

# OVS

OVS S.p.A.

*Registered Office in Venice-Mestre, Via Terraglio n° 17 - share capital EUR 227,000,000.00 fully paid-up  
Venice Companies Register Number, Tax Code and VAT N° 04240010274 –  
Administrative Economic Index N° VE - 378007  
Corporate website: [www.ovscorporate.it](http://www.ovscorporate.it)*

## **REPORT ON REMUNERATION**

pursuant to Article 123 *ter* of Legislative Decree n° 58 of 24 February 1998

Approved by the Board of Directors' Meeting of 17 April 2019

## Letter from the Chairman of the Nomination and Remuneration Committee

Dear Shareholders,

as Chairman of the Nomination and Remuneration Committee of OVS and in the name of the members of the Committee, I have the pleasure to present you with our annual Report on Remuneration for the 2019 year.

The Nomination and Remuneration Committee worked during 2018 with the aim of accepting all the stimuli and suggestions received from the Shareholders and Stakeholders with a view to consolidating the Group's remuneration strategy, making it increasingly transparent, clear, effective and aligned with the guidelines of the Borsa Italiana Corporate Governance Code, market practices and the interests of you Shareholders.

Specifically, the commitment made by the Nomination and Remuneration Committee, in collaboration with the Human Resources Department and making use of the contribution of the Mercer Italia Independent Advisor, has been striving to integrate the compensation policy with some innovative elements in support of the many challenges that the company will face in the coming years.

In this context, the Nomination and Remuneration Committee worked to introduce in 2019 a new medium - long-term incentive plan (Stock Option Plan 2019-2022) with a view to further aligning the interests between the Company and its Shareholders, proceeding in the path already followed for some time by Top Management responsibility in pursuit of the challenging objectives of the of the Company.

Furthermore, the process of evolution of the Group remuneration strategy also concerned the Short Term Incentive System offered to Top Management (MBO 2019) in order to further consolidate the engagement of these figures on the challenging objectives of the Company. Among the changes introduced, within the MBO system, we highlight the introduction an increase in the target incentive opportunities for Executives with Strategic Responsibilities.

Finally, with the aim of making the reading of the annual Remuneration Report clear and transparent, the Committee has worked to increase the level of disclosure of the Compensation Policy towards the market, guaranteeing more detailed information and graphic elements functional to the correct understanding of the main elements which make up the Group remuneration systems in line with best market practices.

On behalf of all the OVS Nomination and Remuneration Committee, we thank the Shareholders and Stakeholders in general for their valuable contribution to the continuous improvement of the Group's remuneration policies.

**Gabriele Del Torchio**

**Chairman of the Nomination and Remuneration Committee**

## Introduction

This Remuneration Report (the “**Report**”) was approved on 18 April 2018 by the Board of Directors of OVS S.p.A. (the “**Company**” or “**OVS**”), at the proposal of the Nomination and Remuneration, and prepared in compliance with Article 123 *ter* of Legislative Decree n° 58 of 24 February 1998., as amended (the “**Consolidated Finance Act**” or “**CFA**”), with Article 84 *quater* of the Issuers’ Regulations adopted by CONSOB with resolution n° 11971 of 14 May 14 1999, as amended (the “**Issuers’ Regulations**”), and also in line with the recommendations of the Code of Conduct for listed companies promoted by the Corporate Governance Committee set up at Borsa Italiana S.p.A. [the Italian Stock Exchange] (the “**Code of Conduct**” or “**Code**”).

The Report consists of two sections:

- 1) Section I describes (i) the policy adopted by the Company on the remuneration of the Company’s Board of Directors’ members (the “**Directors**”) and key management executives, meaning those persons who have the power and responsibility - directly or indirectly - of planning, directing and controlling the Company’s activities as defined in Annex 1 of the CONSOB Regulation concerning transactions with related parties adopted by resolution n° 17221 of 12 March 2010 (the “**Key Management Executives**”) (the “**Remuneration Policy**” or “**Policy**”) with reference at least to the following financial year, and (ii) the procedures for adopting and implementing the Policy;
- 2) Section II describes the compensation paid in the financial year ending on 31 January 2018, for any reason and in any form, by the Company and its subsidiary companies as well as by the associated companies, to the Directors, Key Management Executives and Board of Statutory Auditors’ members (the “**Auditors**”), providing a representation of each of the items comprising the remuneration. Section II, pursuant to Article 84 *quater*, paragraph 4, of the Issuers’ Regulations, also indicates, in specific tables, the data relating to the shareholdings held - in the Company and its subsidiaries - by Directors, Statutory Auditors and Key Management Executives, as well as by non-legally separated spouses and minor children, either directly or through subsidiaries, trust companies or nominees, as shown in the Shareholders’ Register, the communications received and other information acquired from the said Directors, Statutory Auditors and Key Management Executives.

For the purposes of this Report, it is stated that:

- (a) the Board in office at the date of the approval of the present Report is composed of nine (9) members: Nicholas Stathopoulos (Chairman), Stefano Beraldo (Chief Executive Officer), , Gabriele Del Torchio (Independent Director), Elena Garavaglia (Independent Director), Heinz Jürgen Krogner Kornalik (Independent Director), Massimiliano Magrini (Independent Director), Chiara Mio (Independent Director) and Giovanni Tamburi (Non-Executive Director and Vice-Chairman<sup>1</sup>).

It is precised that the Directors Nicholas Stathopoulos (Chairman), Stefano Beraldo (Chief Executive Director), Gabriele Del Torchio (Independent Director), Heinz Jürgen Krogner Kornalik (Independent Director) and Chiara Mio (Independent Director) were appointed by the Ordinary Shareholders'

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<sup>1</sup> Giovanni Tamburi was appointed Vice-Chairman of the Board of Directors on April 17, 2019.

Meeting on 31 May 2017.

The Director Elena Garavaglia (Independent Director) was co-opted on 20 June 2018 following the resignation resigned on 1 June 2018 by the Director Vincenzo Cariello and the Directors Alessandra Gritti (Non-Executive Director), Massimiliano Magrini (Independent Director) and Giovanni Tamburi (Non-Executive Director) were co-opted following the resignation of 3 Directors (Stefano Ferraresi, Marvin Teubner and Stefania Criveller, all resigned on 11 March 2019)<sup>2</sup>.

The co-opted directors will remain in office until the next meeting called for 31 May 2019 called to confirm them.

The Board, as integrated by the Meeting, will remain in office until the approval of the financial statements for the year ending 31 January 2020;

- (b) the Board of Statutory Auditors in office at the date of the Report was appointed by the Ordinary Shareholders' Meeting of 31 May 2017. The Board of Statutory Auditors, in office until the approval of the financial statements ending on 31 January 2020, is composed of Stefano Poggi Longostrevi (Chairman), Roberto Cortellazzo Wiel (Standing Auditor), Eleonora Guerriero (Standing Auditor), Antonella Missaglia (Alternate Auditor);

It is précised that, on 1 June 2018, the then President of the Board of Statutory Auditors, Paola Camagni, had resigned. Consequently, on 1 June 2018, pursuant to the provisions of art. 24.2 of the Articles of Association, the position of Statutory Auditor and Chairman of the Board of Statutory Auditors was taken over by Stefano Poggi Longostrevi, Alternate Auditor expressed by the same list from which Paola Camagni was taken.

The current Chairman of the Board of Statutory Auditors will remain in office until the next Shareholders' Meeting to be held on 31 May 2019, called to confirm him and to appoint the new alternate auditor.

The Board of Statutory Auditors will remain until the approval of the financial statements at 31 January 2020;

- (c) in addition to the Chief Executive Officer, three (3) Key Management Executives have been identified:
- Mr Ismail Seyis, OVS Brand Director<sup>3</sup>;
  - Mr Massimo Iacobelli, UPIM Brand Director;
  - Mr Nicola Perin, Chief Financial Officer.

For the sake of completeness, it is noted that the 2018 Remuneration Report identified as Manager with Strategic Responsibilities Mr. Francesco Sama, OVS Brand Director, who concluded the employment relationship with OVS in September 2018<sup>4</sup>.

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<sup>2</sup> The resignations were given in the context of the commitments undertaken by Gruppo Coin S.p.A. in the agreement signed on 1 March 2019 with Tamburi Investment Partner S.p.A. .. This agreement was disclosed to the market on 1 March 2019, by Tamburi Investment Partner S.p.A., with a press release.

<sup>3</sup> Reference is made to the press release disclosed to the market on September 7, 2018

<sup>4</sup> Reference is made to the press release disclosed to the market on September 7, 2018

The Remuneration Policy, referred to in Section I of this Report, will be submitted to the advisory vote of the Shareholders' Meeting called, pursuant to Article 2364 of the Civil Code, for 31 May 2019 at BEST WESTERN PLUS Quid Hotel Venice Airport, via Terraglio n. 15, 30174 Venezia-Mestre (Italy), at 9:00am, in a single call, to approve the financial statements as at 31 January 2019.

Pursuant to Article 123 *ter*, paragraph 6, of the CFA, the Shareholders' Meeting is in fact required to express itself, with a non-binding resolution, in favour or against Section I of the Report. To this end, according to Article 84 *quater* of the Issuers' Regulations, the Report is submitted to the Italian Stock Exchange and made available to the public at the registered office and on the website [www.ovscorporate.it](http://www.ovscorporate.it), Section Governance/Shareholders' Meeting, no later than twenty-one days before the date of the Shareholders' Meeting.

This document is made available at the registered office and on the Company's website ([www.ovscorporate.it](http://www.ovscorporate.it), Section Governance/Shareholders' Meeting) as well as at the mechanism for the central storage of regulated information "1info" on the website [www.1info.it](http://www.1info.it).

Venice – Mestre, 17 April 2019

The Chairman of the Board of Directors  
Nicholas Stathopoulos

# EXECUTIVE SUMMARY

## Remuneration Policy 2019

Remuneration element	Scope	Conditions of implementation	Amount / Values %	Page references
<b>Fixed remuneration</b>	Remuneration component defined in a manner congruous with respect to the proxies and to specific offices and to the strategic role and responsibilities assigned.	It is defined on the basis of the positioning deriving from the comparison with the reference market.	<b>CEO/GM: € 1.200.000:</b> <ul style="list-style-type: none"> <li>• € 50.000 (ex art. 2389 comma 1)</li> <li>• € 450.000 (ex art. 2389 comma 3)</li> <li>• € 500.000 RAL</li> <li>• € 200.000 <i>guaranteed nature</i></li> </ul> <b>MSR:</b> related to the role and level of responsibility, as well as to the experience and strategic importance of the resource.	<b>Pag. 16</b>  <b>Pag. 23</b>
<b>Short-term Variable Remuneration</b>	Remuneration component defined within predetermined maximum limits and is aimed at remunerating the expected short-term performance (one year).	<b>CEO/GM:</b> <b>Performance goals:</b> <ol style="list-style-type: none"> <li>1) EBITDA OVS S.p.A. (for 60%)</li> <li>2) Net Financial Position (for 40%)</li> </ol> <b>MSR:</b> <b>Performance goals:</b> <ol style="list-style-type: none"> <li>1) Economic-financial goals (for 80%) with exclusion of CFO</li> <li>2) Strategic Goals (for 20%) with exclusion of CFO</li> </ol>	<b>CEO/GM:</b> <b>Target:</b> € 1.300.000 <b>Minimum:</b> 60% of the Target <b>Maximum:</b> 130% of the Target  <b>MSR:</b> <b>Target:</b> <ul style="list-style-type: none"> <li>• CFO: 40% of the Fixed</li> <li>• DG OVS: 60% of the Fixed</li> <li>• DG Upim: 60% of the Fixed</li> </ul>	<b>Pagg. 16-17</b>  <b>Pagg. 23-24</b>
<b>Long-term Variable Remuneration</b>	Remuneration component defined with the aim of aligning the interests of shareholders and creating value over the long term.	<b>Other than the Stock Option Plans 2015-2020 and 2017-2022 during 2019 a Stock Option Plan 2019 – 2022 will be adopted</b>  Frequency of assignment: only one Vesting period: 3 years Indicators: Cumulated EBITDA 2019-2021 equal to euro 550 million with a Access condition on/off price of OVS share Euro 2.5 Lock up: 30% for first 12 months and another 30% for CEO until the end of mandate		<b>Pagg. 17-22, 24</b>

Remuneration element	Scope	Conditions of implementation	Amount / Values %	Page references
<b>Severance</b>	Indemnity for termination of office or early termination of the employment relationship and non-competition agreements.	<p><b>Indemnity of end of office/relationship</b></p> <ul style="list-style-type: none"> <li><b>CEO/GM:</b> Withdrawal from the employment relationship, revocation of the office without just cause, certain cases of resignation for just cause</li> </ul> <p><b>MSR:</b> None</p> <p><b>Non competition clause</b></p> <ul style="list-style-type: none"> <li><b>CEO/GM:</b> Recognition of a lump-sum compensation payable in the event of termination of the employment relationship.</li> </ul> <p><b>MSR:</b> Can be activated</p>	<p><b>Indemnity of end of office/relationship</b></p> <p><b>CEO/GM: € 5.050.000</b> (only in the event that it waives the amount due from CCNL Executives that would amount approximately to 24 months of Fixed and Short Term Variable).</p> <p><b>MSR:</b> none</p> <p><b>Non competition clause</b></p> <p><b>CEO/GM: € 350.000</b> <b>MSR: current limits set by the law</b></p>	<b>Pagg. 27-28</b>

## SECTION I - Remuneration Policy 2019

### A) Bodies and persons involved in preparing and approving the Remuneration Policy; positions and bodies and persons responsible for properly implementing the said Policy.

The preparation and approval of the OVS Remuneration Policy involves the Board of Directors (the “**Board**” or also the “**Board of Directors**”), the Nomination and Remuneration Committee (the “**Nomination and Remuneration Committee**” or “**Remuneration Committee**” or “**Committee**”) and the Company’s Ordinary Shareholders’ Meeting (the “**Shareholders’ Meeting**”).

The Board holds the exclusive non-delegable power to define the Remuneration Policy based on the proposal made by the Nomination and Remuneration Committee (whose composition and duties are described in paragraph A.2 below) set up within it.

The Board then implements the Remuneration Policy, and in accordance with it sets the remuneration of Directors holding particular offices, at the proposal of the Nomination and Remuneration Committee and having consulted with the Board of Statutory Auditors, within the limits of the aggregate compensation ultimately set by the Shareholders’ Meeting pursuant to Article 2389, paragraph 3, of the Civil Code and Article 22 of the Articles of Association.

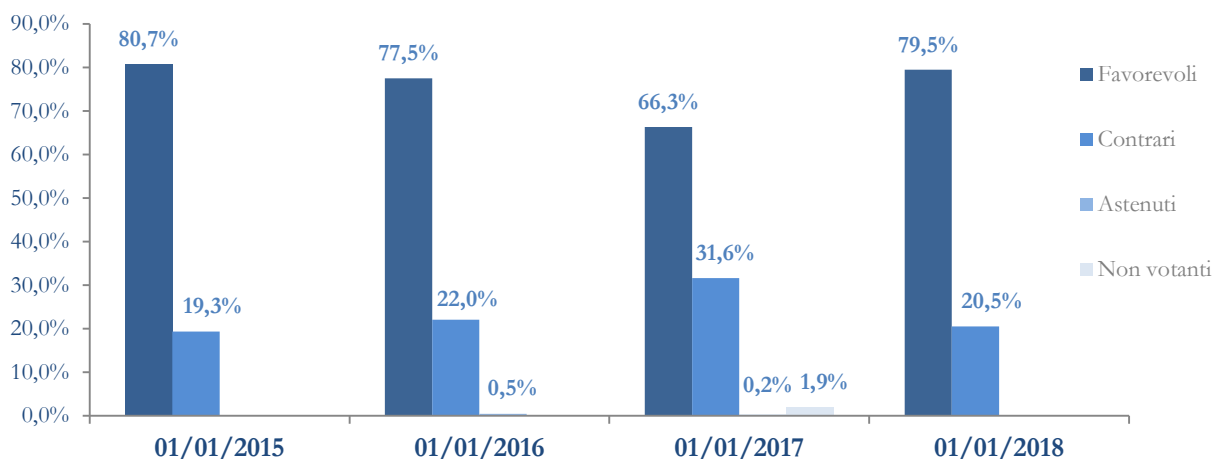
The Board prepares and approves annually the Remuneration Report provided for in Article 123 *ter* of the CFA and in Article 84 *quater* of the Issuers’ Regulations.

The Nomination and Remuneration Committee, in accordance with the recommendations contained in Article 6 of the Code of Conduct, is tasked with assisting the Board of Directors, in an advisory and consulting capacity, in its assessments and decisions on the composition of the Board of Directors and the remuneration of the Directors and the Key Management Executives.

The Committee’s functions are described in detail in the paragraph A.2) below.

The Shareholders’ Meeting approves, in ordinary venue, the remuneration of the Directors pursuant to Article 2364, paragraph 1, n° 3, and Article 2389, paragraph 3, of the Civil Code, and Article 22 of the Articles of Association. Pursuant to Article 123 *ter*, paragraph 6, of the CFA, in conjunction with the approval of the financial statements, the Shareholders’ Meeting is also called on to vote in favour or against Section I of the Remuneration Report prepared by the Board.

The performance of the shareholders' meeting results on the OVS Annual Remuneration Report from 2015 to 2018 is shown below.





**B) Intervention of the Nomination and Remuneration Committee; composition, powers and operating procedures of the said Committee.**

By resolution of 27 October 2014 with effect from March 2, 2015, the first trading day of the OVS shares on the Stock Exchange, the Board established the Remuneration Committee, approving the relative internal rules governing the Committee's composition, duties and operating procedures.

On 15 June 2017, after the appointment of the new Board of Directors by the Shareholders' Meeting held on 31 May 2017, the Board proceeded to appoint the members as members of the new Nomination and Remuneration Committee.

Following the resignations of some Directors, as explained in the Introduction, and of the resignations from member of the Committee of the Chairman of the Board of Directors, the composition of the Committee was integrated during the 2018 financial year and the first months of 2019. The Committee is at the moment composed by the following four non-executive directors, three of whom are independent within the meaning of the combined provisions of Article 147 *ter*, paragraph 4, and Article 148, paragraph 3, of the CFA and of Article 3 of the Code of Conduct: Gabriele Del Torchio (Independent Director and Chairman of the Nomination and Remuneration Committee), Elena Garavaglia (Independent Director), Heinz Jürgen Krogner Kornalik (Independent Director), and Giovanni Tamburi (Non-Executive Director).

It is precised that during the 2018 financial year the Committee was composed as follows: Gabriele Del Torchio (Independent Director and Chairman of the Nomination and Remuneration Committee), Elena Garavaglia (Independent Director) - who replaced Director Vincenzo Cariello from 20 June 2018 resigned on 1 June 2018 -, Heinz Jürgen Krogner Kornalik (Independent Director and Nicholas Stathopoulos (Non-executive Director).

The regulation of the Committee was amended by the Board of Directors on 12 June 2017 and on 22 March 2018.

The Director Gabriele Del Torchio has adequate knowledge and experience in financial matters and remuneration policies, which were assessed by the Board at the time of appointment.

The Nomination and Remuneration Committee meets when called to do so by its Chairman, whenever the Chairman deems it appropriate, but at least once every six months or when requested by either the Executive Directors or the Chairman of the Board of Statutory Auditors or the Chairman of the Board of Directors.

The Chairman coordinates the Nomination and Remuneration Committee's work.

The Chairman of the Board of Statutory Auditors (or another auditor designated by the same) attends the Nomination and Remuneration Committee's meetings, and, in any case, the other auditors may attend as well.

The Chairman of the Nomination and Remuneration Committee is entitled to invite other persons, whose presence may help to carry out better the functions of the Committee, to attend the Nomination and Remuneration Committee's meetings.

The Nomination and Remuneration Committee's meetings are minuted. The Chairman and the Secretary sign the minutes of the meetings, to be kept by the Secretary in chronological order.

In accordance with the recommendations contained in Article 6 of the Code of Conduct, the Nomination and Remuneration Committee is entrusted with the following advisory and consultative functions, detailed in the rule.

As Nomination Committee

- (a) submits opinions to the Board regarding the size and composition of the Board itself and makes recommendations on the professional figures whose presence on the Board would be desirable, as well as on issues related to the maximum number of offices as Director or Auditor in companies listed on Italian or foreign regulated markets and in financial, banking, insurance or large-size companies, which can be considered compatible with the effective performance as a Director of the listed issuer, and on the authorisations of the Shareholders' Meetings granted to the Directors to operate in derogation of the general ban on competition;
- (b) proposes candidates as Directors to the Board in cases of co-optation, should it become necessary to replace Independent Directors;
- (c) oversees the annual self-assessment program on the performance of the Board of Directors and its Committees, in compliance with the Corporate Governance Code, and deals with the preliminary activity for appointing an external consultant for such self-assessment.

As Remuneration Committee:

- (d) submits proposals to the Board to define the remuneration policy for Directors and Key Management Executives;
- (e) regularly assesses the adequacy, overall consistency and practical application of the remuneration policy for Directors and Key Management Executives, also on the basis of information provided by the Chief Executive Officer, and submits proposals to the Board on the matter;
- (f) submits proposals or express opinions to the Board on the remuneration for Executive Directors and other Directors holding particular offices, as well as on setting the performance targets related to the variable component of the said remuneration, monitoring the implementation of the decisions taken by the Board itself and the actual achievement of the performance targets;
- (g) expresses an assessment on particular and specific remuneration issues which the Board may have requested it to examine.

The Nomination and Remuneration Committee is also entitled to submit proposals to the Board of Directors regarding the disbursement of an additional "one-off" amount in circumstances that would justify such measures.

The Nomination and Remuneration Committee is entitled to access to information and corporate functions and departments, ensuring appropriate functional and operational links with the same in order to perform their duties.

It may use external consultants at the Company's expense, but always within the budget limits approved by the Board of Directors, subject to verification that such consultants are not placed in situations that compromise their independent judgment in practice, and, in particular, that they do not provide the Human Resources Department, the Directors or the Key Management Executives with any services of such significance as to concretely affect the independent judgment of the said consultants.

In line with the recommendations of Article 6.C.6 of the Code of Conduct, no Director may attend the Nomination and Remuneration Committee's meetings in which proposals on their remuneration are submitted to the Board.

The Nomination and Remuneration Committee's Chairman reports (i) on its activities to the Board of Directors at least once every six months; and (ii) on the procedures adopted for the exercise of his functions to the Shareholders' Meeting on an annual basis in conjunction with the approval of the financial statements.

During the 2018 financial year, the Nomination and Remuneration Committee has, inter alia:

Function of the Committee	Activities carried out in 2018
<b>Nomination Committee:</b>	<ul style="list-style-type: none"> <li>✓ proposed to the Board of Directors as candidate for the office of director, Elena Garavaglia, for the co-optation of the independent director who resigned on June 1, 2018; the candidate, in compliance with the provisions of the Articles of Association, was drawn from the same minority list from which the director had been appointed;</li> <li>✓ supervised the annual self-assessment of the Board and its Committees pursuant to the Code, entrusting the task to an external consultant and analyzing the results obtained from the aforementioned process as well as providing suggestions and proposals;</li> <li>✓ took note of the contents of the letter from the chairman of the Corporate Governance Committee of 21 December 2018 sent to all issuers with particular reference to the board review recommendations.</li> </ul>

Function of the Committee	Activities carried out in 2018
<b>Remuneration Committee:</b>	<ul style="list-style-type: none"> <li>✓ submitted proposals to the Board of Directors for the definition of the remuneration policy for directors and executives with strategic responsibilities, in particular by formulating non-binding opinions and proposals regarding the objectives relating to the short-term variable remuneration (MBO) and the criteria for assessing the achievement of these objectives;</li> <li>✓ issued non-binding opinions and proposals regarding the 2015-2020 Stock Option Plan and the 2017-2022 Stock Option Plan, also suggesting the objectives connected with the granting of these benefits and the criteria for assessing the achievement of these objectives;</li> <li>✓ monitored and verified the effective achievement of the performance targets, as established by the Board of Directors, in relation to the variable remuneration of the directors and managers with strategic responsibilities;</li> <li>✓ analyzed the contents of the Remuneration Report, approved on April 18, 2018 and published on April 26, 2018, also reviewing its contents with a view to more complete market disclosure, including some clarifications and/or clarifications;</li> <li>✓ expressed its own opinions and made suggestions regarding the remuneration of executives with strategic responsibilities, also during the year following some changes in the company organization;</li> <li>✓ took note of the contents of the letter from the chairman of the Corporate Governance Committee of 21 December 2018 sent to all issuers with particular reference to recommendations on remuneration;</li> <li>✓ made suggestions for the adoption of a new medium-long term incentive plan<sup>5</sup>.</li> </ul>

**C) Name of any independent experts who participated in preparing the Remuneration Policy.**

In 2018, the Committee and the Department for Human Resources and Organisation engaged the services of the company Mercer Italia S.r.l. as external independent expert in the field of the Remuneration activities.

**D) Aims pursued with the Remuneration Policy, its underlying principles and any changes to the Remuneration Policy with respect to the previous financial year.**

The OVS Remuneration Policy is defined, also in line with the Code of Conduct's recommendations, as having the aim:

- of attracting, retaining and motivating individuals with the high personal qualities and professional and managerial skills necessary for achieving the corporate objectives for business development;
- of aligning the interests of the company and the management with those of Shareholders;
- of promoting the creation of value for Shareholders over the medium-to-long term.

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<sup>5</sup> It should be noted that the final opinion and the proposal to the Board of directors for a new stock option plan (Stock Option Plan 2019-2022) were discussed during the Remuneration Committee of 9-17 April 2019, that proposed the adoption of policy on remuneration and analyzed, inter alia, this Report, approved by the Board of Directors on 17 April 2019.

Therefore, consistent with the Code's recommendations, the Remuneration Policy for Executive Directors and Key Management Executives is based on the following criteria:

- a) the fixed and variable remuneration components are properly balanced according to the strategic objectives and risk management policy of OVS, also taking account of the business sector in which it operates and the nature of the actual business activities carried out;
- b) the fixed component is sufficient to remunerate the services of the Executive Directors and Key Management Executives should the variable component not be disbursed due to failure to achieve the performance targets set by the Board;
- c) the performance targets - i.e. the economic results and any other specific targets linked to the disbursement of the variable components (including the targets set for the share-based remuneration plans) - as detailed further on, are predetermined, measurable and linked to the objective of creating value for Shareholders over the medium-to-long term;
- d) the variable remuneration component is composed of a portion related to the short-term criteria and a portion related to the long-term criteria. The latter is higher than the former and is deferred for an appropriate period of time since it is linked to achieving the long-term targets. The length of the deferral is consistent with the nature of the business activities carried out and with the associated risk profiles;
- e) the variable remuneration components have a preconceived maximum value.

The remuneration policy provides for constant monitoring of market trends with special reference to the best practice on remuneration. The comparison with the market is made using analysis carried out by relevant independent advisors. Such benchmarking activity is useful for evaluating the competitiveness of remuneration packages offered in order to attract and retain the most talented people in the market.

The remuneration is consistent with the complexity of the role and assigned responsibilities, with the obtained results and with the quality of the individual contribution.

Economic compatibility of the Remuneration Policy is ensured through compliance with the budget policies defined each year and the identification of thresholds for access to variable pay systems linked to expected profitability.

This Remuneration Policy is substantially in line with the previous one, however presenting new aspects; among the innovations introduced, within the MBO system, are highlighted the introduction of an increase in the target incentive opportunities for Executives with Strategic Responsibilities and a slightly review of the weight of the target in line with new goals of the Company.

**E) Description of the policies regarding the fixed and variable remuneration components, with particular regard to the indication of the relative weight within the overall remuneration and to the distinction between short and medium-to-long term variable components.**

The remuneration of the Chief Executive Officer and of the Key Management Executives is properly balanced in order to ensure consistency between short-term development targets and sustainable value creation for Shareholders over the medium-to-long term; specifically, the remuneration structure consists of:

- (i) a fixed component set to reflect appropriately the particular delegations and offices, and the position and strategic responsibilities assigned;
- (ii) a variable component set within maximum limits and with the purpose of remunerating the expected performance over the short-term (MBOs) and over the medium-to-long term (stock options), subject to Performance conditions.

The fixed annual component and the variable remuneration are structured differently in relation to the nature of the position held in the company and to the responsibilities assigned in order to ensure the sustainability of the corporate results and the creation of value for Shareholders over the medium-to-long term.

The targets linked to the variable remuneration are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance over both the short and medium-to-long terms.

The Chief Executive Officer and Key Management Executives are beneficiaries of short-term monetary incentive plans (MBO Plans).

The Chief Executive Officer and Key Management Executives are also included among the beneficiaries of financial instruments in the form of Stock Options pursuant to Article 114 *bis* of the CFA (Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022).

As indicated in the Report on Remuneration published in 2018, with the help of the Remuneration Committee, the Company has evaluated the possibility of keeping a strong focus on the long-term component through the introduction of a new Stock Option Plan starting from 2019, in line with the timing structure of the previous current ones, in order to align more and more the top remuneration package with the interests of shareholders and long-term performance.

The new Stock Option Plan 2019-2022, at the date of the present Report, after having received the favourable opinion of the Remuneration Committee held on April 9-17, 2019, was approved by the Board of Directors on April 17, 2019 and will be submitted to the Shareholders' Meeting on May 31, 2019 for its approval.

The plan was developed coherent with the business context in which the Company found itself in the concrete moment, that, among other things, a high focus on the growth of value of the share and efficiency with respect

to the Company's objectives and to the specific business context, starting from the assumption of developing incentive logics consistent with market best practices, with the recommendations of the Code and the current legislation, as well as with the main desired of stakeholder.

Information on the structure of long-term incentive effect are given hereunder.

With reference to the MBO Plan, the Board of Directors, upon prior consultation with the Remuneration Committee, positively assesses – within the term of 3 years from the date of awarding – that the MBO targets have been determined on the basis of uncorrected data or should a judgment at first instance certified on the account of the beneficiary one of the following events attributable to the beneficiary fraudulent or severally faulted behaviours to the detriment of the Company, causing relevant financial damages to the Company or without which the performance objectives would have not been reached, the Board of Directors, after having heard the Remuneration Committee, keeps the right to obtain from the beneficiary who caused one of such acts and/or facts, the revocation of the MBO effectively paid.

With reference to the long-term plans (Stock Option Plans), their rules provide for:

- (i) revocation and restitution clauses. If the Board of Directors, upon prior consultation with the Remuneration Committee, finds - within 3 years from the initial date of exercise - that the performance objectives have been determined on the basis of uncorrected data or should have been found on the account of the Beneficiary, with a judgment at first instance, fraudulent or severally faulted behaviours to the detriment of the Company, as a consequence of which relevant financial damages occurred to the Company or without which the performance objectives would have not been reached, the Board of Directors, upon prior consultation with the Remuneration Committee, shall reserve to obtain from the beneficiary who is author of one of the acts and/or facts above, the revocation of the exercisable options or the restitution of shares held by the beneficiary, minus a number of shares having a value equal to the exercise price of the options and the taxes, providential and welfare charges connected to the options exercise effectively paid, or the refund of the transfer's value (minus a number of shares value equal to exercise price of the options and the taxes, providential and welfare charges connected to the option exercise, possibly also by balancing such value with the wages and / or indemnities granted to the b, should the shares held by the Beneficiary already been transferred;
- (ii) a so called malus condition; if, before the initial date of exercise, the Board of Directors, upon prior consultation with the Remuneration Committee, finds that the beneficiary (a) committed some facts expressly provided for the rules, or (b) incurred in a disciplinary action connected with the Organizational and Control Model ex Legislative Decree 231/2001 and the Code of Ethic adopted by the Company, as well as (c) committed any act (also omission) or violation of laws or regulations that involve the Company in a fine, delivered by a Public Authority, the Board of Directors shall reserve to revoke, totally or a part, of the options granted to the beneficiary who commits such acts.

## Chief Executive Officer and General Manager

### Fixed component

With reference to the fixed component of the Chief Executive Officer and General Manager, this is defined as an overall of Euro 1,200,000 and includes:

- (i) the annual gross remuneration - resolved by the Board of Directors, upon proposal by the Remuneration Committee, in compliance and in accordance with the resolution of the Shareholders' Meeting held on 31 May 2017 - as a member of the Board of Directors, equal to EUR 50,000;
- (ii) the annual gross remuneration - resolved by the Board of Directors, on the proposal of the Remuneration Committee and in accordance with the resolution of the Shareholders' Meeting of 31 May 2017-, in relation to the office of Chief Executive Officer, equal to EUR 450,000,

It should also be noted that Mr. Stefano Beraldo has as General Manager of the Company, a remuneration provided for by the related employment contract signed between him and the Company, and this remuneration amounts to EUR 500,000.

In addition, the Chief Executive Officer, as General Manager and in force of the employment agreement signed with the Company, receives an amount of EUR 200,000, having “guaranteed nature”, i.e. determined ex ante in a fixed amount, no discretionary and due regardless of the achievement of annual targets or other results, as the annual fee due at the time of approval of the financial statements by the Board of Directors.

### Short-term variable component

With reference to the short-term variable component, it is linked to the achievement of measurable and defined objectives in order to ensure the recognition of yearly performance, over a short-term horizon.

In particular, it is mainly linked to the achievement of the Company's economic, financial and operational performance targets.

The actual value to be paid is determined based on the level of achievement of these objectives.

On reaching the target performance, the amount of the annual MBO to be paid is equal to Euro 1,300,000. There is also a minimum incentive threshold, equal to 90% of the target performance, which allows the payment of 60% of the annual MBO and a maximum incentive level, equal to 130% of the annual MBO, which is paid at the achievement of the performance equal to 115% of the target performance.

The performance targets are set annually by the Board of Directors, upon the proposal of the Remuneration Committee.



The performance objectives of the annual variable component for 2019 and the relative weight in the short-term variable component, as approved by the Board of Directors held on 17 April 2019, upon favourable opinion of the Remuneration Committee of 9-17 April 2019, are shown below:

KPI	WEIG HT	Performance		
		Minimum	Target	Maximum
<b>EBITDA OVS S.p.A.</b>	<b>60%</b>	90%	100%	115%
<b>Net Financial Position</b>	<b>40%</b>	90%	100%	115%
<b>Payout</b>		<b>60%</b>	<b>100%</b>	<b>130%</b>

The Nomination and Remuneration Committee is also entitled to submit proposals to the Board of Directors regarding the disbursement of an additional “one-off” amount in particular circumstances that would justify such measures.

If such particular cases occurred, the Company would provide in the relevant Remuneration Report information related to such exceptions or one-off amounts, describing the decision-making process, the evaluations and the circumstances that motivated these choices<sup>6</sup>.

#### Long-Term Variable Component

With reference to the long-term variable Component, the Company set up two Stock Option Plans, which also includes the Chief Executive Officer among the beneficiaries.

The Plans are the following:

- 1) Stock Option Plan 2015-2020, approved by the Shareholders’ Meeting on May 26, 2015 (“Stock Option Plan 2015-2020”);
- 2) Stock option Plan 2017- 2022, approved by the Shareholders’ Meeting on May 31, 2017 (“Stock Option Plan 2017-2022”).

A new Stock Option Plan 2019-2022, moreover (see above) will be submitted for the approval of the Shareholders’ Meeting called for May 31, 2019; in line with the previous plans, among its beneficiaries, could include, among others, the Chief Executive Officer, as well as other managers of the Company.

The incentive system above consist in assigning free-of-charge option rights to subscribe ordinary OVS shares. The rights assigned to each beneficiary accrue, as explained below, only if pre-established access conditions and a performance objective are achieved.

The details of these plans are described in the prospectus published in accordance with law on the company’s

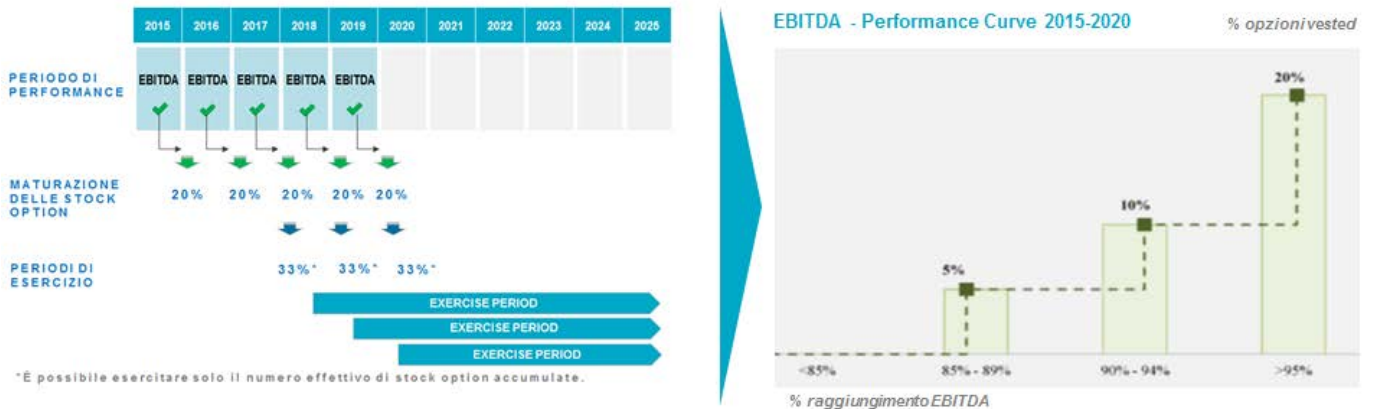
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<sup>6</sup> It should be noted that in the last three financial years no proposals have been formulated for the payment of *una tantum* additional amounts.

website ([www.ovscorporate.it](http://www.ovscorporate.it)).

### Stock Option Plan 2015-2020

With a view to ensuring the sustainability of the economic and financial performance of OVS over time, the vesting for the options rights granted is subject to the constant achievement on an annual basis of the Company's EBITDA targets, set by the Board of Directors for each financial year. The option rights granted accrue to a maximum of 20% per year over a period of five years as shown below.



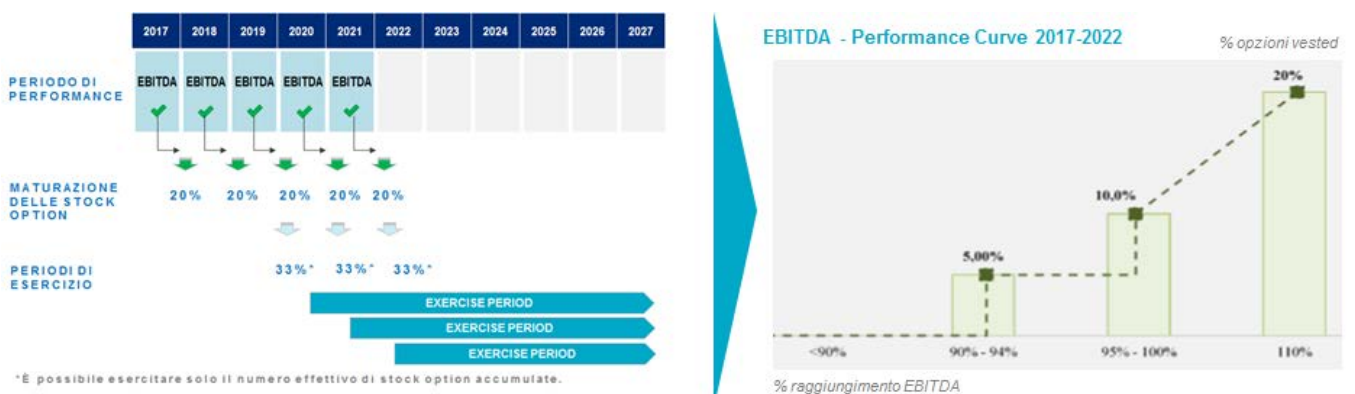
The exercise of the option rights accrued by achieving the EBITDA target is also subject to a vesting period with a minimum term of three years and a maximum term of five years as shown.

The Stock Option Plan 2015-2020 establishes a lock up period of 12 months applicable to 20% of the shares related to the option, for the Chief Executive Officer.

Pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate.

### Stock Option Plan 2017-2022

Also for this plan, with a view to ensuring the sustainability of the economic and financial performance of OVS over time, the vesting for the options rights granted is subject to the constant achievement on an annual basis of the Company's EBITDA targets set by the Board of Directors for each financial year. The option rights granted accrue to a maximum of 20% per year over a period of five years as shown below.



The exercise of the option rights accrued by achieving the EBITDA target is also subject to a vesting period with a minimum term of three years and a maximum term of five years as shown below.

The Stock Option Plan 2017-2022 establishes a lock up period of 12 months applicable to 20% of the shares related to the option, for the Chief Executive Officer.

Pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate.

### *Stock Option Plan 2019-2022*

With reference to 2019, the adoption of a new long-term incentive plan, which will be offered, inter alia, to the role of Chief Executive Officer and General Manager, will be proposed to the Shareholders' Meeting called for next May 31, 2019 and to the roles within the scope of Executives with Strategic Responsibilities as well as other key managers of the company ("Stock Option Plan 2019-2022").

The instrument underlying the Stock Option Plan 2019-2022 (Stock Option) was considered the best vehicle through which to direct the involved resources towards the creation of medium long-term value, given the specific context in which the Company found itself, namely, inter alia, a high focus on value growth of the action.

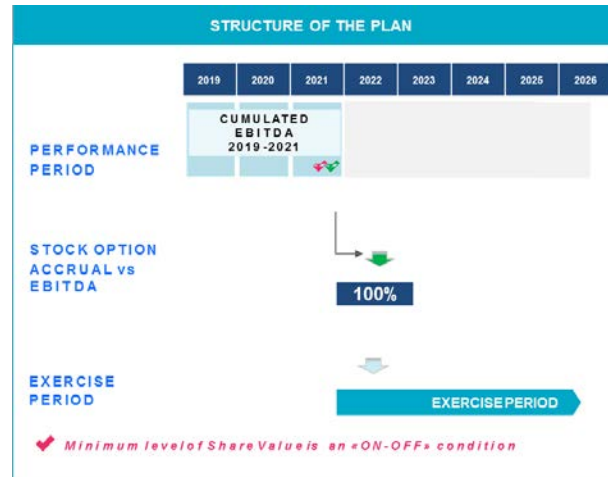
The Plan provides for a single assignment of the options in 2019 (closed plan) and a vesting period of 3 years. In 2019 the allocation of option rights is envisaged for the subscription of ordinary OVS shares - at a predefined price (exercise price), whose maturation will be subject to an Access Condition and a Performance Condition, as defined and specify below.

The Plan provides for the allocation of options by the Board of Directors, after consulting the Remuneration Committee in a single solution to the identified beneficiary<sup>7</sup>.

The Board of Directors will determine, after the end of a three-year vesting period, the number of options actually accrued by each beneficiary based on the satisfaction of the Access Condition to the Plan as well as the level of achievement of the Performance Condition, as specified below.

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<sup>7</sup> In accordance with the guidelines of the Stock Option Plan 2019-2022 relating to the allocation of options and taking into consideration the difference between the Access Condition and the Exercise Price, the value of the options assigned will be equal to a multiple of between 0.6 and 3 times the RAL of the beneficiaries.



#### *Condition of Access to the plan (c.d. Gate)*

The transformation of the options assigned into options accrued and therefore exercisable, to the extent and under the conditions established pursuant to the Stock Option Plan 2019-2022, is primarily subject to verification by the Board of Directors, at the end of the performance period, of the fulfilment of the access condition to the piano (so-called Gate) (“**Access Condition**”), that consists in the achievement of a minimum value of the OVS share price; if this value is lower than the Access Condition, the plan will have no effect for the identified beneficiaries, thus not giving rise to any possibility of transforming the Options assigned in Options accrued and exercisable.

Specifically, this Access Condition consists in the achievement of a minimum value of the OVS share price, equal to Euro 2.50, to be calculated as weighted average daily closing price during the second half of the year before the end of the 2021 financial year (ie in the period from 1 August 2021 to 31 January 2022).

This value equal to Euro 2.50, set by the Board of Directors on April 17, 2019 at the proposal of the Remuneration Committee, considering an appropriate performance in terms of return for the shareholders of OVS SpA also taking into account the liquidity and of the specific risk factor of the sector in which the company operates.

This determination was made considering as a reference the current closing price (as of 15 April 2019), equal to euro 1.67, that of the average of the last 30 calendar days, equal to € 1.64 and that of the average of the last 50 days of calendar, equal to Euro 1.59; this reference values were compared with the yield of the FTSEMIB index of the last 3 years, equal to + 25% and of the last 5 years, equal to + 3.1%. The comparison shows that the Euro 2.5 target determines an expected return of 49.8% compared to the closing price on April 15, which is 25% higher than the yield of the 3-year and 46-year FTSEMIB Storico 7% higher than the performance of the historical FTSEMIB at 5 years. The average price of the stock of OVS over the last 50 and 30 days, on the other hand, reflects even more significant returns: compared to the yield of the FTSEMIB at 3 years, the former reflects a return of 31.9% higher than the latter of 27.1%, while if we consider the performance of the FTSEMIB at 5 years, the former reflects a higher return of 54.1%, the latter instead of 49.3%. Even considering the price at which the transaction between Tamburi Investment Partners S.p.A. and BC Partners took place, equal to Euro 1.85, the upside is significant and equal to 35.1%.

*Performance condition*

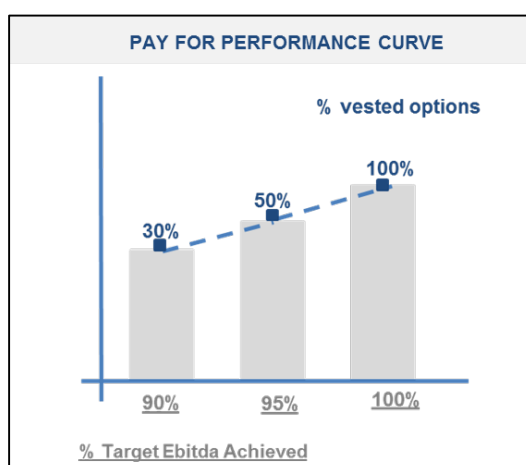
The Stock Option Plan 2019-2022 provides for the achievement of a performance condition which is conditioned by the right of each beneficiary to accrue Exercisable Options (the "**Performance Condition**"). More precisely, the options assigned to each beneficiary, subject to verification that the Access Condition to the plan has been exceeded, will accrue in relation to the achievement of a pre-set cumulative EBITDA target value for the three-year period 2019-2021 (from 01.02.2019, starting of 2019 fiscal year, to 31.02.2022, ending of 2021 fiscal year).

This value of cumulated EBITDA was determined equal to Euro 550 million by the Board of Directors held on 17 April 2019, upon proposal of Remuneration Committee, and will be calculated applying the same accounting principles adopted by OVS for the consolidated financial statements as at 31 January 2019.

With respect to the number of options initially allocated, the beneficiary will be recognized a percentage of the same as specified in Table 1.

<b>% Cumulated Ebitda Target Achievement 2019-2021</b>	<b>% Accrued Options on assigned Options</b>
Less than 90%	0%
90%	30%
95%	50%
100%	100%

If a three-year cumulative EBITDA level is reached between the percentages indicated in Table 1 above, a linear interpolation will be performed to determine the percentage of options accrued with respect to the Options assigned. In any case, the number of options accrued may never exceed 100% of the options assigned.



The verification of the achievement of the Access Condition and of the Performance Condition will be carried out by the Board of Directors of the Company following the approval of the consolidated financial statements of the OVS Group by the same Board at the end of the three-year reference period of the plan.

Each beneficiary may exercise the options actually accrued based on the achievement of the Performance Condition up to the plan expiry date (30 June 2026) - except as provided in terms of holding - at the defined exercise price.

For any further details please refer to the illustrative report document information prepared pursuant to 114 bis of the Consolidated Law on Finance [www.ovscorporate.it/Corporate/Shareholders' Meeting](http://www.ovscorporate.it/Corporate/Shareholders%20Meeting).

For the Chief Executive Officer, a 12-month lock-up period is applied to 30% of the shares deriving from the exercise of the options.

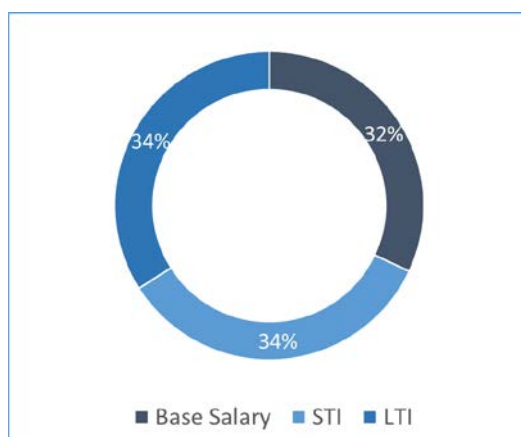
In compliance with the recommendations of the Corporate Governance Code, even after the unavailability period indicated above, the Chief Executive Officer will hold a number of shares at least equal to 30% of the shares subject to the lock-up commitment until the end of the mandate.

#### *Pay Mix of the Chief Executive Officer*

Based on the remuneration structure of the Chief Executive Officer described above, following is the remuneration pay mix with reference both to the hypothesis of achieving the performance targets at the target and to the maximum.

The fixed component is equal to 32% of the total remuneration, while the variable is equal to the remaining 68%, where the short-term component and the medium to long-term variable component have both a weight equal to 34%.

Following is the representation of the pay mix of the Chief Executive Officer:



It should be noted that this pay mix is calculated excluding the possible impact of the new Stock Option Plan 2019-2022, which was not, at the date of this Report, still approved by the Shareholders' Meeting and executed, in the event of adoption and execution of the new Stock Option Plan 2019-2022, that in line with the other plans will include between the beneficiaries also the Chief Executive Officer, the percentage relating to the long-term component, indicated in the pay mix, will remain unchanged or will be increased.

With reference to the benefits and the treatment envisaged in the event of termination of office, reference should be made to the provisions of paragraphs F) and L) below.

### Key Management Executives

The remuneration package for Key Management Executives is divided into a fixed component, a short-term variable component, and a medium-to-long term variable component.

#### Fixed component

The fixed remuneration component is linked to the significance of the position, the organisational role held and its responsibilities.

The Company continuously monitors the market practices as regards the fixed remuneration components in order to align itself with the best practices in the field.

The Policy does not contemplate the allocation to Key Management Executives of any additional remuneration for any activities as directors of a subsidiary.

#### Short-term variable component

The short-term variable component is linked to the achievement of predetermined, measurable and defined objectives so as to ensure, through maturation periods and diversified parameters, the remuneration of performance over a short-term time horizon.

For 2019, the remuneration opportunity linked to the targets of Key Management Executives was reviewed, from a “pay-for-performance” perspective, also taking into consideration the market benchmarks carried out.

The general structure of the MBO plan for Key Management Executives is based on the following elements:

- the incentive to reach at the target performance varies from 40% to 60% of the fixed remuneration, in relation to the responsibility attributed to each Key Management Executives in the organization;
- A maximum cap of the incentive is applied, in case of achievement of performance equal to 115% of the target, in a measure that varies from 50% to 70% of the fixed salary, in relation to the responsibility attributed to the Key Management Executives in the organization;
- A minimum performance threshold is foreseen, equal to 90% of the target performance, below which the annual monetary incentive is not paid. In case of achievement of the minimum performance the minimum pay-out varies from 30% to 50% of the fixed salary.

The assigned objectives are selected from the following according to the role and responsibilities assigned:

- ✓ EBITDA of the Company and / or business line - relative weight not less than 40%
- ✓ Other economic-financial targets (eg sales, market shares, margins, cash flow, net financial position) - relative weight not less than 30%

- ✓ With the exception on the CFO, strategic targets related to individual areas of activity and specific objectively measurable projects - relative weight not exceeding 20%. With reference to this strategic goal, if the achievement level of the same is lower than the Target, no disbursement linked to the Strategic Goal will be envisaged.

The Remuneration Committee also has the power to submit to the Board of Directors proposals on the provision of additional "*una tantum*" amounts in the presence of particular circumstances that justify such measures.

If such particular cases of derogation in payment of MBO, as mentioned above, or of payment of one-off amounts occurred, the Company would provide in the relevant Remuneration Report information describing the decision-making process, the evaluations and the circumstances that motivated these choices.

#### *Long-Term Variable Component*

The Key Management Executives and other managerial personnel with impact on the company's long-term results are included as beneficiaries of the Stock Option Plan 2015-2020, Stock Option Plan 2017-2022 and Stock Option Plan 2019-2022 - which will be submitted to the approval of the Shareholders' Meeting of May 31, 2019 and, therefore, its beneficiaries have not yet been formally identified - described above with reference to the Chief Executive Officer.

All the above Stock Option Plans establish a lock up period of 12 months applicable to 20%, with reference to Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022, or 30%, with reference to Stock Option Plan 2019-2022, of the shares related to the option, for the Key Management Executives.

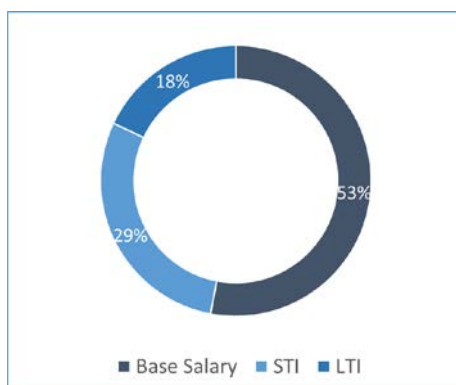
The details of these plans are described in the illustrative report and prospectus published in accordance with law on the company's website [www.ovscorporate.it](http://www.ovscorporate.it).

#### *Average Pay Mix of the Key Management Executives*

Based on the remuneration structure of Key Management Executives, the average pay mix for 2019 provides for a relative weight of the fixed component equal to about 53% of the overall package, an impact of short-term variable remuneration of about 29% (if target is achieved) and a weight of variable remuneration of long-term payment of about 18% of the total remuneration (if target is achieved).

Following is the representation of the pay mix of the Key Management Executives:





It should be noted that this pay mix is calculated excluding the possible impact of the new Stock Option Plan 2019-2022, which was not, at the date of this Report, still approved by the Shareholders' Meeting and executed. It is specified that in the event of adoption and execution of the new Stock Option Plan 2019-2022, the percentage relating to the long-term component, indicated in the pay mix, will remain unchanged or will be increased.

With reference to the benefits and the treatment envisaged in the event of termination of office, reference should be made to the provisions of paragraphs F) and L) below.

**F) Policy followed with regard to non-monetary benefits**

Both Chief Executive Officer and Key Management Executives have the allocation of non-monetary benefits set in line with standard practices and the CCNL and in a reasonable manner with respect to the position and the role held. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and supplementary health insurance policies other than the mandatory policies.

**G) With reference to the variable components, description of the performance targets under which they are assigned, distinguishing between the short and medium term variable components, and information on the link between the variation in the results and the variation in the remuneration.**

Please refer to the description provided in paragraph E) above.

**H) Criteria used to assess the performance targets underlying the allocation of shares, options, other financial instruments or other variable remuneration components.**

In relation to the criteria used to assess the performance targets underlying the allocation of shares, options, other financial instruments or other variable remuneration components, please refer to the indications in paragraph E) above.

**I) Information highlighting the consistency of the Remuneration Policy with the pursuit of the company's long-term interests and with the risk management policy.**

Please refer to the description provided in paragraphs D) and E) above.

**J) Vesting period for rights, deferred payment systems, with indication of the deferment periods, the criteria used to set these periods and the *ex post* correction mechanisms.**

With reference to the incentive plan based on financial instruments pursuant to Article 114 *bis* of the CFA, approved by Shareholders' Meeting held on May 26, 2015, named "Stock Option Plan 2015-2020", the policy stated an adequate vesting periods for the right to exercise the allocated options.

Also with reference to the incentive plan based on financial instruments pursuant to Article 114 *bis* of the CFA, approved by the Shareholders' Meeting held on May 31, 2017 named "Stock Option Plan 2017-2022", the policy stated an adequate vesting periods for the right to exercise the allocated options.

Also the incentive plan based on financial instruments pursuant to art. 114-bis of the TUF, which will be submitted for approval to the Shareholders' Meeting on 31 May 2019 called "Stock Option Plan 2019 - 2022", the Policy provides that it contemplates an adequate vesting period for the right to exercise the assigned options (vesting period).

Please refer to the indications in paragraph E), above.

**K) Information on the clauses for holding the financial instruments in the portfolio after their acquisition, with indication of the holding periods and the criteria used to set these periods.**

The Stock Option Plan 2015-2020 approved by the Shareholders' Meeting held on May 26, 2015 , includes forecasts for holding the financial instruments in the portfolio after their acquisition.

The Stock Option Plan 2017-2022 approved by the Shareholders' Meeting held on May 31, 2017 includes

forecasts for holding the financial instruments in the portfolio after their acquisition.

The Stock Option Plan 2019 - 2022, which will be presented at the Shareholders' Meeting on 31 May 2019, includes the approval the maintenance of the financial instruments in the portfolio after their acquisition.

As stated in paragraph E), above,

both Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022 provide for:

- for the Chief Executive Officer to establish a lock up period of 12 months applicable to 20% of the shares related to the option and pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 20% of the shares under the lock-up, until the end of the mandate;
- for the Key Management Executives to establish a lock up period of 12 months applicable to 20% of the shares related to the option.

Stock Option Plan 2019-2022 provides for:

- for the Chief Executive Officer to establish a lock up period of 12 months applicable to 30% of the shares related to the option and pursuant to the Corporate Governance Code, after the above mentioned period, the Chief Executive Officer shall hold a number of shares equal to 30% of the shares under the lock-up, until the end of the mandate;
- for the Key Management Executives to establish a lock up period of 12 months applicable to 30% of the shares related to the option.

**L) Policy on the treatment contemplated in case of discontinuance of the office or termination of the employment relationship.**

**Chief Executive Officer and General Manager**

Please note the existence of a contract between the Company and Mr Stefano Beraldo, Chief Executive Officer and General Manager of the Company, which provides for the payment of a lump-sum severance indemnity in favour of the Chief Executive Officer in specific cases of early discontinuance of the salaried employment relationship, due to withdrawal from the employment relationship or revocation of the office without just cause, or in certain cases of resignation for just cause. Should one of these events take place, the Issuer is held to pay a lump-sum severance indemnity for a gross amount of EUR 5,050,000 in addition to the end-of-employment severance entitlements related to the position as General Manager of the Company.

It is specified that the amount indicated above would be paid only if the Mr. Stefano Beraldo waived the payment of the amounts due to him by CCNL executives for these types of interruptions, and which would entail a similar cost for the company. For the sake of clarity this amount would be equal to 24 monthly salary of remuneration (fix and short-term component).

This contract also includes a non competition commitment that provides a lump-sum indemnity of EUR 350,000 payable in the event of termination of the salaried employment relationship.

### Key Management Executives

There are no agreements between the Company and a Key Management Executive that contemplate the payment of an indemnity in case of anticipated termination of the employment relationship .

Non-compete covenants and agreements may be concluded in compliance with the provisions and limitations of the laws in force.

#### **M) Information on the existence of insurance, social security or pension coverage, other than the mandatory coverage.**

As indicated in paragraph F) above, the non-monetary benefits may include life insurance policies, accident insurance policies and supplementary health insurance policies other than the mandatory policies.

#### **N) Remuneration policy followed with reference: (i) to the Independent Directors; (ii) to the participation in committees; and (iii) to the execution of particular assignments.**

From a general point of view, the remuneration of the Independent Directors is commensurate with the commitment requested, also in relation to participation in the committees and is not linked to either the economic results or specific objectives of the Company and they are not recipients of remuneration plans based on shares, unless motivated by the Shareholders' Meeting.

The Shareholders' Meeting held on 31 May 2017 determined, with reference to the three-year term of office of the Board, the total annual remuneration for members of the Board of Directors, amounting to EUR 1,100,000; this total amount should also be considered inclusive of the remuneration for directors with special duties; the Board of Directors, upon opinion of the Remuneration Committee and of the Board of Statutory Auditors, each for their own responsibility, having to establish the remuneration due to each Director, within the limit set by the aforementioned Shareholders' Meeting.

In accordance with the resolutions of the Shareholders' Meeting, the Board of Directors, upon the proposal of the Remuneration Committee, resolved to pay annually, inter alia, for each of the years for the three-year term of office of the Board:

- EUR 50,000.00 for each Director;
- EUR 20,000 to each of the members of the committees;
- EUR 25,000 for each Chairman of the committees.

It is precised that the directors Nicholas Stathopoulos, Stefano Ferraresi and Marvin Teubner, the latter having resigned on 11 March 2019 with effect from 13 March 2019 as indicated in the introduction, had renounced their remuneration as members of the Board of Directors, not receiving any remuneration.

**O) Indications on the possible use, as reference, of remuneration policies of other companies as a reference.**

For the preparation of the Company’s Remuneration Policy remuneration benchmarking activities were carried out, with the support of the Independent Advisor Mercer Italia, and were take into consideration, as reference market, companies, comparable to OVS according to different evaluation criteria, including, for example, dimensional elements and / or business and / or of particular interest with reference to the employment market.

The details relating to the remuneration references used for the roles of Chief Executive Officer and Managers with Strategic Responsibilities:

Role	Selection criteria
<p><b>Chief Executive Officer and General Manager</b></p>	<p>Selection of a panel of 12 listed Italian and European companies deemed comparable to OVS following a careful selection which considered:</p> <ol style="list-style-type: none"> <li>1. dimensional elements (Market capitalization, Turnover, Number of Employees and analysis of the growth of the value of the stock in the last three years);</li> <li>2. elements related to the business context in which OVS operates (eg selection of companies operating in the fashion retail sector, Consumer Goods and E-Commerce).</li> </ol>
<p><b>Managers with Strategic Responsibilities</b></p>	<p><b>Mercer Executive Remuneration Guide Western Europe 2018 survey</b> Peer group composed of Italian and international companies operating specifically in the Retail and Apparel sectors</p>

## SECTION II

### REPRESENTATION OF THE ITEMS COMPRISING THE REMUNERATION AND COMPENSATION RECEIVED IN THE FINANCIAL YEAR ENDING ON 31 JANUARY 2015 BY THE MEMBERS OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS AND BY THE KEY MANAGEMENT EXECUTIVES.

This Section II, structured in two parts, provides an adequate representation of each item comprising the remuneration and indicates the compensation of the administrative and audit bodies by name, and, in aggregate, the compensation of the Key Management Executives disbursed in the financial year ending on 31 January 2019. In compliance with Annex 3A, Scheme 7 *bis* of the Issuers' Regulations, the compensation of the Key Management Executives is reported in aggregate since none of them has received a total compensation greater than the total compensation allocated to the Directors in the year ending on 31 January 2019.

The items comprising the remuneration are detailed in Table 1 of Annex 3A, Scheme 7 *bis* of the Issuers' Regulations provided as appendix to Part II of this Section.

#### PART I – ITEMS COMPRISING THE REMUNERATION

##### 1) Directors

The Shareholders' Meeting held on 31 May 2017 determined, with reference to the three-year term of office of the Board, the total annual remuneration for members of the Board of Directors, amounting to EUR 1,100,000; this total amount should also be considered inclusive of the remuneration for directors with special duties; the Board of Directors, upon opinion of the Remuneration Committee and of the Board of Statutory Auditors, each for their own responsibility, having to establish the remuneration due to each Director, within the limit set by the aforementioned Shareholders' Meeting.

With reference to the member of the Board of Directors, who terminated his office during the 2018 financial year, it is specified that the same received the pro rata for the year 2018.

##### 2) Remuneration of Executive Directors and Key Management Executives; monetary and non-monetary benefits in favour of the same.

From a general point of view, as stated in paragraph E) Section I, the remuneration of the Chief Executive Officer and of the Key Management Executives is properly balanced in order to ensure consistency between

short-term development targets and sustainable value creation for Shareholders over the medium-to-long term. Specifically, the remuneration structure consists of:

- a fixed component set to reflect appropriately the particular delegations and offices, and the position and strategic responsibilities assigned;
- a variable component set within maximum limits and with the purpose of remunerating the expected performance over the short-term (MBO) and over the medium-to-long term (Stock Option Plans).

The fixed annual component and the variable remuneration are structured differently in relation to the nature of the position held in the company and to the responsibilities assigned in order to ensure the sustainability of the corporate results and the creation of value for Shareholders over the medium-to-long term.

The targets linked to the variable remuneration are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance both over the short and medium-to-long term.

The Chief Executive Officer and Key Management Executives are beneficiaries of short-term monetary incentive plans (MBO Plan).

The Chief Executive Officer and Key Management Executives are also included among the beneficiaries of financial instruments in the form of Stock Options pursuant to Article 114 *bis* of the CFA.

The Nomination and Remuneration Committee entitled to submit to the Board of Directors proposal regarding the granting of an additional “one-off” amount based on the occurrence of facts justifying such kind of awards.

### *Chief Executive Officer*

The structure of the remuneration of the Chief Executive Officer Mr Stefano Beraldo is designed as follows.

A. With reference to the fixed component it includes:

- (i) the annual gross remuneration - resolved by the Board of Directors, upon proposal by the Remuneration Committee, in compliance and in accordance with the resolution of the Shareholders' Meeting held on 31 May 2017 - as a member of the Board of Directors, equal to EUR 50,000;
- (ii) the annual gross remuneration - resolved by the Board of Directors, on the proposal of the Remuneration Committee and in accordance with the resolution of the Shareholders' Meeting of 31 May 2017-, in relation to the office of Chief Executive Officer, equal to EUR 450,000.

It should also be noted that Mr. Stefano Beraldo has as General Manager of the Company, a remuneration provided for by the related employment contract signed between him and the Company, and this remuneration amounts to EUR 500,000.

In addition, the Chief Executive Officer, as General Manager and in force of the employment agreement signed with the Company, receives an amount of EUR 200,000, having “guaranteed nature”, i.e.

determined ex ante in a fixed amount, no discretionary and due regardless of the achievement of annual targets or other results, as the annual fee due at the time of approval of the financial statements by the Board of Directors.

The above-said data are indicated in the charts under Part II of the present section.

- B. A short-term variable remuneration (MBO), linked to achieving targets, measurable and set in order to ensure the remuneration of the performance over the short term.

This short-term variable remuneration is linked to achieving the Company's EBITDA and Net Financial Position (NFP) targets, targets that for the financial year 2018 were been set by the Board of Directors, upon proposal of the Committee, during the meetings held on 18 April 2018.

The actual value of the variable remuneration to be paid out was set based on the degree of achievement of these targets. In particular, in accordance with the Policy adopted for 2018 to achieve the target performance (performance objective), the amount of the annual MBO to be paid would be equal to Euro 1,300,000.

There was also a minimum incentive threshold, equal to 90% of the target performance (performance target), which allowed the disbursement of 60% of the annual MBO and a maximum incentive level, equal to 130% of the annual MBO, which is paid upon achievement of the performance equal to 115% of the target performance (performance objective).

During the verification of the targets for the 2018 MBO, carried out by the Board of Directors on 17 April 2019, it was considered that the targets set by the Board itself during its meeting of April 18, 2018 have not been reached. According to the applicable system, no amount shall be given in this regard,

The above-said data are indicated in the charts under Part II of the present section.

In the 2018 policy it was stated that the Remuneration Committee also had the right to submit proposals to the Board of Directors regarding the granting of additional "*una tantum*" amounts in the presence of circumstances such as to justify such measures. During the 2018 financial year, no *una tantum* amount was paid.

Furthermore, as indicated in the previous Report on Remuneration, the Board of Directors, on the proposal of the Remuneration Committee, on April 18, 2018, canceled an incentive program (prize program) linked to the so-called Charles Voegelé project<sup>8</sup>.

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<sup>8</sup> As indicated in the previous Report on Remuneration, which the Board of Directors of April 18, 2017 had resolved, on the proposal of the Remuneration Committee, the adoption of a so-called incentive program (prize program) linked to the so-called Charles Voegelé Project, for a total amount of 10,000,000 euros of which 45% would have been allocated to the CEO and the remaining 55% would have been allocated to other managers based on their position and expected results in relation to their contribution. This bonus should have been linked to "economic results indicated in the 2019 Budget relating to the Project (i.e. royalties and the EBITDA generated by the Charles Voegelé business)". The guidelines relating to this bonus provided that (i) the condition for the payment of the bonus was "the achievement of the economic results indicated



C. Long-Term Variable Composition - Stock Option Plans, as described in paragraph E) Section I.

With reference to the Stock Option Plan 2015-2020, the Chief Executive Officer was assigned no. 2,291,375 options, which will vest and can be exercised in compliance with the Stock Option Plan 2015-2020.

Verifying the performance targets 2018, carried out by the Board of Directors of April 17, 2019, it was found that the target set by the aforementioned Board during the meeting of 18 April 2018 was not achieved. In accordance with the regulation of the plan, no percentage of options has matured.

At the date of such report the Chief Executive Officer has accrued altogether 60% of the options granted, that may be exercised in compliance with and within the limits set by the regulation of the aforementioned plan.

It is specified that, in accordance with the regulation of the Plan, in 2019 the so-called c.d. Second Vesting Period shall start.

With reference to the Stock Option Plan 2017-2022, the Chief Executive Officer was assigned no. 1,500,000 options, which will vest and can be exercised in compliance with the 2017-2022 Plan.

Verifying the performance targets 2018, carried out by the Board of Directors on 17 April 2019, it was found that the target set by the aforementioned Board during the meeting of 18 April 2018, was not achieved. In accordance with the regulation of the plan, no percentage of options has matured.

At the date of this report the Chief Executive Officer has accrued 10% of the options granted. The options may be exercised in accordance with and within the limits set by the regulation of the aforementioned Plan.

The details of these plans are illustrated in the information documents published in accordance with the law on the company's website ([www.ovscorporate.it](http://www.ovscorporate.it)).

#### Benefits

As stated in paragraph F) Section I, the Chief Executive Officer is entitled to non-monetary benefits set in line with market practices. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and additional health insurance policies other than the mandatory ones.

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in the 2019 Budget relating to the Project”, which would have been verified at the end of the 2019 financial year (31 January 2020), and therefore in the course of 2020 (ii) there could be an anticipation of part (1/3) of the bonus (linked to the possible partial achievement of the results) to be verified during the 2019 financial year through a comparison between the numbers carried by the 2019 budget and the results of the 2018 budget (31 January 2019), to be approved in 2019. The regulation of the plan, implementing the guidelines indicated above, should have been approved during the financial year 2017 - early 2018. The Board of Directors, on the proposal of the Remuneration Committee, on 18 April 2018, decided to cancel this incentive program (prize program) in light of the substantial change in the co owners of the Charles Voegele project.

#### Treatment contemplated in case of discontinuance of the office

As stated in paragraph L) Section I,

Please note the existence of a contract between the Company and Mr Stefano Beraldo, Chief Executive Officer and General Manager of the Company, which provides for the payment of a lump-sum severance indemnity in favour of the Chief Executive Officer in specific cases of early discontinuance of the salaried employment relationship, due to withdrawal from the employment relationship or revocation of the office without just cause, or in certain cases of resignation for just cause. Should one of these events take place, the Issuer is held to pay a lump-sum severance indemnity for a gross amount of EUR 5,050,000 in addition to the end-of-employment severance entitlements related to the position as General Manager.

It is specified that the amount indicated above would be paid only if Mr Stefano Beraldo waived the payment of the amounts due to him by CCNL executives for these types of interruptions, and which would entail a similar cost for the company. For the sake of clarity this amount would be equal to 24 monthly salary of remuneration (fix and short-term component).

This contract also includes a non competition commitment that provides a lump-sum indemnity of EUR 350,000 payable in the event of termination of the salaried employment relationship.

#### Key Management Executives

The remuneration package for Key Management Executives is divided into a fixed component, a short-term variable component, and a medium-to-long term variable component.

- A. The fixed remuneration component is linked to the significance of the position, the organisational role held and its responsibilities. The Company continuously monitors the market practices as regards the fixed remuneration components in order to align itself with the best practices in the field.

The Policy does not contemplate the allocation to Key Management Executives of any additional remuneration for any activities as directors of a subsidiary.

- B. The variable remuneration component is linked to achieving targets that are predetermined, measurable and set in order to ensure, through diversified vesting periods and parameters, the remuneration of the performance over the short term.

The targets assigned by the Board of Directors, upon proposal of the Remuneration Committee, during the meeting held on 18 April 2018 with reference the MBO 2017, were selected from the following depending on the position and responsibilities assigned:

- ✓ Company and/or business line EBITDA - relative weight not less than 50%
- ✓ Other economic-financial objectives (for example sales, market shares, margins, cash flow, Net financial position) - relative weight not lower than 30%
- ✓ quantitative objectives related to individual business areas and to objectively measurable specific projects - relative weight not exceeding 20%

The general structure of the MBO 2018 Plan for Key Management Executives is based on the following

criteria:

- a ceiling is applied to the incentive, varying from 30% to 60% of the fixed remuneration in relation to the responsibility assigned in the organisation;
- there is a minimum performance threshold, equal to 90% of the target performance (performance target), below which the annual monetary incentive is not paid. The minimum pay out varies by 20% to 40% of the fixed salary.

In the 2018 policy it was stated that the Remuneration Committee also had the right to submit proposals to the Board of Directors regarding the granting of additional "*una tantum*" amounts in the presence of circumstances such as to justify such measures. During the 2018 financial year, no *una tantum* amount was paid.

When verifying the targets for the MBO 2018, performed by the Board of Directors on 17 April 2019, it was found that targets set by the aforementioned Board during the meeting of 18 April 2018 were achieved with reference to a single objective (of economic-financial type) with reference to two of the Managers with Strategic Responsibilities.

In application of the principles of the MBO 2018 system, therefore, an amount equal, in aggregate, to Euro 111.736 will be paid.

These data are indicated in the tables in Part II of this section.

With reference to the c.d. bonus Charles Voegele, please refer to the above for the Chief Executive Officer.

C. With reference to the Long-Term Variable Remuneration reference is made to paragraph E) section I.

With reference to the Stock Option Plan 2015-2020, Key Management Executives have been allocated overall and in aggregate no. 1,150,000 options<sup>9</sup>, which will vest and can be exercised in compliance with the Stock Option Plan 2015-2020.

Verifying the performance targets 2018 carried out by the Board of Directors on 17 April 2019, it was found that the target set by the aforementioned Board during the meeting of 18 April 2018, was not achieved. In accordance with the regulation of the plan, no percentage of options has matured.

At the date of this report, each above-mentioned beneficiary have been accrued altogether 60% of his options granted. The options may be exercised in accordance with and within the limits set by the regulation of the aforementioned plan.

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<sup>9</sup> It is specified that this amount also includes the Options assigned to the Managers with Strategic Responsibilities for which the employment relationship ceased during 2018. None of the Exercisable Options owned by the aforementioned Managers may be exercised at the date of this Report, in accordance with the Plan Regulations.

It is specified that, in accordance with the regulation of the Stock Option Plan 2015-2020, in 2019 the so-called Second Vesting Period shall start.

With reference to the Stock Option Plan 2017-2022, the Key Management Executives have been allocated overall and in aggregate no. 760,000 options<sup>10</sup>, which will vest and can be exercised in compliance with the Stock Option Plan 2017-2022.

Verifying the performance targets 2018 carried out by the Board of Directors on 17 April 2019, it was found that 2018, the target established by the aforementioned Board during the meeting of 18 April 2018, was not reached. In accordance with the regulation of the plan, no percentage of options have matured. At the date of this report, each above-mentioned beneficiary each aforementioned beneficiary accrued 10% of his rights granted. The options may be exercised in accordance with and within the limits set by the regulation of the aforementioned plan.

For more details, please refer to the prospectus relating to the plans Stock Option Plan 2015-2020 and Stock Option Plan 2017-2022, available on the company's website [www.ovscorporate.it](http://www.ovscorporate.it).

#### Benefits

As stated in is paragraph E) section I, the Key Management Executives are entitled to non-monetary benefits set in line with market practices and in application of the National Collective Labour Agreement. The non-monetary benefits include use of a car, life insurance policies, accident insurance policies and additional health insurance policies other than the mandatory ones.

#### Policy on the treatment contemplated in case of discontinuance of the office or termination of the employment relationship and Non-Compete Covenant.

As indicated in the previous Report on Remuneration published in 2018, there was an agreement between the Company and a Manager with Strategic Responsibilities that provided for the payment of a lump-sum indemnity at the end of the employment relationship in the event of early termination of the employment relationship subordinated due to withdrawal from the employment relationship without just cause by the Company, of the gross amount of Euro 1,500,000, equal to about 2 years of remuneration (fix and short term incentive).

Following the termination of the employment relationship with this Manager with Strategic Responsibilities, the sum indicated above was paid. He also maintained the exercisable Options relating to the 2015-2017 Stock Option Plan, which could no longer be exercised on the date of this Report, in accordance with the Regulations of the aforementioned Plan. An advisory agreement was signed with this Executive for a period of 6 months, terminated on 31 March 2019 for a total amount of Euro 180,000 whose last tranche of Euro 20,000 will be paid by April 2019.

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<sup>10</sup> It is specified that this amount also includes the Options assigned to the Managers with Strategic Responsibilities for which the employment relationship ceased during 2018.

Non-compete covenants and agreements may be concluded in compliance with the provisions and limitations of the laws in force.

### 3) Treatment contemplated for Non-Executive Directors

The Shareholders' Meeting held on 31 May 2017 determined, with reference to the three-year term of office of the Board, the total annual remuneration for members of the Board of Directors, amounting to EUR 1,100,000; this total amount should also be considered inclusive of the remuneration for directors with special duties; the Board of Directors, upon opinion of the Remuneration Committee and of the Board of Statutory Auditors, each for their own responsibility, having to establish the remuneration due to each Director, within the limit set by the aforementioned Shareholders' Meeting.

In accordance with the resolutions of the Shareholders' Meeting, the Board of Directors, upon the proposal of the Remuneration Committee, resolved to pay annually, inter alia, for each of the years for the three-year term of office of the Board:

- EUR 50,000.00 for each Director;
- EUR 20,000 to each of the members of the committees;
- EUR 25,000 for each Chairman of the committees.

No additional fees were conferred for the performance of particular assignment.

It is précised that the directors Nicholas Stathopoulos, Stefano Ferraresi and Marvin Teubner, these last two resigned on 11 March 2019 effective from 13 March 2019 as indicated in the Introduction, had waived their remuneration as members of the Board of Directors, not receiving any remuneration in 2018.

### 4) Remuneration of the Auditors and monetary and non-monetary benefits in favour of the same.

The Company's Shareholders' Meeting of 31 July 2017 resolved to allocate an annual gross compensation to the Board of Statutory Auditors' member as follows: EUR 62,000 to the Board's Chairman, and EUR 42,000 to each of the Standing Auditors.

With reference to the Chairman of the Board of Statutory Auditors, who resigned on June 2018she accepted the accrual of what was decided at the time of appointment by the Shareholders' Meeting of 31 May 2017.

## PART II

The items comprising the remuneration are detailed in Table 1 of Annex 3A, Scheme 7 *bis* of the Issuers' Regulations provided as appendix to Part II of this Section.

This Report also includes Table no. 1 and Table no. 2, which are required by Annex 3A, Scheme 7 *ter* of the Issuers' Regulations and which set out the shareholdings held in the Company and its subsidiaries by the Directors, Statutory Auditors and Key Management Executives, in compliance with Article 84 *quater*, paragraph 4, of the Issuers' Regulations.

**TABLE 1 – required by Annex 3A, Scheme 7 bis of the Issuers’ Regulations – Compensation paid in 2018 to members of administrative and audit bodies and to key management executives (from 01.02.2018 to 31.01.2019 – Fiscal Year 2018).**

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
<b>Nicholas Stathopoulos</b>	<b>Chairman of the Board of Directors</b>	FY as at 31.01.2019	Next Shareholders’ Meeting 31.05.2019									
(I) Compensation paid by the company that prepares the financial statements												
(II) Compensation paid by the subsidiaries and associates												
(III) Total												
<b>Stefano Beraldo</b>	<b>CEO and GM</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				500,000 remuneration as director & CEO <sup>1</sup>				23.623	200,000 <sup>11</sup>	1.223.623	55,389	
(II) Compensation paid by the subsidiaries and associates				500,000 compensation as GM								
(III) Total				1.000.000		0		23.623	200,000	1.223.623	55,389	
<b>Gabriele Del Torchio</b>	<b>Director</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				50,000	20,000 [CCRS] 25,000 [CNR] 25,000 [COPC]					120,000		

<sup>11</sup> In addition, the Chief Executive Officer, as General Manager and in force of the employment agreement signed with the Company, receives an amount of EUR 200,000, having “guaranteed nature”, i.e. determined ex ante in a fixed amount, no discretionary and due regardless of the achievement of annual targets or other results, as an annual fee due at the time of approval of the financial statements by the Board of Directors.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(II) Compensation paid by the subsidiaries and associates												
(III) Total				50,000	70,000					120,000		
<b>Stefano Ferraresi</b>	<b>Director</b>	FY as at 31.01.2019	11.03.2019									
(I) Compensation paid by the company that prepares the financial statements												
(II) Compensation paid by the subsidiaries and associates												
(III) Total												
<b>Heinz Jürgen Krogner Kornalik</b>	<b>Director</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				50,000	20,000 [CNR] 20,000 [COPC]					90,000		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				50,000	40,000					90,000		
<b>Chiara Mio</b>	<b>Director</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				50,000	25,000 [CCRS] 20,000 [COPC]					95,000		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				50,000	45,000					95,000		
<b>Marvin Teubner</b>	<b>Director</b>	FY as at 31.01.2018	11.03.2019									



(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(I) Compensation paid by the company that prepares the financial statements												
(II) Compensation paid by the subsidiaries and associates												
(III) Total												
<b>Stefania Criveller</b>	<b>Director</b>	FY as at 31.01.2018	11.03.2019									
(I) Compensation paid by the company that prepares the financial statements				50,000						50,000		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				50,000						50,000		
<b>Vincenzo Cariello</b>	<b>Director</b>	FY as at 31.01.2019	01.06.2018									
(I) Compensation paid by the company that prepares the financial statements				16,668	6,667 [CCRS] 6,667 [CNR] 6,667 [COPC]					36,668		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				16,668	20,000					36,668		
<b>Elena Garavaglia</b>	<b>Director (coopted on 20.06.2018)</b>	FY as at 31.01.2019	Until next Shareholders' Meeting 31.05.2019									
(I) Compensation paid by the company that prepares the financial statements				30,554	12,222 [CCRS] 12,222 [CNR] 12,222 [COPC]					67,221		

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
(II) Compensation paid by the subsidiaries and associates												
(III) Total				30,554	36,668					67,221		
<b>3*12</b>	<b>Directors with strategic responsibilities</b>	FY as at 31.01.2018	NA									
(I) Compensation paid by the company that prepares the financial statements			1.451.905			111,736 <sup>13</sup>		17.689			(93,013)	1,500,000 180,000 <sup>14</sup>
(II) Compensation paid by the subsidiaries and associates												
(III) Total			1.451.905			111,736		17.689			(93,013)	1,680,000
<b>Paola Camagni</b>	<b>Chairman of the Statutory Auditors Until 01.06.2018</b>	FY as at 31.01.2019	01.06.2018									
(I) Compensation paid by the company that prepares the financial statements				15,500						15,500		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				15,500						15,500		

12 It should be recalled that during 2018 a Manager with Strategic Responsibilities ceased working with the Company and a new Executive with Strategic Responsibilities was identified, as per the press release issued to the market on 7 September 2018. The figure indicated in the table therefore, it includes in aggregate the remuneration of both the Manager with Strategic Responsibilities who left the company and those of the new Executive with Strategic Responsibilities.

13 The Board of Directors held on 17 April 2019, which resolved on the 2018 MBO, had found that targets set by the aforementioned Board during the meeting of 18 April 2018 were achieved with reference to a single objective (of economic-financial type) with reference to two of the Managers with Strategic Responsibilities.

14 Reference is made to the termination of the employment relationship of a Manager with Strategic Responsibilities; the data indicated in the table relates to the indemnity paid, equal to about 2 years of remuneration (fix and short term incentive), as required by the 2018 Policy and to the amount relating to a consulting contract signed with the same and terminated on 31 March 2019.

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
Name and Surname	Position	Period for which position has been held	Position end-date	Fixed Compensation €	Compensation for participation in committees	Non equity variable compensation		Non-monetary benefits	Other compensation	Total	Fair Value of equity compensation	Indemnity for end of position or cessation of employment relationship
						Bonus and other incentives	Profit-sharing					
<b>Stefano Poggi Longostrevi</b>	<b>Chairman of the Statutory Auditors Since 01.06.2018</b>	FY as at 31.01.2019	01.06.2018									
(I) Compensation paid by the company that prepares the financial statements				41,336						41,336		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				41,336						41,336		
<b>Roberto Cortellazzo Wiel #</b>	<b>Statutory Auditors</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				42,000	15,000 [OdV] <sup>1</sup>					57,000		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				42,000	15,000					57,000		
<b>Eleonora Guerriero</b>	<b>Statutory Auditors</b>	FY as at 31.01.2019	31.01.2020									
(I) Compensation paid by the company that prepares the financial statements				42,000						42,000		
(II) Compensation paid by the subsidiaries and associates												
(III) Total				42,000						42,000		

Legenda:

CCRS = member of Control and Risk and Sustainability (until 20.09.2017 Control and Risk Committee)

CNR = member of Nomination and Remuneration Committee

COPC = member of Transaction with Related Parties Committee

OdV = Organismo di Vigilanza – Supervisory Board

Although not related to 2018, reference exercise of this Report, it should be noted that Directors Stefano Ferraresi, Marvin Teubner and Stefania Criveller resigned on 11.03.2019. The Board of Directors on 13.03.2019 co-opted Giovanni Tamburi, Alessandra Gritti and Massimiliano Magrini. Detailed information on the remuneration of the co-opted will be provided in the next Remuneration Report which will disclose the compensation for the 2019 financial year.

\* It is specified that all the information regarding Mr. Stefano Beraldo, as General Manager, is included in the nominative part of the table.

Pursuant to Annex 3 – Scheme 7-bis Issuers' Regulation, the fixed salary from employment is indicated gross of tax and social security expenses to be paid by the employee, excluding any compulsory collective social security charges to be paid by the company and severance indemnity (TFR) allocations

**TABLE 2: Stock options allocated to members of the management body, general manager and directors with strategic responsibilities**

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
Stefano Beraldo	CEO and GM																
(1) Compensation paid by the company that prepares the financial statements		Plan 2015-2020	2,291,375	€ 4.88	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2018)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2019)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2020)  Until 08.06.2025							0			0	2,291,375	174,969

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
		Plan 2017-2022	1,500,000	€ 6,39	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2020)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2021)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2022)  Until 30.06.2027										0	1,500,000	(119,580)
(II) Compensation paid by the subsidiaries and associates																	
(III) Total			3,791,375			1,500,000						0			0	3,791,375	55,389

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
<sup>15</sup> (3)*	Directors with strategic responsibilities																
(1) Compensation paid by the company that prepares the financial statements		Plan 2015-2020	1,150,000	€ 4.88	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2018)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2019)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2020)  Until 08.06.2025	0						0			0	1,150,000 <sup>16</sup>	12,218

15 It should be recalled that during 2018 a Manager with Strategic Responsibilities ceased working with the Company and a new Manager with Strategic Responsibilities was identified, as per the press release issued to the market on 7 September 2018. The figure indicated in the table therefore, it includes in aggregate the options of both the Manager with Strategic Responsibilities ceased and the options of the new Manager with Strategic Responsibilities.

16 It is specified that this amount also includes the Options assigned to the Manager with Strategic Responsibilities for which the employment relationship ended in 2018

A	B	(1)	Options held at the beginning of the financial year (FY)			Option allocated during the FY						Option exercised during the FY			Options expired during the FY	Option held at the end of FY	Options for FY
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15) = (2) + (5) - (11) - (14)	(16)
Name and surname	Position	Plan	No. of options	Exercise price	Exercise period (from - to)	No. of options	Exercise price	Exercise period (from - to)	Fair value at allocation date	Allocation date	Market price underlying shares at option allocation	No. of options	Exercise price	Market price underlying shares at the exercise date	No. of options	No. of options	Fair value
		Plan 2017-2022	760.000	€ 6,39	1/3 of the Exercisable Option after 36 months from the Date of Attribution (2020)  1/3 of the Exercisable Option after 48 months from the Date of Attribution (2021)  The pay-off of the Exercisable Option after 60 months from the Date of Attribution (2022)  Until 30.06.2027											760,000 <sup>17</sup>	(105,230)
II) Compensation paid by the subsidiaries and associates																	
(III) Total			1.910.000									0			0	1,910,000	(93,013)

<sup>17</sup> It is specified that this amount also includes the Options assigned to the Manager with Strategic Responsibilities for which the employment relationship ended in 2018.



**TABLE 3B: Monetary incentive plans for members of the management body, general manager and directors with strategic responsibilities**

A Name and Surname	B Position	(1) Plan	(2)			(3)			(4) Other bonus
			Bonus for year			Bonus for previous years			
			(A) Payable/Paid	(B) Deferred	(C) Deferred period	(A) No longer payable	(B) Payable/Paid	(C) Deferred again	
<b>Beraldo Stefano</b>	<b>Chief Executive Officer and General Manager</b>								
(I) Compensation paid by the company that prepares the financial statements			0						
(II) Compensation paid by the subsidiaries and associates									
(III) Total			0						
<b>3*<sup>18</sup></b>	<b>Directors with – strategic responsibilities</b>								
(I) Compensation paid by the company that prepares the financial statements			[111,736] <sup>19</sup>						
(II) Compensation paid by the subsidiaries and associates									
(III) Total			[111,736]						

\* It is specified that all the information regarding Mr. Stefano Beraldo, as General Manager, is included in the nominative part of the table.

18 It should be remembered that during 2018 a Manager with Strategic Responsibilities ceased working with the Company and a new Manager with Strategic Responsibilities was identified, as per the press release issued to the market on 7 September 2018. The Manager with Strategic Responsibilities ceased did not receive any bonuses during the 2018 financial year.

19 The Board of Directors held on 17 April 2019, which resolved on the 2018 MBO, had found that targets set by the aforementioned Board during the meeting of 18 April 2018 were achieved with reference to a single objective (of economic-financial type) with reference to two of the Managers with Strategic Responsibilities

**TABLE 1 – required by Annex 3A, Scheme 7 *ter* of the Issuers’ Regulations – Information on the shareholdings of members of the administrative and control bodies from 01.02.2018 to 31.01.2019 (Fiscal Year 2018).**

Name and Surname	Position	Investee Company	No. of shares owned at end of previous FY	No. of shares purchased	No. of shares sold	No. Of shares owned at end of FY in progress
Nicholas Stathopoulos	Chairman of the Board of Directors	OVS S.p.A.	-	-	-	-
Stefano Beraldo	Chief Executive Officer and General Manager	OVS S.p.A.	2,017,140	401,506	500,000 <sup>20</sup>	1,918,646
	Person closely associated [spouse]					
	Person closely associated [controlled company]					
Gabriele Del Torchio	Director	OVS S.p.A.	-	-	-	-
Stefano Ferraresi	Director *	OVS S.p.A.	-	-	-	-
Marvin Teubner	Director*	OVS S.p.A.	-	-	-	-
Heinz Jürgen Krogner Kornalik	Director	OVS S.p.A.	-	-	-	-
Stefania Criveller	Director*	OVS S.p.A.	-	-	-	-
Chiara Mio	Director	OVS S.p.A.	-	-	-	-
Vincenzo Cariello	Director until 01.06.2018	OVS S.p.A.	-	-	-	-
Elena Garavaglia	Director from 20.06.2018	OVS S.p.A.	-	-	-	-
Paola Camagni	Chairman of the Statutory Auditors until 01.06.2018	OVS S.p.A.	-	-	-	-
Stefano Poggi Longostrevi	Chairman of the Statutory Auditors from 01.06.2018	OVS S.p.A.	-	-	-	-
Roberto Cortellazzo Wiel	Statutory Auditors	OVS S.p.A.	-	-	-	-
Eleonora Guerriero	Statutory Auditors	OVS S.p.A.	-	-	-	-

\* Although not related to 2018, reference exercise of this Report, it should be noted that the Directors Stefano Ferraresi, Marvin Teubner and Stefania Criveller resigned on 11.03.2019. The Board of Directors on 03.33.2019 co-opted Giovanni Tamburi, Alessandra Gritti and Massimiliano Magrini (who at the time of his appointment declared that he owned 30,000 shares).

<sup>20</sup> Please make reference to the internal dealing communication on 1 June 2018, when it was specify that the sell made by String s.r.l., controlled by the Chief Executive Officer Stefano Beraldo, was made in compliance to a loan

**TABLE 2 – required by Annex 3A, Scheme 7 *ter* of the Issuers’ Regulations – Information on the shareholdings of Key Management Executives.**

<b>No. Of Directors with Strategic responsibilities</b>	<b>Investee Company</b>	<b>No. of shares owned at end of previous FY</b>	<b>No. of shares purchased</b>	<b>No. of shares sold</b>	<b>No. Of shares owned at end of FY in progress</b>
<b>3*<sup>21</sup></b>	OVS S.p.A.	96,000	264,000	0	360.000

\* It is specified that all the information regarding Mr. Stefano Beraldo, as General Manager, is included in the nominative part of the table.

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21 It should be recalled that during 2018 a Manager with Strategic Responsibilities ceased working with the Company and a new Manager with Strategic Responsibilities was identified, as per the press release issued to the market on 7 September 2018. The figure indicated in the table therefore includes in aggregate the shares held by the Manager with Strategic Responsibilities who left (up to 7 September 2018) and those of the new.

Venice – Mestre, 17 April 2019

The Chairman of the Board of Directors  
Nicholas Stathopoulos