



**REPORT CONCERNING THE POLICY FOR REMUNERATION AND RECOMPENSE PAID  
FINANCIAL PERIOD 2020**

**Report concerning the policy for remuneration and recompense paid**  
in accordance with Article 123-ter TUF and Article 84-quater Listing Regulations

Traditional management and control model

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

Website [www.unieurospa.com](http://www.unieurospa.com),  
section "Corporate Governance/Shareholders' Meetings/Meeting 2020

**Financial Period 2020**

**Approved by the Board of Directors on 6 May 2020**

## LETTER TO SHAREHOLDERS FROM THE CHAIRMAN OF THE REMUNERATION AND APPOINTMENTS COMMITTEE

*Dear Shareholders,*

The Report concerning the policy for remuneration and recompense paid that we present to you sets forth the Remuneration Policy of Unieuro S.p.A. ("**Unieuro**" or "**Company**") for the future financial period year ending 28 February 2021, as well as the compensation paid to Directors, Statutory Auditors and Managers with Strategic Responsibilities during the previous financial year which ended on 29 February 2020.

Such Report, drawn up in accordance with the governance model adopted by the Company and in accordance with the recommendations of the Self-Regulation Code as well as with the applicable best practices, was approved by the Board of Directors on 6 May 2020 upon the proposal of the Remuneration and Appointments Committee ("**Committee**").

Unieuro's Remuneration Policy aims to attract, motivate and retain the most appropriate resources to successfully manage the company, supporting retention capacity and incentivising the achievement of strategic objectives so as to align the interests of top management with the primary objective of creating sustainable value for shareholders in the medium to long term.

In this regard, throughout the period that began with the listing of the Company on the STAR MTA-Segment, the Committee, having received the competent contribution of the Human Resources Department, has continuously and consistently promoted a Remuneration Policy divided into three important areas:

1. establishing the correct balance between the fixed component and the variable component of management remuneration, giving greater weight to the variable component and, in that context, preferring the medium-long term component over the short-term one, aware that such economic elements need to be considered in light of the exceptional health situation mentioned below;
2. constantly monitoring the remuneration positioning as concerns the Company's management, promoting a plan of targeted and progressive interventions to ensure realignment and adjustment of the relative remuneration treatment mindful of the reference market; and
3. promoting and supporting sustainability related matters, in line with the growing expectations of the financial community as regards sustainable development, thus strengthening the Company's reputation for all stakeholders.

As regards the first item, in line with best market practices and as of 2017, Unieuro has concentrated on privileging the variable component of its management remuneration over the fixed one, by means of a combination of the MBO (Management By Objectives) plan and LTIP (Long Term Incentive Plan) which are effective and consistent with Group performance.

In light of the provisions of the Self-Regulation Code, on 7 February 2017, Unieuro approved a medium-long term incentive plan (LTIP 2018-2025) providing for the allocation to management of stock options rights in Company shares. The vesting date of this plan coincided with the closing date of the last financial year, 29 February 2020.

With reference to the MBO mechanism, it should be noted that as of current year, Unieuro has withdrawn the one-off discretionary payments option for management from the Remuneration Policy; such payments were initially designed to reward the achievement of specific objectives and strategic values.

With regard to remuneration positioning and bearing in mind the Italian Stock Exchange listing, the Company has already adjusted the remuneration treatment of Managers with Strategic Responsibilities. Since then, the Company has been attentive and constantly monitoring the remuneration dynamics of the reference market to remain in line with market trends, ensuring that remuneration treatment offered to top management maintains its attraction and retention force.

In view of the ever-increasing expectations of the financial community as concerns sustainable development, as well as the introduction of Remuneration Policy guidelines that are not strictly financial, as of the financial year that has just closed, Unieuro, has provided a new reference parameter for the purpose of determining the incentives envisaged under the MBO plan. Such parameter is the "Net Promoter Score", a criterion based on customer satisfaction as expressed in questionnaires submitted to customers. The introduction of this parameter is aimed at ensuring that Managers with Strategic Responsibilities focus their activity on customer satisfaction and retention.

Having reaffirmed the principles that have inspired Unieuro's Remuneration Policy, I believe it is my duty to clarify certain measures put in place in response to the health emergency we are currently experiencing and to underline how - with reference to the pursuit of long-term interests, considering the current emergency situation caused by the Covid-19 outbreak and the impact thereof which is not foreseeable with any sufficient degree of reliability - the pandemic could impact on the Company's performance. The Board of Directors has deemed it appropriate to postpone the definition of a long-term incentive plan term (LTIP) based on financial instruments in accordance with the principles of responsibility and sustainability that have always inspired Unieuro's choices. This decision was taken also to allow the Company to make a better reasoned assessment to fix indicators that effectively and efficaciously measure and evaluate management performance, given the uncertainty as to how the emergency will evolve.

In any event, the Board is still desirous to determine a medium-long term plan - and in particular a performance shares plan - and to submit these for approval at the Shareholders' Meeting, it is hoped no later than December 2020.

With regard to those plans currently in place and those bonuses currently accruing, I think it appropriate to highlight the gesture of solidarity recently announced by the Board of Directors, the Chief Executive Officer and the management toward all our staff and workers that are making use of the welfare provisions.

Indeed, our Chief Executive Officer, Giancarlo Nicosanti Monterastelli, has voluntarily waived his entire remuneration for the months of April and May 2020; the Board of Directors have each elected to reduce their remuneration by 20% for the months of April and May 2020; the entire company management has elected to reduce their remuneration in a percentage between 10% and 20%. In addition company management has opted to postpone the payment date of their short-term variable compensation (May 2020) accrued on achievement of the objectives set for the financial year as at 29 February 2020, to a more appropriate time considering the evolution of the socio-economic situation generated by the pandemic, the economic results and the financial situation of the Company. These acts show a highly appreciated joint initiative, which I am certain you will have taken into account and that you share its spirit.

*Dear Shareholders*, the above having been stated, the Remuneration Policy that we submit for your approval confirms the distinctive elements of the pursuit of a balanced pay-mix for the management remuneration package and the tying of the variable component to clear, predetermined performance objectives also with a view to sustainability. Therefore, we submit that the Policy is fully consistent with the pursued objectives, namely to attract, retain and adequately remunerate the company's key resources, so ensuring that value for shareholders is created in the medium-long term.

We take this opportunity to thank you in advance for the acceptance that we trust you will kindly express at the shareholders' meeting.

Marino Marin

**CHAIRMAN OF THE REMUNERATION AND APPOINTMENTS COMMITTEE**

## Background and regulatory references

This report concerning the policy for remuneration and recompense paid ("**Report**") has been prepared in accordance with Article 123-*ter* of the Italian Consolidated Finance Act (so-called TUF) and Article 84-*quater* of the Listing Regulation, according to Framework 7-*ter* of Annex 3A to the said Listing Regulation ("**Consob Scheme**"), as well as taking into account the recommendations of Self-Regulation Code.

The Report is divided into two sections:

- Section I, pursuant to Article 123-*ter*, paragraph three of the TUF, illustrates the policy adopted by the Company on the subject of remuneration of:
  - (a) the members of the Board of Directors, differentiating between executive directors and non-executive directors (the "**Directors**"),
  - (b) standing members of the Board of Auditors; and
  - (c) Managers with Strategic Responsibilities,with reference to the financial year ending on 28 February 2021, as well the procedures used for the adoption and implementation of this policy ("**Remuneration Policy**").
- Section II shows – in accordance with Article 123-*ter*, fourth paragraph, of the TUF – a description in table form of the compensation accruing to the 2020 Financial Period for recipients of the Remuneration Policy.

In accordance with Article 84-*quater* of the Listing Regulations, this Report shall be made available to the Public at the Company's registered office and on the Company's website ([www.unieurospa.com](http://www.unieurospa.com)) in section Corporate Governance / Shareholders Meetings / Meeting 2020 as well as at the storage facility "eMarket STORAGE" which can be consulted on [www.emarketstorage.com](http://www.emarketstorage.com) within twenty one days prior to the Meeting date.

The Remuneration Policy outlined below was approved by the Board of Directors on 6 May 2020, at the proposal of the Remuneration and Appointments Committee and will be submitted to a binding vote at the Shareholders' Meeting, on 12 June 2020 pursuant to Article 123-*ter* paragraph 3-*bis* and paragraph 3-*ter* TUF.

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## DEFINITIONS and GLOSSARY

<b>Articles of Association</b>	The articles of association of the Company approved at the extraordinary Shareholders' Meeting of 12 December 2016, as subsequently amended, and which entered into force on the Trading Start Date.
<b>Board/Board of Directors</b>	The Company's board of directors.
<b>Board of Statutory Auditors</b>	The Company's Board of Statutory Auditors.
<b>Borsa Italiana</b>	Borsa Italiana S.p.A., with its registered office at Piazza degli Affari 6 – Milan.
<b>Civil Code</b>	The Italian Civil Code.
<b>Code/Self-Regulation Code</b>	The Code of Self-Regulation of listed companies approved in March 2006 by the Self-Regulation Committee (and approved by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria), as last amended in July 2018.
<b>Consob Related Parties Regulations</b>	The regulations on related-party transactions approved by Consob with Resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.
<b>Control and Risks Committee</b>	The committee set up within the Board of Directors pursuant to principle 7.P.4. of the Self-Regulation Code.
<b>Executive Director</b>	Director entrusted with specific operative or managerial powers including any specific duties allocated to him/her by the Board of Directors.
<b>Financial Period 2020</b>	The Company's financial period from 1 March 2019 to 29 February 2020.
<b>Instructions to the Stock Market Regulations</b>	The Instructions to the Regulations of the Markets Organised and Operated by Borsa Italiana S.p.A..
<b>Independent Director</b>	A director possessing the independence requisites laid down by the TUF and the Self-Regulation Code.



<b>Issuer/Company /Unieuro</b>	Unieuro S.p.A., with its registered office in Forlì, Via V.G. Schiaparelli 31.
<b>TUF</b>	The Italian Consolidated Finance Act ( <i>Testo Unico della Finanza</i> ) by way of Legislative Decree No. 58 of 24 February 1998 as amended.
<b>Listing Regulation</b>	The listing Regulation approved by Consob with Resolution no. 11971 of 14 May 1999 (as subsequently amended).
<b>Long Term Incentive Plan 2018-2025 or Stock Option Plan</b>	The long-term incentive plan that pays a bonus in financial instruments.
<b>Managers with Strategic Responsibilities</b>	Company managers that hold the powers and responsibilities, directly or indirectly, for planning, management and control of Company activities, according to the definition provided in Appendix 1 to the Consob Regulations on related-party transactions adopted by resolution no. 17221 of 12 March 2010 as subsequently amended and integrated.
<b>MTA – STAR Segment</b>	The Mercato Telematico Azionario (Electronic Stock Exchange) - STAR Segment, organised and managed by Borsa Italiana S.p.A..
<b>Non-Executive Director</b>	A director not entrusted with any specific operative or managerial powers nor having been allocated any specific duties by the Board of Directors.
<b>Related-Party Transaction Committee</b>	The committee for related party transactions, set up within the Board of Directors pursuant to the Consob Related Parties Regulations.
<b>Remuneration and Appointments Committee</b>	The committee set up within the Board of Directors pursuant to principle 6.P.3. of the Self-Regulation Code.
<b>Report</b>	This report concerning the policy for remuneration and recompense paid
<b>Shareholders’ Meeting/Meeting</b>	The Company shareholders’ meeting.
<b>Stock Market Regulations</b>	The Regulations of the Markets Organised and Operated by Borsa Italiana S.p.A..

**Trading Start Date**

The first day on which the shares of Unieuro were traded on the MTA – STAR Segment (as defined below), i.e. 4 April 2017.



## SECTION I

Below is a table that summarizes and explains the data contained within the text of the Remuneration Policy of Unieuro S.p.A.

Component	Conditions	Chief Executive Officer	Managers with Strategic Responsibilities			
<b>Fixed Remuneration</b>		<p>€ 350,000.28</p> <p>Component determined on the basis of the existing managerial relationship, having the Chief Executive Officer waived the remuneration attributed to him by the Board pursuant to art. 2389 c.3 Civil Code</p>	<p><i>Chief Financial Officer</i></p> <p>€ 300,000.12</p>	<p><i>Chief Operating Officer</i></p> <p><i>Chief Omnichannel Officer</i></p> <p>€ 250,000.10</p>	<p><i>Chief Commercial Officer</i></p> <p>€ 230,000.00</p>	<p><i>Chief Corporate Development Officer</i></p> <p>€ 250,000.10</p>

<p><b>Short-term variable remuneration</b></p>	<p>The short-term variable remuneration is subject to a gate condition that determines its access: in order to activate the bonus, an EBITDA level of at least 70% of the EBITDA target set for the year shall be reached</p> <p><b>1) EBITDA<sup>1</sup> 70%</b> Measurement performance: Target 100% (business plan target) Threshold 80%</p> <p><b>2) Net Financial Position 20%</b> Measurement performance: Target 100% (business plan target) Threshold 80%</p> <p><b>3) Net Promoter Score 10%</b> Measurement performance: Target 100% (business plan target) Threshold 80%</p> <p>The MBO system envisages a <b>total cash bonus cap of 150%</b> of the maximum amount payable in the event that 100% of the objectives are achieved as defined in the individual employment agreement for each Manager with Strategic Responsibilities.</p> <p>Incentive subject to claw back and malus</p> <p><i><sup>1</sup> The EBITDA is given by the consolidated EBITDA adjusted (i) of the non-recurring expenses / (income) and (ii) of the effects deriving from the adjustment of the revenues for guarantee extension services net of the costs estimated for the provision of the service assistance, as a consequence of the change in the business model for directly managed assistance services.</i></p>	<p>From 50% to 150% of the Bonus contractually defined on the basis of the Target achievement level</p> <p>Upon reaching 100% of the Target: 100% of the contractually defined Bonus</p>	<p>From 50% to 150% of the Bonus contractually defined on the basis of the Target achievement level</p> <p>Upon reaching 100% of the Target: 100% of the contractually defined Bonus</p>
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<b>Long-term variable remuneration</b>	Plan 2020-2025: Long-term variable incentive with three-year performance and share bonus  Incentive subject to claw back and malus	Participation in the medium-long term incentive plan is envisaged and will possibly be approved by the Shareholders' Meeting.	
<b>Others remunerations</b>	<b>Non-monetary benefits:</b>	Pursuant to the provisions of the applicable CCNL and the provisions of individual employment contracts, contributions to mandatory social security funds and supplementary medical care, life risk insurance coverage; accident and occupational and non-professional illness Directors & Officers Liability ("D&O") policy, the attribution of company vehicle for personal and business use and, in some cases, the granting of the so-called house allowance.	
	<b>Non-compete clause</b>	Present: with reference to the non-competition agreement with Giancarlo Nicosanti Monterastelli, it should be noted that it was entered into between the Company and the latter as Manager with Strategic Responsibilities.	
	<b>Other</b>	<b>End of term compensation</b> As regards the Chief Executive Officer, it should be noted that no specific agreements (so-called golden parachute) related to the termination of office have been entered into and that, as regards the employment relationship entered into by the same with the Issuer, he does not benefit from any treatment additional to those provided by law and by the collective labour agreement ("CCNL") for the dismissal case.	-

**a) Bodies or parties involved in the preparation, approval and implementation of the Remuneration Policy**

The bodies or parties involved in the preparation and approval of the Remuneration Policy are indicated below, with a specification of their respective roles, together with the bodies or parties responsible for the proper implementation of said policy.

The Remuneration Policy is adopted according to a process that involves the Shareholders' Meeting, the Board of Directors and the Remuneration and Appointments Committee, in accordance with the rules and regulations in force and the principles set out in the Self-Regulation Code.

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

For the sake of clarity, the provisions of Article 123-ter paragraph 3-bis of the TUF (as amended by Legislative Decree No. 49 of 10 May 2019), allow that Unieuro may, within the limits of the laws and regulations in force, temporarily derogate from its remuneration policy in exceptional circumstances. "Exceptional Circumstances" means those situations in which a derogation from the remuneration policy is deemed necessary to pursue long term interests and sustainability of the company overall, or to ensure its capacity to remain on the market. The process is summed up below.

Specifically, the Board of Directors, on the advice of the Remuneration and Appointments Committee, having heard the Related Party Transaction Committee and in conformance with the Management of Related Party Transactions Procedure adopted by the Company, may, in the above-mentioned circumstances, derogate temporarily from those items of the Policy set forth in point e) below.

**Shareholders' Meeting**

With regard to remuneration, the Shareholders' Meeting:

- pursuant to Article 2364, paragraph one, No. 3) of the Civil Code, decides the compensation of the members of the Board of Directors and the Board of Statutory Auditors at the time of their appointment and for the entire duration the office is to be held, until such time as different provisions are determined at a Meeting;
- pursuant to Article 123-ter: (i) paragraph 3-bis and paragraph 3-ter TUF, resolves by binding vote on the first section of the Report and (ii) sixth paragraph TUF, resolves by a nonbinding vote on the second section of the Report; and
- pursuant to Article 114-bis TUF, resolves on any compensation plans based on shares or other financial instruments.

**Board of Directors**

With regard to remuneration, the Board of Directors:

- sets the remuneration of Directors within the remit of that resolved by the Meeting;
- in accordance with Article 2389, third paragraph Civil Code, sets the remuneration of directors tasked with specific duties, on proposal of the Remuneration and Appointments Committee having listened to the opinion of the Board of Statutory Auditors;
- determines the Remuneration Policy based on the proposal of the Remuneration and Appointments Committee, and is responsible for putting it into effect;
- prepares any compensation plans based on shares or other financial instruments, with the assistance of the Remuneration and Appointments Committee, submitting these plans for the approval of the Shareholders' Meeting in accordance with Article 114-*bis* TUF; and
- implements any compensation plans based on shares or other financial instruments, with the assistance of the Remuneration and Appointments Committee, upon authorisation of the Shareholders' Meeting.

### **Executive Directors**

With regard to remuneration, the Executive Directors:

- submit any compensation plans based on shares or other financial instruments to the Remuneration and Appointments Committee, or where appropriate assist the Remuneration and Appointments Committee with drawing up said plans;
- provide the Remuneration and Appointments Committee with all useful information so as to enable the Committee to assess the adequacy and actual implementation of the general remuneration policy, with particular regard to the remuneration of Managers with Strategic Responsibilities.

### **Board of Statutory Auditors**

With regard to remuneration, the Board of Statutory Auditors serves an advisory role, wherein it formulates the opinions required by the regulations in force and in particular expresses its opinion on proposals for the remuneration of Executive Directors. In expressing its opinion as mentioned above, it verifies the consistency of the proposals made by the Remuneration and Appointments Committee to the Board of Directors with the remuneration policy.

### **Auditing Firm**

As provided for by Article 123-*ter*: (i) paragraph 8-*bis* TUF, the auditing firm shall verify that the directors have prepared the second section of the Report.

## **b) Remuneration and Appointments Committee**

On 7 February 2017, the Board of Directors, in conformity with the corporate governance recommendations contained in the Self-Regulation Code, resolved, with effect from the Trading Start Date, to establish an Appointments and Remuneration Committee, approving the regulations for the operation of such committee.

**a. Composition of the Appointments and Remuneration Committee**

Following the renewal of the entire Board of Directors which occurred at the Shareholders' Meeting held on 18 June 2019, subsequently on 26 June 2019, the Board of Directors moved to appoint the members of the Appointments and Remuneration Committee, and appointed: Gianpiero Lenza (non-executive director), Catia Cesare (director in possession of the requirements of independence indicated by the TUF and by the Self-Regulation Code) and Marino Marin (director in possession of the requirements of independence indicated by the TUF and by the Self-Regulation Code) in the role of Chairman. In light of the resignation presented by Gianpiero Lenza on 23 January 2020 from his office on the Company Board of Directors, the Board of Directors appointed Pietro Caliceti (director in possession of the requirements of independence indicated by the TUF and by the Self-Regulation Code) as a member of the Appointments and Remuneration Committee on 6 February 2020.

The Remuneration and Appointments Committee was established pursuant to principle 6.P.3 of the Self-Regulation Code, which provides that such committee shall be made up of independent directors, or alternatively, non-executive directors, the majority of whom must be independent (in this case the Chairman was appointed from the independent directors).

In conformity with principle 6.P.3. of the Self-Regulation Code, each component of the Committee shall possess expertise and experience in financial matters and remuneration policies.

In the current financial period, the Remuneration and Appointments Committee shall meet whenever necessary to ensure the correct and effective fulfilment of duties.

**b. Responsibilities and operating methods of the Remuneration and Appointments Committee**

The operation of the Remuneration and Appointments Committee is governed by the Regulation approved by the Board of Directors on 7 February 2017 - which can be consulted on the Issuer's website in the "Corporate Governance" section - with the most important provisions reproduced below.

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

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

- (i) making proposals to the Board of Directors for the establishment of a general policy for the remuneration of the Chief Executive Officer, the General Manager and the other Managers with Strategic Responsibilities - also for the purposes of the preparation, by the Board, of the remuneration report to be submitted to the Shareholders' Meeting and periodically assessing the adequacy, overall consistency and actual implementation of the general policy on remuneration approved by the Board of Directors;
- (ii) making proposals to the Board of Directors regarding the overall remuneration of the Chief Executive Officer, the General Manager and the other Managers with Strategic Responsibilities, and for the establishment of the remuneration criteria for the Company's senior management, including the performance targets linked to the variable component of that remuneration;



- (iii) monitoring the implementation of decisions taken by the Board of Directors, by verifying, in particular, the actual achievement of performance targets;
- (iv) examining any share-based or cash incentive plans for Company employees and the policies for the strategic development of human resources.

The Remuneration and Appointments Committee is able to access the information and corporate functions necessary to carry out its duties, as well as avail itself of external consultants, within the limits established by the Board of Directors, in conformity with the provisions of application criterion 4.C.1., letter e) of the Self-Regulation Code.

Nevertheless, in accordance with Article 19 of the Articles of Association and Article 2389, paragraph 3, of the Civil Code, the Remuneration and Appointments Committee only performs advisory and recommendation functions, whereas the power to set the remuneration of the Directors assigned with specific duties remains with the Board of Directors, in consultation with the Board of Statutory Auditors, without prejudice to the power of the Shareholders' Meeting to decide the overall amount of the remuneration of all the directors, including those assigned with particular duties.

In conformity with the provisions of application criterion 6.C.6 of the Self-Regulation Code, no director can take part in the Remuneration and Appointments Committee meetings in which proposals are made to the Board of Directors regarding their remuneration, unless the proposals regard all members in general of the committees established within the remit of the Board of Directors.

At the very next Board of Directors meeting, the Chairman will report on the activities carried out by the Remuneration and Appointments Committee.

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

The Company has not used any independent experts for the preparation of the Remuneration Policy.

**d) Principles and aims of the Remuneration Policy and any changes compared with the previous financial period**

Also, in accordance with the Self-Regulation Code, the Remuneration Policy is mainly designed to:

- attract, motivate and retain adequate human resources and skills to successfully pursue the Company's objectives;
- to align the interests of management with those of the Company and its shareholders; and
- to promote the creation of sustainable medium/long term values for the Company and for its shareholders.

In determining the Remuneration Policy, the Board of Directors has taken into account the following criteria in accordance with the provisions of the Self-Regulation Code:

- the fixed component and the variable component are suitably balanced in view of the Issuer's strategic goals and its risk management policy;

- there are maximum limits on the variable components of remuneration;
- the fixed component is deemed sufficient to remunerate directors for their services in the event the variable component is not paid because of failure to reach performance objectives.

In order to pursue these objectives, under the Remuneration Policy the compensation of the Directors and the Managers with Strategic Responsibilities is determined on the basis of the following components:

- (i) a fixed annual component, commensurate with the position and the commitment required;
- (ii) a variable component, measured on the performance of the Company, in the form of equity, equity-based or cash-based incentive plans;
- (iii) non-monetary benefits (fringe benefits), such as the provision of a company telephone, computer or vehicle, as well as participation in welfare and insurance plans that include:
  - a. for employees of the Company, ordinary welfare and social security protection (as per the applicable national collective bargaining agreement) and insurance coverage against the risk of death, permanent disability and temporary incapacity;
  - b. as far as Directors are concerned, insurance coverage in relation to the office held on the Board of Directors.
- (iv) compensation payable as consideration for any non-compete obligations agreed with the Managers with Strategic Responsibilities.

With respect to the Remuneration Policy for the financial period ending on 29 February 2020: (i) the faculty to award a fixed bonus for the achievement of results having particular strategic significance was deleted on grounds that the “ordinary” variable component of remuneration correctly performs the function of rewarding the same results; and ii) clawback/malus clauses were added to the short term incentive system (MBO) as recommended under point f) of Article 6.C.1. of the Self-Regulation Code. For further information, see point e) below.

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

The policy concerning remuneration of the Directors and Managers with Strategic Responsibilities are adequately balanced to ensure alignment between short-term growth objectives and the creation of sustainable value for the Company and its shareholders in the medium-long term.

In particular, the remuneration structure comprises the following components:

- a fixed component that reflects the person’s specific powers, positions, role and strategic responsibilities;
- a variable component designed to remunerate expected short-term performance and medium/long-term performance.

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

Regarding Managers with Strategic Responsibilities, when determining the relevant Remuneration Policy, the Board of Directors take as a base starting point an assessment of the current contractually agreed remuneration with each Manager with Strategic Responsibilities, which includes, *inter alia*, benefits and variable short-term remuneration (MBO) connected to the achievement of individual or company performance targets set for each financial period, the payment of which is conditional upon executive's remaining with the Company for the relevant period, as better described below.

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

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

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

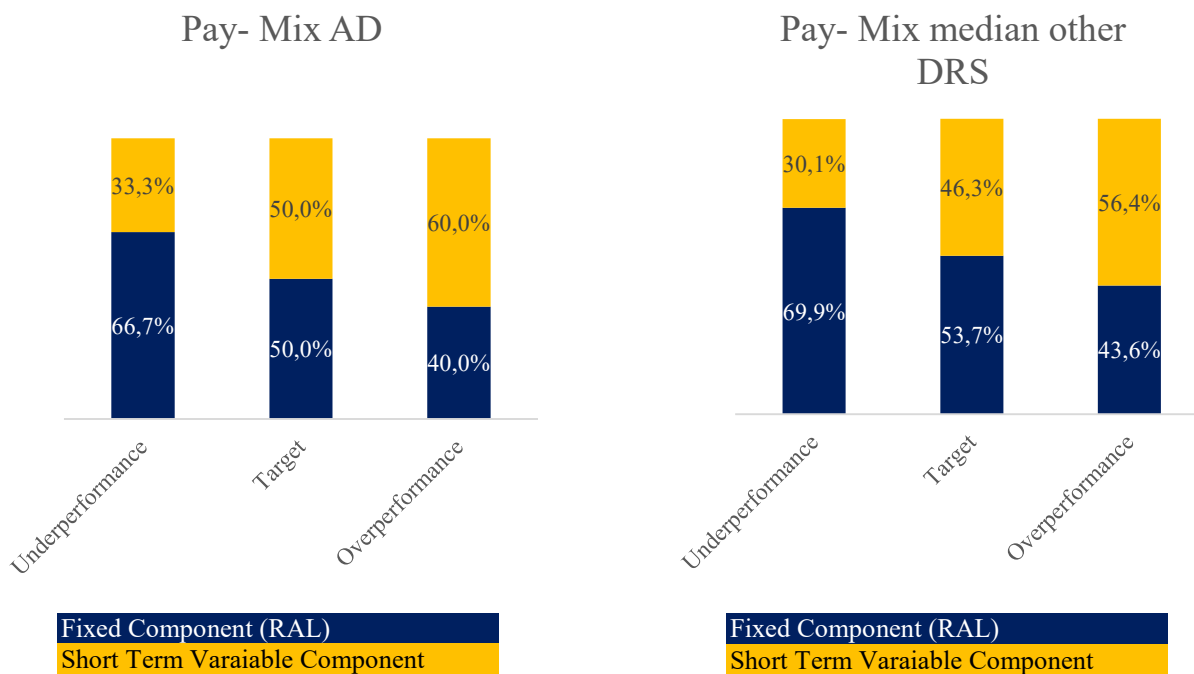
#### **Management By Objectives ("MBO")**

The remuneration of Managers with Strategic Responsibilities provides for an annual variable component (MBO) – which is a significant amount in percentage terms in respect of gross annual income – connected to the achievement of an "entry gate" and individual and/or company performance objectives set for each financial period by the Board of Directors, the payment of which is conditional upon the Manager's remaining with the company for the relevant period.

The pay-mix<sup>2</sup> - the weighting of the different components as a proportion of total remuneration paid excluding benefits (so-called annual total compensation) is provided below:

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<sup>2</sup> The graph at page 20 does not take into account the awarding of subscription rights as concerns the medium-long term incentive plan, which shall be submitted at the Shareholders' Meeting for approval as indicated in the below paragraph (Long Term Incentive Plan).



The current MBO system envisages payment of a variable monetary component (cash bonus), payable upon achievement of the 100% of targets, in an amount determined for each manager in his/her individual contract of employment. The recognition of the bonus is conditional upon the manager's remaining in office for the reference period and reaching the performance targets which are given predetermined weighting, and specific identifiable entry levels. The bonus effectively due is calculated according to a linear progression system, bearing in mind the actual performance achieved with respect to the performance targets.

The MBO system for the year 1 March 2020 - 28 February 2021, as approved by the Board of Directors on 6 May 2020, upon the proposal of the Appointments and Remuneration Committee, and by way of continuation of that provided for in the MBO applicable to the Financial Period closed on 29 February 2020, is structured on the basis of the following parameters and criteria:

- the performance objectives are connected to targets with reference to (i) EBITDA<sup>3</sup> (common to all Managers with Strategic Responsibilities) ("**EBITDA Performance Target**") and (ii) the reduction of the net financial position or net debt (depending on the corporate role performed) ("**NFP Performance Target**") and (iii) Net Promoter Score, a criterion based on customer satisfaction as resulting from questionnaires obtained from to customers ("**NPS Performance Target**");<sup>4</sup>
- the Target Bonus - payable if 100% of the targets are reached and determined individually in the contracts of employment - is broken down according to the above-mentioned weighting of the "**EBITDA Target Bonus**" (70%), the "**NFP Target Bonus**" (20%) and in the "**NPS Target Bonus**" (10%);

<sup>3</sup> See note 1 in table at page 12

<sup>4</sup> The final determination of achievement of the Net Promotor Score objective is made by way of adjustment of the results of those surveys collected online through a "proprietary" platform, and subtracting the number of "detractors" from the number of "promoters".

- the accrual of and payment of the EBITDA Target Bonus, the PFN Target Bonus and the NPS Target Bonus are conditional upon (i) the reaching of predetermined entry levels, below which levels the beneficiary shall not have the right to receive any compensation and (ii) the beneficiary being employed by the Issuer at the closing date of the reference period, except in the event of termination by Company of the employment for objective reasons in which case the bonus will be readjusted proportionally *ratione temporis*.

Specifically, if the effective consolidated performance in the relevant period relating to EBITDA ("**EBITDA Actual Performance**") is:

- a) below 80% of the EBITDA Performance Target, then the EBITDA Target Bonus would not be due, not even pro rata, as the entry level has not been achieved;
  - b) equal to 80% of the EBITDA Performance Target, then 50% of the EBITDA Target Bonus would be due;
  - c) between 81% and 99% of the EBITDA Performance Target, then - in addition to the amount indicated in point b) above - 2.5% of the EBITDA Target Bonus would be due for each plus percentage point of the EBITDA Actual Performance above 80% of the EBITDA Performance Target;
  - d) 100% of the EBITDA Performance Target, then an amount equal to the EBITDA Target Bonus would be due;
  - e) between 101% and 120% of the EBITDA Performance Target, then a sum in addition to the EBITDA Target Bonus would be due, equal to 2.5% of the EBITDA Target Bonus for each plus percentage point of the EBITDA Actual Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each plus percentage point of the EBITDA Actual Performance above 120% of the EBITDA Performance Target.
- the NFP Target Bonus is due exclusively on condition that 70% of the EBITDA Performance Target is achieved. On the failure to achieve such threshold, the right to receive the NFP Target Bonus will not accrue, in spite of reaching the Performance Target for the net financial position/net debt. Notwithstanding the foregoing, if the effective consolidated performance in the reference period relating to the net financial position/net debt ("**NFP Actual Performance**") is:
    - a) below 80% of the NFP Performance Target, then the NFP Target Bonus would not be due, not even pro rata, as the entry level has not been achieved;
    - b) equal to 80% of the NFP Performance Target, then 50% of the NFP Target Bonus would be due;
    - c) between 81% and 99% of the NFP Performance Target, then - in addition to the amount indicated in point b) above - 2.5% of the NFP Target Bonus would be due for each plus percentage point of the NFP Actual Performance above 80% of the NFP Performance Target;
    - d) 100% of the Performance Target, then an amount equal to the NFP Target Bonus would be due;
    - e) between 101% and 120% of the NFP Performance Target, then a sum in addition to the NFP Target Bonus would be due equal to 2.5% of the NFP Target Bonus for each plus percentage point of NFP Actual Performance between 101% and 120% (inclusive) of the Performance Target and equal to 3% for each plus percentage of the NFP Actual Performance above 120% of the NFP Performance Target.

- the NPS Target Bonus is due exclusively on condition that 70% of the EBITDA Performance Target is achieved; in the event that this threshold is not reached, the right to receive the NPS Target Bonus will not accrue, despite the achievement of the Target Performance relating to the customer satisfaction level. Notwithstanding the foregoing, in the event that the actual consolidated performance of the reference period relative to customer satisfaction ("**NPS Actual Performance**") is:
  - a) less than 80% of the NPS Performance Target, then the NPS Target Bonus would not be recognized, not even pro rata, as the related entry threshold has not been achieved;
  - b) equal to 80% of the NPS Performance Target, then an amount equal to 50% of the NPS Target Bonus would be due;
  - c) between 81% and 99% of the NPS Performance Target, then - in addition to that indicated in point b) above -, 2.5% of the NPS Bonus Target for each plus percentage point of NPS Actual Performance greater than 80% of the NPS Performance Target would be recognized;
  - d) 100% of the Performance Target, then an amount equal to the NPS Target Bonus would be due;
  - e) between 101% and 120% of the NPS Performance Target, then an additional sum would be recognized, - equal to 2.5% of the NPS Target Bonus for each plus percentage point of the NPS Actual Performance between 101% and 120% (inclusive) of the NPS Performance Target, and equal to 3% for each plus percentage point of the NPS Actual Performance above 120% of the NPS Performance Target.

Notwithstanding the foregoing, the MBO system envisages a total cash bonus cap of 150% of the maximum amount payable in the event that 100% of the objectives are achieved as defined in the individual employment agreement for each Manager with Strategic Responsibilities.

For the sake of clarity, it is to be noted that the EBITDA means by the consolidated EBITDA adjusted (i) of the non-recurring expenses / (income) and (ii) of the effects deriving from the adjustment of the revenues for guarantee extension services net of the costs estimated for the provision of the service assistance, as a consequence of the change in the business model for directly managed assistance services.

In the case of:

- (i) extraordinary transactions that concern the Company
- (ii) events or circumstances, including those that are exogenous (e.g. COVID-19), of an exceptional or extraordinary nature
- (iii) changes to the legislative or regulatory context

that impact significantly on all or part of the targets, the Board of Directors, having heard the opinion of the Appointments and Remuneration Committee, may reevaluate the overall fairness and coherence of the incentive plan, and may make reasoned alterations thereto - upon the proposal of the Appointments and Remuneration Committee - as concerns the assigned targets/entry thresholds provided for above.

For both the short-term variable component and medium-long term components, specific malus and clawback clauses are provided as recommended by point f Article 6.C.1 of the Self-Regulation Code and, in particular:

- the *malus* clause allows the variable component to be reduced or not paid out at all in the event that, in the period between accrual of the variable element of recompense and actual payment thereof, it is found that the allocation was determined either based on data or information that transpires to be manifestly wrong or in the presence of fraudulent conduct or gross negligence on the part of the recipient.
- The clawback clause allows the Company to demand restitution of all or part of monetary incentive paid out, within 3 years of the said payment in the scenario in which the allocation was determined either based on data or information that transpires to be manifestly wrong or in the presence of fraudulent conduct or gross negligence on the part of the recipient.

### **Long Term Incentive Plan**

As concerns the achievement of long term goals, mindful of the current Covid-19 outbreak emergency and the impact that the pandemic could have on Company performance, which as of the date of writing are not sufficiently foreseeable with any degree of reliability, the Board of Directors has deemed it opportune to postpone the determination of a long term incentive plan (LTIP) based on financial instruments. This decision is in keeping with the principles of responsibility and sustainability that underpin the choices of the Issuer. Indeed, uncertainty as to how the emergency will evolve is likely to thwart the establishing of any indicators that could effectively and efficaciously measure and evaluate management performance.

In any event, the Board is desirous to draw up a medium-long term plan - in particular a performance share plan - for submission and approval at the Shareholders' Meeting within December 2020, provided that the conditions created by the impact of the current Covid-19 emergency so permit. In particular, the long-term incentive plan would be subject to prior consideration by the Appointments and Remuneration Committee. Thereafter, should the relative proposal be approved by the Company Board of Directors, it would then be submitted for approval at the Shareholders' Meeting.

It is emphasised that the documentation for publication for the purposes of the above-mentioned Shareholders' meeting would contain certain of the information provided for in the Consob Scheme, amongst which, the vesting period and those provisions concerning the maintenance of the financial instruments in the portfolio, which are unable to be clarified at this time.

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The Remuneration Policy for Directors, the General Manager and the Managers with Strategic Responsibilities is described below.

### ***Chairman of the Board of Directors***

#### **Fixed component**

The remuneration of the Chairman is determined as follows: (i) as concerns his office as director, on the basis of the compensation established at the Shareholder's Meeting in accordance with Article 2389 paragraph 1 Civil Code; and (ii) as concerns any other particular office, as the Board of Directors may decide having heard the Board of Auditors in accordance with Article 2389 paragraph 3 Civil Code.

The Chairman is entitled to be reimbursed board, lodging and transport expenses incurred in the carrying out of his functions, whereas, no attendance allowance is provided for participation in board meetings.

#### **Variable component**

The Chairman is not included in annual or medium-long term variable incentive Plans.

### **Non-monetary benefits**

The Chairman does not receive any additional benefits compared to those awarded to the other Directors of the Company.

### ***Vice Chairman***

The above provisions applicable to remuneration of the Chairman of the Board of Directors shall likewise apply also to the Vice Chairman of the Board of Directors should one be appointed.

### ***Directors***

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

All Directors receive fixed compensation determined at the Meeting at the time of their appointment and applicable for the duration of their office (until such time as the Meeting makes different provision), that ensures adequate remuneration for their services and commitment to the Company. Each Director is also entitled to be reimbursed expenses incurred in the carrying out of their functions, whereas, no attendance allowance is provided for participation in board meetings.

### **I. Executive Directors**

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

As at the date of this Report, the sole Executive Director is Giancarlo Nicosanti Monterastelli, who is the Chief Executive Officer. Attention is drawn to the fact that, based on the agreed terms of his subordinate employment contract with Issuer - which provides for an all-inclusive annual gross remuneration, which is deemed to also compensate any additional offices or Company duties, Mr Nicosanti Monterastelli has expressly waived any right to any compensation resolved in his favour for the roles of member of the Board of Directors and as Chief Executive Officer.

### **Fixed component**

The fixed component of Executive Directors' compensation is set by the Shareholders' Meeting (i) for the office of director, on the basis of the amount of compensation available for distribution established by the Meeting pursuant to Article 2389 paragraph 1 Civil Code and (ii) for any particular duty, as may be carried out by the Board of Directors in consultation with the Board of Statutory Auditors in accordance with Article 2389 third paragraph Civil Code. The Shareholders' Meeting may set an overall amount for the remuneration of all of the Directors, including those assigned particular duties.

### **Variable component**

As regards the variable component of the Executive Directors remuneration, Executive Directors are entitled to participate in the short-term incentive plan mentioned above, as well as in any long-term incentive plan based on financial instruments as are approved by the Shareholders' Meeting within current year end. In continuance with past practice, Executive Director, Giancarlo Nicosanti Monterastelli, shall participate in any short term incentive plan and long term incentive plan in his capacity of Manager with Strategic Responsibilities.



## **Non-monetary benefits**

The non-monetary benefit recognised to Executive Directors is the so-called Directors' and Officers' Liability Insurance coverage ("**D&O**").

## **II. Non-executive and independent directors**

As at the date of this Report, the independent Directors are: Michele Bugliesi, Pietro Caliceti, Catia Cesari, Paola Elisabetta Galbiati, Marino Marin and Monica Luisa Montironi. Stefano Meloni is deemed to be an independent Board Director in accordance with the TUF and non-independent under the Self-Regulation Code since he is Chairman of the Board of Directors. Alessandra Stabilini is a non-executive Board member.

In accordance with the principles of the Self-Regulation Code and, in particular, the implementing rule set out in principal 6.C.4., the gross annual remuneration of non-executive Directors and Independent Directors is not connected to the achievement by the Company of economic targets and is, instead, commensurate to the commitment required from each of them to perform their roles.

The non-monetary benefit recognised to Non-executive Directors is the D&O (Directors and Officer) liability insurance ("**D&O**").

## **III. Compensation for participation in committees**

The remuneration for participation in committees may be established by the Shareholders' Meeting.

On 26 June 2019, the Board of Directors resolved to pay an annual gross sum of: (i) €10,000 to each member of the Remuneration and Appointments Committee, of the Control and Risks Committee, and of the Related Party Transaction Committee; (ii) €14,000 to the Chairman of the Control and Risks Committee; and (iii) Euro 13,000 per committee to the Chairman of the Remuneration and Appointments Committee and the Chairman of the Control and Risks Committee as well as reimbursement of expenses and the benefit of the insurance policy provided as per company practice, it being clarified that that total compensation shall be proportionate to the actual number of months spent in office.

## **IV. General Manager**

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

## **V. Managers with Strategic Responsibilities**

As at the date of this Report, the Issuer has identified 6 Managers with Strategic Responsibilities from among the persons who, in the opinion of the Issuer, have the power and responsibility, directly or indirectly, for the planning, management and supervision of Unieuro's activities.

They are the managers who currently fill the positions of (i) Chief Operations Officer (ii) Chief Omnichannel Officer (iii) Chief Corporate Development Officer and (iv) Chief Commercial Officer (v) Chief Financial Officer and Manager Responsible for Preparing Accounting Documents, plus the Chief Executive Officer Giancarlo Nicosanti Monterastelli, who is the employee responsible for coordinating the other Chief officers.

### **Fixed component**

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

### **Variable component**

The remuneration of Managers with Strategic Responsibilities includes an annual variable component (MBO) – which is a significant amount in percentage terms of gross annual income – connected to the achievement of an "entry gate" and individual and company performance objectives set for each financial period by the Board of Directors, the payment of which is conditional upon the Manager remaining with the Company for the reference period (see point (d), Part One, Section II).

In any event, the variable component makes up a significant part of the pay-mix and is aimed at recognising and valuing those results that have been achieved in a sustainable manner over time, whilst aligning management conduct to the corporate strategy, thus creating value for shareholders. Specifically, the average pay-mix of Managers with Strategic Responsibilities breaks down as follows:

- Fixed remuneration 52.8%
- Variable remuneration<sup>5</sup> part 47.2%

Participation in the medium-long term incentive plan as may be approved at the Shareholders' Meeting within the end of the current year, is available to Managers with Strategic Responsibilities.

### **Non-monetary benefits**

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

## **VI. The Members of the Board of Statutory Auditors**

The Standing Auditors' remuneration is comprised of that gross annual compensation resolved at the time of their appointment at the Meeting, pursuant to Article 2402 Civil Code. Such compensation is applicable for the duration of their office.

Standing Auditors are entitled to reimbursement of board, lodging and travel expenses incurred in the carrying out of their functions. They are not entitled to receive any variable component of remuneration, such as any bonus, attendance allowance or any other incentives or benefits save for the benefit of the D&O insurance policy coverage.

### **f) Policy on non-monetary benefits**

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

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<sup>5</sup> Please note that such quota does not take into account the medium-long term incentive plan as may be approved at the Shareholders' Meeting within next 31 December.

Non-monetary benefits are awarded in line with current practices and in accordance with the duties entrusted and role held, as indicated in the provisions set forth under the above point e).

**g) Performance targets based on which the variable components of remuneration are attributed**

Refer to points *d)* and *e)* above.

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

Refer to points *d)* and *e)* above

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

Without prejudice to the long term incentive plan as may be approved by the Meeting, the Company's Remuneration Policy states that the established performance objectives and the method of payment of the variable component must be consistent with the risk management policy adopted by the company, taking into account the risks assumed by the Company in the performance of its business and resources - in terms of capital and liquidity - required to undertake the activities it pursues.

On this subject, you are referred to the contents of the preceding letters *d)* and *e)*.

**j) Information provided for under letters *j)* and *k)* of the Consob Scheme**

With reference to that stated in the preceding letter *e)* as concerns medium-long term incentive plans as shall be possibly submitted for approval at the Shareholders' Meeting, currently the following have not been determined: (i) vesting period for remuneration rights; (ii) clauses concerning the holding of financial instruments in portfolio.

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

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

As regards the Chief Executive Officer, no specific "golden parachute" agreements have been entered into connected to the termination of his role and – as regards the CEO's subordinate employment relationship with the Issuer – said CEO does not receive additional payments to those provided by law and the collective bargaining agreements in the event of dismissal.

Non-competition agreements may be entered into with Managers with Strategic Responsibilities within the remit of the provisions and limits of the laws in force.

**m) Information on the existence of insurance, medical care or pension provisions in addition to mandatory coverage.**

In line with best practices, D&O liability insurance is provided to cover third-party civil liability for actions of the corporate bodies and the Managers with Strategic Responsibilities in the course of their duties. This policy is designed to indemnify the insured parties from the amounts associated with any claims for damages made by injured third parties, excluding cases of wilful misconduct and gross negligence.

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

The Company's Remuneration Policy states that Independent Directors are to be paid "basic" compensation as members of the Board of Directors.

Additional annual compensation is due if the Directors are members of Board related committees, including in accordance with the Self-Regulation Code.

Please note that, in line with the fact that the Chairman of the Board of Directors is a non-executive Director, the Issuer has not appointed a lead independent director as it does not deem that the conditions set out in implementing rule 2.C.4 of the Self-Regulation Code apply.

For further details refer to that already stated above under point e).

**o) Indication of remuneration policies of other companies as may be used as a point of reference and criteria used for the selection of these companies.**

Save for the reference to the correlation of market practices and remuneration policies, the Company's Remuneration Policy was not determined on the basis of the remuneration policies of other companies.

## SECTION II

This section, as shall be subject to the non-binding vote of the Meeting in accordance with Article 123-*ter*, sixth paragraph TUF, is made up of two parts:

- (i) the first part provides a brief deceptive overview of the compensation relative to the 2020 Financial Period of those intended recipients of the remuneration Policy;
- (ii) the second part, sets out the above-mentioned compensation in table form and includes Table No. 1 and Table No. 2 as provided for under Annex 3A Scheme 7-*ter* of the Listing Regulations which concerns investments held, whether directly or indirectly, in the Company or in other connected companies controlled by the Directors, the Auditors and other Managers with Strategic Responsibilities (as well as persons closely related thereto, meaning any spouse not legally separated and minor children) in conformance with Article 84-*quater*, fourth paragraph of the Listing Regulations.

The above-mentioned compensation is a continuance of that determined for the previous financial period in accordance with the principles followed by the Company as concerns the remuneration of members of the administrative and control bodies and of Executives with Strategic Responsibilities. Such principles are in line with the recommendations set forth in the Self-Regulation Code.

### Part One

#### a. Compensation of the Board of Directors

##### Fixed remuneration

On 18 June 2019, the Shareholders' Meeting resolved to award total annual gross compensation of €580,000 for the entire Board of Directors.

On 26 June 2019, the Board of Directors resolved to distribute the above-mentioned compensation pot as follows: (i) €43,750 for each non-executive director; (ii) €10,000 for the members of the Remuneration and Appointments Committee and the Control and Risks Committee and the Related Party Transaction Committee; (iii) €14,000 for the Chairman of the Control and Risks Committee; (iv) €13,000 per committee to the Chairman of the Remuneration and Appointments Committee and of the Related Party Transaction Committee. As concerns the remuneration of the Chairman of the Board of Directors, following the appointment of Mr Stefano Meloni as Chairman on 24 February 2020 and in light of the resignation from office of Bernd Erick Beetz, the compensation of €130,000, as was resolved by the Board of Directors on 26 June 2019, was uplifted to €160,00 gross per annum, such amount fully within the total limit of remuneration established for the entire Board of Directors by the Meeting.

In accordance with the agreements governing the Chief Executive Officer's subordinate employment relationship with the Issuer and in particular the fact that his annual gross remuneration, is agreed to be inclusive of all compensation, including that for additional duties and positions in the company, said CEO has waived the right to compensation awarded to him for holding the position of executive director. By virtue of such agreements and in particular the fact that the remuneration paid to the

CEO relates to his subordinate employment managerial position, the amount paid to him in Financial Period 2020 is included in the compensation paid to Managers with strategic responsibilities and represented in detail in the attached tables.

The Directors have been granted the right to reimbursement of expenses incurred for the purposes of the carrying out of their offices.

#### **Variable remuneration**

The members of the Board of Directors have not participated in the Stock Option Plan, the MBO system or other forms of variable remuneration. It should be noted that the Executive Director, Giancarlo Nicosanti Monterastelli, participated in the Stock Option Plan in his capacity of Manager with Strategic Responsibilities.

#### **Non-monetary benefits**

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

#### **b. Compensation of the Board of Statutory Auditors**

On 18 June 2019, the Shareholders' Meeting resolved to appoint a Board of Statutory Auditors comprising three standing members and two alternate members, for a term of three financial periods (thus until the approval at the Shareholders' Meeting of the financial statements as at 28 February 2022): Such board is comprised as follows: Giuseppina Manzo (Chairman), Maurizio Voza (standing auditor), Federica Mantini (standing auditor), Valeria Francavilla (alternate auditor) and Davide Barbieri (alternate auditor).

#### **Fixed remuneration**

On 18 June 2019, the Shareholders' Meeting resolved to grant compensation to members of the Board of Statutory Auditors for the entire period of their term of office in the overall amount of €60,000, specifying that this compensation is commensurate with the number of months they effectively remain in office. At the same Shareholders' Meeting the above-mentioned compensation was broken down as follows: (i) a sum of €26,000 to the Chairman, in addition to pension contributions, (ii) a sum of €17,000 to each standing Statutory Auditor, with pension contributions in addition.

#### **Variable remuneration and non-monetary benefits**

Members of the Board of Statutory Auditors are not entitled to any variable remuneration or non-monetary benefits.

#### **c. Compensation of Managers with Strategic Responsibilities**

#### **Fixed remuneration**

The Managers with Strategic Responsibilities have received the fixed component of the remuneration determined by their respective employment contracts, including any payments due under contract or by law.

During the financial period ending 29 February 2020, the 5 Managers with Strategic Responsibilities (including Giancarlo Nicosanti Monterastelli who is also currently Chief Executive Officer) were paid a total of € 1,410,014.43 in fixed remuneration.

### **Variable remuneration**

Managers with Strategic Responsibilities participated in the MBO scheme, the Stock Option Plan.

In this regard, total gross variable remuneration paid out was Euro 1,408,750 – relating the MBO scheme applicable to financial period ending 28 February 2019 and actually paid out in the financial period ending 29 February 2020.

In relation to the Stock Option Plan, a total of 840,850 Option Rights were granted on 29 February 2020, (as defined in the registration document published by the Company and available on the Unieuro website [www.unieurospa.com/it/investor-relations/prospectus](http://www.unieurospa.com/it/investor-relations/prospectus)). Of these Option Rights, 566,584 were granted to Executives with Strategic Responsibilities. In this regard, you are reminded that the above-mentioned Plan provides for the grant to the interested class of beneficiaries of free non-transferable *inter-vivos* option rights, giving the option holder the right to acquire ordinary shares in Unieuro by way of a subscription for newly issued shares or a purchase of existing stock held by the Company (at the Company's discretion). The total number of options under the Plan are 1,032,258. Any exercise of the granted option rights and the subscription to the 1,032,258 shares earmarked for the Plan will dilute the shareholding of the existing shareholders by approximately 4.9%.

You are reminded that, as provided for in the Stock Option Plan rules, upon the expiration of each year (subsequent to that closed on 29 February 2020), in which the beneficiary has exercised or all part of any share option right, said beneficiary is entitled also to receive a monetary quota in an amount equal to the amount of dividend which he/she would have received on the Stock Option Plan as of approval date up to the 29 February 2020, with exercise of the rights attached to the shares obtained in the year in question upon exercise of the relative share option right.

It should be noted that Giancarlo Nicosanti Monterastelli held the Office of Chief Executive Officer for the entire financial period 2019/2020. In virtue of his role as CEO and in consideration of the agreements concerning his subordinate employment relations with the Issuer, namely that Mr Monterastelli's gross annual remuneration would be deemed omni-comprehensive, thus inclusive of compensation relating to any additional offices or company functions as may be carried out by him, said CEO waived his right to the compensation resolved for his office of Executive Director carried out in the financial year 2020.

In particular, the compensation effectively paid to the Chief Executive Officer in the financial period 2019/2020 (from 1 March 2019 to 29 February 2020) by way of short-term variable component was €402,500, mindful that, on 8 May 2019, the Board of Directors, having considered the proposal of the Remuneration and Appointments Committee, ascertained the achievement of the specific target conditions as well as the partial achievement of the specific overperformance conditions.

For more detail, as to the variable remuneration in favour of each Executive with Strategic Responsibilities, please refer to the attached tables.

### **Non-monetary benefits**

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

**Payments provided in the event of resignation from office or termination of employment and non-competition agreements**

There are no agreements providing for the payment of any monetary consideration in the event of resignation of a Director, Auditor or Manager with Strategic Responsibilities before expiration of the term of office.

The Company has non-competition agreements in place with Managers with Strategic Responsibilities in accordance with Article 2125 Civil Code. This entails the payment of compensation, determined in relation to the duration and breadth of the agreed non-compete, restrictions, at a fixed rate while employed by the Company, with guaranteed final balance payment on the date of termination of the employment relationship to be paid provided that the total amount paid up to that moment is less than a predetermined percentage of the annual gross remuneration provided for the last year in which the employment agreement is in place.

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**Part Two**

The tables below provide an itemised breakdown of the compensation paid by the Company during financial period ending of 29 February 2020 of whatever nature and grounds or by Issuer controlling of controlled companies.



**Table 1: Compensation paid to members of management and control bodies and other Managers with Strategic Responsibilities**

**All compensation is paid by the company in charge of preparing the financial statements. Amounts stated in Euros.**

(A)	(B)	(C)	(D)	(1)	(2)	(3)						
Name and surname	Office	Period office held	End of period in office	Fixed compensation	Compensation for participation in committees	Variable non-equity compensation		Variable non-equity compensation	Other compensation	Total	Fair value of equity compensation	Leaving/end of office benefits
						Bonuses and other incentives	Share of profits					
Bernd Erich Beetz	Chairman	01/03/2019–23/01/2020	23/01/2020	122,370.97 <sup>6</sup>						122,370.97		
Gianpiero Lenza	Director	01/03/2019 - 23/01/2020	23/01/2020	44,038.31 <sup>7</sup>						61,941.53		
	Remuneration and Appointments Committee member	01/03/2019 - 23/01/2020				8,951.61 <sup>8</sup>						
	Control and Risks Committee member	01/03/2019 - 23/01/2020				8,951.61 <sup>9</sup>						

<sup>6</sup> The fixed compensation of the Chairman is made up of: (i) Euro 45,000 as pro rata temporis compensation for the position of Chairman of the Board of Directors, resolved at the Shareholders' Meeting of 6 February 2017; (ii) Euro 77,370.97 as remuneration pro rata temporis for the position of Chairman of the Board of Directors, determined by the Board of Directors on 26 June 2019 on the basis of that resolved by the Shareholders' Meeting of 18 June 2019 (period 19 June 2019 – 23 January 2020).

<sup>7</sup> The fixed compensation is made up of: (i) Euro 18,000 as pro rata temporis compensation for the position of non-executive Director, resolved at the Shareholders' Meeting of 6 February 2017; (ii) Euro 26,038.30 as remuneration pro rata temporis for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved by the Shareholders' Meeting of 18 June 2019 (period 18 June 2019 – 23 January 2020).

<sup>8</sup> Remuneration due for the position of Member of the Remuneration and Appointments Committee.

<sup>9</sup> Remuneration due for the position of member of the Control and Risks Committee.

Robert Frank Agostinelli	Director	01/03/2019–23/01/2020	23/01/2020	44,038.31 <sup>10</sup>					44,038.31		
Uwe Ernst Bufe	Director	01/03/2019–18/06/2019	Balance Sheet approval Meeting 2019	28,000 <sup>11</sup>					28,000		
Catia Cesari	Director  Remuneration and Appointments Committee member	18/06/2019 29/02/2020  18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 <sup>12</sup>		7,000 <sup>13</sup>			37,625		
Pietro Caliceti	Independent Director	18/06/2019 29/02/2020  18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 <sup>14</sup>		7,000 <sup>15</sup>			38,285.92		

<sup>10</sup>The fixed compensation is made up of: (i) Euro 18,000 as *pro rata temporis* compensation for the position of non-executive Director, resolved at the Shareholders' Meeting of 6 February 2017; (ii) Euro 26,038.30 as *pro rata temporis* compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019 (period 18 June 2019 – 23 January 2020).

<sup>11</sup> The fixed compensation is made up of Euro 28,000 as compensation for the position of non-executive Director, approved at the Shareholders' Meeting of 6 February 2017.

<sup>12</sup>The fixed compensation is made up of Euro 30,625 as compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved by the Shareholders' Meeting of 18 June 2019.

<sup>13</sup> Compensation due for the position of Member of the Remuneration and Appointments Committee.

<sup>14</sup> The fixed compensation is made up of Euro 30,625, of which Euro 19,687.50 paid, as compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved by the Shareholders' Meeting of 18 June 2019.

<sup>15</sup> Compensation due for the office of Member of the Related-Party Committee, of which Euro 4,500 paid.

	Related-Party Committee member										
	Remuneration and Appointments Committee member	06/02/2020 29/02/2020			660.92 <sup>16</sup>						
Alessandra Stabilini	Director	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 <sup>17</sup>					30,625		
Monica Luisa Micaela Montironi	Independent Director	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 <sup>18</sup>					44,625		
	Control and Risks Committee member	18/06/2019 29/02/2020			7,000 <sup>19</sup>						
	Related-Party Committee member	18/06/2019 29/02/2020			7,000 <sup>20</sup>						

<sup>16</sup> Compensation due for the position of member of the Remuneration and Appointments Committee.

<sup>17</sup> The fixed compensation is made up of Euro 30,625, of which Euro 19,687.50 paid, as compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019.

<sup>18</sup> The fixed compensation is made up of Euro 30,625, of which Euro 19,687.50 paid as compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019.

<sup>19</sup> Compensation due for the position of member of the Control and Risks Committee, of which Euro 4,500 paid.

<sup>20</sup> Compensation due for the office of Member of the Related Party Committee, of which Euro 4,500 paid.

Stefano Meloni	Independent Director	01/03/2019 18/06/2019	Balance Sheet Approval Meeting 2019	18,000 <sup>22</sup>					33,261.49	
	Remuneration and Appointments Committee Chairman	01/03/2019 18/06/2019			4,500 <sup>25</sup>					
	Control and Risks Committee Chairman	01/03/2019 18/06/2019			4,500 <sup>26</sup>					
	Related-Party Committee member	01/03/2019 18/06/2019			3,000 <sup>27</sup>					
	Director	20/02/2020 23/02/2020	23/02/2020	502.87 <sup>23</sup>						
President	24/02/2020 29/02/2020	Balance Sheet Approval Meeting 2020 <sup>21</sup>	2,758.62 <sup>24</sup>							

<sup>21</sup> Position subject to approval by the Shareholders' Meeting of 12 June 2020.

<sup>22</sup> As compensation for the position of non-executive Director, resolved at the Shareholders' Meeting of 6 February 2017, determined for the FY20, of which Euro 5,000 paid.

<sup>23</sup> As compensation for the position of non-executive Director, determined by the Board of Directors on 20 February 2020 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019, not yet paid.

<sup>24</sup> As compensation for the position of Chairman of the Board of Directors, determined by the Board of Directors on 24 February 2020 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019, not yet paid.

<sup>25</sup> Total compensation resolved for the position of Chairman of the Remuneration and Appointments Committee for FY20, of which Euro 1,250 paid.

<sup>26</sup> Total compensation resolved for the position of Chairman of the Control and Risks Committee for FY20, of which Euro 1,250 paid.

<sup>27</sup> Total compensation resolved for the position of member of the Related Parties Committee for FY20, of which 833.33 paid.

Marino Marin	Independent Director	01/03/2019 29/02/2020	Balance sheet approval Meeting 2022	48,625 <sup>28</sup>					85,625		
	Remuneration and Appointments Committee member	01/03/2019 18/06/2019			3,000 <sup>29</sup>						
	Control and Risks Committee member	01/03/2019 18/06/2019			3,000 <sup>30</sup>						
	Related-Party Committee member	01/03/2019 18/06/2019			3,000 <sup>31</sup>						
	Remuneration and Appointments Committee Chairman	18/06/2019 29/02/2020			9,100 <sup>32</sup>						

<sup>28</sup> The fixed compensation is made up of: (i) Euro 18,000 as *pro rata temporis* compensation for the position of non-executive Director, resolved at the Shareholders' Meeting of 6 February 2017; (ii) Euro 30,625 as *pro rata temporis* compensation for the position of non-executive Director, determined by the Board of Directors on 26 June 2019 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019.

<sup>29</sup> Total compensation resolved for the position of Member of the Remuneration and Appointments Committee for FY20.

<sup>30</sup> Total compensation resolved for the position of Member of the Control and Risks Committee for FY20.

<sup>31</sup> Total compensation resolved for the position of Member of the Related-Party Committee for FY20.

<sup>32</sup> Total compensation resolved for the position of Chairman of the Remuneration and Appointments Committee for FY20.

	Control and Risks Committee Chairman	18/06/2019 29/02/2020			9,800 <sup>33</sup>						
	Related-Party Committee Chairman	18/06/2019 29/02/2020			9,100 <sup>34</sup>						
Michele Bugliesi	Independent Director	20/02/2020 29/02/2020	Balance Sheet approval Meeting 2020 <sup>35</sup>	1,257.18 <sup>36</sup>					1,257.18		
Paola Elisabetta Galbiati	Independent Director	20/02/2020 29/02/2020	Balance Sheet approval Meeting 2020 <sup>37</sup>	1,257.18 <sup>38</sup>					1,257.18		
Maurizio Voza	Chairman of the Board of Statutory Auditors	01/03/2019– 18/06/2019	Balance Sheet approval Meeting 2019	7,835.62 <sup>39</sup>					19,712.33		

<sup>33</sup> Total compensation resolved for the position of Chairman of Control and Risks Committee for FY20.

<sup>34</sup> Total compensation resolved for the position of Chairman of the Related-Party Committee for FY20.

<sup>35</sup> Office subject to approval by the Shareholders' Meeting of 12 June 2020

<sup>36</sup> As compensation for the position of non-executive Director, resolved by the Board of Directors on 20 February 2020 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019.

<sup>37</sup> Office subject to approval by the Shareholders' Meeting of 12 June 2020

<sup>38</sup> As compensation for the position of non-executive Director, resolved by the Board of Directors on 20 February 2020 on the basis of that resolved at the Shareholders' Meeting of 18 June 2019, approved for FY20, not yet paid.

<sup>39</sup> As compensation for the position of Chairman of the Board of Statutory Auditors resolved at the Shareholders' Meeting of 12 December 2016 has not yet been paid

	Auditor	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	11,876.61 <sup>40</sup>							
Giorgio Gavelli	Auditor	01/03/2019– 18/06/2019	Balance Sheet approval Meeting 2019	5,123.28 <sup>41</sup>					5,123.28		
Luigi Capitani	Auditor	01/03/2019– 18/06/2019	Balance Sheet approval Meeting 2019	5,123.28 <sup>42</sup>					5,123.28		
Giuseppina Manzo	Chairman of the Board of Statutory Auditors	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	18,164.38 <sup>43</sup>					18,164.38		
Federica Mantini	Auditor	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	11,876.61 <sup>44</sup>					11,876.61		
Giancarlo <sup>45</sup> Nicosanti Monterastelli	CEO – Chief Commercial Officer – Executive Director	01/03/2019– 28/02/2020		352,555.23		383,250 <sup>46</sup>	4,640.69		740,445.92		
Luigi Fusco	Chief Operating Officer	01/03/2019– 29/02/2020		251,730.86		273,750 <sup>47</sup>	3,879.66		529,360.52		

<sup>40</sup> As compensation for the office of Standing Auditor resolved at the Shareholders' Meeting of 18 June 2019. The total compensation resolved for FY20 has not yet been paid.

<sup>41</sup> As compensation for the position of Standing Auditor resolved at the Shareholders' Meeting of 12 December 2016.

<sup>42</sup> As compensation for the position of Standing Auditor resolved at the Shareholders' Meeting of 12 December 2016.

<sup>43</sup> As compensation for the position of Chairman of the Board of Statutory Auditors resolved at the Shareholders' Meeting of 18 June 2019, approved for the FY20, of which Euro 11,688.13 was paid out.

<sup>44</sup> As compensation for the position of Standing Auditor resolved at the Shareholders' Meeting of 18 June 2019, approved for the FY20, of which Euro 7,642.24 paid.

<sup>45</sup> It is noted that Mr Nicosanti Monterastelli waived his right to the compensation otherwise due to him for occupying the position of Executive Director for financial year 2020. This was because, as CEO and Chief Commercial Officer, his employment relationship with the Issuer and his annual gross remuneration is deemed inclusive of all compensation, including additional duties and positions in the company.

<sup>46</sup> Euro 383,250 refers to MBO FY2020, not yet paid. It is specified that in FY 2020, Euro 402,500 was paid out by way of MBO applicable to FY 2019.

<sup>47</sup> Euro 273,750 refers to MBO FY2020, not yet paid. It is specified that in FY 2020, Euro 287,500 was paid out by way of MBO applicable to FY 2019.

Bruna Olivieri	Chief Omni Channel Officer	01/03/2019–29/02/2020		251,730.86		273,750 <sup>48</sup>	3,603.16		529,084.02		
Italo Valenti	Chief Financial Officer	01/03/2019–29/02/2020		302,142.99		246,375 <sup>49</sup>	1,530.94		550,048.93		
Andrea Scozzoli	Chief Corporate Development Officer	01/03/2019–29/02/2020		251,854.49		164,250 <sup>50</sup>	3,883.60		419,988.09		

<sup>48</sup> Euro 273,750 refers to MBO FY2020, not yet paid. It is specified that in FY 2020, Euro 287,500 was paid out by way of MBO applicable to FY 2019.

<sup>49</sup> Euro 246,375 refers to MBO FY2020, not yet paid. It is specified that in FY 2020, Euro 258,750 was paid by way of MBO applicable to FY 2019.

<sup>50</sup> Euro 164,250 refers to MBO FY20, not yet paid. It is specified that in FY 2020 Euro 172,500 was paid by way of MBO applicable to FY 2019.



**Table 2: Stock options granted to the members of the Board of Directors, to general managers and to the other Managers with Strategic Responsibilities**

Name and surname	Office	Plan <sup>51</sup>	Options held at the start of the financial year			Options awarded during the financial year						Options exercised during the financial year			Options expired during the financial year	Options held at the end of the financial year	Options accrued in the financial year
			Number of options	Exercise price	Period of possible exercise (from - to)	Number of options	Exercise price	Period of possible exercise (from - to)	Fair value at grant date	Grant date <sup>52</sup>	Market price of the shares underlying options granted <sup>53</sup>	Number of options	Exercise price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair value <sup>54</sup>
Giancarlo Nicosanti Monterastelli	CEO – CCO – Executive Director	Long Term Incentive Plan 2018-2025	248,139	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	248,139	645,407
Luigi Fusco	COO	Long Term Incentive Plan 2018-2025	82,713	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	82,713	215,136
Bruna Olivieri	COCO	Long Term Incentive Plan	82,713	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	82,713	215,136

<sup>51</sup> Plan resolved by the Shareholders' Meeting of the Company on 06 February 2017; the regulation of the Plan has been resolved by the Board of Directors on 29 June 2017

<sup>52</sup> The grant letter was delivered on 23 October 2017 with retroactive effect from 29 June 2017.

<sup>53</sup> Market price at 29 June 2017.

<sup>54</sup> Value factors in the possibility of beneficiaries leaving the Plan which ranges from 2.5% to 7.5%.

		2018-2025															
Italo Valenti	CFO	Long Term Incentive Plan 2018-2025	107,527	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	107,527	<b>279,677</b>
Andrea Scozzoli	CCDO	Long Term Incentive Plan 2018-2025	45,492	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	45,492	<b>112,256</b>
<b>Total</b>			<b>556,584</b>													<b>556,584</b>	<b>1,467,611</b>

**Table 3: Incentive plans in favour of members of the management body and general managers and other Managers with Strategic Responsibilities**

**Table 3A: Incentive plans based on financial instruments, other than stock options, in favour of members of the management body, general managers and other Managers with Strategic Responsibilities**

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

**Table 3B: Monetary incentive plans for members of the management body, general managers and other Managers with Strategic Responsibilities**

Name and surname	Office	Plan	Annual bonus		Bonuses paid in previous years				Other bonuses
			Payable <sup>55</sup> / Paid	Deferred	Deferral period	No longer payable	Payable / Paid <sup>56</sup>	Still deferred	
Giancarlo Nicosanti Monterastelli	CEO – Chief Commercial Officer		383,250				402,500		
Luigi Fusco	Chief Operating Officer		273,750				287,500		
Bruna Olivieri	Chief Omni Channel Officer		273,750				287,500		
Italo Valenti	Chief Financial Officer		246,375				258,750		
Andrea Scozzoli	Chief Corporate Development Officer		164,250				172,500		
Total			1,341,375				1,408,750		

<sup>55</sup> Amounts referred to FY20 MBO

<sup>56</sup> Amounts referred to MBO FY19.

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

Name and surname	Office	Investee	Number of shares held at the end of FY 2019	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2020
Giancarlo Nicosanti Monterastelli <sup>57</sup>	CEO – Chief Commercial Officer – Executive Director	Unieuro S.p.A.	136,977 <sup>58</sup>			136,977
Stefano Meloni <sup>59</sup>	Chairman of the Board of Directors	Unieuro S.p.A.	8,500	30,000	8,500	30,000

<sup>57</sup> Shareholding held through the subsidiary GNM Investimenti S.r.l.

<sup>58</sup> Shares assigned in the context of the asymmetric partial split of IEH.

<sup>59</sup> Shareholding held through the subsidiary Melpart S.p.A.

**Table 2 (model 7-ter): Equity investments of other Managers with Strategic Responsibilities**

Number of Managers with strategic responsibilities	Investee	Number of shares held at the end FY 2019	No. of shares purchased	No. of shares sold	Number of shares held at the end of FY 2020
2 <sup>60</sup>	Unieuro S.p.A.	256,784	-	-	256,784 <sup>61</sup>

<sup>60</sup> Shareholding held through, respectively, GNM Investimenti S.r.l. and Giufra S.r.l.

<sup>61</sup> Shares assigned in the context of the asymmetric partial split of IEH, of which 136,977 shares held by Giancarlo Nicosanti Monterastelli, Chief Executive Officer (as already identified in “Table 1 (model 7-ter): Equity interests of the members of the governing and supervisory boards and of the general manager” which precedes) who holds the office of Chief Executive Officer with coordination functions of the other Chief officers and to whom the duties of Chief Commercial Officer are also assigned on an interim basis for the reference year.

**Table n. 1 of Model 7, Appendix 3A of Issuer Regulation n. 11971/1999**

**Long Term Incentive Plan 2018-2025**

PART 1, SECTION 1 – *Stock Option*

**Option related to plans, currently valid, resolved based on previous Shareholders' Meeting**

Name or category	Title	Shareholders' resolution date	Type of security <sup>62</sup>	Number of Options	Grant Date <sup>63</sup>	Exercise price	Market price of shares attached to options	Time-line for exercise of Options (from-to)
Giancarlo Nicosanti Monterastelli	CEO – Chief Commercial Officer	06/02/2017	Subscription Rights	248,139	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025
Luigi Fusco	Chief Operating Officer	06/02/2017	Subscription Rights	82,713	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025
Bruna Olivieri	Chief Omni Channel Officer	06/02/2017	Subscription Rights	82,713	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025
Italo Valenti	Chief Financial Officer	06/02/2017	Subscription Rights	107,527	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025
Andrea Scozzoli	Chief Corporate Development Officer	06/02/2017	Subscription Rights	45,492	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025
Others		06/02/2017	Subscription Rights	264,671	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025

PART 2, SECTION 2 – *Stock Option*

**Newly granted options, based on the resolution of the body responsible for implementing the Shareholders' Meeting resolution**

<sup>62</sup> Subscription rights for Unieuro shares or, at the Company's choice, for the purchase of Unieuro shares.

<sup>63</sup> Grant by means of a letter dated 23 October 2017, effective date being 29 June 2017.

Name or category	Title	Shareholders' resolution date	Type of security <sup>64</sup>	Number of Options	Grant Date <sup>65</sup>	Exercise price	Market price of shares attached to options	Time-line for exercise of Options
Other managers		06/02/2017	Subscription Rights	25,633	29/06/2017	11,00	16,29	From 31/07/2020 to 31/07/2025

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<sup>64</sup> Subscription rights for Unieuro shares or, at the Company's choice, for the purchase of Unieuro shares.

<sup>65</sup> Grant by means of a letter dated 29 July 2019, effective date being 29 June 2017.