



**UNIEURO S.P.A.**

*REGISTERED OFFICE IN FORLI', PALAZZO "HERCOLANI", VIA PIERO MARONCELLI N. 10*

*SHARE CAPITAL EURO 4,000,000.00, FULLY PAID-UP*

*REGISTRATION NUMBER WITH THE COMPANIES' REGISTER OF FORLI'-CESENA AND TAX CODE  
NO. 00876320409*

**BOARD OF DIRECTORS' EXPLANATORY REPORT ON THE PROPOSAL AT ITEM 4 OF THE AGENDA  
OF THE SHAREHOLDERS' ORDINARY MEETING OF UNIEURO S.P.A.  
CONVENED ON JUNE 15 2021 IN SINGLE CALL.**



#### **4. Proposal that the remuneration of the Board of Directors be increased. Relative resolutions.**

Dear Shareholders,

Please be advised that the Board of Directors of Unieuro S.p.A. (the "**Company**"), having acknowledged the recommendation of the Italian Corporate Governance Committee that it is opportune that the amount of remuneration paid to non-executive Directors and members of the supervisory body be verified as commensurate to the competence, professionalism and commitment required by their office, invited the Remuneration and Appointments Committee to carry out salary benchmarking as regards the remuneration of the Directors of the Board of Directors and the Board of Statutory Auditors based on a selected sample of other companies operating in similar sectors or of comparable size and listed on the Italian stock market or on foreign stock markets.

For the purposes of the investigations relating to the management body, account was taken of the annual gross remuneration approved at the Shareholders' Meeting held on 18 June 2019 being: Euro 580,000.00 (five hundred and eighty thousand/00) for the Board of Directors, divided among the Directors pursuant to Board resolution under Article 2389 paragraph 3 of the Italian Civil Code and under the Articles of Association.

In this regard, please also take note that, respecting the above-mentioned maximum amount, the Board of Directors resolved that it be divided as follows: (i) Euro 160,000 to the Chairman of the Board of Directors; (ii) Euro 43,750 to each non-executive director; (iii) Euro 14,000 to the Chairman of the Control and Risk Committee; (iv) Euro 13,000 to the Chairman of the Remuneration and Appointments Committee and of the Related Parties Committee; and (v) Euro 10,000 to the other members of the Remuneration and Appointments Committee of the Control and Risk Committee and of the Related Parties Committee. In this regard, we remind you that the Chief Executive Officer, Giancarlo Nicosanti Monterastelli, has waived his right to the remuneration that it was resolved he be paid for his offices of Chief Executive Officer and director.

On the basis of the analyses carried out, a substantial misalignment of the remuneration levels of Unieuro was found with respect to the average values of the panel of comparison companies considered and - as specifically regards the remuneration of its board members - with reference to the remuneration envisaged for participation on intra-board Board Committees.

In relation to that, and for the sake of completeness of information, we also point out that the total remuneration granted to the Board of Directors - notwithstanding the increase in the number of its members from 7 to 9 as approved at the Shareholders' Meeting of 18 June 2019 - has not undergone any adjustment with respect to the amount of remuneration that the Shareholders resolved on 6 February 2017 said body be granted. Indeed, at that time the Board of Directors of Unieuro was made up of 7 Directors. In this perspective, the proposed increase also has the aim of rendering the total remuneration more appropriate having regard to the number of Directors actually in office.



You are reminded that - as set forth in the first section of the Report on the policy concerning remuneration and recompense paid which was approved by binding vote at the Shareholders' Meeting held on 17 December 2020 ("**Policy**") - the Board of Directors established on 12 November 2020 an additional internal committee having advisory functions on environmental, social and person-related issues as well as respect for human rights and the fight against corruption. Said committee is comprised of the following directors: Catia Cesari, in the role of Chairman, Michele Bugliesi and Paola Elisabetta Galbiati ("**Sustainability Committee**"). On the same date, the Board of Directors resolved to impute to said committee, for the year ended as at February 28 2021, a gross fixed sum of Euro 11,000.00 (eleven thousand/00) to be paid to the relative members (including its Chairman) such Board resolution specifying that, for subsequent financial periods, the Board would propose at the Shareholders' Meeting called to approve the financial statements at February 28 2021, an adjustment to said remuneration in order to bring it in line with that determined for the other intra-board Board Committees.

Furthermore, the Board of Directors, having received the positive opinion from the Remuneration and Appointments Committee and the Board of Statutory Auditors, has taken note of the greater commitment of the Directors (of which, *inter alia*, the increase in the number of meetings held - also to promptly react to the effects of the pandemic - is a good example) due to the alteration to the strategic and corporate context in which Unieuro is positioned as consequence of the strong growth of the Company, the intervening change of Unieuro to a public company structure and the challenging objectives that the Company aims to achieve. In light of this, the Board of Directors submits that its remuneration is not in line with the level of commitment made and that yet to be carried out up to the end of the terms of office by its members on the Board as well as on the intra-board committees.

In light of the above, in consideration of the increase in the tasks assigned to them and consequently, of the required commitment and work required for the performance of the related duties, also factoring in the results of the salary benchmark activity and need to take into account the remuneration to be paid to the members of the Sustainability Committee, the Board of Directors proposes that the overall gross annual remuneration for the entire Board of Directors, be increased from Euro 580,000 (five hundred and eighty thousand/00) to Euro 710,000 (seven hundred and ten thousand/00) plus VAT and social security contributions thereon. Thus, the specific increase would be a total gross annual amount of Euro 130,000 (one hundred and thirty thousand/00 plus VAT and social security contributions thereon where applicable, such amount to be subsequently distributed by the administrative body pursuant to art. 2389, paragraph 3 of the Italian Civil Code and the Articles of Association, it being understood that the gross annual remuneration of each Director as included in the above-mentioned maximum amount shall be Euro 50,000 (fifty thousand/00) plus VAT and social security contributions thereon, where applicable, and that the residual amount as resolved on at the Shareholders' Meeting shall be earmarked to remunerate participation on the intra-board Committees.

In consideration of the foregoing, the Board of Directors submits the following proposed resolution for your approval:

*"The Shareholders at the Shareholders' Meeting of Unieuro S.p.A.,*

- *having examined the proposal of the Board of Directors;*

**resolve**



*that, with effect as of this Shareholders' Meeting and for the remaining duration of the term of office: (i) the overall gross annual remuneration granted to the Board of Directors be increased from Euro 580,000 (five hundred and eighty thousand/00) to Euro 710,000 (seven hundred and ten thousand/00) plus VAT and social security contributions thereon, where applicable. Thus, the specific increase shall be the total amount of Euro 130,000 (one hundred and thirty thousand/00) plus VAT and social security contributions thereon, where applicable; ii) the gross annual remuneration of each Director as included in the above-mentioned maximum amount, shall be Euro 50,000 (fifty thousand/00) plus VAT and social security contributions thereon, where applicable and that the residual amount as resolved on at the Shareholders' Meeting shall be earmarked to remunerate participation on the intra-board Committees.”*

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Forlì, May 13, 2021

ON BEHALF OF THE BOARD OF DIRECTORS  
THE CHAIRMAN OF THE BOARD OF DIRECTORS  
STEFANO MELONI