



*17 DECEMBER 2020  
SHAREHOLDERS' MEETING*

*Corporate Governance Roadshow  
November 2020*

# Highlights – Key Messages



Unieuro: **one of the few true public companies** in Italy, with an independent Board of Directors and fully independent internal committees

**New LTIP aiming at aligning Management's to Shareholders' objectives** to be approved by the Shareholders' Meeting, on 17 Dec. 2020

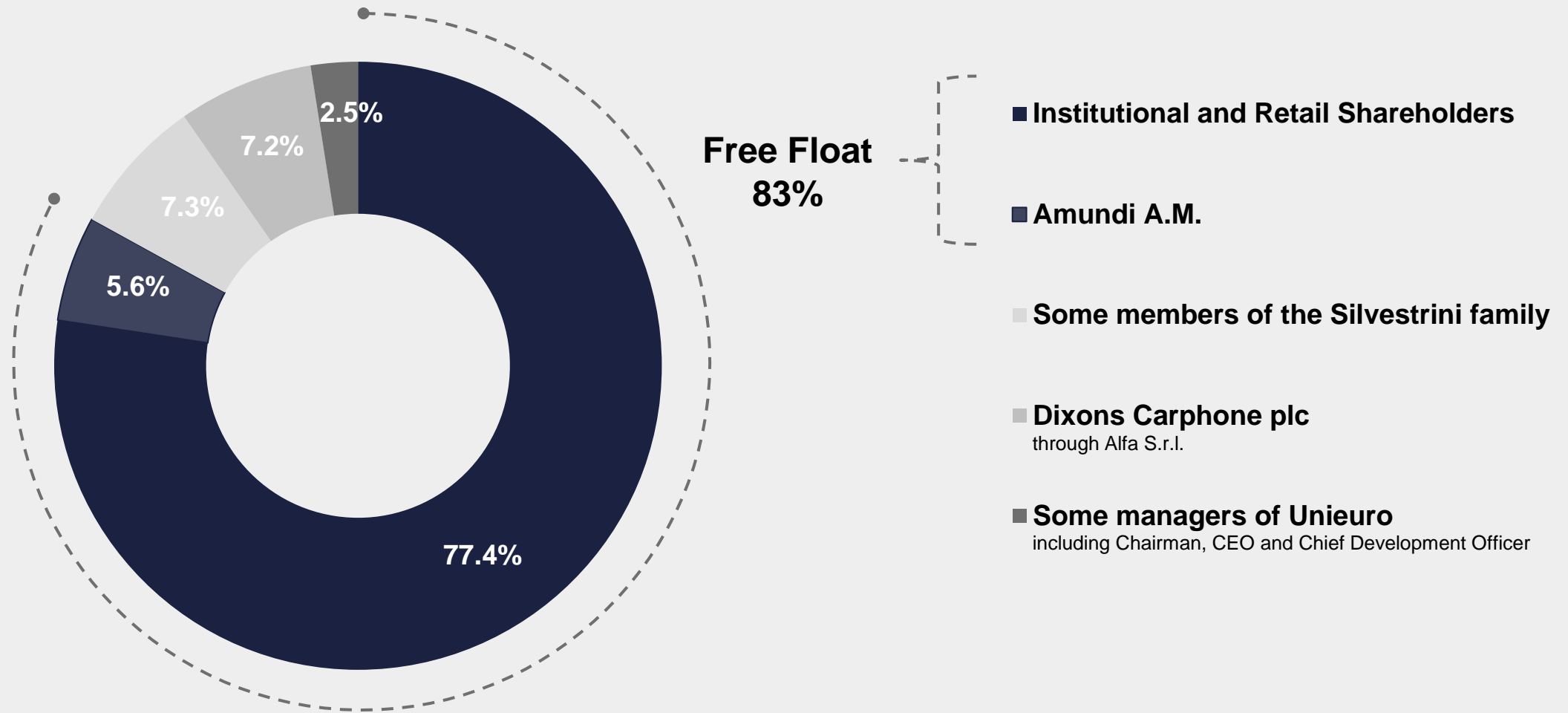
**Effective ability to focus Management on long-term results** through adequate pay-mix and 5-year vesting + holding period. Shares instead of stocks

**LTIP as an important new step in the path of improving corporate governance**, in line with international best practice and in the interests of shareholders

- **Shareholding Structure and BoD Composition**
- **17 December 2020 Shareholders' Meeting**
- **Focus on Remuneration Policy**
  - Performance Share Plan 2020-2025

# Unieuro: A True Public Company...

## Updated shareholding structure



# ...With An Independent Board Of Directors...

**Stefano Meloni,**  
*Chairman*



BoD

**Giancarlo Nicosanti Monterastelli**  
*Chief Executive Officer*

ML

**Michele Bugliesi**



BoD

**Catia Cesari**



ML

**Pietro Caliceti**



ml

**Paola Galbiati**



BoD

**Marino Marin**



ML

**Monica Montironi**



ML

**Alessandra Stabilini**



ML

- **Appointed in June 2019**, in charge for three years until 2021 AGM
- **Integrated in February 2020**, after the resignation of 3 Directors following the complete divestment of Rhone Capital, and subsequently ratified by the June 2020 AGM
- **9 members, 5 men and 4 women, mostly independent** (7 out of 9)
- **Annual BoD evaluation** carried out by an independent advisor
- **Induction program** supporting all members
- Total BoD compensation amounting to €580,000 per year

- Independent Director
- International experience
- ML** Nominated within the Majority List
- ml** Nominated within the Minority List
- BoD** Co-opted by the Board of Directors, ratified by 2020 AGM
- Member of the Remuneration and Appointments' Committee
- Member of the Control and Risks Committee
- Member of the Related Parties Committee
- Member of the Sustainability Committee

# ...Structured In Accordance With International Best Practices

## Board of Directors Committees

	Control and Risks Committee	Remuneration and Appointments' Committee	Related Parties Committee	Sustainability Committee
Functions	<ul style="list-style-type: none"> <li>Evaluation and decisions regarding the <b>internal audit and risk-management system</b></li> <li>Assessment of the correct application of <b>accounting principles</b> and their <b>uniformity</b> for the preparation of the periodic financial reports.</li> </ul>	<p>Proposal-making and advisory role in supporting the BoD in evaluations and decisions regarding:</p> <ul style="list-style-type: none"> <li><b>size and composition of the BoD</b> itself, as well as any co-optation</li> <li><b>remuneration policy</b>, in order to determine the remuneration criteria of the Top Management</li> </ul>	<ul style="list-style-type: none"> <li>Independent oversight and opinion on the opportunity for Unieuro to engage in <b>related party transactions, irrespective of any threshold of significance</b></li> <li>expressing an opinion with respect to the cost effectiveness and substantial fairness of the relative conditions</li> </ul>	<ul style="list-style-type: none"> <li>Proposals and advice to the BoD on <b>sustainability issues</b></li> <li>Evaluation of <b>processes, initiatives and activities aimed at overseeing Unieuro's commitment</b> to creating long-term value for the benefit of all its stakeholders</li> </ul>
Composition	<ul style="list-style-type: none"> <li><b>Marino Marin</b> (President)</li> <li><b>Monica Montironi</b></li> <li><b>Paola Galbiati</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Marino Marin</b> (President)</li> <li><b>Catia Cesari</b></li> <li><b>Pietro Caliceti</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Marino Marin</b> (President)</li> <li><b>Pietro Caliceti</b></li> <li><b>Monica Montironi</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Catia Cesari</b> (President)</li> <li><b>Michele Bugliesi</b></li> <li><b>Paola Galbiati</b></li> </ul>
Independence	100%	100%	100%	100%

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- **17 December 2020 Shareholders' Meeting**
- **Focus on Remuneration Policy**
  - Performance Share Plan 2020-2025

# Shareholders' Meeting - Agenda

## Ordinary Shareholders' Meeting

### 1 Resolutions on the first section of the Company's remuneration policy

Integrations and amendments to Remuneration Policy for the purpose of:

- adding **LTIP** to the variable components of remuneration
- redefining the **pay-mix** of the relative remuneration package
- acknowledge the remuneration of the members of the **Sustainability Committee**

### 3 Proposal of authorisation to purchase and dispose of treasury shares

- Total amount: **up to 2,000,000 ordinary shares** of the Company representing, as at today, **10% of the share capital**
- Main objectives:
  - extraordinary transactions
  - medium and long-term investment
  - market liquidity support activities
  - **serving the LTIP**

### 2 Proposal of Performance Share Plan 2020-2025 (LTIP)

- The Plan: **free allocation in 3 three-year cycles of rights to receive Unieuro ordinary shares**, together with a cash bonus based on any cash dividends paid by the Company up to the allotment date
- Total amount: **up to 900,000 ordinary shares**

## Extraordinary Shareholders' Meeting

### 1 Proposal to delegate a share capital increase to serve the Plan

- The Capital Increase: **free issue of new shares over a period of five years** from the date of the resolution, even on several occasions
- Total amount: **up to 900,000 new ordinary shares** with no express indication of their nominal value

- Objective: **serving the LTIP**, ensuring a sufficient number of shares to be allocated to beneficiaries, if performance objectives and other conditions are achieved



- **Shareholding Structure and BoD Composition**
- **17 December 2020 Shareholders' Meeting**
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# A Well-Balanced Remuneration Policy / 1

## Remuneration Pillars

### FIXED REMUNERATION

- Objective: to remunerate skills, experience and contribution required by the role
- Amounts:
  - **Chairman**: € 160,000 gross per year, approved by the BoD on the basis of the remuneration approved by the Shareholders' Meeting.
  - **CEO**: € 350,000 gross per year, only concerning the managing role, since the CEO waived the remuneration assigned to him by the Board pursuant to Article 2389, paragraph 3, of the Italian Civil Code.

### SHORT-TERM INCENTIVE (MBO)

- Objective: to incentive achievement and excess of annual economic and financial targets set in the budget, as well as further non-economic annual targets
- 2020 gate condition: Adj. EBITDA (IAS 17) level of at least 70% of the target set for the year
- Criteria:
  - **70% Adj. EBITDA (IAS 17)**
  - **20% Net Financial Position**
  - **10% Net Promoter Score**
- Bonus opportunity: for CEO, between 50% and 100% of the base salary at target, and maximum 150% of at-target bonus
- Additional provisions:
  - Claw-back (3 years)
  - Malus

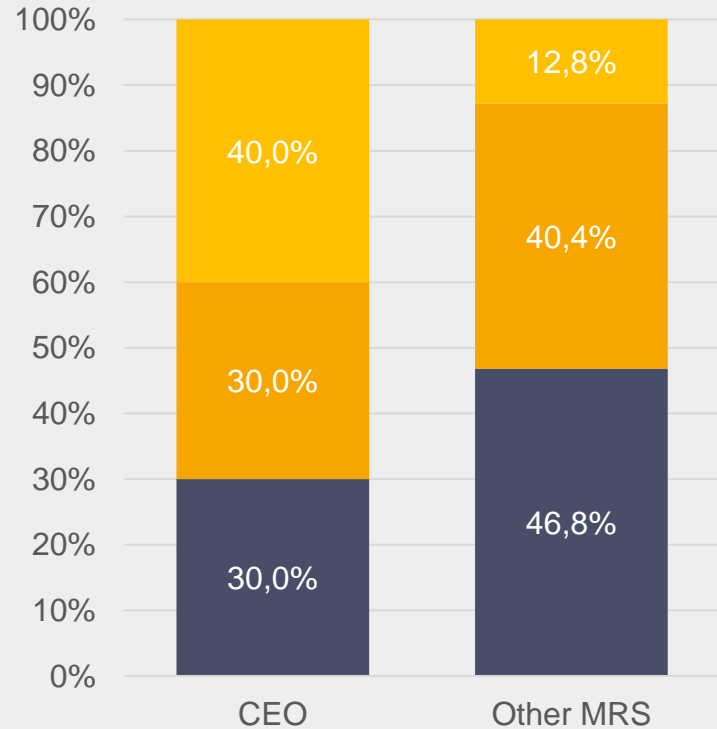
### LONG-TERM INCENTIVE (PERFORMANCE SHARE PLAN 2020-2025 – LTIP)

- Objectives:
  - **motivation** and focus on strategic factors
  - **retention** of key resources
  - **alignment** of beneficiaries' and shareholders' interest
  - **attraction** of talented professionals
- Total amount: **up to 900,000 ordinary shares**
- Conditions: the **achievement of certain performance objectives (Adj. EBIT and Adj. Free Cash Flow)** as well as specific vesting conditions
- Allocation dates: **2023** (1st cycle), **2024** (2nd cycle) and **2025** (3rd cycle)
- Beneficiaries (1<sup>st</sup> cycle): **max 45 executives a/o employees**

# A Well-Balanced Remuneration Policy / 2 - Pay-Mix

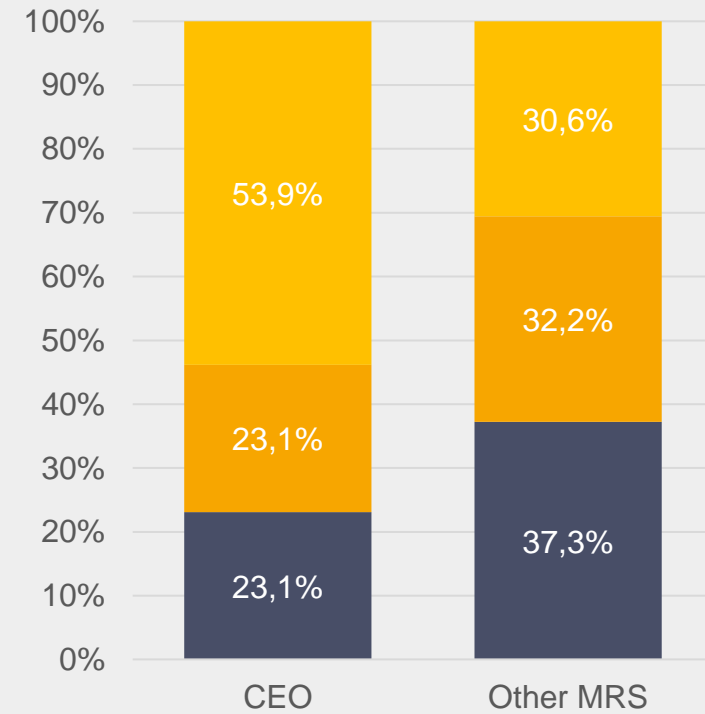
## PAY-MIX no.1 (mimimum opportunity of LT component)

based on the MINIMUM number of shares allocated (at the target)



## PAY-MIX no. 2 (maximum opportunity of LT component)

based on the MAXIMUM number of shares allocated (at the target)



■ Fixed Remuneration

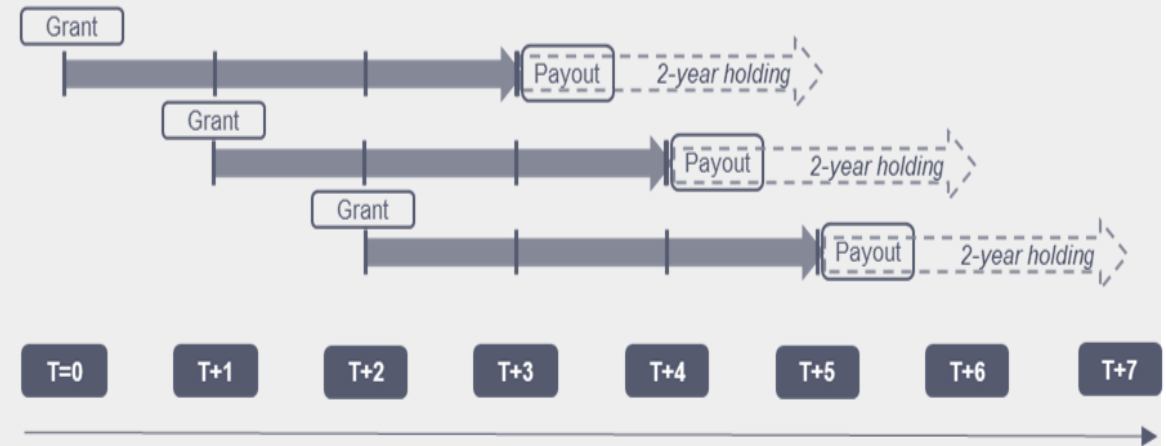
■ Short-term variable component (MBO), as the annual value of the incentive obtainable upon reaching the target

■ Long-term variable component (LTIP), calculated as the minimum (pay mix n. 1) and maximum (pay mix n. 2) number of shares which may be obtained upon achievement of the objective target values in the 1st three-year cycle of the 2020-2025 Performance Share Plan valued at Unieuro share price as at 12 November 2020.

# Proposed Performance Share Plan 2020-2025 / 1

## Characteristics of the Plan

- **Performance Share Plan** (vs. previous Stock Options Plan)
- Beneficiaries: **C-level and C-1 level executives**
- Maximum no. of beneficiaries (1<sup>st</sup> Cycle): **45**, yet to be identified
- **Three rolling cycles**
- **Cliff vesting**
- **Vesting period: 3 years**
- **Lock-up** for C-level beneficiaries: 2 years
- **Cash bonus** based on any cash dividends paid by the Company up to the allotment date



## Additional provisions

- **Claw-back** (3 years)
- **Malus**
- **Acceleration** (pro rata temporis and pro rata performance) in case of:
  - public offer to purchase a/o exchange shares
  - delisting;
  - change of control
 during the Vesting Period

## Servicing

- **Capital increase** up to € 180,000 by means of issuance of max. **900,000 ordinary shares**, to be assigned free of charge to the beneficiaries, even on several occasions
- and/or
- **Buy-back Program** providing for purchase and disposal of up to **2,000,000 Unieuro ordinary shares** (10% of the subscribed current share capital) in one or more tranches

# Proposed Performance Share Plan 2020-2025 / 2

## Vesting conditions: 1° Cycle Targets

1. Continuation of the employment relationship (except good leavers)
2. Achievement of financial targets:
  - Three-year cumulative **Adj. EBIT<sup>(1)</sup>** (weight: **60%**)
  - Three-year cumulative **Adj. Free Cash Flow<sup>(2)</sup>** (weight: **40%**)

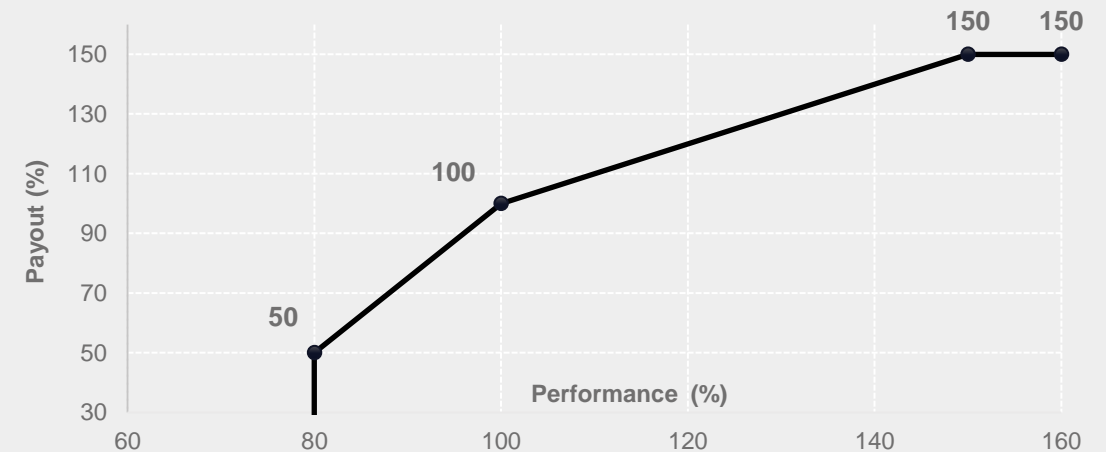
Performance Objective achieved vs. target	Accrued rights
threshold 80%	target weight % x 50% x BNS(*)
target 100%	target weight % x 100% x BNS(*)
cap 150% or more	target weight % x 150% x BNS(*)

(\*) *BNS (Base Number of Shares) indicates the number of shares that each Beneficiary may obtain upon reaching 100% of the Performance Objectives*

Accrued rights determined through linear interpolation as regards intermediate values between 80% and 100% and between 100% and 150%

## Dilution

- **Per performance cycle:**
  - 1% (200,000 shares), in case of performance in line with target (100%)
  - 1.5% (300,000 shares), in case of max. overperformance (150% of target)
- **Total:**
  - max 4.5% of the current share capital



**ANNEX**

# Shareholders' Meeting - How To Attend

## WHEN

Meeting: 17 December 2020, at 3:00 PM CET  
**Record date: 8 December 2020**

## WHERE

Studio Maltoni e Scozzoli  
via Mentana, 4 – Forlì (FC)

## HOW

**Only by granting a proxy to the Appointed Representative** (Società per Amministrazioni Fiduciarie, Spafid S.p.A.), in order to minimize health risks deriving from current pandemic emergency

## PROXY

- **free of charge** (save for delivery expenses)
- **to be submitted, in original, to the Appointed Representative by 15 December 2020**
- form available at the company's registered office and website

## QUESTIONS

To be submitted:

- in writing, by electronic notice to **amministrazione@pec.unieuro.com**
- **by 8 December 2020**

Answers will be provided by publication on the Company's website by 14 December 2020

## DOCUMENTATION

- **Unieurospa.com** / Corporate Governance / Shareholders 'Meetings / December 2020 Shareholders' Meeting
- **Emarketstorage.it**
- Unieuro's registered office

## NEXT CORPORATE AND IR EVENTS

### MID & SMALL VIRTUAL CONFERENCE

by Virgilio IR

*1, 2, 3 December 2020*

### SHAREHOLDERS' MEETING

*Forlì, 17 December 2020*

### 9M 2020/21 RESULTS

*13 January 2021*

### 3° ITALIAN MID CAP CONFERENCE

by Mediobanca

*19, 20 January 2021*



#### IR CONTACTS

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