



GIGLIO GROUP S.p.A.

**2020 ANNUAL REPORT ON THE REMUNERATION POLICY AND ON THE
REMUNERATIONS PAID**

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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INDEX

GLOSSARY	4
INTRODUCTION	6
SECTION I	8
1. BODIES INVOLVED IN THE PREPARATION, APPROVAL, EXECUTION AND EVENTUAL REVISION OF THE REMUNERATION POLICY.....	8
2. APPOINTMENTS AND REMUNERATION COMMITTEE	9
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)	9
2.2 Competence of the Appointments and Remuneration Committee	10
3. REMUNERATION POLICY.....	12
3.1 Policies and Objectives	12
3.2 Policies Relating to the Remuneration's Fixed and Variable Components .	14
A. Remuneration for the Office of Director	14
B. Remuneration Policy for Non-Executive Directors	14
C. Remuneration Policy for Executive Directors	15
D. Remuneration Policy for Senior Executives	15
E. Short- and Medium/Long-term Variable Component Remuneration Policy for Executive Directors and Senior Executives	17
3.3 Executive Directors and Senior Executives' Remuneration Plans Based on Financial Instruments	20
3.4 Non-Monetary Benefits	27
3.5 Clauses for Holding Financial Instruments in the Portfolio	27
3.6 Applicable Treatments in the Event of Termination of Office or of Employment Relationship	27
3.7 Social Security or Pension Coverage	27
3.8 Policy Regarding Independent Directors, the Participation to Committees and the Undertaking of Specific Responsibilities	28
3.9 Benchmarks Used for the Definition of the Remuneration Policy	28
3.10 Board of Statutory Auditors' Remuneration	28
3.11 Exceptional Circumstances	28
SECTION II	30
FIRST PART	30
1. BOARD OF DIRECTORS' REMUNERATION.....	30
2. BOARD OF STATUTORY AUDITORS' REMUNERATION	33
3. SENIOR EXECUTIVES' REMUNERATION	34
SECTION II	35
SECOND PART	35

TABLE 1 (schedule 7-bis): Remuneration Awarded to the Senior Executives, the Board of Statutory Auditors, to the General Manager and to Other Managers with Strategic Responsibilities	36
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 Senior Executives.....	40
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 Senior Executives	47
TABLE 1 (schedule 7-ter): Investments in associates of Members of the Board of Directors, the Board of Statutory Auditors, of the General Manager in the Company and in its Subsidiaries.....	49
TABLE 2 (schedule 7-ter): Investments in associates of Other Senior Executives in the Company and its Subsidiaries	51

GLOSSARY

Shareholders' Meeting: The Shareholders' Meeting of the Issuer

Shares: The Company's ordinary shares, listed on the MTA-STAR segment.

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>.

Italian 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.

Grant Date: 29 October 2018, date in which the Board of Directors identified the beneficiaries of the Stock Option Plan 2018-2021 and determined the number of Options to be granted to each one of them.

EBITDA: the algebraic sum of the following items, for every financial year, on the basis of the results of the Company's annual consolidated financial statement drafter pursuant to IAS/IFRS standards and certified without qualifications:

1. (+) Revenues from sales and services;
2. (+) Other revenues;
3. (+/-) Change in inventories;
4. (-) Production costs;
5. (+) Amortization, depreciation & write-downs;
6. (+) Provisions for liabilities;
7. (+) Other provisions;
8. (+) Non-recurring costs.

¹ It is noted that this Report does not include any reference to the Corporate Governance Code approved on January 2020 by the Corporate Governance Committee promoted by Abi, Ania, Assogestioni, Assonime, Confindustria and Borsa Italiana, which will be applied starting from the first fiscal year following 31 December 2020.

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

Fiscal Year 2019: the fiscal year closed at 31 December 2019.

Fiscal Year 2020: the fiscal year closed at 31 December 2020.

Group: the group headed by Giglio Group.

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 2020-2022, approved by the Board of Directors on 10 March 2020.

Options: the right granted to beneficiaries of the Stock Option Plan 2018-2021 to subscribe or purchase any Share in accordance with all terms and conditions set forth in the Plan. Any Option gives the right to subscribe or purchase one Share.

Stock Option Plan 2018-2021 or Plan: the compensation plan based on the assignment of Options (stock options) for the subscription or purchase of Shares, aimed at the executive directors and at some of the senior executives of the Group, approved by the Shareholders' Meeting on 29 October 2018, pursuant to Art. 114-bis of the Consolidated Act, as amended by the Shareholders' Meeting on 30 April 2019.

Medium/Long-Term Remuneration Plan: the long-term variable component of the remuneration of executive directors and senior executives, defined and implemented through the adoption of the LTI Plan 2018-2020 and the LTI Plan 2019-2021 by the Board of Directors.

LTI Plan 2018-2020: the medium/long-term incentive plan aimed at the executive directors and the senior executives for 2018-2020, adopted by the Board of Directors on 3 September 2018 and terminated in advance with resolution of the Board on 27 March 2019, for the introduction of the new LTI Plan 2019-2021.

LTI Plan 2019-2021: the medium/long-term incentive plan aimed at the executive directors and the senior executives for 2019-2021, as adopted by the Board of Directors on 27 March 2019.

MBO Plan: the short-term incentive plan aimed at the executive directors and the senior executives for 2020, as adopted by the Board of Directors on 23 March 2020.

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

Issuer 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-ter 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 and integrated.

INTRODUCTION

This Report, approved on 24 March 2020 by the Board of Directors upon the proposal of the Appointments and Remuneration Committee, is comprised of two Sections:

- 1) **Section I** shows (i) the Company's policy regarding the remuneration of the members of the Board of Directors, of general managers and of senior executives adopted by the Company with specific regard to Fiscal Year 2020 and, notwithstanding the provisions of Art. 2402 of the Italian Civil Code, of the members of the Board of Statutory Auditors, as well as (2) the procedures used for the adoption and implementation of this policy;
- 2) **Section II** shows the remunerations paid in Fiscal Year 2019, for any reason and in any form, by the Company and its subsidiaries, as well as by its associates, towards members of the board of directors, statutory auditors and senior executives, providing a representation of each item that composes said remuneration. Pursuant to Art. 84-quater, par. 4 of the Issuers Regulation, Section II also shows, in specific tables, the data regarding the investments held - in the Company and its subsidiaries - by members of the board of directors, statutory auditors and senior executives, as well as spouses not legally separated and minor children, directly or through subsidiary or trust or nominee companies, as resulting from the shareholder register, from the communications received and from other information acquired from the same members of the boards of directors, statutory auditors and senior executives.

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

- a. The Board of Directors has been appointed by the Shareholders' Meeting on 11 May 2018, and was co-opted pursuant to Art. 2386 of the Italian Civil Code on 23 January 2019 and on 4 February 2019, and shall remain in charge until the approval of 2020 Financial Statements.
 - b. The Board of Directors at 31 December 2019 accounted for 7 members: Alessandro Giglio (Chairman and CEO), Massimo Mancini (Vice-Chairman and General Manager), Anna Maria Lezzi (Executive Director), Yue Zhao (Non-Executive Director), Giorgio Mosci (Independent Director) Silvia Olivotto (Independent Director) and Carlo Micchi (Independent Director)².
 - c. At the reporting date, the Board of Directors is composed of 5 members. Indeed, on 21 March 2020, the company received the resignation of director Massimo Mancini, who resigned from his office of executive director, effective immediately. Subsequently, on 24 March 2020, the company received the resignation of director Carlo Micchi, effective immediately.
- ² It is noted that directors Silvia Olivotto and Carlo Micchi have been co-opted by the Board of Directors and subsequently reappointed by the Shareholders' Meeting on 30 April 2019 in substitution of resigning directors Carlo Frigato and Graziella Cappellini, who resigned on 21 December 2018 and 25 January 2019 respectively. Both directors shall remain in charge until the approval of 2020 Financial Statements by the same body.

- d. The Board of Statutory Auditors has been appointed by the Shareholders' Meeting on 11 May 2018 and shall remain in charge until the approval of 2020 Financial Statements. At 31 December 2019 and at the reporting date, the Board of Statutory Auditors was composed of Cristian Tundo (Chairman), Monica Mannino (statutory auditor), Marco Andrea Centore (statutory auditor), Cristina Quarleri (alternate auditor) and Stefano Mattioli (alternate auditor);
- e. With regard to 2019, the following directors were defined as senior executives, in accordance to the definition included in the Regulation on Related-Party Transactions adopted by Consob with resolution no. 17221 on 12 March 2010:
 - i. Alessandro Giglio, Chairman of the Board of Directors and CEO;
 - ii. Massimo Mancini, Vice-Chairman of the Board of Directors and General Manager³;
 - iii. Anna Maria Lezzi, Director and Chief Administrative Officer; and
 - iv. Alessandro Santamaria, Digital Area Executive Officer.
- f. With regard to 2020, the following directors have been defined as senior executives, in accordance to the definition included in the Regulation on Related-Party Transactions adopted by Consob with resolution no. 17221 on 12 March 2010:
 - i. Alessandro Giglio, Chairman of the Board of Directors and CEO;
 - ii. Massimo Mancini, General Manager;
 - iii. Anna Maria Lezzi, Director and Chief Administrative Officer; and
 - iv. Alessandro Santamaria, Digital Area Executive Officer.

³ It is noted that, starting from 21 March 2020, date in which he resigned from his office of executive director, effective immediately, Massimo Mancini is act as the General Manager of the Company only.

SECTION I

1. **BODIES INVOLVED IN THE PREPARATION, APPROVAL, EXECUTION AND EVENTUAL REVISION OF THE REMUNERATION POLICY**

Giglio Group's Remuneration Policy is approved and defined by the Board of Directors, upon the 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 Human Resources Department, with regard to directors with strategic responsibilities.

The definition of the remuneration policy is a clear and transparent process, in which the Shareholders' Meeting, the Board of Directors, the Appointments and Remuneration Committee and the Board of Statutory Directors play a central role.

(a) *Shareholders' Meeting*

As far as remunerations are concerned, the Shareholders' Meeting shall:

- Determine, upon appointment, the remuneration of the members of the Board of directors (also through the determination of an overall fixed amount, pursuant to Art. 2389, par. 3 of the Italian Civil Code) and of the Board of Statutory Directors, pursuant to Art. 2364, par. 1, no. 3) of the Italian Civil Code;
- pursuant to Art. 123-ter, par. 3-bis of the Consolidated Act, resolve on the first section of this Report, which describes the remuneration policy of the members of the administrative bodies, of the general managers and of other senior executives, as defined by the Board of Directors (upon proposal of the Appointments and Remuneration Committee),
- pursuant to Art. 123-ter, par. 6 of the Consolidated Act, resolves in favour or against about the second section of the Report, which provides an adequate representation of each item composing the remuneration, showing analytically the remunerations paid in 2019; and
- Resolve on any eventual compensation plans based on shares or on the grant of financial instruments for members of the Board of Directors, employees or collaborators, including therein the senior executives, pursuant to Art. 114-bis of the Consolidated Act.

(b) *Board of Directors*

As far as the remuneration policy is concerned, the Board of Directors shall:

- Constitute within the same Board an Appointments and Remuneration Committee;
- Define and review, where necessary, upon proposal of the Appointments and Remuneration Committee, the remuneration policy of members of the Board and of senior executives;
- Determine the remuneration of those directors vested with particular authorities, upon the opinion of the Board of Statutory Auditors and the proposal of the Appointments and Remuneration Committee;
- Approve the Report drafted pursuant to Art. 123-ter of the Consolidated Financial Act and 84-quater of the Issuers' Regulation;
- Prepare, with the support of the Appointments and Remuneration Committee, any eventual compensation plan based on shares or on other financial instruments, submitting them for their approval to the Shareholders' Meeting, pursuant to Art. 114-bis of the Consolidated Act; and
- Implement any eventual compensation plan based on shares or on other financial instruments, with the support of the Appointments and Remuneration Committee, upon delegation by the Shareholders' Meeting.

(c) ***Board of Statutory Auditors***

As far as the remuneration policy is concerned, the Board of Statutory Auditors shall carry out an advisory role in the context of which it shall formulate the opinions set forth in the applicable law, expressing, specifically, its opinion with regard to the remuneration proposals of the executive directors and, more generally, of those directors vested with particular authorities, as set forth in Art. 2389, par. 3 of the Italian Civil Code;

(d) ***Appointments and Remuneration Committee***

The remuneration policies for those directors vested with particular authorities, both in the fixed and variable form, shall be proposed on an annual basis by the Appointments and Remuneration Committee and submitted for approval to the Board of Directors of the Company, after hearing the favourable opinion of the Board of Statutory Auditors. For more information on the competence and functions of the Appointments and Remuneration Committee, see the following paragraph 2.

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 reporting date, the Appointments and Remuneration Committee, which formulated to the Board of Directors the proposal for the Remuneration Policy, is

composed of two non-executive 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, as allowed by the Company's Corporate Governance Code, according to which the Board of Directors shall not include more than eight members. Moreover, 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 as member of the Board of Director 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 Board 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 policy:

- a) Draft the remuneration policy for directors, general managers and senior executives, to be submitted for approval to the Shareholders' Meeting upon approval of the Board of Directors, reassessing it at least once a year;

- b) Submit to the Board of Directors' approval the remuneration report to be submitted to the Shareholders' Meeting called for the approval of the financial statements, pursuant to the Law; for this purpose, in this occasion, it shall refer on the exercise modalities of its functions to the Shareholders' Meeting, via the Chairman of the Committee or via any other delegated member;
- c) Assess the content of the vote regarding the remuneration expressed by the Shareholders' Meeting in the previous fiscal year and express its opinion to the Board of Directors;
- d) Formulate proposals or express opinions regarding the remuneration of the Intra-Board Committees established by the Board of Directors;
- e) Express opinions, also on the base of the CEO's indications, regarding:
 - a. General criteria for the remuneration of senior executives;
 - b. General guidelines for the remuneration of other managers of the Company and its subsidiaries;
 - c. Annual and long-term incentive plans, also stock-option plans;
- f) Express opinions, also on the basis of the CEO's proposals, regarding the definition of performance objectives and the reviewing of corporate results; propose the definition of eventual claw-back clauses connected to the implementation of incentive plans and to the determination of variable remuneration for directors with proxies;
- g) Propose the definition, as far as directors with proxies are concerned, (i) of the indemnity to be granted in the event of termination of office and ii) of the non-competition agreements in line with the principles set forth in the policy;
- h) Monitor the application of the decisions adopted by the Board of Directors; assess periodically the adequacy, the overall coherence and the actual application of the policies adopted, relying for this purpose on the information provided by the CEO, formulating related proposals to the Board of Directors;
- i) Carry out any task concerning the remuneration required by the procedure for transactions with related parties adopted by the Company.
- j) Assess the coherence of the incentive mechanism for the Internal Auditor and the Financial Reporting Officer with the tasks appointed to them.

In the performance of its functions, the Appointments and Remuneration Committee has the power to access the necessary information and company functions, as well as, under the conditions established by the Board, to make us of external consultants who are not in a position to compromise their autonomous judgement. For this purpose, it is noted that the Committee relied on the support of Active Value Advisors S.r.l. for the preparation of the remuneration policy related both to 2019 and 2020.

Over the course of 2019, the Appointments and Remuneration Committee focused specifically on the following tasks:

- Distribution of the remuneration among the members of the Board of Directors on the basis of the total emolument approved by the Shareholders' Meeting;
- The assessment of the remuneration of Mr Carlo Micchi as advisor to the Company;
- Correct application of the general remuneration policy adopted by the Company; and
- Adjustment of the LTI Plan 2019-2021, of the Stock Option Plan 2018-2021 - Long-term Incentive Plan and of the Stock option Plan 2018-2021's Regulation following the transfer of the Media Area of the Group and the adoption of the Industrial Plan.

Over the course of 2020, the Appointments and Remuneration Committee focused specifically on the following tasks:

- Formulation of the general remuneration policy for 2020; and
- The further adaptation of the Stock Option Plan 2018-2021, following the transfer of the Media Area and the focus of the business on the e-commerce sector.

3. REMUNERATION POLICY

3.1 Policies and Objectives

The Remuneration Policy applied by the Company reflects the criteria set forth in the Consolidated Act and in the Issuers Regulation. In particular:

- Contributes to the corporate strategy, as it determines the main objectives entailed in the industrial plans and in the budget for the period as far as market, product, economic and financial parameters are concerned;
- Contributes to the achievement of the short/medium-term and long-term interests of the Company, as a significant portion of the overall remuneration of the executive directors and of the senior executives is connected with the achievement of specific financial and non-financial performance objectives such as: the revenues, the GMV, the gross margin, the EBITDA, the net profit and the number of active customers for each business line;
- Contributes to the sustainability of the Company, as it is aimed at achieving the creation of value in the long term for the benefit of the shareholders, also taking into account the interests of the various stakeholders relevant to the Company;
- Is determined by taking into account the remuneration and the working conditions of the employees of the Company, as the performance of each single employee is incentivised, given that a bonus is provided for those employees who reach the objectives set by the management; the Company is also in the process of adopting policies aimed at reducing the corporate costs, which will in turn incentive the streamlined work of its employees;

- v. Provides for a specific fixed remuneration to all directors, determined upon their appointment by the Shareholders' Meeting. As a matter of fact, the latter shall establish the gross amount owed to each director and to the whole Board of Directors for the entire duration of its term. Said gross annual remuneration is not connected to the achievement of economic results, but to the skills, professionalism and commitment requested of each director in the execution of his/her office;
- vi. Provides for an additional compensation to those directors vested with particular authorities, in addition to the fixed amount owed to them as members of the Board of Directors as determined upon their appointment, comprising a fixed and a variable component, which shall be adequately balanced according to the function of the strategic objectives of the risk management policy of the Company, also taking into account the activity sector in which the Companies carries out its business:
 - The remuneration's **fixed component** shall suffice to remunerate the services of the recipient 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 for executive directors;
 - The remuneration's **variable component** is of an incentive nature, and shall be conditioned by the achievement of specific financial and non-financial performance objectives (as specified in the following paragraph 3.2C). The first objectives can be measured on the basis of quantitative, economic-financial indicators, such as revenues, gross margin, EBITDA and reduction of fixed costs if compared to the previous fiscal year. The second objectives, on the other hand, are determined on the basis of parameters that cannot be calculated economically, but that can be appreciated through other indicators, such as, by way of example, the number of "Digital" B2C clients or the number of e-commerce platform reached in the "Distribution" unit;
- vii. Provides for a remuneration structured into a fixed and a variable component for senior executives, similarly to the remuneration provided for the directors vested with particular authorities:
 - The remuneration's **fixed component** shall suffice to remunerate the services of the recipient 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 for senior executives;
 - The remuneration's **variable component** is of an incentive nature, and shall be conditioned by the achievement of specific financial and non-financial performance objectives (as specified in the following paragraph 3.20). The first objectives can be measured on the basis of quantitative, economic-financial indicators, such as revenues, gross margin, EBITDA and reduction of fixed costs if compared to the previous fiscal year. The second objectives, on the other hand, are determined on the basis of parameters that cannot be calculated economically, but that can be appreciated through other indicators,

such as the number of "Digital" B2C clients or the number of e-commerce platform reached in the "Distribution" unit;

Notwithstanding the information mentioned in the following paragraph 3.6, directors and senior executives shall not be indemnified in the event of resignation, dismissal or termination of employment as a result of a public takeover bid.

The Appointments and Remuneration Committee drew inspiration from these criteria for the creation of the proposal of remuneration structure for the Company's directors and executives for 2019-2021.

On 24 March 2020, the Board of Directors approved the remuneration policy in substantial continuity with the one approved for 2019, with the exception of the due alignment and update of the policy with regard to the transfer of the Media Area and the simultaneous focus of the business on the e-commerce sector.

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. Remuneration for the Office of Director

Pursuant to Art. 27 of the By-laws and Art. 2389 of the Italian Civil Code, the remuneration of all the members of the Board of Directors is determined by the Shareholders' Meeting upon their appointment.

On 11 May 2018, the Shareholders' Meeting, upon the appointment of the Board of Directors currently in charge, had resolved to set an overall annual remuneration of € 315,000 for the members of the Board of Directors for 2018-2020, giving the latter the task of establishing the compensation and/or remuneration owed to each Member, within the limit set by the aforementioned Meeting and after hearing the Appointments and Remuneration Committee and the Board of Statutory Directors, each within the limits of its jurisdiction.

Due to the activity carried out by the Board of Directors in 2018, as well as because of the intense activities forecasted for the duration of the members' term, on 30 April 2019 the Shareholders' Meeting resolved to approve the increase of the overall gross annual compensation of the Board of Directors from € 315,000 to € 335,000.

On 14 May 2019, the Board of Directors resolved, amongst other things, to allocate the amount resolved upon by the Shareholders' Meeting between the members of the Board of Directors, assigning an annual gross remuneration for 2019 of € 200,000 to Chairman of the Board of Directors and CEO Alessandro Giglio, of € 40,000 to independent director Silvia Olivotto, of € 25,000 to independent director Giorgio Mosci, of € 20,000 to Vice-Chairman Massimo Mancini, of € 20,000 to director Carlo Micchi, of € 20,000 to executive director Anna Maria Lezzi and of € 10,000 to non-executive director Yue Zhao.

B. Remuneration Policy for 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 exclusively on a fixed basis and shall be in line with the duties requested of them in the execution of their offices, 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, nor shall non-executive directors be recipients of share-based remuneration plans.

C. Remuneration Policy for Executive Directors

Directors vested with particular authorities within the Issuer (e.g. the Chairman of the Board of Directors and the CEO), 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, par. 3 of the Italian Civil Code; This remuneration is composed of the following components:

- 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 achievement of **short-term** performance objectives (which, for 2019, was identified together with and in the wider context of the Medium/Long-term Remuneration Plan and, for 2020, shall be implemented through the MBO Plan, as explained in paragraph 3E);
- A **variable component**, with a determined maximum amount, connected to the achievement of **medium/long-term** objectives (the LTI Plan 2018-2020 and, starting from 27 March 2019, the LTI Plan 2019-2021); for this purpose, it is noted that the Company, through the resolution of the Board of Directors of 23 March 2020, upon favourable opinion of the Appointments and Remuneration Committee, decided not to apply said variable component for 2020, for the reasons showed in paragraph 3E; and
- **An incentive plan based on financial instruments** (the Stock Option Plan 2018-2021, set forth in paragraph 3.3).

It is specified that all the executive directors of the company also act as senior executives.

D. Remuneration Policy for Senior Executives

Senior executives, in accordance with the provisions set forth in the Regulation on Related-Party Transactions approved with Consob resolution 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, senior executives 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 the Group operates; and
- Some managers of corporate functions.

It is noted that the actual determination and implementation of the remuneration policy for senior executives who are not also vested with the office of executive director is under the jurisdiction of the CEO, who can rely on the support of the Human Resources Department.

Also the remuneration of senior executives who do not act also as executive directors 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.

The fixed component, which can be composed of a basic salary and/or by other forms of non-variable remuneration, has 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, also in this case is composed of:

- i. A **short-term** remuneration (which, for 2019, was identified together with and in the wider context of the Medium/Long-term Remuneration Plan and, for 2020, shall be implemented through the MBO Plan, as explained in paragraph 3E);
- ii. A **medium/long-term** remuneration (the LTI Plan 2018-2020 and, starting from 27 March 2019, the LTI Plan 2019-2021); for this purpose, it is noted that the Company, through the resolution of the Board of Directors of 23 March 2020, upon favourable opinion of the Appointments and Remuneration Committee, decided not to apply said variable component for 2020, for the reasons showed in paragraph 3E; and
- iii. An **incentive plan based on financial instruments** (i.e. the Stock Option Plan 2018-2021, set forth in paragraph 3.3).

Senior executives who do not act as executive directors shall make use also of non-monetary benefits, as detailed in paragraph 3.4.

Furthermore, the Remuneration Policy foresees 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.

At the reporting date, with regard to 2020, the Company has identified 2 senior executives who do not act also as executive directors⁴.

E. Short- and Medium/Long-term Variable Component Remuneration Policy for Executive Directors and Senior Executives

The variable component of the executive directors and senior executives vested with particular authorities is of an incentive nature, and shall be conditioned by the achievement of short- and medium/long-term performance objectives.

It is determined, in accordance to the following criteria, (i) with regard to the executive directors, by the Board of Directors, upon proposal of the Appointments and Remuneration Committee and after hearing the favourable opinion of the Board of Statutory Auditors, and (ii) with regard to senior executives, by the CEO, with the support of the Human Resources Department.

On a preliminary basis, it is noted that, on 23 March 2020, the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee, decided to not apply the LTI Plan 2019-2021 for 2020. The reasons behind said decision are to be found in the peculiar period in which the Company finds itself, where the main interest is boosting the business profitability in the short term. For these reasons, the Company decided to apply, along the Stock Option Plan 2018-2021, realised on the medium/long-term, a parametrised incentive remuneration on the short term. For this purpose, with the resolution of 23 March 2020, the Company decided to adopt the short-term incentive plan (the "**MBO Plan**"), identifying as beneficiaries of said Plan for 2020 all of the executive directors and the senior executives. Through this strategy, the Company wishes to incentive beneficiaries in creating profit in the short term, in order to strengthen the Company's assets.

Short-term Variable Remuneration

The short-term variable component 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) that are not subject to assessment impartiality.

⁴ One of them ceased to act as executive director starting from 21 March 2020.

It is noted that, as a way to guarantee the method adopted, the objectives shall be certified by the Group Management and Control function both upon assignment and verification, and the process guarantees traceability and transparency for every stage. Furthermore, the short-term remuneration's 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 short-term components' 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 short-term objectives 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.

In light of the above, it is highlighted that, given that the short-term variable remuneration for 2019 has been identified together with and in the wider context of the Medium/Long-term Remuneration Plan, neither performance objectives nor KPIs were identified for the period of reference.

With regard to 2020, on the other hand, following the newly-occurred needs of the Company, better explained in the previous paragraphs, the MBO Plan's application is provided, pursuant to the aforementioned principles.

Medium/Long-term Variable Remuneration

The 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**").

Following the approval of the new industrial plan 2019-2021 and, more specifically, of the new strategic lines represented therein, which provided for the focus on the e-commerce sector and the simultaneous gradual transfer and divestment of the Media Area, the LTI Plan 2018-2020, as approved by the Board of Directors on 3 September 2018, was not actual anymore, given that the performance objectives and the parameters set forth therein were based on the previous industrial plan and referred to a corporate structure of Giglio Group that no longer existed.

Therefore, the Board of Directors, on 27 March 2019, resolved to terminate in advance 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 previous structure of the LTI Plan 2018-2020 and, on the other hand, aligns the performance objectives, the parameters for the assessment of said objectives and the duration of the plan to the New Industrial Plan.

The LTI Plan 2019-2021

The objectives set forth in LTI Plan 2019-2021 are shown below, even though, on 23 March 2020, the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee, decided not to apply said plan for 2020.

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 beneficiaries of the LTI Plan 2019-2021 are, exclusively:

- i. Executive Directors;
- ii. The general manager and other senior executives; and
- iii. Other relevant managers for the purpose of achieving the result objectives identified by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee, who, at the moment of their insertion in the LTI Plan 2019-2021, will 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 of LTI Plan 2019-2021, calculate with the following parameters:

- 1) **FIRST ECONOMIC PROFIT** 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 the FIRST ECONOMIC PROFIT's higher value compared with a performance target 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 shall 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 Pool 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, 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.

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.

On 27 March 2019, the Board of Directors identified as beneficiaries of the LTI Plan 2019-2021 for 2019 all the executive directors and the senior executives.

With regard to 2020, on the other hand, it is noted that, on 23 March 2020, the Board of Directors decided to suspend the application of LTI 2019-2021 for the whole 2020.

3.3 **Executive Directors and Senior Executives' 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 policy adopted by the Company 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 had made use of the support of a specialised consultancy company Spafid S.p.A. 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

The complete information regarding the incentive plan called **Stock Option Plan 2018-2021** approved by the Shareholders' Meeting on 29 October 2018 is shown below, pursuant to Art. 123-ter, par. 5 of the Consolidated Act, and to Art. 84-bis, par. 5 of the Issuers Regulation.

It is noted that the Stock Option Plan 2018-2021 should be considered of "significant relevance" pursuant to Art. 114-bis, par. 3 of the CFA and Art. 84-bis, par. 2 of the Issuers' Regulation, as it addresses, inter alia, executive directors and senior executives within the Company.

For more information, see the disclosure document drafter pursuant to Art. 84-bis and Scheme 7 of Annex 3A of the Issuers Regulation, available on the website of the Company at www.giglio.org, in the "Corporate Governance" section, and on the authorised storage mechanism eMarket Storage, at www.emarketstorage.com.

a. Plan Beneficiaries, Reasons for the Adoption of the Plan and Main Characteristics

On 29 October 2018 (the "**Grant Date**"), the Shareholders' Meeting approved, pursuant to Art. 114-bis of the Consolidated Act, the Stock Option Plan 2018-2021 as a further medium/long-term remuneration component for executive directors and senior executives.

The Stock Option Plan 2018-2021 was successfully amended on 30 April 2019 for the purpose of aligning it to the new strategic guidelines and to the new structure of both the Company and the Group. On the same date, the Board of Directors also approved the regulation including the implementation discipline of the Plan (the "**Plan Regulation**").

The Company believes that compensation plans based on shares are an efficient means to provide incentives for and retain the loyalty of persons having key roles in the Company and the Group, in order to maintain high and improve the performances of the Company, as well as increasing the growth and success of the Company and the

Group. More specifically, the Stock Option Plan 2018-2021 is an adequate instrument to align the interests of the beneficiaries with those of the shareholders, allowing to pursue the main objective of value creation in a medium/long-term period.

The Stock Option Plan 2018-2021 foresees - in the event of the achievement of specific performance objectives and pursuant to the terms and conditions set forth in the Plan Regulation - the free allocation of a maximum number of 690,000 options (the "**Options**") to its beneficiaries, which will allow for the subsequent subscription of as many ordinary shares of the Company, listed on the MTA-STAR segment (the "**Shares**"), against the payment of an exercise price of € 2.95, as established on the Grant Date by the Board of Directors, after hearing the Appointments and Remuneration Committee, on the basis of the arithmetic mean of official prices recorded by the Company's Shares on the MTA in the previous month. Any Option gives the right to subscribe or purchase one Share.

The Stock Option Plan 2018-2021 is addressed to the executive directors and/or senior executives within the Company, identified by the Board of Directors, following the opinion of the Appointments and Remuneration Committee.

The jurisdiction for the management and implementation of the Stock Option Plan 2018-2021 belongs to the Board of Directors, which can rely on the consultative and preparatory support of the Appointments and Remuneration Committee, as well as of the Human Resources Department. As far as the exercise of the Options is concerned, the Plan's management shall be taken care of by a relevant trust company, which shall abide by the Plan Regulation's provisions.

On the Grant Date, the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee, identified as beneficiaries of the Stock Option Plan 2018-2021, the following directors currently in office: (i) Alessandro Giglio, who was allocated no. 315,000 Options; and (ii) Anna Maria Lezzi, who was allocated no. 32,000 Options.

At the Grant Date, 125,000 Options were allocated to Massimo Mancini who, having resigned from his office of executive director on 21 March 2020, held said Options in his possession as senior executive (having kept his office of General Manager).

On the same date, 108,000 Options were allocated to director Carlo Frigato, who resigned on 21 December 2018. Subsequently, all the Options assigned to him have expired; therefore, they are no longer exercisable and have been returned in the Company's availability.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 110,000 Option to the senior executives.

The number of Options to be assigned to each beneficiary was defined by the Board of Directors after assessing the contribution to the realisation of the strategy and the

5 108,000 Options were allocated to director Carlo Frigato, who resigned on 21 December 2018. Following his resignation, the Options assigned to him have expired; therefore, they are no longer exercisable and have been returned in the Company's availability.

achievement of the objectives of value creation of each beneficiary, taking into account the strategic importance of the offices held and the centrality of the activities carried out within the Company and the Group.

The Stock Option Plan 2018-2021 has been structured on a three-year period. It provides for the exercise of the Options allocated to the beneficiaries over a vesting period of three years, divided in more tranches, as detailed below:

- **first tranche:** until 20% of the Options allocated can be exercised after one year from the Grant Date;
- **first tranche:** until 30% of the Options allocated can be exercised after two years from the Grant Date; and
- **first tranche:** until 50% of the Options allocated can be exercised after three years from the Grant Date.

The expiration of Options from the first tranche is set at four years from the Grant Date, by which all accrued and not expired Option rights regarding the first tranche shall be exercised.

The expiration of Options from the second tranche is set at five years from the Grant Date, by which all accrued and not expired Option rights regarding the second tranche shall be exercised.

The expiration of Options from the third tranche is set at six years from the Grant Date, by which all accrued and not expired Option rights regarding the third tranche shall be exercised.

The allocated Options included in the aforementioned tranches shall accrue - and shall thus become exercisable in the relevant exercise periods - only if the performance objectives described in the previous paragraph 3.3b are met.

The Plan shall last until the expiration of the exercisability of the Options of the third tranche by the beneficiary, hence after six years from the Grant Date. The Options not exercised within the terms shall be considered for all purposes expired, resulting in the Company being absolved of all obligations towards the beneficiary arising from the Plan.

Both (i) own Shares subject to purchase authorisation pursuant to Art. 2357 of the Italian Civil Code as granted each time by the Shareholders' Meeting and (ii) Shares resulting from the capital increase that the Board of Directors and the Shareholders' Meeting may resolve, to be counted on the proxy to increase the share capital pursuant to Art. 2443 of the Civil Code, can be used.

The Stock Option Plan 2018-2021 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 2018-2021, 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.

b. Performance Objectives

Options allocated by the Board of Directors to each beneficiary shall become Accrued, and thus exercisable by beneficiaries during the relevant exercise periods, only upon achievement of the specific performance objectives of each tranche and in accordance to the terms shown in the following tables:

First Tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2018	% of Accrued Options in the first tranche
below € 7,947,000.00	0%
equal to or greater than € 7,947,000.00	100%

Second tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2019 ⁶	% of Accrued Options in the second tranche
below € 2,200,000.00	0%
equal to or greater than € 2,200,000.00	100%

Third tranche	
EBITDA value resulting from the Company's financial statement at 31	% of Accrued Options in the third tranche

⁶ As amended by the Shareholders' Meeting of 30 April 2020, who resolved to lower the threshold previously set at € 8,495,000.

December 2020	
below € 9,918,000.00	0%
equal to or greater than € 9,918,000.00	100%

For the purpose of aligning the variable remuneration of the executive directors to the new industrial plan, which provides for the complete transfer and divestment of the Media Area, the Board of Directors, on 24 March 2020, resolved to carry out the following amendments to the Stock Option Plan 2018-2021:

- to incorporate the so-called non-recurring costs in the EBITDA definition used for determining the performance objectives on which the maturing of assigned Options is parametrised; and
- to reformulate the performance objectives fixed for 2020 as represented below, in order to align them to the new industrial plan:

Third tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2020	% of Accrued Options in the third tranche
below € 3,000,000	0%
equal to or greater than € 3,000,000	100%

The amendment proposals shall be submitted for the approval of the Shareholders' Meeting on 23 April 2020.

The verification of the achievement of the performance objectives shall be carried out by the Company's Board of Directors following the approval of the reference consolidated financial statement.

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, beneficiaries vested with the office of executive directors, in compliance with the recommendations of the Corporate Governance Code, shall have the obligation, also after the aforementioned unavailability period, to hold continuously until the end of the mandate with regard to every vesting period, a number of Shares equal to 20% of the subscribed or purchased Shares by effect of the exercise of accrued Options, after deduction of a number of Shares of equal value to the exercise

price of exercised accrued Options and tax and social security contributions actually paid for and related to the exercise of exercised accrued Options.

No further unavailability obligations on granted Shares following the exercise of accrued Options are provided.

c. Effects of the termination of the directorship/employment relationship of beneficiaries

Unless otherwise determined by the Board of Directors in favour of beneficiaries and without prejudice to the right of the Board of Directors, after hearing from the Appointments and Remuneration Committee, to reach any arrangements to the contrary with each beneficiary, in case of termination of employment relation, the following provisions shall be applied.

On a preliminary basis, a distinction must be made between:

- A "**Good Leaver**" hypothesis, i.e. any hypothesis of termination of employment as a consequence of: (i) death or permanent invalidity of the beneficiary, (ii) dismissal, revocation, termination or failure to renew the employment relationship of the beneficiary by the Company for reasons different than a just cause; (iii) transfers and/or assignments of the Company's branches; (iv) resignation from the office or termination of the employment relationship due to death or physical or psychical invalidity (due to illness or accident); or (v) resignation of the beneficiary in case of gross breach on behalf of the Company - ascertained by a legally valid finding - of the beneficiary's employment terms and conditions, such as not to allow to the beneficiary to continue working for the Company, not even temporarily; and
- A "**Bad Leaver**" hypothesis, i.e. any hypothesis of termination of employment as a consequence of: (i) dismissal and/or revocation and/or termination and/or failure to renew the employment relationship of the beneficiary by the Company for a just cause; (ii) the infringement on behalf of the beneficiary of non-competition obligations however assumed by the same against the Company and/or the Group; or (iii) the voluntary resignation of the beneficiary not justified by a Good Leaver hypothesis.

In the event of termination of relationships ascribable to an hypothesis of Good Leaver, whose termination date precedes the end of the relevant Exercise Period (as defined in the Plan Regulation), the beneficiary (or his/her heirs or legal successors) shall maintain the right to exercise the accrued Options not yet exercised, within the end of the relevant Exercise Period. Allocated Options that are not accrued yet shall be deemed expired.

In the event of termination of the employment relation ascribable to an hypothesis of Bad Leaver, the beneficiary shall lose definitively, starting from the termination of the employment relation, the right to exercise his/her Options (both allocated and accrued) not yet exercised.

It is understood that (i) the natural expiration of the director term followed by the immediate and seamless renewal, (ii) the transfer of the relationship to another

company of the Group, and (iii) the end of the employment relation and the immediate establishment of a new one with the Company or its subsidiaries shall not be deemed as a termination of the relationship.

The Board of Directors, after hearing the Appointments and Remuneration Committee, has the right to allow beneficiaries to exercise Options, in whole or in part, in the event of consensual termination of the employment relation between the parties, as well as the right to grant non-exercised Options following the termination of the employment relation with one or more beneficiaries to other beneficiaries of the Stock Option Plan 2018-2021 or to other individuals identified in accordance with the criteria set by the same Plan, setting the relevant accrual and exercise terms for the Options thus allocated.

3.4 Non-Monetary Benefits

As far as executive directors and senior executives are concerned, additional life insurance and medical care with respect to mandatory insurance coverages 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

Notwithstanding the provisions of the Stock Option Plan 2018-2021 (see paragraph 3.3c), at the reporting date, the Company has not entered in any agreement that provide for clauses for holding financial instruments in the portfolio after their acquisition.

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

Currently, the employment contract of a senior executive provides for the payment, in addition to the notice, of an amount of 12-months salary, to be intended as a substitute for any eventual indemnity owed pursuant to the collective agreement and the length of service, in the event that the Company withdraws from the employment relation without just cause, pursuant to Art. 2119 of the Italian Civil Code.

As far as the effects determined by the termination of the employment relation and/or of the management of LTI Plan 2019-2021 and the Stock Option Plan 2018-2021 beneficiaries is concerned, see paragraphs EE and 3.3c.

Against the non-competition commitments assumed by senior executives, in the event of termination of employment relation with the Company and for a period of 12 months from the termination of the employment relation, the Company undertakes to pay an amount equal to 70% of the gross annual remuneration owed to said executive.

At the reporting date, no further agreements between the Company and the members of its Board of Directors and its senior executives providing for pre-determined treatments in the event of termination of office or of employment relation exist, nor any non-competition agreements.

3.7 Social Security or Pension Coverage

Except for the following, the Remuneration Policy adopted by the Issuer does not provide for additional social security or pensions coverage other than the mandatory ones.

For senior executives, as well as for directors Alessandro Giglio and Anna Maria Lezzi, supplementary forms of health care, life insurance and accidents are provided, in addition to the ones set forth in the collective agreement of reference.

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

On 11 May 2018, the Board of Directors determined not to pay to the members of the Appointments and Remuneration Committee and of the Internal Control, Risk and Related-Parties Committee, a specific remuneration for their participation in said Committees.

At the reporting date, the Company has not adopted any specific remuneration policy for independent directors or for the execution 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 senior executives 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.

3.10 **Board of Statutory Auditors' Remuneration**

Pursuant to 2402 of the Italian Civil Code, the annual remuneration of all the members of the Board of Statutory Auditors is determined by the Shareholders' Meeting upon their appointment and for the whole duration of their term.

More specifically, the Shareholders' Meeting of 11 May 2018 established a gross annual remuneration pro rata temporis of € 25,000 for the Chairman of the Board of Statutory Auditors and of € 20,000 for the statutory auditors, for each of the fiscal years ended or that will end on 31 December 2018, 2019 and 2020, other than the reimbursement of any expenses incurred during the performance of their office, as per By-laws. The remuneration is thus determined, having taken into account criteria such as professional skills and experience of each member, as well as the time commitment required for the performance of their office.

3.11 **Exceptional Circumstances**

The Board of Directors believes that, in the presence of specific exceptional circumstances, it is possible to derogate from the remuneration policy mentioned in this report with the following terms.

Exceptional circumstances means all those situations in which the derogation from the remuneration policy is necessary for the purpose of achieving the long-term interests and the sustainability of the Company as a whole, or for ensuring its business continuity on the market, including, by way of example but not limited thereto, situations connected to or arising from the COVID-19 epidemic and similar.

Albeit they do not require a resolution of the Shareholders' Meeting, these derogations shall be approved by the Board of Directors, upon favourable opinion of the Appointments and Remuneration Committee.

The Company will be able to derogate exclusively the portion corresponding to the variable component of the remuneration of the executive directors and of the senior executives, in line with the objectives achieved.

SECTION II

REMUNERATION RECEIVED IN FISCAL YEAR 2019 BY THE MEMBERS OF THE BOARD OF DIRECTORS, THE BOARD OF STATUTORY AUDITORS, THE GENERAL MANAGER AND THE SENIOR EXECUTIVES

With reference to the fiscal year 2019, 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 Members of the Board of Directors, Statutory Auditors and/or General Managers, as well as (ii) in aggregate, the remuneration awarded to managers with strategic responsibilities, with the clarification that the aggregate values do not include the remunerations of senior executives who also act as directors (i.e. Alessandro Giglio, Massimo Mancini and Anna Maria Lezzi), given that said remunerations are already described in the section concerning the members of the Board of Directors in a nominative 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 senior executives in the fiscal year 2019 is provided. Each item can be found in the tables of the second part of this section.

1. BOARD OF DIRECTORS' REMUNERATION

On 11 May 2018, the Shareholders' Meeting, with regard to the three-year term of the Board, resolved to set an overall annual remuneration of € 315,000 for the members of the Board of Directors, giving the latter the task of establishing the compensation and/or remuneration owed to each Member, within the limit set by the aforementioned Shareholders' Meeting and after hearing the Appointments and Remuneration Committee and the Board of Statutory Directors.

Due to the intense activity carried out by the Board of Directors and, more specifically, by the Internal Control, Risk and Related Parties Committee in 2019, as well as because of the strategic lines included in the New Industrial Plan and of the transaction concerning the transfer of the Media Area, which entails that, for the remaining years of the term, the activities of the Board of Directors and of the Internal Control, Risk and Related-Parties Committee shall remain quite intense, the Board of Directors resolved to submit to the Shareholders' Meeting of 30 April 2019 the proposal to increase the overall annual compensation of the Board of Directors from € 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 assign to Alessandro Giglio a fixed annual remuneration for Fiscal Year 2019 of € 200,000, to be intended as pro rata temporis. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of the director to € 200,000 per year.

Over the course of 2019, Alessandro Giglio received as overall gross remuneration for his offices of CEO and Chairman an amount of € 200,000, as well as € 43,200 as travel allowances.

In accordance with the Remuneration Policy, the CEO has also benefited from the 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 forth in the LTI Plan 2018-2020 for Fiscal Year 2019, no variable remuneration has been paid to the CEO.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 315,000 Options to Alessandro Giglio. For more information regarding the conditions for the exercise of allocated Options, see the disclosure document prepared 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 assign to Massimo Mancini a fixed annual remuneration for Fiscal Year 2019 of € 30,000, to be intended as pro rata temporis. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of the director to € 20,000 per year.

Over the course of 2019, Massimo Mancini received as gross total remuneration for his office of Vice-Chairman of the Company € 20,000, as well as receiving a gross monetary remuneration as manager of € 131,428.50.

In accordance with the Remuneration Policy, the Vice-Chairman and General Manager has also benefited from the 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 forth in the LTI Plan 2018-2020 for Fiscal Year 2019, no variable remuneration has been paid to Massimo Mancini.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 125,000 Options to Massimo Mancini. For more information regarding the conditions for the exercise of allocated Options, see the disclosure document prepared 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 assign to Anna Maria Lezzi a fixed annual remuneration for Fiscal Year 2019 of € 20,000, to be intended as pro rata temporis. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of the director to € 20,000 per year.

Over the course of 2019, Anna Maria Lezzi received as gross total remuneration for her office of Executive Director of the Company € 20,000, as well as receiving a gross monetary remuneration as manager of € 81,986.40, of which € 5,625 as travel allowances.

In accordance with the Remuneration Policy, Anna Maria Lezzi has also benefited from the non-monetary benefits such as credit card, supplementary health care and luncheon voucher.

Taking into account the failure to achieve the performance objectives set forth in the LTI Plan 2018-2020 for Fiscal Year 2019, no variable remuneration has been paid to Anna Maria Lezzi.

Within the context of the Stock Option Plan 2018-2021, on 29 October 2018, the Board of Directors resolved to assign 32,000 Options to Anna Maria Lezzi. For more information regarding the conditions for the exercise of allocated Options, see the disclosure document prepared 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 assign to Yue Zhao a fixed annual remuneration for Fiscal Year 2019 of € 10,000, to be intended as pro rata temporis. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of the director to € 10,000 per year.

Throughout the fiscal year of 2019, Yue Zhao received a remuneration of € 10,000.

Giorgio Mosci, Independent Director

On 11 May 2018, the Board of Directors resolved to assign to Giorgio Mosci a fixed annual remuneration for Fiscal Year 2019 of € 25,000, to be intended as pro rata temporis. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of the director to € 25,000 per year.

Throughout the fiscal year of 2019, Giorgio Mosci received a remuneration of € 25,000.

Graziella Capellini, Independent Director

On 11 May 2018, the Board of Directors resolved to assign to Graziella Capellini a fixed annual remuneration for Fiscal Year 2019 of € 20,000, to be intended as pro rata temporis.

Throughout the fiscal year of 2019, Graziella Capellini received a remuneration of about € 1,000 due to her resignation.

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

Silvia Olivotto, Independent Director

On 4 February 2019, the Board of Directors co-opted Silvia Olivotto as director in the stead of Graziella Capellini, who resigned on 25 January 2019; Ms Olivotto was assigned the same remuneration of Graziella Capellini. Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to assign to Silvia Olivotto the annual remuneration of € 40,000 per year.

Throughout the fiscal year of 2019, Silvia Olivotto received a remuneration of € 31,500.

Carlo Micchi, Executive Director

On 23 January 2019, the Board of Directors co-opted Carlo Micchi as director in the stead of Carlo Frigato, who resigned on December 2019; Mr Micchi was assigned the same remuneration of Carlo Frigato.

Subsequently, on 30 April 2019, the Shareholders' Meeting resolved to amend the overall emolument to the Board of Directors, which, on 14 May 2019, resolved to confirm the annual remuneration of Carlo Micchi to € 20,000 per year.

Throughout the fiscal year of 2019, Carlo Micchi received a remuneration of € 18,795

2. BOARD OF STATUTORY AUDITORS' REMUNERATION

Cristian Tundo, Chairman of the Board of Statutory Auditors

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

Throughout the fiscal year of 2019, Mr Cristian Tundo received a remuneration of € 23,332.

Monica Mannino, Statutory Auditor

The 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 2019, Ms Monica Mannino received a remuneration of € 18,333.

Marco Centore, Statutory Auditor

The Meeting held on 11 May 2018 resolved to grant to 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 2019, Mr Marco Centore received a remuneration of € 18,333.

3. **SENIOR EXECUTIVES' REMUNERATION**

With regard to the remuneration of the executive directors identified as senior executives, see the relevant paragraphs in Section II.

SECTION II

SECOND PART

The following tables show the analytical description of the remuneration awarded for the fiscal year of 2019 for any reason and under any form by the Company, its Subsidiaries and its Affiliates.

TABLE 1 (schedule 7-bis): Remuneration Awarded to the Senior Executives, the Board of Statutory Auditors, to the General Manager and to Other Managers with Strategic Responsibilities⁷

(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	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	(I) Fees for the Company that Prepares the Financial Statement			200,000 (emoluments) 43,200 (transfer allowance)				4,901 (company car)	248101	143498,25	
	(II) Remuneration from Subsidiaries and Affiliates										
	(III) Total			243,200							
Massimo Mancini	Vice-Chairman of the Board of Directors and General Manager	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			20,000 (emolument as director) 131,428 (remuneration from employment)				2,920.68 (company car)	154348.68	56.943,75	
	Remuneration from Subsidiaries and Affiliates										

⁷ 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
	Total			151428							
Anna Maria Lezzi	Executive Director	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			20,000 (emolument as director) 81,986.40 (remuneration from employment) 5,625 (transfer allowance)					107611.4	14577.60	
	Remuneration from Subsidiaries and Affiliates										
	Total			107611.4							
Yue Zhao	Non-Executive Director	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			10,000					10,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			10,000							
Giorgio Mosci	Independent Director	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			25,000					25,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			25,000							
Graziella Capellini	Independent Director	01/01/2019 – 25/01/2019	Resigned on 25/01/2019			Bonuses and Other Incentives	Profit Sharing				

(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
	Fees for the Company that Prepares the Financial Statement			1,000					1,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			1,000							

Silvia Olivotto	Independent Director	04/02/2019 – 31/12/2019				Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			31,000					31,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			31,000							
Carlo Micchi	Independent Director	23/01/2019 – 31/12/2019				Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			18,795					18,795		
	Remuneration from Subsidiaries and Affiliates										
	Total			18,795							

Board of Statutory Auditors

Cristian Tundo	Chairman of the Board of Statutory Auditors	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			25,000					25,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			25,000							
Monica Mannino	Statutory Auditor	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			20,000					20,000		

(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			20,000							
Marco Centore	Statutory Auditor	01/01/2019 – 31/12/2019	Approval of 2020 Financial Statements			Bonuses and Other Incentives	Profit Sharing				
	Fees for the Company that Prepares the Financial Statement			20,000					20,000		
	Remuneration from Subsidiaries and Affiliates										
	Total			20,000							
Senior Executives (no. 3)		01/01/2019 – 31/12/2019	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		85,000 (indemnity from non-competition clauses)
	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 Senior Executives

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)			
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 Shares Underlying Options' Allocation 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 Chief Executive Officer	Stock Option Plan 2018-2021															
(I) Fees for the Company that Prepares the Financial Statement						315,000	2.95	Up to 20% after one year	0.8731	29 October 2018	2.72					157.500	143498,25

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

						<p>from the grant date, and for a period of more than three years</p> <p>Up to 30% after one year from the grant date, and for a period of more than three years</p> <p>Up to 50% after one year from the grant date, and for a period of</p>									
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						more than three years										
(II) Remuneration from Subsidiaries and Affiliates																
(III) Total					315,000			0.8731						157.500	143498,25	
Anna Maria Lezzi	Executive Director or	Stock Option Plan 2018-2021														
(I) Fees for the Company that Prepares the Financial Statement					32,000	2.95	Up to 20% after one year from the grant date, and for a period of more than three years Up to 30% after one year from the grant date,	0.8731	29 October 2018	2.72					16.000	14.577,60

						and for a period of more than three years Up to 50% after one year from the grant date, and for a period of more than three years									
(II) Remuneration from Subsidiaries and Affiliates															
(III) Total					32,000		0.8731							16.000	14.577,60
Carlo Giuseppe Frigato	Executive Director or	Stock Option Plan 2018-2021													

(I) Fees for the Company that Prepares the Financial Statement				108,000	2.95	Up to 20% after one year from the grant date, and for a period of more than three years Up to 30% after one year from the grant date, and for a period of more than three years Up to 50% after	0.8731	29 October 2018	2.72						09	0
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9 Following the resignation of director Carlo Frigato on 21 December 2018, the Options assigned to him have expired; therefore, they are no longer exercisable and have been returned in the Company's availability.

						one year from the grant date, and for a period of more than three years									
(II) Remuneration from Subsidiaries and Affiliates															
(III) Total				108,000			0.8731						0	0	
Senior Executives (no. 1)		Stock Option Plan 2018-2021													
(I) Fees for the Company that Prepares the Financial Statement			110,000	2.95	Up to 20% after one year from the grant date, and for a period of more than three	0.8731	29 October 2018	2.72						107,500	107.000,50

						years Up to 30% after one year from the grant date, and for a period of more than three years Up to 50% after one year from the grant date, and for a period of more than three years										
(II) Remuneration from Subsidiaries and Affiliates																
(III) Total				110, 000			0.873 1							107,500	107.000,50	

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 Senior Executives ¹⁰

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 Chief Executive Officer		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)	0	0	2019	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		Payable/Paid	Deferred	Deferral Period	No Longer	Payable/Paid	Still Deferred	

¹⁰ 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.

	Director					Payable			
(I) Fees for the Company that Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)	0	0	2019	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 Prepares the Financial Statement		LTI Plan 2018-2020 (approved on 3 September 2018)	0	0	2019	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Carlo Giuseppe 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)	0	0	2019	n/a	n/a	n/a	0

(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0
Senior Executives (no. 2)			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)		0	0	2019	n/a	n/a	n/a	0
(II) Remuneration from Subsidiaries and Affiliates									
(III) Total			0	0		n/a	n/a	n/a	0

TABLE 1 (schedule 7-ter): Investments in associates of Members of the Board of Directors, the Board of Statutory Auditors, of the General Manager in the Company and in its Subsidiaries¹¹

SURNAME AND NAME	OFFICE	INVESTEES COMPANIES	NUMBER OF SHARES HELD AT THE END	NUMBER OF SHARES	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF
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¹¹ It is note that, for the sake of completeness, the Chairman and CEO Alessandro Giglio holds an investment of 99% in Meridiana Holding S.r.l., which, in turn, holds 55.671% of Giglio Group's share capital.

			OF THE PREVIOUS FISCAL YEAR	BOUGHT		THE CURRENT FISCAL YEAR
Giorgio Mosci	Director	Giglio S.p.A.	Group 15,000	7,250	0	22,500

TABLE 2 (schedule 7-ter): Investments in associates of Other Senior Executives in the Company and its Subsidiaries

NUMBER OF SENIOR EXECUTIVES	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 directors who hold an investment in the Company was terminated on 14 September 2018)	Giglio Group S.p.A.	200,250	0 (1)	0 (1)	750 (1)

(1) The data refers to a sole senior executive, as the employment relation with the other senior executive who hold an investment in the Company was terminated on 14 September 2018