



*Unieuro S.p.A. registered office in forli, giovanni schiaparelli, no. 31
share capital euro 4,000,000 fully paid
tax identification number and number of
registration in the business register of forli-cesena 00876320409*

REMUNERATION POLICY

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 <https://unieurospa.com/en/home/>,

section "Corporate Governance/Shareholders' Meetings/Meeting December 2020

Financial Period 2020

Approved by the Board of Directors on ~~6 May~~ 12 November 2020

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

Dear Shareholders,

The document that we submit for your attention today describes the Remuneration Policy of Unieuro S.p.A. ("**Unieuro**" or "**Company**") for the year ending 28 February 2021 and includes our proposals of integrations to the remuneration policy approved on 12 June 2020 at the Company's Shareholders' Meeting, relating and consequent to the provision of the incentive plan entitled "2020-2025 Performance Shares Plan" ("**Plan**") which envisages the grant of rights on a gratuitous basis which give rise to the allocation of Company ordinary shares, likewise on a gratuitous basis, such allocation conditional upon the achievement of certain performance objectives. These issues shall be put to vote at the Shareholders' Meeting convened on 17 December 2020, pursuant to and for the purposes of article 114-*bis* TUF.

Indeed, we remind you that, on occasion of the approval of the above-mentioned remuneration policy, the Board of Directors of Unieuro advised that it would be appropriate to postpone any long-term incentive plan based on financial instruments. Such decision was made in conformance with the responsibility and sustainability requirements that underpin the choices of the Company and mindful of the emergency situation due to the Covid-19 pandemic and the impact thereof on the pursuit of long-term interests. Moreover, the Board of Directors also advised it was desirous to submit a performance share plan for approval at the Shareholders' Meeting to take place within December 2020, should the conditions caused by the impact of the current pandemic allow it.

Notwithstanding the resurgence of the Covid-19 pandemic, the Company is in any case desirous to respect that which it proposed at the last Shareholders' Meeting and to that end, the Board of Directors shall submit a proposal for said Plan for Shareholder's approval at the Shareholders' Meeting. In drawing up the Plan, a careful comparison of market dynamics - including influences thereto in virtue of the current health emergency - has been carried out with input from a first-rate consultancy firm.

That stated, and without prejudice to the principles and objectives underpinning the remuneration policy referred to in the first section of the Remuneration Report approved on 12 June last, the Board shall also submit for Shareholders' approval at the Shareholders' Meeting pursuant to paragraph 2-*bis* of Article 123-*ter* TUF, its proposed integrations and amendments to said remuneration policy with a view to: (i) include Plan participation among the variable components of the remuneration of the executive Directors and Managers with Strategic Responsibilities of the Company; and (ii) consequently redefine the pay-mix of the related remuneration package.

The 2020-2025 Performance Shares Plan we submit to you has been approved by the Board of Directors of Unieuro - on the proposal of the Remuneration and Appointments Committee - by way of resolution passed on 27 October 2020. Such Plan pursues the following objectives:

- (i) focusing the attention of Plan beneficiaries on factors of strategic interest of the Company and directing key resources towards strategies aimed at pursuing of medium-long term results;
- (ii) building loyalty among the Plan beneficiaries and incentivizing their continuance with the Company by developing retention policies aimed at creating loyalty of key resources;
- (iii) aligning the interests of the beneficiaries with those of the shareholders, with a view to developing growth of the Company's value; and
- (iv) ensuring that the overall remuneration of recipients of the Plan remains competitive whilst at the same time developing policies to attract new talent to managerial and professional roles.

The Plan consists of three cycles each having a three-year duration and envisages a vesting period, a lock-up period and malus and claw-back clauses.

The Performance Objectives applicable to the 1st Plan Cycle shall be formulated with reference to Adjusted EBIT and Adjusted Free Cash Flow measured with reference to the targets set forth in the Company budget forecasts.

Achievement of the performance objectives of the Plan shall be calculated upon completion of each three-year vesting period, by adding together the annual results of the individual parameters in the relevant vesting period, following an attentive verification process of the results actually achieved, on the part of the Board of Directors having consulted the Remuneration and Appointments Committee.

The Company's wish that performance objectives be calculated with reference to the targets defined in the forecast budgets approved by the Board of Directors was formulated in the context of the Covid-19 pandemic emergency, factoring in the effects of the pandemic from the economic and social standpoints. The Company believes that challenges arising in a more unstable and volatile domestic and international context can currently be more effectively interpreted based on the adding together of annual periods rather than with reference to a longer - and thus more uncertain - time-frame. That said, the proposed methodology allows the Board of Directors to determine objectives that are challenging but at the same time achievable, in a market context characterized by marked uncertainty. Such reference point avoids the need to apply discretionary objective correction tools during the incentive vesting period.

In light of the above, we submit that the above-described solution shows the constant commitment of the Company's Board of Directors - and of its corporate bodies - to adopt an effective remuneration policy which is focused on performance and aligned with the choices of the market in this particular historical moment in which your approval is requested.

Moreover, the Company commits, in compliance with the principles of transparency and disclosure vis-a-vis the market, to publish the performance objectives achieved for the 1st cycle of the Plan in the second section of the Remuneration Report to be provided to Shareholders at a Shareholders' Meeting, and such update shall account for the vesting of shares for the 1st Cycle. Thus, Shareholders shall have the opportunity to verify the effectiveness of the relationship between incentive award

and company performance, notwithstanding the above-mentioned variability of market conditions that denote the start of the plan and which currently prevent us from giving more exact information of its objectives.

We also bear in mind that, for each of the performance objectives, an achievement parameter is provided that links the number of shares as may be allocated to the level of performance objectives achieved in accordance with different performance thresholds:

(i) a minimum performance threshold set at 80% of the target below which no shares shall be allocated and upon achievement thereof, a number of shares equal to 50% of the target bonus shall be allocated;

(ii) an objective performance threshold (target) upon achievement of which a base number of shares shall be allocated;

(iii) a maximum performance threshold (cap) set at 150% of the target objective upon achievement or exceeding of which a maximum number of shares equal to 150% of the target bonus shall be allocated,

wherein, for intermediate performance, the incentive award shall be calculated by means of linear interpolation.

The Company has deemed it appropriate to determine the above-mentioned performance levels in line with market practices, so as to maximize retention capacity of key resources, also taking into account the results of the medium/long-term variable incentive plan that came to an end in the previous period, the utility of which as a form of incentivisation has inevitably suffered the impact of the pandemic during the relative period.

Following introduction of the Plan, the effect on remuneration pay-mix of the Chief Executive Officer and of the other Managers with Strategic Responsibilities, shall be that the variable component shall increase compared to the fixed component, in line with market best practices.

In the light of the above statements concerning the significant economic impact of the pandemic, the Remuneration and Appointments Committee, with the qualified support of a first rate consultancy firm, deemed it opportune to analyse and evaluate its own short-term incentive system to ensure continuance of the objective of attracting, motivating and retaining the most suitable resources to successfully manage the company and so guarantee business continuity.

More specifically, based on the outcomes of this activity, taking into account both the actions implemented by Unieuro in response to Covid-19 and the market benchmark analyses with respect to a selected peer group, the Board of Directors, on the suggestion of the Remuneration and Appointments Committee, deemed it fitting to confirm the short-term incentive system, already approved by you at the previous Shareholders' Meeting which took place on 12 June last, on grounds that this latter system is representative of the correct way to motivate management and enhance their efforts in the period under review.

Unieuro's commitment to compliance with market best practices has been a successful driving force during in the pandemic period, such commitment having

further evolved through an approach oriented toward both performance and sustainability, by way of the establishment of the Sustainability Committee on 12 November 2020 which was put in place so as to support the Board of Directors on environmental and social matters as well as on those issues relating to people and respect for human rights and the fight against corruption.

The establishment of said committee is highlighted in the text of the policy submitted for your approval.

Taking into account the foregoing and without prejudice to the principles and objectives underpinning the remuneration policy referred to in the first section of the Remuneration Report approved on 12 June last, the Board is desirous to submit for your approval at the Shareholders' Meeting, pursuant to paragraph 2-*bis* of Article 123-*ter* TUF, the proposed integrations and amendments to the said remuneration policy which are to: (i) add Plan participation to the variable components of the remuneration of the Executive Directors and Managers with Strategic Responsibilities of the Company; (ii) consequently redefine the pay-mix of the related remuneration package; as well as (iii) insert the references to the newly established Sustainability Committee.

We underline that the second section of the Remuneration Report, which reports on the remuneration of Directors, Statutory Auditors and Managers with Strategic Responsibilities of the Company for the year ended 29 February 2020, shall not be put to vote on grounds that this section has not undergone any variation and is the same text which received favourable opinion at the Shareholders' Meeting held on 12 June last, pursuant to the provisions of paragraph 6 of Article 123-*ter* TUF.

Therefore, we set forth below the remuneration policy referred to in the Remuneration Report with support in graphic form for the sake of greater clarity and the above-mentioned integration and amendment proposals upon which you are respectfully invited to vote pursuant to and for the purposes of Articles 123-*ter* paragraph 3-*bis* TUF. The information provided confirms the connection of the variable component with clear, predetermined and measurable performance objectives in line with market best practices on remuneration. Thus, we opine that the policy is consistent with the objectives pursued, which are to attract, retain and adequately remunerate the key resources of the company to ensure the creation of value for shareholders in the medium to long term.

For the sake of completeness, it is also acknowledged how, for the purposes of the short-term incentive system, the value of the adjusted EBITDA performance objective is determined pursuant to IAS 17 accounting standard, thus ensuring in continuity with past practice, that costs related to lease management are included.

Finally, we advise that, pursuant to Article 84-*quater* Issuers' Regulations, the full version of the Remuneration Report including the remuneration policy as integrated and amended by the proposals set forth below, shall be made available to the public, at the Company's registered office and on its website (<https://unieurospa.com/en/>) in the Corporate Governance / Shareholders' Meetings / 2020 Shareholders' Meeting section, as well as in the "eMarket STORAGE" storage mechanism, available on <https://www.emarketstorage.com/home/homepage.en.htm>, at least twenty one days' prior to the date of the Shareholders' Meeting.

We take this opportunity to thank you for the support for our proposal that you are respectfully invited to express at the Shareholder's Meeting.

Marino Marin

*CHAIRMAN OF THE REMUNERATION AND
APPOINTMENTS COMMITTEE*

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DEFINITIONS and GLOSSARY

Articles of Association	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.
Board/Board of Directors	The Company's board of directors.
Board of Statutory Auditors	The Company's Board of Statutory Auditors.
Borsa Italiana	Borsa Italiana S.p.A., with its registered office at Piazza degli Affari 6 - Milan.
Civil Code	The Italian Civil Code.
Code/Self-Regulation Code	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.
Consob Related Parties Regulation	The Regulation on related-party transactions approved by Consob with Resolution no. 17221 of 12 March 2010, as subsequently amended and integrated.
Control and Risks Committee	The committee set up within the Board of Directors pursuant to principle 7.P.4. of the Self-Regulation Code.
Executive Directors	Directors entrusted with specific operative or managerial powers including any specific duties allocated to him/her by the Board of Directors.
Financial Period 2020	The Company's financial period from 1 March 2019 to 29 February 2020.

Independent Directors	Directors possessing the independence requisites laid down by the TUF and the Self-Regulation Code.
Instructions to the Stock Market Regulations	The Instructions to the Regulations of the Markets Organised and Operated by Borsa Italiana S.p.A.
Issuer/Company /Unieuro	Unieuro S.p.A., with its registered office in Forlì, Via V.G. Schiaparelli 31.
Listing Regulation	The listing Regulation approved by Consob with Resolution no. 11971 of 14 May 1999, as subsequently amended and integrated.
Long Term Incentive Plan 2018-2025 or Stock Option Plan	The long-term incentive plan that pays a bonus in financial instruments.
Managers with Strategic Responsibilities	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.
MTA - STAR Segment	The Mercato Telematico Azionario (Electronic Stock Exchange) - STAR Segment, organised and managed by Borsa Italiana S.p.A.
Non-Executive Directors	Directors not entrusted with any specific operative or managerial powers nor having been allocated any specific duties by the Board of Directors.

2020-2025 Performance Share Plan The 2020-2025 Performance Share Plan as approved by Board of Directors' resolution dated 27 October 2020 and as shall be subjected to Shareholders' approval at the Shareholder's Meeting convened on 17 December 2020, which Plan provides for the grant of rights on a gratuitous basis and conditional on achievement of certain performance objectives, which entitle the Beneficiary to be allocated Company ordinary shares, again on a gratuitous basis.

Related-Party Transaction Committee The committee for related party transactions, set up within the Board of Directors pursuant to the Consob Related Parties Regulations.

Remuneration and Appointments Committee The committee set up within the Board of Directors pursuant to principle 6.P.3. of the Self-Regulation Code.

Report This report concerning the policy for remuneration and recompense paid.

Shareholders' Meeting/Meeting The Company shareholders' meeting.

Stock Market Regulations The Regulations of the Markets Organised and Operated by Borsa Italiana S.p.A..

Sustainability Committee The internal committee of the Board of Directors set up in accordance with Article 4 of the Self-Regulation Code.

Trading Start Date The first day on which the shares of Unieuro were traded on the MTA - STAR Segment (as defined above), i.e. 4 April 2017.

TUF The Italian Consolidated Finance Act (*Testo Unico della Finanza*) by way of Legislative Decree No. 58 of 24 February 1998 as subsequently amended and integrated.

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			
Fixed Remuneration		<p style="text-align: center;">€ 350,000.28¹</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 Article 2389 c.3 Civil Code</p>	<p style="text-align: center;"><i>Chief Financial Officer</i></p> <p style="text-align: center;">€ 300,000. 12</p>	<p style="text-align: center;"><i>Chief Operating Officer</i></p> <p style="text-align: center;"><i>Chief Omnichannel Officer</i></p> <p style="text-align: center;">€ 250,000. 10</p>	<p style="text-align: center;"><i>Chief Commercial Officer</i></p> <p style="text-align: center;">€ 230,000.00</p>	<p style="text-align: center;"><i>Chief Corporate Development Officer</i></p> <p style="text-align: center;">€ 250,000.10</p>

<p>Short-term variable remuneration</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>1) EBITDA¹ 70% Measurement performance: Target 100% (business plan target) Threshold 80%</p> <p>2) Net Financial Position 20% Measurement performance: Target 100% (business plan target) Threshold 80%</p> <p>3) Net Promoter Score 10% Measurement performance: Target 100% (business plan target) Threshold 80%</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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	<p>Total cash bonus cap of 150% of the amount as defined in the individual employment agreement for each Manager with Strategic Responsibilities, in case of achievement of more than 100% of target.</p> <p>Incentive subject to claw back and malus.</p> <p><i>¹ 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>		
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<p>Long-term variable remuneration</p>	<p>Plan 2020-2025: Long-term variable incentive with three-year performance and share bonus.</p> <p><u>With reference to rights for 1st cycle of the plan, the performance objectives are expressed as:</u></p> <p><u>1) Adjusted EBIT (as defined on page 28) 60%</u> <u>2) Adjusted Free Cash Flow (as defined on page 28) 40%</u></p> <p>Incentive subject to claw back and malus</p> <p><u>Inclusion of a lock-up commitment for Managers with Strategic Responsibilities.</u></p> <p><u>Granting of right to beneficiaries to receive a cash bonus calculated against any cash dividends distributed and paid out by</u></p>	<p>Participation in the medium-long term incentive plan is envisaged and will possibly be approved by <u>2020-2025 Performance Share Plan subject to Shareholder's approval at the Shareholders' Meeting, convened on 17 December 2020.</u></p>
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	<u>the Company up to the date of allocation.</u>	
Others remunerations	Non-monetary benefits:	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.
	Non-compete clause	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.
	Other	<p>End of term compensation</p> <p>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</p>

		collective labour agreement (“CCNL”) for the dismissal case.	
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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*, 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 a Remuneration and Appointments Committee, approving the regulations for the operation of such committee.

a. Composition of the Remuneration and Appointments 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 Remuneration and Appointments 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 Remuneration and Appointments 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 its 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) a description of the new medium-long term incentive plan entitled “2020-2025 Performance Share Plan” has been added. Such Plan provides for the grant of rights on a gratuitous basis and conditional on achievement of certain performance objectives, which entitle the Beneficiary to be allocated Company ordinary shares, again on a gratuitous basis, as better detailed in letter e) which follows.

~~(ii)~~ the faculty to award a fixed bonus for the achievement of results having particular strategic significance has been deleted on grounds that the “ordinary” variable component of remuneration correctly performs the function of rewarding the same results; and

~~(iii)~~ clawback/malus clauses have been added to both the short-term incentive system (MBO) and the medium long-term incentive plan (LTIP) as recommended under point f) of Article 6.C.1. of the Self-Regulation Code. For further information, see letter e) below;

(iv) reference to the Sustainability Committee, set up by the Board of Directors on 12 November 2020, has been inserted and the remuneration of the related member has been indicated.

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 ("LTIP") which are better described below.

Management By Objectives ("MBO")

The remuneration of Managers with Strategic Responsibilities provides for an annual variable MBO component (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 mix² – the weighting of the different components as a proportion of total remuneration paid excluding benefits (so-called annual total compensation) is provided below:~~

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 Remuneration and Appointments 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) EBITDA³ (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**”);⁴
- 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%);
- the accrual of and payment of the EBITDA Target Bonus, the NFP 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 EBITTDA Actual Performance above 120% of the EBITDA Performance Target.

³ See note 1 in table at page 10

⁴ The final determination of achievement of the Net Promoter 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 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 completeness, we mention that EBITDA is consolidated EBITDA adjusted (i) by non-recurring charges/(income) and (ii) by the effects of adjustment of revenues for extended warranty services net of the relative estimated future costs for assistance service, as a consequence of the change in the business model for directly managed assistance services.

For the sake of clarity, 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 Remuneration and Appointments Committee, may reevaluate the overall fairness and coherence of the incentive plan, and may make reasoned alterations thereto - upon the proposal of the Remuneration and Appointments Committee - as concerns the assigned targets/entry thresholds provided for above.

Long Term Incentive Plan (LTIP)

In line with its practice of previous years, Unieuro has provided for a new medium-long term incentive scheme in the form of the performance share (“2020-2025 Performance Share Plan”)

Stock options aside, the Plan entirely based on Unieuro ordinary Shares, as is better described in the Information Document drawn up in accordance with Article 114-bis TUF and Article 84-bis Issuer’s Regulations, is an effective incentive and loyalty instrument in a context within which the ever increasing alignment of management and Shareholders’ interests is in line with domestic and international market best practices. The 2020-2025 Performance Share Plan has the following objectives:

- (i) to focus the attention of Plan beneficiaries on factors of strategic interest of the Company and direct key resources towards strategies aimed at pursuing medium-long term results;
- (ii) to build loyalty among Plan beneficiaries and incentivize their continuance with the Company by developing retention policies aimed at creating loyalty of key resources;
- (iii) to align the interests of the beneficiaries with those of the shareholders, with a view to developing growth of the Company’s value; and

(iv) to ensure that the overall remuneration of recipients of the Plan remains competitive whilst at the same time developing policies to new attract talent to managerial and professional roles

We set forth below the principal features of the 2020-2025 Performance Share Plan.

2020-2025 Performance Share Plan

The 2020-2025 Performance Share Plan is intended for Executive Directors and/or Managers with Strategic Responsibilities and/or employees of the Company or of Group companies classified as middle management (*Quadro* level) (“Beneficiaries”) which persons are yet to be named. Naming of Beneficiaries shall be carried out by the Board of Directors having received the opinion of the Remuneration and Appointments Committee, and having regard to the relevance of the respective position covered within the Company and the Group and taking into account the particular beneficiary’s contribution to enhancement of Company value.

The 2020-2025 Performance Share Plan provides for the grant of rights on a gratuitous basis which, conditional on achievement of certain performance objectives and Vesting Conditions, entitle the beneficiary to be allotted ordinary shares in Unieuro. Said Plan envisages a three -year vesting period and, as applicable to Managers with Strategic Responsibilities only, a lock up period of 24 months from share delivery date.

The allocation of shares on a gratuitous basis shall take place, as regards each three-year period: in 2023 for 1st Cycle (2021 - 2023), in 2024 for 2nd Cycle (2022-2024) and in 2025 for 3rd Cycle (2023-2025).The material allocation of Shares for each of the three cycles shall be carried out as set forth in the relative Board of Directors’ resolution taking into account the degree of achievement of the performance objectives and, in general, subject to the continuance of the Vesting Conditions.

The performance objectives applicable to each of the three cycles of the plan shall be determined by the Board of Directors after having consulted with the Remuneration and Appointments Committee and prior to the grant of rights and represent, as concerns the 1st cycle of the plan, Adjusted EBIT and Adjusted Free Cash Flow. More specifically:

- Adjusted EBIT indicator, meaning the consolidated EBIT adjusted, post application IFRS 16, for (i) non-recurring charges/(income) (ii) non-recurring depreciation and write-downs and (iii) the effects of adjustment of revenues for extended warranty services net of the relative estimated future costs for assistance service, as a consequence of the change in the business model for directly managed assistance services. The Adjusted EBIT indicator has a percentage weighting equal to 60% of the total Shares subject to allocation. It coincides with the Unieuro adjusted aggregate EBIT relating to the accounting periods of a Cycle. Achievement of Performance Objectives shall be calculated with reference to the target as per Adjusted EBIT set forth in the budget forecasts as may be amended and approved from time to time by the Board of Directors.
- Adjusted Free Cash Flow indicator, meaning the consolidated cash flow generated/absorbed by operating and investment activities comprehensive of financial obligations pre-adoption of IFRS 16. Consolidated Adjusted Free

Cash Flow is that adjusted by operative flows and by non-recurring investments and includes adjustments for non-recurring charges (income), their non-monetary component and the related tax impact. The Adjusted Free Cash Flow indicator has a percentage weighting equal to 40% of the total Shares subject to allocation. It coincides with the Unieuro aggregate Free Cash Flow relating to the accounting periods of a Cycle. Achievement of Performance Objectives shall be calculated with reference to target in terms of Free Cash Flow as defined in the budget forecasts as may be amended and approved from time to time by the Board of Directors.

For each of the performance objectives, an achievement parameter is provided that links the number of shares as may be allocated, to the level of performance objectives achieved by the Company in accordance with different thresholds: (a) a minimum performance threshold set at 80% of target below which no shares shall be allocated and upon achievement of which a number of shares shall be allocated equal to 50% target objective; (b) an average performance threshold (target) upon achievement of which a base number of shares will be allocated; (c) a maximum performance threshold (cap) set at 150% of target objective upon achievement or exceeding of which a maximum number of shares will be allocated.

As regards intermediate values between 80% and 100% and between 100% and 150%, linear interpolation will be applied to determine the accrued Rights.

The shares shall be allocated at the end of the vesting period and in any case no later than the 30th (thirtieth) calendar day following the date of the Shareholders' Meeting which approves the annual financial report as at: 28 February 2023 for the 1st cycle of the plan; 29 February 2024 for the 2nd cycle of the plan; 28 February 2025 for the 3rd cycle of the plan. Allocation shall occur provided that the Board of Directors is satisfied that the following vesting conditions have been fulfilled:

- on the share allocation date, the beneficiary's relationship with the Company and/or with a Group company is still in continuance, unless the beneficiary is deemed a Good Leaver (as defined in the Information Document to which we refer you on this issue);
- the Performance Objectives have been achieved during the vesting period.
- in consideration of the individual allocations to be made by the Board of Directors or by any other body they may entrust with such task, there is from time to time sufficient available reserves, as reported in the last approved accounting situation of the Company, to carry out the capital increase or the purchase of shares pursuant to arts. 2357 and 2357-ter of the Italian Civil Code to service the Plan. It is understood that the Board of Directors may, at its sole discretion, proportionally reduce the number of shares to be made available for allocation to Beneficiaries for each cycle of the Plan.

The rights granted entitle Beneficiaries to a cash bonus calculated with reference to any cash dividend as may have been distributed and paid out by the Company, for each cycle of the plan, up to the allocation date. Said cash bonus shall be payable at the same time as and subject to the Delivery for each Plan cycle, provided that the vesting condition have been met.

For further information on the 2020-2025 Performance Shares Plan, please refer to the Information Document drawn up pursuant to Article 84-bis paragraph 1 Issuers' Regulations and available to the public on the Company's website (<https://unieurospa.com/en/home/>), as well as on the authorised storage mechanism EMARKET STORAGE (<https://www.emarketstorage.com/home/homepage.en.htm>).

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~~: (i) the return of all or part of the Shares and any cash bonus paid out, less a number of shares having a value commensurate to the value of the tax, social security and welfare charges connected with the delivery of the shares; (ii) to cancel any cash bonus accrued but not yet paid out; or (iii) to demand payment of the proceeds of the share sale, less the amount commensurate to the tax, social security and welfare charges for the delivery of the shares, in the case that the shares have already been sold, transferred or otherwise disposed of. Such proceeds may be offset against the salaries and/or any severance pay of the Beneficiary, 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~~

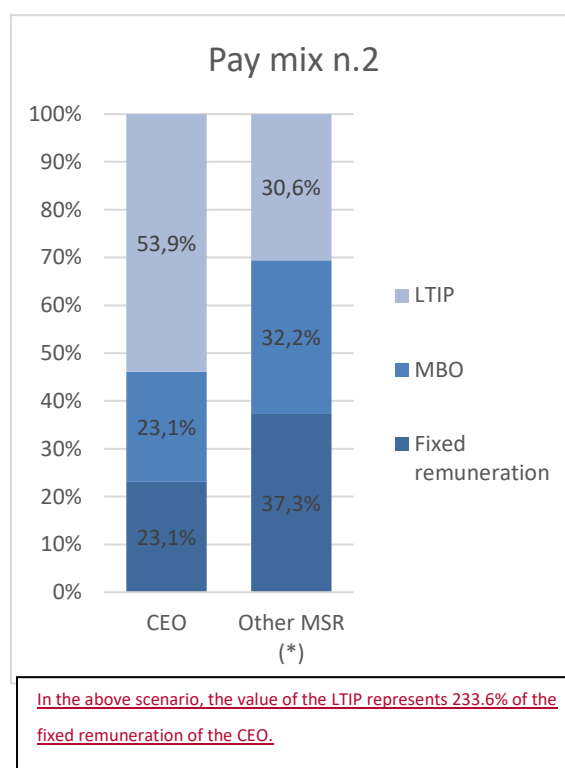
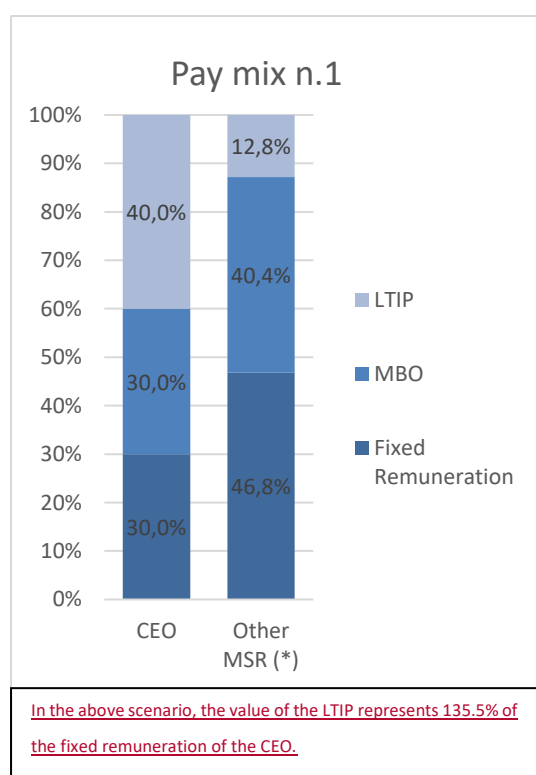
~~As concerns the achievement of long term goals, mindful of the current Covid-19 outbreak emergency and the impact that the pandemic could have on Company performance, which as of the date of writing are not sufficiently foreseeable with any degree of reliability, the Board of Directors has deemed it 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.~~

Please see below the pay-mix - being the current forecasted weighting of the different components expressed as a percentage of total remuneration paid excluding benefits (so-called annual total compensation). The below graphs set out the variable components calculated as follows:

- Short-term variable component (MBO): the annual value of the incentive obtainable upon reaching the target is shown;
- Medium / long-term variable component (LTIP): the value of the incentive is shown in terms of the minimum number of shares (pay mix n. 1) and maximum (pay mix n. 2) as may be obtained upon achievement of the objective target values in the 1st three-year cycle of the 2020-2025 Performance Share Plan. This incentive has been quantified by using the value of the shares as at 12 November 2020⁵ as reference point.



(*)

Please note that for the most remunerated Manager with Strategic Responsibility, with the exception of the Chief Executive Officer, the pay-mix is composed as follows:

⁵ We underline that the exact number of shares to be allocated to the Chief Executive Officer ("CEO") and to the Managers with Strategic Responsibilities ("MSR") shall be determined in the manner and according to the timelines set forth in the Information Document to the Plan, the precise assignment of the same, upon achievement of the targets, will be established within the minimum and maximum range set out above, also in order to take account of possible variations in the stock's listing value on the reference date for the assignment.

- in the event of minimum shares allocation (Pay mix n.1): 48.47% Fixed remuneration, 36.35% MBO 15.18% % LTIP
- in the event of maximum shares allocation (Pay mix n.2): 37.19% Fixed remuneration, 27.89% % MBO, 34.93% % LTIP

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

I. 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.

II. 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.

III. 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.

a. 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.~~ (MBO). Furthermore, their participation is envisaged under the new 2020-2025 Performance Shares Plan. In continuance with past practice, Executive Director, Giancarlo Nicosanti Monterastelli, shall participate in ~~any~~the short-term incentive plan and may participate in any 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").

b. 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”).

c. 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) €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.

On 12 November 2020 the Board of Directors established the Company's Sustainability Committee and further resolved to set aside a fixed total annual amount of Euro 11,000 to be paid to the members of the Sustainability Committee (including the Chairman of said committee) for the current business year. For subsequent years, the remuneration shall be adjusted to align it with that paid to the other internal committees upon proposal of the Board of Directors, once the Shareholders’ Meeting has resolved to approve the annual Financial Report as at 28 February 2021.

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~~ In addition, they may participate in the new 2020-2025 Performance Shares Plan.

We draw your attention to the fact that, 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 as of the date of this report, breaks down as follows:

A) Taking into account the minimum number of shares as may be allocated upon achievement of the target objectives value in the 1st Cycle of LTIP:

- Fixed remuneration 52.841.7%
- ~~Variable remuneration part 47.2%~~
- Participation in the medium-long of short-term incentive plan as may be approved at the Shareholders' Meeting within the end (MBO) upon achievement of the current year, is available to Managers with Strategic Responsibilities. target objectives: 37.3%
- Medium/long-term variable remuneration (LTIP): 21.0%

B) Taking into account the maximum number of shares as may be allocated upon achievement of the target objectives value in the 1st Cycle of LTIP:

- Fixed remuneration 32.9%
- Variable remuneration of short-term (MBO) upon achievement of the target objectives: 29.4%
- Medium/long-term variable remuneration (LTIP): 37.7%.

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.

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 letter e).

g) PERFORMANCE TARGETS BASED ON WHICH THE VARIABLE COMPONENTS OF REMUNERATION ARE ATTRIBUTED

Refer to letters 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 letters 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

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**~~

j) VESTING PERIOD, ANY DEFERRED PAYMENT SCHEME WITH INDICATION OF THE DEFERRAL PERIOD AND THE CRITERIA USED TO DETERMINE SUCH PERIOD; IF APPLICABLE ANY EX POST CORRECTION MECHANISMS

With reference to the 2020-2025 Performance Shares Plan, as better detailed in letter e) above, a three-year vesting period is envisaged. Moreover, the shares servicing the incentive plan shall be allocated no later than the 30th calendar day following the date of the Shareholders' Meeting at which the annual Financial Reports are approved with reference to those closed on: 28 February 2023 for the 1st cycle of the plan; 29 February 2024 for the 2nd cycle of the plan; 28 February 2025 for the 3rd cycle of the plan, subject to verification on the part of the Board of Directors that the vesting conditions provided for in the plan have been met.

Specific malus and clawback clauses are also envisaged, both for the short-term and medium-long term variable components, as recommended under point f Article 6.C.1 Self-Regulation Code. Such clauses are better detailed in letter e) above.

k) INFORMATION ON ANY CLAUSES WHICH ENVISAGE HOLDING FINANCIAL INSTRUMENTS IN PORTFOLIO AFTER THEIR ACQUISITION; INDICATION OF HOLDING PERIODS AND THE CRITERIA USED TO DETERMINE SUCH PERIODS

As concerns the 2020-2025 Performance Shares Plan, it is envisaged that Beneficiaries who are also members of the Board of Directors and/or Managers with Strategic Responsibilities shall commit on the shares' delivery date to a lock-up

period. Such obligation requires the beneficiary to continuously hold 100% of the said shares (less a number of shares of a value corresponding to the tax, social security and welfare charges arising in virtue of delivery of the shares which instead may instead be freely disposed of) for a period of at least 24 months from the shares' delivery date.

I) 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 letter e) above.

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). 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. 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.

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) Name and surname	(B) Office	(C) Period office held	(D) End of period in office	(1) Fixed compensation	(2) Compensation for participation in committees	(3) 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 ⁶						122,370.97		
Gianpiero Lenza	Director	01/03/2019 - 23/01/2020	23/01/2020	44,038.31 ⁷						61,941.53		
	Remuneration and Appointments Committee member	01/03/2019 - 23/01/2020			8,951.61 ⁸							
	Control and Risks Committee member	01/03/2019 - 23/01/2020			8,951.61 ⁹							

⁶ 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).

⁷ 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).

⁸ Remuneration due for the position of Member of the Remuneration and Appointments Committee.

⁹ Remuneration due for the position of member of the Control and Risks Committee.

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Robert Frank Agostinelli	Director	01/03/2019–23/01/2020	23/01/2020	44,038.31 ¹⁰					44,038.31	
Uwe Ernst Bufe	Director	01/03/2019–18/06/2019	Balance Sheet approval Meeting 2019	28,000 ¹¹					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 ¹²		7,000 ¹³			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 ¹⁴		7,000 ¹⁵			38,285.92	

¹⁰The 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).

¹¹ 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.

¹²The 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.

¹³ Compensation due for the position of Member of the Remuneration and Appointments Committee.

¹⁴ 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.

¹⁵ 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 ¹⁶					
Alessandra Stabilini	Director	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 ¹⁷					30,625	
Monica Luisa Micaela Montironi	Independent Director	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	30,625 ¹⁸					44,625	
	Control and Risks Committee member	18/06/2019 29/02/2020			7,000 ¹⁹					
	Related-Party Committee member	18/06/2019 29/02/2020			7,000 ²⁰					

¹⁶ Compensation due for the position of member of the Remuneration and Appointments Committee.

¹⁷ 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.

¹⁸ 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.

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

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

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Stefano Meloni	Independent Director	01/03/2019 18/6/2019	Balance Sheet Approval Meeting 2019	18,000 ²²					33,261.49	
	Remuneration and Appointments Committee Chairman	01/03/2019 18/06/2019			4,500 ²⁵					
	Control and Risks Committee Chairman	01/03/2019 18/06/2019			4,500 ²⁶					
	Related-Party Committee member	01/03/2019 18/06/2019			3,000 ²⁷					
	Director	20/02/2020 23/02/2020	23/02/2020	502.87 ²³						
	President	24/02/2020 29/02/2020	Balance Sheet Approval Meeting 2020 ²¹	2,758.62 ²⁴						

²¹ Position subject to approval by the Shareholders' Meeting of 12 June 2020.

²² 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.

²³ 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.

²⁴ 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.

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

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

²⁷ 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 ²⁸					85,625		
	Remuneration and Appointments Committee member	01/03/2019 18/06/2019			3,000 ²⁹						
	Control and Risks Committee member	01/03/2019 18/06/2019			3,000 ³⁰						
	Related-Party Committee member	01/03/2019 18/06/2019			3,000 ³¹						
	Remuneration and Appointments Committee Chairman	18/06/2019 29/02/2020			9,100 ³²						

²⁸ 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.

²⁹ Total compensation resolved for the position of Member of the Remuneration and Appointments Committee for FY20.

³⁰ Total compensation resolved for the position of Member of the Control and Risks Committee for FY20.

³¹ Total compensation resolved for the position of Member of the Related-Party Committee for FY20.

³² Total compensation resolved for the position of Chairman of the Remuneration and Appointments Committee for FY20.

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

³³ Total compensation resolved for the position of Chairman of Control and Risks Committee for FY20.

³⁴ Total compensation resolved for the position of Chairman of the Related-Party Committee for FY20.

³⁵ Office subject to approval by the Shareholders' Meeting of 12 June 2020

³⁶ 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.

³⁷ Office subject to approval by the Shareholders' Meeting of 12 June 2020

³⁸ 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.

³⁹ 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	Meeting 2019 Balance Sheet approval Meeting 2022	11,876.61 ⁴⁰						
Giorgio Gavelli	Auditor	01/03/2019– 18/06/2019	Balance Sheet approval Meeting 2019	5,123.28 ⁴¹				5,123.28		
Luigi Capitani	Auditor	01/03/2019– 18/06/2019	Balance Sheet approval Meeting 2019	5,123.28 ⁴²				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 ⁴³				18,164.38		
Federica Mantini	Auditor	18/06/2019 29/02/2020	Balance Sheet approval Meeting 2022	11,876.61 ⁴⁴				11,876.61		
Giancarlo ⁴⁵ Nicosanti Monterastelli	CEO – Chief Commercial Officer – Executive Director	01/03/2019– 28/02/2020		352,555.23		383,250 ⁴⁶	4,640.69		740,445.92	

⁴⁰ 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.

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

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

⁴³ 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.

⁴⁴ 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.

⁴⁵ 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.

⁴⁶ 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.

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Luigi Fusco	Chief Operating Officer	01/03/2019–29/02/2020		251,730.86		273,750 ⁴⁷	3,879.66		529,360.52		
Bruna Olivieri	Chief Omni Channel Officer	01/03/2019–29/02/2020		251,730.86		273,750 ⁴⁸	3,603.16		529,084.02		
Italo Valenti	Chief Financial Officer	01/03/2019–29/02/2020		302,142.99		246,375 ⁴⁹	1,530.94		550,048.93		
Andrea Scozzoli	Chief Corporate Development Officer	01/03/2019–29/02/2020		251,854.49		164,250 ⁵⁰	3,883.60		419,988.09		

⁴⁷ 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.

⁴⁸ 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.

⁴⁹ 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.

⁵⁰ 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 ⁵¹	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 ⁵²	Market price of the shares underlying options granted ⁵³	Number of options	Exercise price	Market price of underlying shares at the exercise date	Number of options	Number of options	Fair value ⁵⁴	
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 2018-2025	82,713	11 euro	from 31/07/2020 to 31/07/2025	-	-	-	-	-	-	-	-	-	-	-	82,713	215,136

⁵¹ 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

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

⁵³ Market price at 29 June 2017.

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

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

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 ⁵⁵ / Paid	Deferred	Deferral period	No longer payable	Payable / Paid ⁵⁶	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		

⁵⁵ Amounts referred to FY20 MBO

⁵⁶ 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 ⁵⁷	CEO – Chief Commercial Officer – Executive Director	Unieuro S.p.A.	136,977 ⁵⁸			136,977
Stefano Meloni ⁵⁹	Chairman of the Board of Directors	Unieuro S.p.A.	8,500	30,000	8,500	30,000

⁵⁷ Shareholding held through the subsidiary GNM Investimenti S.r.l.

⁵⁸ Shares assigned in the context of the asymmetric partial split of IEH.

⁵⁹ 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 ⁶⁰	Unieuro S.p.A.	256,784	-	-	256,784 ⁶¹

⁶⁰ Shareholding held through, respectively, GNM Investimenti S.r.l. and Giufra S.r.l.

⁶¹ 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

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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 ⁶²	Number of Options	Grant Date ⁶³	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

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

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

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Name or category	Title	Shareholders' resolution date	Type of security ⁶⁴	Number of Options	Grant Date ⁶⁵	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

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

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