



REMUNERATION REPORT

In accordance with Articles 123-ter CFA and 84 *quater* of the Consob Issuers' Regulation
(approved by the Board of Directors on March 14, 2018)

LA DORIA S.P.A.
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CONTENTS

Introduction.....	3
Section I - 2018 Remuneration Policy.....	5
1. Bodies and parties involved in the preparation, approval and implementation of the Remuneration Policy.....	6
2. Appointments and Remuneration Committee.....	6
3. Purposes of the remuneration policy, the underlying principles and any changes to the Remuneration Policy on the previous year.....	8
4. Description of the fixed and variable remuneration component policies, particularly in relation to the weighting in terms of overall remuneration and the breakdown between variable and short-term and long-term components.....	9
4.1. Remuneration of Executive Directors and Senior Executives.....	10
4.2. Remuneration of Non-Executive Directors.....	13
4.3. Remuneration of Non-Executive Senior Directors.....	13
4.4. Remuneration of Statutory Auditors.....	13
Section II - 2017 Remuneration & Compensation	14
Part 1	
Outline of remuneration.....	15
Part 2.....	19
Table 1: Remuneration for the members of the Board of Directors and Board of Statutory Auditors	
Table 2: Financial instrument-based incentive plans, other than stock options, in favour of members of the Board of Directors, General Managers and other senior executives.	
Table 3: Investments of members of the Board of Directors, Board of Statutory Auditors, General Managers and other executives.	



INTRODUCTION

This Report was prepared as per Article 123-*ter* of Legislative Decree No. 58 of February 24, 1998 (Consolidated Finance Act or **CFA**) and Article 84-*quater* of the Consob Issuers' Regulation (Motion No. 11971/99 and subsequent amendments and supplements), in addition to Article 6 of Self-Governance Code for listed companies of Borsa Italiana S.p.A..

Section 1 of the Report contains information concerning the Remuneration Policy of La Doria S.p.A. (the "**Company**" or "**La Doria**"), as approved by the Board of Directors - on the proposal of the Remuneration and Appointments Committee - in its initial version of November 11, 2011 and subsequently amended on 28.02.2012, 22.01.2014, 28.01.2016 and 2.02.2018.

This section therefore outlines the policy adopted by the company for 2018 concerning the remuneration of the members of the Board of Directors (the "**Directors**"), broken down by Executive Directors, Non-Executive Directors and Senior Executives of the company, i.e. this latter with the power and the responsibility - directly or indirectly - for the planning, management and control of company operations according to the definition as per Annex 1 of the Consob Regulation concerning related party transactions adopted with motion No. 17221 of March 12, 2010 (the "**Senior Executives**").

Section I also presents the procedures adopted by the company for the preparation and approval of the Remuneration Policy, in addition to the bodies and parties responsible for its implementation.

The Remuneration Policy may be reviewed and updated by the Board of Directors, on the proposal of the Remuneration and Appointments Committee, which has the duty to periodically assess its overall consistency and concrete application.

Section I of this Report is submitted for the non-binding vote of the Shareholders' Meeting called for the approval of the 2017 Annual Accounts.

Section II of the Report presents, with regards to financial year 2017, the individual items comprising the remuneration of company Directors, in addition to an analysis of the fees, paid to such parties, in any regard and in any form, by the company and its subsidiaries, in addition to the fees yet to be paid at the approval date of this Report, although accruing in 2017.

Section II in addition provides an aggregated presentation of the fees of the Senior Executives.



As per the Consob Regulation concerning related party transactions, adopted with Motion No. 17221 of March 12, 2010, as subsequently amended and supplemented, as incorporated into the Related Parties Transaction Policy adopted by the company in November 11, 2010 and latterly amended on February 4, 2015, the adoption by La Doria S.p.A. of the Remuneration Policy, in addition to the vote of the Shareholders' Meeting upon the Remuneration Policy, exempts the company from application of the provisions, outlined in the Policy, to the motions of the Board of Directors regarding the remuneration of Directors and of Senior Executives.



SECTION I
2018 REMUNERATION POLICY



1. BODIES AND PARTIES INVOLVED IN THE PREPARATION, APPROVAL AND IMPLEMENTATION OF THE REMUNERATION POLICY

The Remuneration Policy of Directors and Senior Executives is drawn up by the Board of Directors (or also the “**Board**”) on the proposal of the Remuneration and Appointments Committee (the “**Committee**”).

The Policy is subsequently submitted for the non-binding vote of the Shareholders’ Meeting called to approve the Annual Accounts.

The Committee, in drawing up its proposal on the Remuneration Policy, is supported by the Human Resources Department to the extent of its remit.

For the preparation of the Remuneration Policy, the company does not specifically utilise independent experts, although taking account of the remuneration policies adopted by comparable companies in terms of size-organisation and turnover, also on the basis of benchmark surveys and/or market surveys, in addition to remuneration positioning analyses conducted by specialist compensation companies.

The Board of Directors, supported by the Remuneration and Appointments Committee, oversees the correct implementation of the Remuneration Policy.

2. THE REMUNERATION AND APPOINTMENTS COMMITTEE

The company set up the Remuneration Committee on 20.12.2006, on the basis of the recommendations of the Self-Governance Code.

At the meeting of 20.06.2014, the Board of Directors assigned to the Committee, in addition to the consultation and proposal functions of Article 6 of the cited Code concerning remuneration, also the consultation and proposal functions set out by Article 5 of the Code concerning the appointment of directors. As a consequence, the Committee therefore took the name “*Remuneration and Appointments Committee*”.

The Remuneration and Appointments Committee carries out proposal and consultation functions for the assessments and decisions that the Board of Directors takes regarding the remuneration of Senior Directors and Executives.



The Committee presently in office was appointed by the Board of Directors on June 16, 2017 and comprises three non-executive directors, the majority of whom independent. Michele Preda, Chairman (independent), Sergio Persico, Michaela Castelli (independent).

The members of the Committee possess both financial and remuneration policy expertise and experience.

The members of the Board of Statutory Auditors and the Human Resources Manager are invited to attend Committee meetings with regards to matters within their respective scopes.

The minutes of committee meetings were regularly taken.

The following functions are assigned to the Committee:

- (i) draw up for the Board of Directors proposals upon the remuneration policy of Senior Directors and Executives;
- (ii) periodically evaluate the adequacy, the consistency and the application of the remuneration policy for directors and senior executives, utilizing for this latter information provided by the Chief Executive Officers;
- (iii) present proposals or express opinions to the Board of Directors on the remuneration of executive directors and other senior directors as well as establishing the performance objectives related to the variable component of this remuneration; monitor the application of the decisions adopted by the Board verifying, in particular, the achievement of the performance objectives.

For the duties of the Committee regarding appointments, reference should be made to the Corporate Governance and Ownership Structure Report prepared as per Article 123-*bis* of the CFA.

Remuneration activities carried out by the Committee in 2017

In 2017, the Committee met on 5 occasions, with an average meeting duration of 1 hour and 30 minutes and a 100% attendance record for the members of the Committee.

At least one member of the Board of Statutory Auditors and the IR/Corporate Affairs Manager as secretary of the Committee also attended the meetings. On the invitation of the Chairman, on occasion the Human Resources Manager attended.

The main activities which the Committee were involved in, in 2017, were:

- (i) the drawing up of the proposal to the Board of Directors concerning the fees to be paid, for 2017, to the senior directors as per Article 2389, paragraph 3 of the Civil Code and the identification of the performance objectives;
- (ii) the preparation of the 2017 Annual Remuneration Report, including the Remuneration Policy of Senior Directors and Executives, prepared as per Article 123-*ter* of the CFA, submitted for



the approval of the Board of Directors and, subsequently to the non-binding vote of the Shareholders' Meeting;

- (iii) the drawing up of the proposal, to the Board of Directors, concerning the variable medium/long-term remuneration (LTIP) of the Chief Executive Officer and of the General Manager, based on the achievement of the 2017-2019 three-year plan objectives;
- (iv) the verification of the level of effective achievement of the performance objectives set out for the 2014-2016 three-year period, in relation to the variable long-term remuneration (LTIP) of the Chief Executive Officer and of the General Manager;
- (v) the review of the outcome of the Analysis and of the Assessment of the remuneration positioning of Senior Executives and Executive Directors carried out by a specialist compensation company. The assessment concerning the extension of the project to middle management;
- (vi) the redefinition of the variable medium/long-term remuneration target (LTIP) of the Senior Executives concerning the 2016-2018 three-year period;
- (vii) the review and assessment of the adequacy of the annual variable incentive system (MBO) for Executives and Managers;
- (viii) the review of the assessment upon the professional development of a number of third generation members, as established by the Regulation upon the policies for the entry and development of third generation management personnel to the La Doria Group.

3. PURPOSES OF THE REMUNERATION POLICY, THE UNDERLYING PRINCIPLES AND ANY CHANGES TO THE REMUNERATION POLICY ON THE PREVIOUS YEAR

The Remuneration Policy of La Doria, drawn up also in compliance with the recommendations of the Self-Governance Code, pursues the following objectives:

- (i) attract, retain and motivate people with the individual and professional qualities required to achieve the company's business development goals and to successfully manage the company;
- (ii) align their interests with the achievement of value creation for shareholders and the company over the medium/long-term period. For this purpose, a significant portion of remuneration is based on achieving specific pre-set performance objectives.

In accordance with the Code's recommendations, the Remuneration Policy is based on the following criteria:



- a) the fixed and variable components of remuneration are adequately balanced in line with the strategic objectives, also taking into account the sector in which the company operates and the activities undertaken;
- b) the fixed component should sufficiently remunerate the professional services of the Directors and Senior Executives where the variable component is not paid when the performance objectives indicated are not met;
- c) the variable component of remuneration comprises a portion related to short-term criteria (Management by Objectives -MBO) and a portion related to long-term criteria (Long Term Incentive Plan - LTIP);
- d) the performance objectives - or rather the financial results and any other objectives linked to the variable components - are predetermined, measurable and focused on the creation of value for shareholders over the medium-long-term.
- e) maximum limits are established for the variable portion of remuneration (short and medium/long-term), broken down according to the role covered within the company and the capacity to impact results;
- f) the remuneration of Non-Executive Directors is fixed so as to recognise the commitment required and is not related to the company's results.

With regards to the changes to the Remuneration Policy compared to the previous year, on 2.02.2018, on the proposal of the Remuneration and Appointments Committee, the Board of Directors made mainly formal changes to the Remuneration Policy, principally related to the change of governance consequent (i) to the motion by which, on 16.06.2017, the Shareholders' Meeting appointed Antonio Ferraioli as Chairman and Sergio Persico as Vice Chairman, (ii) the motion by which, on the same date, the Board of Directors appointed Andrea Ferraioli, General Manager, as Chief Executive Officer, confirming Antonio Ferraioli as Chief Executive Officer. The amendments also concern the identification of an additional Senior Executive, the Operations Manager (with responsibility for the coordination of the production activity of the facilities), in addition to the 7 previously identified senior executives.

4. DESCRIPTION OF THE FIXED AND VARIABLE REMUNERATION COMPONENT POLICIES, PARTICULARLY IN RELATION TO THE WEIGHTING IN TERMS OF OVERALL REMUNERATION AND THE BREAKDOWN BETWEEN VARIABLE AND SHORT-TERM AND LONG-TERM COMPONENTS

Firstly, it is stated that the compensation of the Directors is established by the Shareholders' Meeting.

Senior Directors, in addition to the basic compensation assigned to each Director, received additional compensation, as established by the Board in accordance with Article 2389, paragraph 3 of the Civil Code.

The Executive Directors are also employees of the company and therefore, as employees, receive, as do the other senior executives, a fixed remuneration and a variable remuneration based on the achievement of specific performance objectives.



The basic compensation of Non-Executive Directors is increased, by Board decision, on the basis of attendance at each Committee and/or the Supervisory Board as per Legislative Decree 231/2001 (ODV), with an additional increase for the Non-Executive Director acting as Chairperson of the ODV.

The other Senior Executives receive an overall remuneration package which comprises a fixed portion and a variable portion related to the achievement of specific performance objectives. The remuneration of the Senior Executives is set, as per the Remuneration Policy, by the Chairman and the Chief Executive Officer and by the Chief Executive Officer and the General Manager.

The balancing of the fixed and variable components and between the variable remuneration and the achievement of the operating and financial performance objectives are in line with the principle for the alignment of management's interests with those of the shareholders and with the key objective of pursuing the long-term interests of the company.

4.1 Executive Directors and Senior Executives

The remuneration package of the Executive Directors and Senior Executives is broken down into the following components:

- **fixed remuneration**, i.e. Gross Annual Remuneration (GAL) which should compensate the responsibilities assigned, the experience and the distinctive expertise held, and be consistent with market practice, so as to guarantee an adequate retention level. The fixed remuneration must sufficiently remunerate the level of professional service, in the case in which the variable component was not paid due to the performance objectives not being met. This is also received by the Executive Directors who are employees of the company;
- **annual variable remuneration**, which establishes a direct link between remuneration and the performance targets set annually in the budget, established to award the achievement of company and individual objectives (MBO – Management by Objectives) defined by the company and measured according to pre-established operating parameters and weighting.

The annual variable remuneration system of Senior Directors (Chairman, Chief Executive Officer, Chief Executive Officer/General Manager) is based on three objectives, EBITDA, with the weighting of 70%, turnover with a weighting of 15% and the Net financial position (NFP), accounting for the remaining 15%. The overall target represents 40% of the Gross Annual Remuneration.



The system sets a target access limit, a proportional reduction in the case of the partial achievement of the objectives and a proportional increase in the case of the objectives being exceeded, up to a maximum limit of double the target.

The annual variable remuneration system of **Senior Executives (including Senior Directors)** stipulates the assignment of a common objective (EBITDA) with a weighting of 50% and three/four individual objectives, strictly related to the function executed, accounting for the remaining 50%. The overall target represents 20%/25% of the Gross Annual Remuneration.

The system sets a target access limit, a proportional reduction in the case of the partial achievement of the objectives and a proportional increase in the case of the objectives being exceeded, up to a maximum limit of 20% of the target.

The annual variable remuneration, where accruing, is issued together with the April-May remuneration and however following approval by the Board of Directors of the draft company Financial Statements.

- **variable medium/long-term remuneration (LTIP)**, which links remuneration with the achievement of results sustainable over time, outside of that established annually in the budget, while aligning management's objectives with those of the Shareholders and engendering loyalty among the company's key personnel.

The medium/long-term remuneration is linked to the achievement of specific objectives of the three-year industrial plan of the company which is approved by the Board of Directors.

The variable medium/long-term remuneration for the **Senior Directors** (Chairman/Chief Executive Officer, Chief Executive Officer/General Manager) is linked to the achievement of the following three-year plan objectives:

-EBITDA (70% weighting), as an operating performance indicator, calculated as the ratio between average EBITDA against average revenues in the three-year period (three-year average EBITDA margin);

-Debt/EBITDA (30% weighting), as a financial management and debt sustainability indicator, calculated as the ratio between NFP and EBITDA over the latest three-year period;

The LTIP system for Senior Executives establishes an overall target of not under 50% of the average Gross Annual Remuneration of the three-year period in view of the particular strategic importance of these positions. This includes a target access limit, a proportional reduction in the case of partial achievement of objectives and a proportional increase in the case of exceeding objectives, up to a maximum of 50%.



The medium/long-term variable remuneration of **Senior Executives (including Non-Executive Senior Directors)** is based on the achievement of the following three-year plan objectives:

-EBITDA (80% weighting), as an operating performance indicator, calculated as the ratio between average EBITDA against average revenues in the three-year period (three-year average EBITDA margin);

-Debt/EBITDA (20% weighting), as a financial management and debt sustainability indicator, calculated as the ratio between NFP and EBITDA over the latest three-year period;

The LTIP system sets an overall target of 30% of the average Gross Annual Remuneration of the three-year period. This includes a target access limit, a proportional reduction in the case of partial achievement of objectives and a proportional increase in the case of exceeding objectives, up to a maximum of 30%.

The annual variable remuneration, where accruing, is issued following approval by the Board of Directors of the draft company Financial Statements for the last year of the three-year period.

In addition to the remuneration established by the Shareholders' Meeting and the fixed remuneration as employees of the company, with motion of the Board of Directors as per Article 2389, on the proposal of the Remuneration and Appointments Committee, variable remuneration, annual to medium-term, established as outlined above, is recognised to the Senior Executive Directors (Chairman/Chief Executive Officer; Chief Executive Officer/General Manager).

- **Non-monetary benefits**, the overall remuneration package is supplemented with a range of benefits, as suggested by the applicable market practice (company car, supplementary health insurance to the FASI established under the Executive's contract - an insurance policy which covers the third-party liability of Directors and Executives). Life and Accident insurance is governed by the Executives Contract. No form of supplementary pension to that contractually undertaken is provided for (PREVINDAI-INPS)

Certain Senior Executives are required to sign non-competition agreements.

- **Post-employment benefits and claw-back clause.** No "post-employment benefits" are stipulated for Senior Directors and Executives in the case of resignation or termination. For the Senior Executives, the indemnities established by the National Collective Labour Contract for Industrial Enterprise Executives are applied. In addition, considering the beneficiaries of the company's incentivised remuneration system, currently the claw-back clause which would permit the repayment of all or a portion of variable remuneration established on the basis of data which is subsequently established as manifestly erroneous is currently not considered applicable.



4.2 Non-executive Directors

In addition to the remuneration established by the Shareholders' Meeting, the Non-Executive Directors receive the remuneration established by the Board of Directors on appointment as members of the Control and Risks Committee, of the Remuneration and Appointments Committee and of the Supervisory Board.

The Non-Executive Directors receive other remuneration, further to that outlined above. Their remuneration is not linked to the company's results.

4.3 Senior Non-Executive Directors (Vice Chairman)

In addition to the remuneration established by the Shareholders' Meeting, the Vice Chairman of the Board of Directors receives the annual fixed remuneration established by the Board of Directors as per Article 2389 of the Civil Code.

He receives, in addition, the remuneration as per the previous point 4.2 as a member of the Control and Risks Committee, of the Remuneration and Appointments Committee and of the Supervisory Board.

4.4 Statutory Auditors

The remuneration of the members of the Board of Statutory Auditors is established by the Shareholders' Meeting.



SECTION II
2017 REMUNERATION & COMPENSATION



PART II

OUTLINE OF REMUNERATION

The items comprising the remuneration accruing and/or issued in 2017 in favour of the following is outlined below:

- (i) the Chairman and Chief Executive Officer
- (ii) the Chief Executive Officer and General Manager
- (iii) the Vice Chairman
- (iv) other members of the Board of Directors
- (v) the members of the Board of Statutory Auditors
- (vi) other senior executives (information provided at an aggregate level).

Preliminarily, on June 16, 2017, the Shareholders' Meeting approved total gross annual remuneration in favour of the Directors of Euro 270,000, as Euro 30,000 for each Director and total gross annual remuneration for the Board of Statutory Auditors of Euro 80,000, of which Euro 30,000 for the Chairman and Euro 25,000 for each Statutory Auditor.

On the same date, the Board of Directors established the remuneration of the Senior Directors, the members of the various Committees within the Board and for the members of the Supervisory Board as per Legislative Decree 231/2001. Specifically, the Board recognised gross annual remuneration of Euro 5,000 to each member of the Control and Risks Committee and the Remuneration and Appointments Committee. The gross annual remuneration approved for the Supervisory Board amounts to Euro 10,000 for the Chairman and Euro 5,000 for each of the other members.

Chairman and Chief Executive Officer – Antonio Ferraioli

(newly appointed as Chairman on June 16, 2017):

- i. "basic" remuneration as Director of La Doria S.p.A. - Euro 29,085;
- ii. remuneration for the special appointment as Chairman and Chief Executive Officer as per Article 2389 of the Civil Code (variable remuneration related to the FY 2017 objectives) - Euro 240,000;
- iii. fixed remuneration as a company executive - Euro 300,000;
- iv. variable medium/long-term remuneration (LTIP) relating to the 2014-2016 three-year period - Euro 215,854 (amount settled in 2017);
- v. variable medium/long-term remuneration (LTIP) relating to the 2017-2019 three-year period Euro 89,719 (estimated amount accruing for FY 2017);
- vi. non-monetary benefits - Euro 4,634;
- vii. remuneration for the position of Chairman and Chief Executive Officer of La Doria S.p.A. subsidiaries - Euro 17,990;



Chief Executive Officer and General Manager – Andrea Ferraioli

(Chief Executive Officer since June 16, 2017):

- i. “basic” remuneration as Director of La Doria S.p.A. - Euro 29,085;
- ii. remuneration for the special appointment as Chief Executive Officer as per Article 2389 of the Civil Code and as General Manager (related to the FY 2017 objectives) - Euro 240,000;
- iii. fixed remuneration as a company executive - Euro 300,000;
- iv. variable medium/long-term remuneration (LTIP) relating to the 2014-2016 three-year period - Euro 215,854 (amount settled in 2017);
- v. variable medium/long-term remuneration (LTIP) relating to the 2017-2019 three-year period Euro 89,719 (estimated amount accruing for FY 2017);
- vi. non-monetary benefits - Euro 4,877;
- vii. remuneration for the office of Director and Chief Executive Officer of La Doria S.p.A. subsidiaries - Euro 17,990;

Vice Chairman – Sergio Persico

(Chairman until June 15, 2017 and Vice Chairman since June 16, 2017):

- i. remuneration as Chairman and Director of La Doria S.p.A. - Euro 61,625;
- ii. remuneration for the special position of Vice Chairman, as per Article 2389 of the Civil Code - Euro 37,916;
- iii. remuneration as a member of the Remuneration and Appointments Committee - Euro 5,000;
- iv. remuneration as a member of the Control and Risks Committee - Euro 5,000;
- v. remuneration as a member of the Supervisory Board - Euro 5,000;
- vi. remuneration for the position of Director of La Doria S.p.A. subsidiaries - Euro 17,990.

Other members of the Board of Directors

Director - Michaela Castelli:

- (i) since 16.06.2017 “basic” remuneration as director of La Doria S.p.A. - Euro 16,212;
- (ii) since 16.06.2017 remuneration as a member of the Remuneration and Appointments Committee - Euro 2,702;
- (iii) since 16.06.2017 remuneration as a member of the Control and Risks Committee - Euro 2,702;
- (iv) since 16.06.2017 remuneration as Chairman of the Supervisory Board - Euro 5,404

Director - Elena David:

- (i) “basic” remuneration as Director of La Doria S.p.A. - Euro 29,085;
- (ii) remuneration as a member of the Control and Risks Committee and since 16.06.2017 as Chairperson of such - Euro 5,000.



Director - Diodato Ferraioli

- (i) since 16.06.2017 “basic” remuneration as director of La Doria S.p.A. - Euro 16,274

Executive Director - Operating Control Manager - Iolanda Ferraioli

- (i) “basic” remuneration as Director of La Doria S.p.A. - Euro 29,085;
- (ii) fixed remuneration as a company executive - Operating Control Manager - Euro 100,035;
- (iii) variable M.B.O. remuneration linked to 2017 objectives - Euro 24,008;
- (iv) variable medium/long-term remuneration (LTIP) relating to the 2016-2018 three-year period Euro 10,738 (estimated amount accruing for FY 2017);
- (v) non-monetary benefits - Euro 4,011;

Director - Enzo Diodato Lamberti

- (i) “basic” remuneration as Director of La Doria S.p.A. - Euro 29,085;

Director – Lead Independent Director - Michele Preda:

- (i) “basic” remuneration as Director of La Doria S.p.A. - Euro 29,085;
- (ii) remuneration as member of the Remuneration and Appointments Committee and since 16.06.2017 as Chairman of such - Euro 5,000.

Directors departing in 2017

Vice Chairman until 15.06.2017 - Giorgio Sampietro:

- (i) “basic” remuneration as director of La Doria S.p.A. - Euro 17,000;
- (ii) remuneration as Chairman of the Remuneration and Appointments Committee - Euro 2,500;
- (iii) remuneration as Chairman of the Control and Risks Committee - Euro 2,500;
- (iv) remuneration as Chairman of the Supervisory Board - Euro 5,000.

Members of the Board of Statutory Auditors

Ottavia Alfano (Chairperson of the Board of Statutory Auditors):

since 16.06.2017 remuneration for the position of Chairperson of the Board of Statutory Auditors - Euro 16,250.

Adele Caldarelli (Statutory Auditor):

Remuneration for the position of Statutory Auditor - Euro 25,000.



Maurizio D'Amore (Statutory Auditor):

Remuneration for the position of Statutory Auditor - Euro 25,000.

Statutory Auditors departing in 2017

Chairman of the Board of Statutory Auditors until 15.06.2017 - Antonio De Caprio:

Remuneration for the position of Chairman of the Board of Statutory Auditors established on appointment by the Shareholders' Meeting of 19.06.2014 - Euro 15,000.

Other Senior Executives (aggregated)

Eight Senior Executives:

- Chief Financial Officer:
- Italy Sales Manager
- Integrated Logistics Manager
- Operations Manager (since June 2017)
- Human Resources Manager
- R&D and Quality Assurance and Environment Director
- Technical Manager
- Foreign Sales Manager

(i) fixed remuneration as company executive - Euro 1,120,254;

(ii) variable M.B.O. remuneration related to 2017 objectives - Euro 291,139;

(iii) variable medium/long-term remuneration (LTIP) relating to the 2016-2018 three-year period Euro 115,035 (estimated amount accruing for FY 2017);

(iv) non-monetary benefits - Euro 36,965;

(v) remuneration for the position of Director of La Doria S.p.A. subsidiaries - Euro 17,990.



PART II

The second part of the Section breaks down, in the following tables, the remuneration paid in 2017 in any regard and in any form by La Doria S.p.A. and by the subsidiaries to parties who during the course of the year covered, also for a portion thereof, the role of Director, Statutory Auditor, General Manager or Senior Executive.

TABLE 1: Remuneration paid to members of the Board of Directors and Board of Statutory Auditors (prepared according to diagram 7-bis of annex 3A of the Consob Issuers' Regulation - Table 1).

In particular:

- in the column **"Fixed remuneration"**, on an accruals basis, the fixed emoluments and the remuneration of employees in the year are reported separately, gross of social security and tax charges relating to the employee.
- in the column **"Fees for attendance of Committee meetings"**, on an accruals basis, the remuneration of Directors for attendance at the Committee meetings of the Board is reported.
- the columns **"Non-equity variable remuneration"** report under "Bonuses and other incentives" (i) the annual variable incentives accruing in the year.
- the column **"Non-monetary benefits"**, on an accruals and tax assessable basis, reports the value of the allocated fringe benefits;

TABLE 2: Monetary incentive plans in favour of members of the Board of Directors, General Managers and other senior executives.

(prepared according to Diagram 7-bis annex 3B of Consob Issuers' Regulation - table 3B).

In particular:

- the **"Bonuses in the year"** column under "Issuable" reports the variable annual incentives accruing in the year and the estimate of the portion accruing in the year of the variable long-term incentives;
- the **"Prior year bonuses"** column under "Issued" reports the variable annual incentives accruing in the previous year and under "Still deferred" the estimate of the portion accruing in the previous year of the variable long-term incentives;

TABLE 3: Investments of members of the Board of Directors, Board of Statutory Auditors, General Managers and other executives.

(prepared according to Diagram 7-ter annex 3B of Consob Issuers' Regulation - table 1).

TABLE 1

TABLE 1: Remuneration paid to members of the Board of Directors, Board of Statutory Auditors, General Managers & other Senior Managers with strategic responsibility													
(A)	(B)	(C)	(D)	(1)		(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name & Surname	Office	Period of service	Conclusion of office (*)	Fixed remuneration		Fees for Committee participation	Non equity variable remuneration		Non-monetary	Other remuneration	Total	Fair Value equity remuneration	Post-employment benefits
				Emoluments approved by Shareholders' Meeting	Remuneration as employee		Bonuses & other incentives	Profit participation					
BOARD OF DIRECTORS													
Sergio Persico	Chairman	1/1/2017-15/06/2017	2020	99.541		10.000				5.000	114.541		
(I) La Doria S.p.A. remuneration	Vice Chairman	16/06/2017-31/12/2017		17.990									
(II) Remuneration from subsidiaries & associated companies**													
(III) Total				117.531		10.000				5.000	132.531		
Antonio Ferraioli	Chief Executive Officer	1/1/2017-31/12/2017	2020	29.085	300.000		240.000		4.634		573.719		
(I) La Doria S.p.A. remuneration	Chairman	16/6/2017-31/12/2017		17.990							17.990		
(II) Remuneration from subsidiaries & associated companies**													
(III) Total				47.075	300.000		240.000		4.634		591.709		
Andrea Ferraioli	Director & Gen. Manager	1/1/2017-31/12/2017	2020	29.085	300.000		240.000		4.877		573.962		
(I) La Doria S.p.A. remuneration	Chief Executive Officer	16/06/2017-31/12/2017		17.990							17.990		
(II) Remuneration from subsidiaries & associated companies**													
(III) Total				47.075	300.000		240.000		4.877		591.952		
Diodato Ferraioli	Director	16/06/2017-31/12/2017	2020	16.274									
Iolanda Ferraioli	Director	1/1/2017-31/12/2017	2020	29.085	100.035		24.008		4.011		157.139		
Michaela Castelli	Director	16/06/2017-31/12/2017	2020	16.212		5.404				5.404			
Elena David	Director	1/1/2017-31/12/2017	2020	29.085		5.000					34.085		
Enzo Diodato Lamberti	Director	1/1/2017-31/12/2017	2020	29.085							29.085		
Michele Preda	Director	1/1/2017-31/12/2017	2020	29.085		5.000					34.085		
DIRECTORS RETIRED FROM OFFICE IN 2017													
Giorgio Sampietro	Vice Chairman	01/01/2017-15/06/2017	2020	17.000		5.000				5.000	27.000		
BOARD OF STATUTORY AUDITORS													
Ottavia Alfano	Chairman	16/06/2017-31/12/2017	2020	16.250							16.250		
Maurizio D'Amore	Statutory Auditor	1/1/2016-31/12/2016	2017	25.000							25.000		
Adele Caldarelli	Statutory Auditor	1/1/2016-31/12/2016	2017	25.000							25.000		
STATUTORY AUDITORS RETIRED FROM OFFICE IN 2017													
Antonio De Caprio	Chairman	01/01/2017-15/06/2017	2017	15.000							15.000		
SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITY***				17.990	1.120.254		291.139		36.965		1.466.348		

* With the approval of the 2019 Annual Accounts

**includes also foreign subsidiary remuneration of £ 7,000 at 2017 average exchange rate of 0,87614t

*** includes fixed remuneration and variable remuneration for 8 Senior Managers, emoluments from subsidiaries for no. 1 Senior Manager

(2) Remuneration for participation on Control & Risks Committee (Euro 5,000) & Remuneration and Appointments Committee (Euro 5,000)

(3) Includes share of remuneration for reaching of specific objectives

(4) Includes company car & insurance policy

(5) Fee as member of Supervisory Board as per Legs. Decree 231/2001

TABLE 2

TABLE 3B: Monetary incentive plans in favour of members of the Board of Directors, General Managers & Senior Managers with strategic responsibility									
(A) Name & Surname	(B) Office	(1) Plan	(2) Bonus for the year			(3) Prior year bonuses			(4) Other bonuses
			(A) Issuable	(B) Deferred	(C) Deferment period	(A) No longer issuable	(B) Deferred (**)	(C) Deferred further	
BOARD OF DIRECTORS									
Antonio Ferraioli (I) La Doria S.p.A. remuneration	Chairman Chief Executive Officer	MBO 2016	240.000				121.517		
		MBO 2017							
		LTIP 2014-2016							
		LTIP 2017-2019*							
Total			329.719				337.371		
Andrea Ferraioli (I) La Doria S.p.A. remuneration	Chief Executive Officer Director & General Manager	MBO 2016	240.000				121.517		
		MBO 2017							
		LTIP 2014-2016							
		LTIP 2017-2019*							
Total			329.719				337.371		
Iolanda Ferraioli (I) La Doria S.p.A. remuneration	Director	MBO 2016	24.008				21.507		
		MBO 2017							
		LTIP 2016-2018**							
Total			34.746				21.507	10.738	
SENIOR MANAGERS WITH STRATEGIC RESPONSIBILITY*** (I) La Doria S.p.A. remuneration		MBO 2016	291.139				206.800		
		MBO 2017							
		LTIP 2016-2018**							
Total			406.174				206.800	106.981	

* estimated amount accruing for FY 2017

** estimated amounts accruing for FY 2016 and 2017

*** includes 8 Senior Managers

TABLE 3**TABLE 1 SCHEDULE No. 7-ter: Investments of members of the Board of Directors and Board of Statutory Auditors & General Managers**

Name and Surname	Office	Number of shares held at end of previous year (2016)	Number of shares purchased in 2017	Number of shares sold in 2017	Number of shares held at end of year (2017)
Antonio Ferraioli	Chairman/Chief Executive Officer	3.151.301	0	0	3.151.301
Andrea Ferraioli	Chief Executive /General Manager	3.078.062	0	81.579	2.996.483
Iolanda Ferraioli	Director	2.684.088	0	0	2.684.088