018.

- c. the Managers with strategic responsibilities for fiscal year 2018, pursuant to the provisions set forth in the Related-Parties Regulation no. 17221 of 12 March 2010, were as follows:
- i. Alessandro Giglio, CEO and Chairman;
 - ii. Massimo Mancini, Vice-Chairman and General Manager;
 - iii. Carlo Frigato, Director and CFO, resigned on 21 December 2018;
 - iv. Anna Maria Lezzi, Director and Administrative Officer;
 - v. Alessandro Santamaria, Executive Director Digital Area;
 - vi. Fabio Marchesi, Manager of Distribution Area, resigned on 14 September 2018;
 - vii. Michele Magnifichi, M3SAT General Manager.

The Remuneration Policy, set forth in Section I of this Report, shall be submitted to the consultative vote of the ordinary Shareholders' Meeting of Giglio Group called, pursuant to Art. 2364, par. 2 of the Civil Code, for the approval of 2018 financial statements. Pursuant to Art. 123-ter, par. 6 of the Consolidated Act, the Meeting is required to resolve, with non-binding resolution, in favour or against the Section I of this Report.

For this purpose, in accordance with Art. 84-quarter of the Issuers' Regulation, the Report is made available to the public at the registered office of the Company, on the Website www.giglio.org, "Corporate Governance – Shareholders' Meeting" section, as well as on the eMarket Storage mechanism within the 21st day prior to the Meeting.

SECTION I

1. **BODIES INVOLVED IN THE PREPARATION, APPROVAL AND IMPLEMENTATION OF THE REMUNERATION POLICY**

Giglio Group's Remuneration Policy is approved and defined by the Board of Directors, upon proposal of the Appointments and Remuneration Committee.

The actual determination and implementation of the Remuneration Policy, in compliance with the principles and guidelines defined in it, is delegated to:

- The Board of Directors, upon the proposal of the Appointments and Remuneration Committee and with the prior consent of the Board of Statutory Auditors, with regard to the remuneration of directors vested with particular authority within the Company; and
- The Chief Executive Officer, who shall make use of the General Management, with regard to directors with strategic responsibilities.

The definition of the Remuneration Policy is the result of a clear and transparent process involving the Board of Directors, the Appointments and Remuneration Committee, the Shareholders' Meeting and the Board of Statutory Auditors of the Company.

Furthermore, the Board of Directors, the Board of Statutory Auditors and the Appointments and Remuneration Committee are responsible for the correct implementation of the Remuneration Policy and shall ensure its appropriate enforcement.

2. **APPOINTMENTS AND REMUNERATION COMMITTEE**

2.1 **Composition and Operating Procedures of the Appointments and Remuneration Committee (pursuant to Art. 123-bis, paragraph 2, letter d) of the Consolidated Act)**

At the date of this Report, the Appointments and Remuneration Committee, which formulated to the Board of Directors the proposal of a Remuneration Policy, is composed of two independent directors in the persons of: Mr Giorgio Mosci, as Chairman, and Ms Silvia Olivotto.

It is noted that, on 11 May 2018, the Board of Directors of the Issuer had appointed as members of the Appointments and Remuneration Committee the independent director Giorgio Mosci, the independent director Graziella Capellini and the non-executive director Carlo Frigato. Later, in the meeting of 3 September 2018, the Board, acknowledging the loss of non-executive director's status of Mr Carlo Frigato, resolved to modify the composition of the Committee, which, starting from that date, is now composed of two independent directors, in accordance with the Company's Corporate Governance Code, according to which the Board of Directors shall not include more than eight members. Following the resignation of Ms Graziella Capellini on 4 February 2019 the Board appointed as member of the Appointments and Remuneration Committee the independent director Silvia Olivotto, after co-opting her on the same date.

The Appointments and Remuneration Committee uses its own internal regulation, which governs its composition and appointment, its operating procedures, its tasks, its powers and its means.

The Committee's meetings shall be chaired by the Chairman or, in the event of its absence or unavailability, by the most senior member present. The Chairman of the Committee shall inform the Board of Directors of the resolutions adopted and of the activities carried on by the Committee at the first relevant meeting.

The Committee's meetings are attended by the Chairman of the Board of Statutory Auditors or by a standing statutory auditor delegated in its place; furthermore, upon invitation from the Committee's Chairman, the Chairman of the Board of Directors, the CEO as well as other parties can participate too, in order to provide information and competency assessments with reference to the individual items on the agenda.

At the beginning of each meeting, the Chairman of the Committee shall nominate a secretary, also chosen outside of the members of the Committee, who shall draw up the minutes of the meetings. A summary of the minutes shall be drawn up and signed by the Chairman of the meeting and the secretary and later forwarded to the members of the Committee and to the Chairman of the Board of Statutory Auditors.

As foreseen in the relevant regulation, no Director shall take part in the discussions and resolutions of the Appointments and Remuneration Committee, where the proposals of the Board of Directors regarding its own remuneration are formulated.

2.2 Competence of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee shall be entrusted with the following tasks of a propositional and consultative nature regarding the remuneration:

- a) to draft the Remuneration Policy of Directors and Managers with strategic responsibilities to be submitted for approval to the Shareholders' Meeting upon prior approval of the Board of Directors, as well as to review it at least once a year;
- b) to submit for approval to the Board of Directors the Remuneration Policy to be presented to the Shareholders' Meeting called for the approval of the financial statement, within the terms provided by the law; in this regard, in the meeting, to report on the exercise of its functions to the Meeting, via the Chairman of the Committee or other appointed member;
- c) to examine the content of the vote regarding the Remuneration Report expressed by the Meeting in the previous fiscal year and to express an opinion to the Board of directors;
- d) to formulate proposals or express opinions regarding the remuneration of the members of Committees established by the Board of Directors within the Board itself;
- e) to express opinions, also on the basis of the CEO's suggestions, regarding:

- a. general criteria for the remuneration of Managers with strategic responsibilities;
 - b. general guidelines for the remuneration of other Managers of the Company and its subsidiaries;
 - c. yearly and long-term incentive plans, also share-based;
- f) to express opinions, also on the basis of the CEO's suggestions, regarding the definition of performance objectives and performance results; to propose the definition of claw-back clauses related to the implementation of the incentive plan and to the determination of the variable remuneration of Directors with proxies;
 - g) to propose the definition, with regard to Directors with proxies, of i) indemnities to be disbursed in case of termination of employment and ii) of the non-competition agreements, in line with the principles provided for in the Policy;
 - h) to periodically assess the adequacy, overall consistency and actual implementation of the criteria adopted for the remuneration of directors and managers with strategic responsibilities (also on the basis of information provided by the CEO), as well as to formulate general recommendations on the subject;
 - i) to carry out any task required by the related-parties transactions' policy adopted by the Company regarding the remuneration;
 - j) to verify that the incentive mechanisms of the Internal Auditors and of the Financial Reporting Officer are consistent with the tasks with which they are vested.

In the performance of its duties, the Appointments and Remuneration Committee has the authority to access information and company functions necessary for the performance of its tasks, as well as, under the conditions established by the Board of Directors, to rely on external advisor who may not compromise their independence of judgement. To this regard, it is noted that during the fiscal year 2018, the Committee relied on the support of Spafid S.p.A. for the creation of the Remuneration Policy, upon verification that the company was not in a position which could compromise the Committee's independence of judgement.

During 2018, the Appointments and Remuneration Committee focus specifically on:

- the distribution of the total compensation approved by the Meeting among the members of the Board of Directors;
- the assessment of the remuneration owed to Mr Carlo Frigato as consultant of the Company;
- the revision of the general remuneration policy adopted by the Company;
- the analysis of the incentive plan called "Long-Term Incentive Plan" approved during 2018;

- the assessment of the performance objective proposed by the CEO for the execution of the incentive plan called “Long-Term Incentive Plan”;
- the analysis of the Stock Option plan called “Stock Option Plan 2018-2021” approved during 2018.

3. **REMUNERATION POLICY**

3.1 **Purpose and Principles**

In general terms, the Remuneration Policy shall be defined, consistent with the governance model adopted by the Company and the recommendations of the Corporate Governance Code, in order to attract, retain and motivate individuals with the professional characteristics required to guarantee the achievement of the priority objective of creating sustainable value for the Company and the Group in the medium/long term.

Furthermore, the Remuneration Policy applied by the Company shall aim to ensure an adequate performance assessment, as well as to align the executive directors' interests with the achievement of the primary objective of creating value for shareholders in the medium/long term.

For this purpose, the Remuneration Policy shall find in the maintenance of a strong correlation between retribution and performance the focus of the alignment between the shareholders' interests and the ones of the executive directors and of the managers with strategic responsibilities.

As a result, a significant part of the overall remuneration of executive directors and managers with strategic responsibilities shall be connected to the achievement of specific short and medium/long term objectives determined with reference to the performance defined both at consolidated level and about specific business areas or functions.

Consistent with this general purpose, the Remuneration Policy shall be based on the following reference principles:

- a) An appropriate balance between the fixed and variable component in the light of the Company's strategic objectives and risk management policy, taking into account also the business sector of the Company and the characteristics of the activity actually performed by it;
- b) The remuneration's fixed component must suffice to remunerate the executive directors' and managers with strategic responsibilities' services in the event that the variable component is not paid due to the failed achievement of the performance objectives established by the Board of Directors;
- c) The payment of the remuneration's variable component, comprising a portion connected to short-term criteria and one connected to medium/long-term criteria. The latter shall constitute a relevant portion of the variable component and shall be deferred for an adequate period of time after maturing, taking into account the characteristics of the Company's activities and their associated risks;

- d) The definition of maximum limits for variable components to be issued; and
- e) The pre-setting and measurability of the performance objectives (i.e. of the economic results and any other specific objective) to which the payment of variable components is connected and which, in turn, are connected to the creation of value for shareholders in the medium/long term.

The principles that lie at the basis of the Remuneration Policy, the purposes pursued and the Remuneration Policy in itself are consistent with the guidelines approved by the Board of Directors in view of the listing on the MTA market on 26 October 2017.

The Remuneration Policy was approved by the Board of Directors on 3 September 2018, on the proposal of the Appointments and Remuneration Committee, and was amended by the Board of Directors on 27 March 2019 in order to align it with the approval of the new Industrial Plan and the objective set thereon. Hence, the amendments mainly concern the reference to the previous industrial plan 2017-2019 and do not entail significant amendments to the policy approved and applied in 2018.

The Company believes that the Remuneration Policy is consistent with its pursuit of medium/long-term interests and with its risk management policy.

3.2 **Policies Relating to the Remuneration's Fixed and Variable Components**

Giglio Group's Remuneration Policy is based on different principles and modalities with regard to fixed and variable components of short and medium/long term in relation with the different types of addressees.

A. Non-Executive Directors

A non-executive director is a director without individual management powers nor management duties within the Company or its Subsidiaries.

The remuneration of non-executive directors shall be determined on a fixed basis and shall be in line with the duties requested of them, also taking into account any participation in one or more of the internal committees of the Board of Directors. The remuneration of non-executive directors shall not be connected with the economic results achieved by the Company (or consolidated or in any kind of performance objectives in general) nor shall non-executive directors be recipients of share-based remuneration plans, unless decided by justified resolution of the Shareholders' Meeting.

B. Executive Directors

The remuneration of directors vested with particular authorities within the Issuer (e.g. the Chairman of the Board of Directors and the CEO) consists of:

- A **fixed component** appropriately defined by taking into account the powers and particular authorities undertaken;
- A **variable component**, with a determined maximum amount, connected to the **short-term** objectives (MBO), which, for the first three years of the adoption of the Remuneration Policy (i.e. for the three-year period of 2018-2020), was

identified together with and in the wider context of the medium/long-term remuneration plan;

- A **variable component**, with a determined maximum amount, connected to the **medium/long-term** objectives (LTI); and
- A **stock option plan**.

Executive directors vested with managerial position within the Issuer (e.g. General Manager), other than the fixed remuneration determined by the Shareholders' Meeting upon appointment, are paid, upon decision of the CEO, who shall make use of the Company's Human Resource Department, a remuneration package (substituting the one foreseen in this paragraph B for executive directors) including a variable component according to the criteria mentioned in the following paragraph C.

a) Executive Directors' Fixed Remuneration

Directors vested with particular authorities, other than the fixed remuneration determined by the Shareholders' Meeting upon appointment, are paid an amount determined by the Board of Directors, upon proposal of the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, pursuant to Art. 2389, paragraph three of the Civil Code. The fixed component is appropriately defined by taking into account the powers and particular authorities, as well as the role and strategic responsibilities assigned to every director vested with particular authorities.

b) Executive Directors' Short-and Medium/Long-Term Variable Remuneration

The remuneration's variable component of directors vested with particular authorities determined by the Board of Directors, upon proposal of the Appointments and Remuneration Committee and with the favourable opinion of the Board of Statutory Auditors, in accordance with the following criteria.

More specifically, the short-term variable component (MBO) can be obtained upon achieving predefined annual quantitative objectives related to performance indexes both at consolidated level as a group and at individual business or central functions' level. This component shall be paid yearly upon approval of the annual financial statement's project by the Board of Directors on verification of the achievement of the performance objectives.

The used KPIs (Key Performance Indicators), usually derived from budget data, are of quantitative and qualitative type and try to apply objective assessment elements (e.g. time or projects completion) without being subject to assessment impartiality.

As a way to guarantee the method adopted, the objectives shall be certified by the Group Management Control function both upon assignment and verification, and the process guarantees traceability and transparency for every stage.

Furthermore, the MBOs composition scheme for the Company's top management is endowed with a structure which guarantees the assessment and monitoring of main management aspects.

The mechanism for the calculation of yearly MBOs' remuneration foresees a minimum access threshold to be paid of 90% of quantitative objectives assigned and a maximum payable compensation equal to 130% of the basic premium, obtainable only upon achievement or over-achievement of 120% of quantitative objectives.

The definition of the target levels at the basis of the annual objectives (MBO) is connected to the achievement of performance objectives related to budget forecasts and determined by the Board of Directors. The comparison between annual figures objectives assigned determines the measure of the variable component of the distributable remuneration.

For the first three years of the adoption of the Remuneration Policy (i.e. for the three-year period of 2018-2020), the short-term variable component (MBO) was identified together with and in the wider context of the medium/long-term remuneration plans;

LTI Plan 2018-2020

As far as the medium/long-term variable component is concerned, on 3 September 2018, the Board of Directors adopted a deferred incentive plan for 2018-2020 based on the achievement of predetermined objectives fixed according to the reference industrial plan (hereinafter referred to as the "**LTI Plan 2018-2020**"), regulated by what set forth in the Remuneration Policy.

Following the approval of the new Industrial Plan for 2019-2021 and, more specifically, of the new strategic lines represented therein, concerning the focus on the e-commerce business unit and the gradual divestment and revaluation of the media area, the LTI Plan 2018-2020, as approved by the Board of Directors on 3 September 2018, was not topical anymore, as the performance objectives and parameters set therein were based on the previous industrial plan and made reference to a Group structure that no longer existed.

Therefore, the Board of Directors resolved on 27 March 2019 to terminate prematurely the LTI Plan 2018-2020 and to approve a new medium/long-term incentive plan for 2019-2021 (the "**LTI Plan 2019-2021**") which, on the one hand, reflects the structure of the previous LTI Plan 2018-2020 and, on the other hand, aligns the performance objectives and their assessment parameters with the duration of the new Industrial Plan.

LTI Plan 2019-2021

The objectives of the LTI Plan 2019-2021 are as follows: (i) Reward profitable growth of the Group's revenues; (ii) Guarantee individual monitoring and accountability for achieving some relevant objectives in the wider achievement of the Group's long-term strategy; (iii) Communicate sense of belonging and team play; and (iv) Favour the retention of key resources, encouraging their stay within the Group.

The recipients of the LTI Plan 2019-2021 are exclusively the executive directors, the General Manager and some managers that are relevant for the achievement of the performance objectives, identified by the competent bodies of the Company following a favourable opinion from the Appointments and Remuneration Committee, who, at

the moment of insertion within the LTI Plan 2019-2021, shall meet the following requirements:

- To entertain an employment relationship with the Company;
- To not have expressed their intention to withdraw from said relationship;
- To not have received a communication from the Company regarding the cessation of said relationship by dismissal, revocation or termination;
- To not have agreed on a consensual termination of the relationship.

The performance objectives are constituted by three types of indicators.

- 1) ECONOMIC MARKUP. A measuring result connected to the first profit produced by sales, net of the Working Capital cost. This metrics represent a first measure of profitable growth of Revenues.
- 2) REVENUES Due to the relatively early development stage of the Group's dimensions, the revenues' parameter represents a relevant strategic driver for the sustainability of the Group's strategy.
- 3) INDIVIDUAL OBJECTIVES The achievement of some strategic initiatives depends on specific individual operative accountabilities.

The bonus value is quantified in advance on an aggregate basis (hereinafter referred to as the "**Bonus Pool**") and is calculated as the percentage of Economic Markup higher value compared with a performance threshold defined drawing on the budget values and the reference industrial plan. Furthermore, this percentage can grow in accordance with the volume of revenues earned at Group level.

Achieving 80% of target revenues is be the threshold that activates the mechanism. Furthermore, the Bonus Pool can be activated only if the consolidated pre-tax profit reaches a threshold of € 0.5 million.

The Bonus Poll is divided between the encouraged individuals in accordance with individual shareholdings.

The gross bonus accrued foresees a collective and individual maximum limit (cap).

The achievement of the accrued bonus thus determined depends, also, from the achievement of the individual objectives assigned to each person. These objectives can be qualitative, quantitative or project-specific.

As far as the bonus payment methods are concerned, the LTI Plan 2019-2021 regulation, in line with the Remuneration Plan, foresees a deferred payment system to be paid as follows:

- Up to a minimum thresholds (€ 40,000), the accrued bonus shall be paid in full (so called "up-front quota").

- Any portion of bonus exceeding the minimum threshold shall be placed in a bonus bank (so called "deferred quota") and paid in equal parts within the two fiscal years following the bonus accrual (T1 and T2).

As far as the ex post correction mechanisms are concerned, the LTI Plan 2019-2021 foresees that, in the event that, within the end of the three years from the payment of an incentive, said incentive is paid on the basis of erroneous or false data and/or of wilful misconduct or gross negligence of the individual at hand, the Board of Directors shall be entitled to request to the individual, who shall comply, to return the sum of the incentive also through deductions on severance payments or deductions of other nature not yet disbursed. The repayment obligation shall maintain its effectiveness also in the event of the termination of the employment relationship of the individual with the Company.

Furthermore, for the purpose of creating value in the medium/long-term, executive directors shall be the recipients of incentive plans based on financial instruments pursuant to Art. 114-*bis* of the Consolidated Act, as laid out in paragraph 3.3.

Managers with Strategic Responsibilities

Managers with strategic responsibilities, in accordance with the provisions set forth in the Regulation on Related-Party Transactions no. 17221 of 12 March 2010, as amended, have the power and the responsibility, directly or indirectly, of planning, managing and controlling the Company's activities, including the directors (executive and non-executive) of the Company.

In view of this principle, managers with strategic responsibilities shall be identified as follows:

- Executive directors, as directors with individual powers of management and directive office within the Company;
- Individuals responsible for the business areas in which Giglio Group operates; and
- Some managers of corporate functions.

The remuneration of managers with strategic responsibilities who did not exercise the office of executive director, too, is divided, in line with the responsibilities connected to the exercise of the operational powers in the management of the Company, into a fixed and a variable component.

More specifically, the fixed component can be composed of a basic salary and/or by other forms of non-variable remuneration with a percentage weight of less than 70% of the total remuneration. The amount of the fixed component is adapted to the size of the managed business and to the ability to contribute to the Group's consolidated results.

The variable component consists of: (a) A short-term remuneration (MBO); (ii) A medium/long-term remuneration (LTI); and (iii) a stock option plan, according to the provisions set forth for executive directors.

The stock option plan is addressed to managers with strategic responsibilities and to other selected minor managers vested with a key role in the management and control of the Company's activities.

Furthermore, the Remuneration Policy foresees eventual occasional rewarding disbursements through one-off payments not included in the variable component of the remuneration. Consistent with a pay for performance approach, the Company believes that the disbursement of one-off payments to those managers with a particular strategic importance who have excelled through exceptional individual contributions, is an important mechanism of differentiation and meritocratic selectivity and, as such, of retention of excellent resources. The assessment of such results and of the relative contributions and performance shall be responsibility of the CEO, who shall make use of the support of the Company's Human Resources Department.

3.3 **Remuneration Plans Based on Financial Instruments**

As far as the remuneration plans based on financial instruments are concerned, to be approved by the Shareholders' Meeting pursuant to Art. 114-*bis* of the Consolidated Act and to be reported to the market in accordance to the applicable law, the Remuneration Policy foresees that the details and the application modalities shall be defined by the Board of Directors together with the consulting and proposing support of the Appointments and Remuneration Committee, also consistently with the risk profile of the company and with reference to the general principles of:

- Consolidation of the process of creating sustainable value for the Company and the Group in the medium/long term, as well as and the provision of incentives and assurance of the loyalty of management through the definition of multi-annual vesting terms and conditions;
- Assignment or exercising of financial instruments subject to achieving company and/or market performance objectives which are predefined and measurable; and
- Contractual commitments regarding the recipients' tenures with the company.

The Company shall make use of the support of a specialised consultancy company in order to define and manage the incentive plans based on financial instruments according to standard market conventions for listed companies of similar size and scope.

Stock Option Plan 2018-2021

On 29 October 2018, the Issuers' Shareholders' Meeting approved, pursuant to Art. 114-bis of the Consolidated Act, a stock option plan called "Stock Option Plan 2018-2021" (hereinafter referred to as the "**Stock Option Plan**"), as a further medium/long-term remuneration component for executive directors and managers with strategic responsibilities as provided for by the Remuneration Policy.

The Stock Option Plan foresees the free allocation of options that permit subsequent purchase of the Company's shares, subject to the achievement of predetermined performance levels and upon payment of a predetermined exercise price.

The Stock Option Plan is based on a three-year structure (2018-2021) and foresees that the options granted to its beneficiaries are exercisable over a vesting period of three years split into multiple tranches.

The performance objectives were identified with the Company's consolidated EBITDA specific values, set on the basis of the industrial plan approved by the Board of Directors on 1 February 2018, with the following terms:

- **2018 Objectives:** EBITDA resulting from the Company's consolidated financial statement equal to or greater than € 7,947,000;
- **2019 Objectives:** EBITDA resulting from the Company's consolidated financial statement equal to or greater than € 8,495,000;
- **2020 Objectives:** EBITDA resulting from the Company's consolidated financial statement equal to or greater than € 9,918,000.

The achievement of the aforementioned performance objectives, to be verified yearly by the Board of Directors following the approval of the Company's financial statements, shall give the right to the beneficiaries of the plan, for each of the three tranches provided for in the Stock Option Plan, to exercise all options included in the given tranche.

The beneficiaries of the Stock Option Plan have the obligation to continuously hold, for at least eighteen months from the date of reception of the shares subsequent to the exercise of the accrued options, a number of shares equal to at least 20% of the shares subscribed or acquired by reason of the accrued options, net of the shares necessary to perform the so called "sell to cover".

Furthermore, the beneficiaries of the Stock Option Plan vested with the authority of an executive director, in accordance with the recommendations of the Corporate Governance Code, have the obligation, also once the aforementioned unavailability period has expired, to continuously hold until the end of their mandate with regards to each vesting period, a number of shares equal to at least 20% of the shares subscribed or acquired by reason of the accrued options, net of the shares necessary to perform the so called "sell to cover".

The Stock Option Plan shall not foresee any redemption clause on behalf of the Company, but it does foresee revocation and return clauses. More specifically, if the Board of Directors, after consulting the Appointments and Remuneration Committee, ascertains that, within three years from the end of the Stock Option Plan, the objectives were determined on the basis of data that were clearly erroneous or that were wilfully altered to determine the objectives' final balance, it shall reserve the right, after consulting the Appointments and Remuneration Committee, to obtain from the beneficiaries or beneficiary author of one of the aforementioned acts and/or facts, the revocation of the appointed options or the return of its shares, having deducted a number of shares equal to the exercised accrued options' exercise price and the tax,

social security and welfare charges connected to the exercise of the exercised accrued options actually paid, or, alternatively, the return of the sale value (having deducted an amount equal to the exercised accrued options' exercise price and the tax, social security and welfare charges connected to the exercise of the exercised accrued options) in the event that the beneficiary's shares have already been sold.

By reason of the adoption of the new Industrial Plan, providing for the focus on the e-commerce business unit and the simultaneous gradual divestments and revaluation of the media area, the Board of Directors, on 27 March 2019, resolved to integrate in the EBITDA definition used for the identification of performance objectives the “non-recurring costs” and to reformulate the performance objectives set in the Stock Option Plan for 2019 and 2020 as follows, in order to align them with the new industrial plan:

- **2019 Objectives:** EBITDA resulting from the Company’s consolidated financial statement equal to or greater than € 2,200,000.
- **2020 Objectives:** EBITDA resulting from the Company’s consolidated financial statement equal to or greater than € 4,080,000.

In the same meeting, by reason of the importance of the amendments and in order to ensure the utmost transparency with Shareholders and the market, the Board of Directors resolved to submit the aforementioned amendment proposals for the approval of the Shareholders’ Meeting.

3.4 **Non-Monetary Benefits**

As far as executive directors and managers with strategic responsibilities are concerned, additional life insurance and medical care with respect to mandatory insurance coverage provided by national collective agreements (if applicable) are foreseen, as well as other fringe benefits such as the allocation of a business car.

3.5 **Clauses for Holding Financial Instruments in the Portfolio**

Without prejudice to the provisions of the Stock Option Plan, as at the date of this Report, the Company did not conclude any other agreement envisaging clauses for the holding financial instruments in the portfolio after their acquisition.

3.6 **Applicable Treatments in the Event of Termination of Office or of Employment Relationship**

As far as executive directors and managers with strategic responsibilities are concerned, the Remuneration Policy does not envisage ex-ante agreements of termination of the appointment or of the employment not in line with what laid down in the Corporate Governance Code, in the law and in the relevant collective agreements.

For the sake of completeness, it is noted that the employment contract of a manager with strategic responsibilities envisages the payment, in addition to the notice, of a sum equal to a 12-months salary, to be intended in lieu of any further indemnity owed as per collective agreement and seniority, in case of termination of employment without just cause, pursuant to Art. 2119 of the Civil Code.

As far as non-competition agreements are concerned, it is noted that for half of the managers with strategic plans identified in the Introduction of this Report, a non-competition agreement is envisaged. The total gross value of the emolument related to these non-competition clauses for 2018 amounts to € 97,500.00.

3.7 **Social Security or Pension Coverage**

Without prejudice to the following, the Remuneration Policy adopted by the Issuer does not envisage other social security or pension coverage in addition to the mandatory ones.

For Managers with strategic responsibilities, as well as for directors Alessandro Giglio and Anna Maria Lezzi, supplementary forms of healthcare are provided against the ones provided for in the relevant collective agreement, as well as supplementary forms of life insurances and accident.

3.8 **Policy Regarding Independent Directors, the Participation to Committees and the Undertaking of Specific Responsibilities**

The Board of Directors, on 11 May 2018, determined not to pay to each member of the Appointments and Remuneration Committee and of the Internal Control, Risk and Related-Parties Committee a specific compensation for their participation in the Committees.

As at the date of this Report, the Company did not adopt any specific remuneration policy with regard to independent directors and the performance of specific offices.

3.9 **Benchmarks used for the definition of the Remuneration Policy**

The Remuneration Policy was defined also by using as a reference the best practices present on the market without, however, using the specific retribution policy of other companies.

In general terms, it should be noted that the overall remuneration of executive directors and managers with strategic responsibilities is defined by paying particular attention to a market benchmark and to a large number of elements, including the capacity to contribute to the Company results, the work performance and the comparability with the levels of internal remuneration, in connection with the Group's current dimensions.

SECTION II

REMUNERATION RECEIVED IN FISCAL YEAR 2018 BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE GENERAL MANAGER AND THE MANAGERS WITH STRATEGIC RESPONSIBILITIES

With reference to the fiscal year 2018, this section of the Report shall illustrate: (i) The remuneration awarded to those individuals who, throughout the fiscal year, have served - even for a fraction of the fiscal year - as Directors, Statutory Auditors and/or General Managers, as well as (ii) in aggregate, the remuneration awarded to managers with strategic responsibilities, with the specification that aggregated values do not include the remuneration of managers with strategic responsibilities who are also acting as Directors (i.e. Alessandro Giglio, Massimo Mancini, Carlo Frigato and Anna Maria Lezzi), given that said remuneration is already described in the section regarding Directors in registered form.

FIRST PART

In the First Part of Section II, a representation of each item that compose the remuneration of those individuals who served as members of the Boards of Directors or of the Board of Statutory Auditors, as General Managers or as managers with strategic responsibilities in the fiscal year 2018 is provided. Each item can be found in the tables of the Second Part of this Section.

1. BOARD OF DIRECTORS' REMUNERATION

All the members of the Company's Board of Directors during the fiscal year 2018 have been appointed by the Shareholders' Meeting of 20 April 2015 and confirmed in their position in the Meeting of 11 May 2018. On this date, the Shareholders' Meeting determined, with reference to the three-year period of the Board's term, as remuneration of the members of the Board, an amount of € 315,000, appointing to the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee and of the Board of Statutory Auditors, each one in relation to their duties, the task to establish the remuneration and/or compensation of each member of the board, within the limit set by the Meeting.

By reason of the intense activity carried out by the Board of Directors and, more specifically, by the Internal Control, Risk and Related-Parties Committee, throughout 2018 and given that, also by reason of the strategic lines included in the new Industrial Plan and the related transfer of the media area, over the following years of the term, the activities of the Committee and the Board shall be as intense, the Board of Directors resolved to submit to the Shareholders' Meeting, called on 30 April 2019, the proposal to increase the total annual compensation of the Board of Directors from current € 315,000 to € 335,000.

Alessandro Giglio, Chairman of the Board of Directors and CEO

On 11 May 2018, the Board of Directors resolved to ascribe to Alessandro Giglio a gross fixed remuneration for 2018 of € 200,000, to be intended as pro rata temporis.

Over Fiscal Year 2018, Alessandro Giglio received as gross total remuneration as Chairman and CEO of the Company € 193,333, as well as € 40,800 as travel and subsistence expenses.

In accordance with the Remuneration Policy, the CEO has also made use of non-monetary benefits such as company car, fuel card, credit card and supplementary health care.

Taking into account the failure to achieve the performance objectives set in the LTI Plan 2018-2020 for 2018, no variable remuneration was ascribed to the CEO.

In the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to ascribe 315,000 options to Alessandro Giglio. For more information on the exercise conditions of the options, see the disclosure document drafted by the Company pursuant to Art. 84-bis of the Issuers' Regulation, available on the Company's Website in the Corporate Governance section.

Massimo Mancini, Vice-Chairman of the Board of Directors and General Manager

On 11 May 2018, the Board of Directors resolved to ascribe to Massimo Mancini a gross fixed remuneration for 2018 of € 20,000, to be intended as pro rata temporis.

Over Fiscal Year 2018, Massimo Mancini received as gross total remuneration as Vice-Chairman of the Company € 13,333, as well as a gross monetary remuneration of € 125,712 as Manager, € 12,500 of which as compensation of the non-competition agreement.

In accordance with the Remuneration Policy, Massimo Mancini has also made use of non-monetary benefits such as company car, fuel card, credit card and supplementary health care.

Taking into account the failure to achieve the performance objectives set in the LTI Plan 2018-2020 for 2018, no variable remuneration was ascribed to the Massimo Mancini.

In the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to ascribe 125,000 options to Massimo Mancini. For more information on the exercise conditions of the options, see the disclosure document drafted by the Company pursuant to Art. 84-bis of the Issuers' Regulation, available on the Company's Website in the Corporate Governance section.

Anna Maria Lezzi, Executive Director

On 11 May 2018, the Board of Directors resolved to ascribe to Anna Maria Lezzi a gross fixed remuneration for 2018 of € 20,000, to be intended as pro rata temporis.

Over Fiscal Year 2018, Anna Maria Lezzi received as gross total remuneration as Executive Director of the Company € 16,500, as well as a gross monetary

remuneration of € 77,256 as Manager, € 5,065 of which as travel and subsistence expenses.

In accordance with the Remuneration Policy, Anna Maria Lezzi has also made use of non-monetary benefits such as credit card, supplementary health care and luncheon vouchers.

Taking into account the failure to achieve the performance objectives set in the LTI Plan 2018-2020 for 2018, no variable remuneration was ascribed to the Anna Maria Lezzi.

In the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to ascribe 32,000 options to Anna Maria Lezzi. For more information on the exercise conditions of the options, see the disclosure document drafted by the Company pursuant to Art. 84-bis of the Issuers' Regulation, available on the Company's Website in the Corporate Governance section.

Carlo Frigato, Executive Director

On 11 May 2018, the Board of Directors resolved to ascribe to Carlo Frigato a gross fixed remuneration for 2018 of € 20,000, to be intended as pro rata temporis.

Over Fiscal Year 2018, Carlo Frigato received as gross total remuneration as CFO of the Company € 18,333, as well as a gross monetary remuneration of € 44,977 as Manager.

In accordance with the Remuneration Policy, Carlo Frigato has also made use of non-monetary benefits such as supplementary health care and life and accident insurance.

It should be noted that on 21 December 2018, Mr Frigato officially resigned from his position of executive director of Giglio Group with immediate effect. On the same date, Mr Frigato also officially resigned from his position of manager and of Chief Financial Officer of Giglio Group with effect from 1 January 2019.

In the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to ascribe 108,000 options to Carlo Frigato. For more information on the exercise conditions of the options, see the disclosure document drafted by the Company pursuant to Art. 84-bis of the Issuers' Regulation, available on the Company's Website in the Corporate Governance section.

Yue Zhao, Non-Executive Director

On 11 May 2018, the Board of Directors resolved to ascribe to Yue Zhao a gross fixed remuneration for 2018 of € 10,000, to be intended as pro rata temporis.

Throughout 2018, Yue Zhao received a compensation of € 10,000.

Giorgio Mosci, Independent Director

On 11 May 2018, the Board of Directors resolved to ascribe to Giorgio Mosci a gross fixed remuneration for 2018 of € 25,000, to be intended as pro rata temporis.

Throughout 2018, Giorgio Mosci received a compensation of € 21,666.

Graziella Capellini, Independent Director

On 11 May 2018, the Board of Directors resolved to ascribe to Graziella Capellini a gross fixed remuneration for 2018 of € 20,000, to be intended as pro rata temporis.

Throughout 2018, Graziella Capellini received a compensation of € 18,333.33.

It should be noted that on 25 January 2019, Ms Capellini officially resigned from all of her positions in Giglio Group with immediate effect.

2. **BOARD OF STATUTORY AUDITORS' REMUNERATION**

All the members of the Company's Board of Statutory Auditors during the fiscal year 2018 have been appointed by the Shareholders' Meeting of 20 April 2015 and confirmed in their position in the Meeting of 11 May 2018.

Cristian Tundo, Chairman of the Board of Statutory Auditors

The ordinary Meeting held on 11 May 2018 resolved to grant to Mr Cristian Tundo a gross annual compensation of € 25,000 as Chairman of the Board of Statutory Auditors, in addition to the reimbursement of the expenses incurred during the performance of his office.

Throughout the fiscal year of 2018, Mr Cristian Tundo received a remuneration of € 23,332.

Monica Mannino, Statutory Auditor

The ordinary Meeting held on 11 May 2018 resolved to grant to Ms Monica Mannino a gross annual compensation of € 20,000, in addition to the reimbursement of the expenses incurred during the performance of her office.

Throughout the fiscal year of 2018, Ms Monica Mannino received a remuneration of € 18,333.

Marco Centore, Statutory Auditor

The ordinary Meeting held on 11 May 2018 resolved to grant to Mr Marco Centore a gross annual compensation of € 20,000, in addition to the reimbursement of the expenses incurred during the performance of his office.

Throughout the fiscal year of 2018, Mr Marco Centore received a remuneration of € 18,333.

3. **MANAGERS WITH STRATEGIC RESPONSIBILITIES' REMUNERATION**

The gross total remuneration of Giglio Group's Managers with strategic responsibilities for 2018 amounted to € 386,487, € 85,000 of which as compensation for non-competition agreements.

It is noted that the aggregated value does not include the remuneration of managers with strategic responsibilities who are also acting as Directors (i.e. Alessandro Giglio, Massimo Mancini, Carlo Frigato and Anna Maria Lezzi), given that said remuneration is already described in the section regarding Directors in registered form.

In accordance with the Remuneration Policy, managers with strategic responsibilities have also made use of non-monetary benefits such as company car, fuel card, credit card, supplementary health care and life and accident insurance.

Taking into account the failure to achieve the performance objectives set in the LTI Plan 2018-2020 for 2018, no variable remuneration was ascribed to the managers with strategic responsibilities. However, on 27 March 2019, the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee, pursuant to the Remuneration Policy, resolved to ascribe to a manager with strategic responsibilities an extraordinary one-off bonus of € 40,000 gross, by reason of his/her performance in the business area of his/her concern.

In the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to ascribe 110,000 options to a manager with strategic responsibilities. For more information on the exercise conditions of the options, see the disclosure document drafted by the Company pursuant to Art. 84-bis of the Issuers' Regulation, available on the Company's Website in the Corporate Governance section.

4. AGREEMENTS PROVIDING FOR INDEMNITIES IN THE EVENT OF EARLY TERMINATION OF EMPLOYMENT AND EFFECTS OF THE TERMINATION ON THE RIGHTS ASSIGNED WITHIN THE SCOPE OF THE INCENTIVE PLANS

The employment contract of a manager with strategic responsibilities envisages the payment, in addition to the notice, of a sum equal to a 12-months salary, to be intended in lieu of any further indemnity owed as per collective agreement and seniority, in case of termination of employment without just cause, pursuant to Art. 2119 of the Civil Code.

As far as non-competition agreements are concerned, it is noted that for half of the managers with strategic plans identified in the Introduction of this Report, a non-competition agreement is envisaged. The total gross value of the emolument related to these non-competition clauses for 2018 amounts to € 97,500.00.

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

It is noted that the disclosure document drafted by the Company with regard to the Stock Option Plan 2018-2021, pursuant to Art. 34-bis of the Issuers' Regulation is available on the Company's Website in the Corporate Governance section. The tables showing the implementation state of the Stock Option Plan 2018-2021 are attached to this Report.

On 27 March 2019, the Board of Directors, with the favourable opinion of the Appointments and Remuneration Committee and of the Board of Statutory Auditors, deemed as achieved the performance objective of fiscal year 2018, set by the Stock

Option Plan 2018-2021, standardising the objective in relation to the sole results of the e-commerce business unit, by reason of the divestment of the media area, which caused a change in the Group's structure, thus making non-topical the performance objective set by the Stock Option Plan 2018-2021- Therefore, all options included in the first tranche of the Plan, exercisable one year after their grant date, have been deemed expired.

SECTION II

SECOND PART

The following tables show the analytical description of the remuneration awarded for the fiscal year of 2018 for any reason and under any form by the Company, its Subsidiaries and its Affiliates.

TABLE 1 (schedule 7-bis): Remuneration Awarded to the Members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Other Managers with Strategic Responsibilities²

(A)	(B)	(C)	(D)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation	Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
Board of Directors											
Alessandro Giglio	Chairman of the Board of Directors and CEO	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing				
	(I) Fees for the Company that Prepares the Financial Statement			193,333 (emoluments) 40,800 (transfer expenses)				10,067 (company car)	244,200	275,026	
	(II) Remuneration from Subsidiaries and Affiliates										
	(III) Total			234,133							
Massimo Mancini	Vice-Chairman of the Board of Directors and General Manager	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the			13,333				2,887	139,045	109,137	12,500

² All the values shown in the tables are expressed in Euro.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation		Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
	Financial Statement			(emolument as director) 125,712 (retribution as employee)				(company car)				(indemnity non-competition agreements)
	Remuneration from Subsidiaries and Affiliates											
	Total			139,045								
Anna Maria Lezzi	Executive Director	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			16,500 (emolument as director) 72,191 (retribution as employee) 5,065 (transfer expenses)				357		94,113	27,939	
	Remuneration from Subsidiaries and Affiliates											
	Total			93,756								
Carlo Giuseppe Frigato	Executive Director	01/01/2018 - 21/12/2018	Resigned on 21/12/2018			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			18,333 (emolument as director) 44,977						63,310		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation		Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
				(retribution as employee)								
	Remuneration from Subsidiaries and Affiliates											
	Total			63,310								
Yue Zhao	Non-Executive Director	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			6,666						6,666		
	Remuneration from Subsidiaries and Affiliates											
	Total			6,666								
Giorgio Mosci		01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			21,666						21,666		
	Remuneration from Subsidiaries and Affiliates											
	Total			21,666								
Graziella Capellini	Independent Director	01/01/2018 - 31/12/2018	Resigned on 25/01/2019			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			18,333						18,333		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation		Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
	Remuneration from Subsidiaries and Affiliates											
	Total			18,333								
Board of Statutory Auditors												
Cristian Tundo	Chairman of Board of Statutory Auditors	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			23,332						23,332		
	Remuneration from Subsidiaries and Affiliates											
	Total			23,332								
Monica Mannino	Statutory Auditor	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			18,333						18,333		
	Remuneration from Subsidiaries and Affiliates											
	Total			18,333								
Marco Centore	Statutory Auditor	01/01/2018 - 31/12/2018	Approval 2020 Financial Statement			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			18,333						18,333		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Office	Term of Office	Expiration of Term of Office	Base Pay	Remuneration for Participation in Committees	Non-Equity Variable Compensation		Non-Monetary Benefits	Other Remuneration	Total	Fair Value of Equity Remuneration	Severance Pay for Termination of Office or Employment
	Remuneration from Subsidiaries and Affiliates											
	Total			18,333								
Managers with Strategic Responsibilities						Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement											
	Remuneration from Subsidiaries and Affiliates											
	Total											
[•]		01/01/2018 - 31/12/2018	Indefinite			Bonuses and Other Incentives	Profit Sharing					
	Fees for the Company that Prepares the Financial Statement			281,523		40,000		8,860 (company car)		330,383	96,041	85,000 (indemnity non-competition agreements)
	Remuneration from Subsidiaries and Affiliates											
	Total			281,523								

TABLE 2 (schedule 7-bis): Stock Options Awarded to the Members of the Board of Directors, the Board of Statutory Auditors, to the General Manager and to Other Managers with Strategic Responsibilities³

A	B	(1)	Options Held at the Beginning of the Fiscal Year			Options Granted During the Fiscal Year						Options Exercised During the Fiscal Year			Options Expired in the Fiscal Year	Options Held at the End of the Fiscal Year	Options Relating to the Fiscal Year	
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2)+(5)-(11)-(14)	(16)	
Name and Surname	Office	Plan	Number of Options	Exercise Price	Possible Exercise Period (from-to)	Number of Options	Exercise Price	Possible Exercise Period (from-to)	Fair Value on Grant Date	Grant Date	Market Price of Underlying Shares on Grant Date	Number of Options	Exercise Price	Market Price of Underlying Shares on Exercise Date	Number of Options	Number of Options	Fair Value	
Alessandro Giglio	Chairman and CEO	Stock Option Plan 2018-2021																
(I) Fees for the Company that Prepares the Financial Statement		Plan A (date of relative resolution)				315,000	2.95	Up to 20% after one year from the grand date and for three years. Up to 30% after two years from grant date and for three years. Up to 50% after two years from grand date and for three years.	0.8731	29 October 2018	2.72						315,000	275,026.5

³ All the values shown in the tables are expressed in Euro.

		Plan B (date of relative resolution)																
		Plan C (date of relative resolution)																
(II) Remuneration from Subsidiaries and Affiliates		Plan A (date of relative resolution)																
		Plan B (date of relative resolution)																
(III) Total						315,000			0.8731							315,000	275,026.5	
Massimo Mancini	Vice-Chairman and General Manager	Stock Option Plan 2018-2021																
(I) Fees for the Company that Prepares the Financial Statement		Plan A (date of relative resolution)				125,000	2.95	Up to 20% after one year from the grant date and for three years. Up to 30% after two years from grant date and for three years. Up to 50% after two years from grand	0.8731	29 October 2018	2.72						125,000	109,137.5

							date and for three years.										
		Plan B (date of relative resolution)															
		Plan C (date of relative resolution)															
(II) Remuneration from Subsidiaries and Affiliates		Plan A (date of relative resolution)															
		Plan B (date of relative resolution)															
(III) Total						125,000		0.8731							125,000	109,137.5	
Anna Maria Lezzi	Executive Director	Stock Option Plan 2018-2021															
(I) Fees for the Company that Prepares the Financial Statement		Plan A (date of relative resolution)				32,000	2.95	Up to 20% after one year from the grant date and for three years. Up to 30% after two years from grant date and for three years.	0.8731	29 October 2018	2.72					32,000	27,939.2

							Up to 50% after two years from grand date and for three years.										
		Plan B (date of relative resolution)															
		Plan C (date of relative resolution)															
(II) Remuneration from Subsidiaries and Affiliates		Plan A (date of relative resolution)															
		Plan B (date of relative resolution)															
(III) Total						32,000		0.8731							32,000	27,939.2	
Carlo Giuseppe Frigato	Executive Director	Stock Option Plan 2018-2021															
(I) Fees for the Company that Prepares the Financial Statement		Plan A (date of relative resolution)				108,000	2.95	Up to 20% after one year from the grand date and for three years. Up to 30% after two years from grant date and for three	0.8731	29 October 2018	2.72					0	0

							years. Up to 50% after two years from grand date and for three years.									
		Plan B (date of relative resolution)														
		Plan C (date of relative resolution)														
(II) Remuneration from Subsidiaries and Affiliates		Plan A (date of relative resolution)														
		Plan B (date of relative resolution)														
(III) Total					108,000			0.8731							0	0
Managers with Strategic Responsibilities		Stock Option Plan 2018-2021														
(I) Fees for the Company that Prepares the Financial Statement		Plan A (date of relative resolution)			110,000	2.95	Up to 20% after one year from the grand date and for three years. Up to 30% after two	0.8731	29 October 2018	2.72					110,000	96.041

							years from grant date and for three years. Up to 50% after two years from grant date and for three years.									
	Plan B (date of relative resolution)															
	Plan C (date of relative resolution)															
(II) Remuneration from Subsidiaries and Affiliates	Plan A (date of relative resolution)															
	Plan B (date of relative resolution)															
(III) Total					110,000			0.8731							110,000	96.041

TABLE 3B (schedule 7-bis): Incentive Plans for Members of the Board of Directors, the Board of Statutory Auditors, for the General Manager and for Other Managers with Strategic Responsibilities ⁴

A	B	(1)	(2)			(3)			(4)
Name and Surname	Office	Plan	Bonuses for this Year			Bonuses from Previous Years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
Alessandro Giglio	Chairman and CEO		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)			2018	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Massimo Mancini	Vice-Chairman and General Manager		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)			2018	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Anna Maria Lezzi	Executive Director		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that		LTI Plan 2018-2020 (approved on 3			2018	n/a	n/a	n/a	0

⁴ It should be noted that this Table includes all incentive plans of a monetary nature, for both the short and medium-to-long term, and that all the values shown in it are expressed in Euro.

Prepares the Financial Statement		September 2018)							
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Carlo Frigato	Executive Director		Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)			2018	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Managers with Strategic Responsibilities			Payable/Paid	Deferred	Deferral Period	No Longer Payable	Payable/Paid	Still Deferred	
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)			2018	n/a	n/a	n/a	40,000
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	40,000

TABLE 1 (schedule 7-ter): Equity Participation of Members of the Board of Directors, the Board of Statutory Auditors, of the General Manager in the Company and in its Subsidiaries⁵

SURNAME AND NAME	OFFICE	INVESTEE COMPANIES	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FISCAL YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT FISCAL YEAR
Giorgio Mosci	Director	Giglio Group S.p.A.	15,000	7,250	0	22,500

⁵ It is noted, for the sake of completeness, that the CEO and Chairman Alessandro Giglio holds a 99% investments in Meridiana Holding s.r.l. which, in turn, holds 55.671% of Giglio Group's share capital.

TABLE 2 (schedule 7-ter): Equity Participation of Other Managers with Strategic Responsibilities in the Company and its Subsidiaries

NUMBER OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FISCAL YEAR	NUMBER OF SHARES BOUGHT	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT FISCAL YEAR
2 (the employment relation with one of the two managers holding investments in the Company ended on 14 September 2018)	Giglio Group S.p.A.	200,250	0 (1)	0 (1)	750 (1)

(1) The data refers to a sole manager with strategic responsibilities, as the employment relation with the other manager holding investments in the Company ended on 14 September 2018