



*Unieuro S.p.A - Registered Office in Forlì, Palazzo Herculani, via Piero Maroncelli, 10
Share capital Euro 4,139,724.20 fully paid-up
Registration number with the Companies' Register of Forlì-Cesena, and tax code no. 00876320409*

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE
PROPOSAL AT ITEM NO. 3 OF THE AGENDA OF THE SHAREHOLDERS'
ORDINARY MEETING OF UNIEURO S.P.A. CONVENED ON 22 JUNE 2023
IN SINGLE CALL**



2. Proposed amendment to the plan based on shares of Unieuro entitled the “2023-2028 Performance Shares Plan” approved at the ordinary Shareholders’ Meeting held on 21 June 2022 pursuant to article 114-bis of Legislative Decree 24 February 1998 No. 58. Related and consequential resolutions.

Dear Shareholders,

This Report (“**Report**”) has been drawn up pursuant to article 144-bis and 125-ter, paragraph 1, of Legislative Decree 24 February 1998 No. 58 (“**TUF**”) and article 84-ter of the Regulations adopted by means of Consob resolution No. 11971 of 14 May 1999 (“**Issuers’ Regulations**”).

The same Report was approved by the Board of Directors of Unieuro S.p.A. (“**Unieuro**” or “**Company**” or “**Issuer**”) at the meeting which took place on 9 May 2023, and shall be made available to the public, in accordance with the law and regulations, at the Company’s registered office, on its corporate website in section “*Unieurospa.com / Corporate Governance / Shareholders’ Meeting / Shareholders’ Meeting 2023*”, and in any further manner envisaged by current legislation.

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With reference to item 3 on the agenda of the Shareholders’ Meeting, the Board of Directors is desirous to submit for Shareholders’ approval the proposed amendments to the targets for the 1st Cycle of the 2023-2028 Performance Shares Plan (the “**Plan**”) with respect to the targets previously submitted to and approved at the Company’s Shareholders’ Meeting held on 21 June 2022 (“**Amendment**”).

The Amendment proposal was approved by the Company's Board of Directors on 9 May 2023, upon proposal of the Remuneration and Appointments Committee which sat on 3 May 2023, and subject to the prior favourable opinion from the Board of Statutory Auditors.

On 9 May 2023, the Board of Directors also approved a new Strategic Plan which takes into account the changed macro-economic and sectoral reference context.

Since the Plan objectives approved on 21 June 2022 were anchored to the previous Strategic Plan, it is necessary to submit the Amendment at the Shareholders’ Meeting so as to render the Plan consistent with the most recent version of the strategic plan and not compromise its relative incentive value. This is more specifically to: (i) Maintain the focus of Plan beneficiaries on dimensions of strategic interest for the Company, mindful of the compromised incentive value of the previous targets; (ii) Continue to ensure alignment of the interests of beneficiaries with those of Shareholders; (iii) Ensure that the overall remuneration of Plan recipients remains competitive and apposite to motivate management through challenging yet achievable objectives which are such as to ensure their retention in the long term.

The below table illustrates the target threshold values for the allocation of the First Cycle Shares, which are subject matter of the Amendment submitted for approval at the Shareholders' Meeting called for 22 June 2023, in comparison with the current target thresholds.

	Adjusted EBIT (Weighting 50%)		Adjusted Free Cash Flow (Weighting 25%)		ESG Indicator (Weighting 25%)	
	Result	Allocation of	Result	Allocation of	Result	Allocation of



	Euro/million	Shares	Euro/million	Shares		Shares
Threshold 80%	2022 Plan 202.2	50%	2022 Plan 156.7	50%	2022 Plan 0.8	50%
	Amended Plan 102.2		Amended Plan 46.3		Amended Plan 0.8	
Target 100%	2022 Plan 252.7	100%	2022 Plan 195.8	100%	2022 Plan 1.0	100%
	Amended Plan 127.7		Amended Plan 57.9		Amended Plan 1.0	
Cap 150% or +150%	2022 Plan 379.1	150%	2022 Plan 293.7	150%	2022 Plan 1.5	150%
	Amended Plan 191.6		Amended Plan 86.8		Amended Plan 1.5	

Save for the Amendment (and the clarifications and updates made in the Information Document), all other terms and conditions of the Plan, as was approved at the Shareholders' Meeting held on 21 June 2022, remain unchanged and, in so far as necessary, its text is deemed quoted herein in its entirety.

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In virtue of the above, the Board of Directors respectfully proposes that you pass the following resolution:

"The Shareholders of Unieuro S.p.A. at the Shareholders' ordinary meeting:

- *having examined the resolutions concerning the 2023-2028 Performance Shares Plan approved at the Shareholders' Meeting held on 21 June 2022;*
- *having examined the Explanatory Report of the Board of Directors drawn up pursuant to articles 114-bis and 125-ter of Legislative Decree No. 58 of 24 February 1998 and concerning the proposed amendment to the 2023-2028 Performance Shares Plan;*
- *having examined the amendment to the information document drawn up pursuant to article 84-bis of Consob resolution No. 11971/99;*

resolve

1. *that pursuant to and for the purposes of article 114-bis of Legislative Decree No. 58, they approve the amendment to the targets of the incentive and loyalty plan entitled the "2023-2028 Performance Shares Plan" ("Plan") approved at the Shareholders' Meeting held on 21 June 2022 as such amendment is set forth in the Explanatory Report of the Board of Directors and in the relevant Information Document, the remaining terms and conditions thereof remaining unvaried;*



2. *that they confirm the Board of Directors has all powers as may be necessary or appropriate, as were conferred at the Shareholders' Meeting held on 21 June 2022, to execute the Plan taking into account the amendment to said Plan as set forth in point 1 above of this resolution;*

3. *that they duly confer the broadest powers upon the Board of Directors, and on its behalf its Chairman and Chief Executive Officer for the time being in office who may use such powers acting individually and having the faculty to sub-delegate the tasks to third parties, also by means of special attorneys appointed for this purpose. Such powers include, by way of example and not by way of limitation, all powers to make any amendment or integration to the adopted resolution and to the Plan regulations as may be necessary to carry out any legal requirements and obligations as well legislative and regulatory requirements arising in relation to the adoption of the resolutions."*

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Forlì, 9 May 2023

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