



## **CAD IT S.p.A.**

Head Office in Verona, Via Torricelli 44/a

Company capital Euro 4,669,000.00 fully paid.

VAT code, Tax code and enrolment no. on the Verona Company Register 01992770238

\* \* \*

## **REMUNERATION REPORT OF THE BOARD OF DIRECTORS TO CAD IT S.P.A. SHAREHOLDERS' MEETING OF 28<sup>TH</sup> APRIL 2016**

### **INTRODUCTION**

This document, entitled "Report on CAD IT S.p.A. Remuneration" (hereinafter "Report"), was drafted with the aim of providing CAD IT S.p.A. (hereinafter the "Company") shareholders and the market with a full explanation on the general policy for remunerating Directors, Auditors and Managers with strategic responsibilities and information on the procedures used to adopt, activate and monitor said policy, in compliance with the provisions in article 6 of the Corporate Governance Code, in article 123-*ter* of Legislative Decree no. 58 of 24<sup>th</sup> February 1998 (Testo Unico della Finanza - Unified Finance Law -, hereinafter "TUF") and in article 84-*quater* of implementation regulations of said Legislative Decree, adopted by Consob with resolution n. 11971 of 15<sup>th</sup> May 1999 (hereinafter "Issuers' Regulations").

The company's remuneration policy is based on the fundamental principle that the remuneration of Executive Directors and the Directors who hold particular roles, and strategic Managers should be defined in such a way as to align their interests to the fulfilment of priority objectives in order to create medium and long term value for the Shareholders.

The Report was approved by the Board of Directors on 14<sup>th</sup> March 2015 on the proposal of the Nominating and Remuneration Committee and will be submitted to the

Shareholders' Meeting on 28<sup>th</sup> April 2016, for advisory vote in accordance with TUF article 123-ter.

In accordance with the Company By-laws and the laws in force, the Director and Auditor positions have a maximum duration of three financial periods; the current directors and auditors will cease on the date of the Shareholders' Meeting approving the 2017 financial statements. The remuneration for these persons was determined on their nomination at the Shareholders' Meeting on 29<sup>th</sup> April 2015.

In accordance with Criterion 6.C.1 letter f) of the Corporate Governance Code, once the board of directors and board of auditors have been appointed, contractual agreements (called "claw back clauses") with executive directors and directors with special responsibilities have been established by the Shareholders' Meeting on 29<sup>th</sup> April 2015, in order to enable the Company to ask for rebates or to withhold, either entirely or partially, the variable remuneration components calculated on data that were later found to be clearly wrong.

Lastly, it is hereby highlighted that, as provided for by the Regulation approved by Consob Resolution no. 17221 of 12<sup>th</sup> March 2010 regarding transactions with correlated parties, and as acknowledged by the Procedure for Related-Party Transactions adopted by the Company on 12<sup>th</sup> November 2010 and available for consultation on the [www.caditgroup.com](http://www.caditgroup.com) website, the presentation of this Report to the Shareholders' Meeting, once approved by the Board of Directors following the proposals of the Nominating and Remuneration Committee, exonerates Company resolutions on Director and strategic Manager remunerations from the execution of the procedures that the above-mentioned Consob provisions regarding correlated parties provide for.

## **SECTION I**

Section I outlines the Company's Remuneration Policy for the 2016 financial period on the remuneration of the members of the Administrative Bodies and the other Managers with strategic responsibilities, as well as the procedures followed for such policy's adoption and application.

**a) Bodies or persons involved in drafting and approving the remuneration policy, specifying the respective roles, as well as the bodies or persons responsible for seeing that the policy is correctly applied.**

The procedure for adopting the Remuneration Policy is a clear and transparent process which begins with a proposal from the Nominating and Remuneration Committee and continues through to the executive phase when the Board of Directors will discuss and decide on the contents.

Once the Board of Directors has examined and approved the Report, it will then submit it to the Shareholders' Meeting for voting in accordance with TUF article 123-ter.

Executive Directors and the Board of Auditors, as specified below, also intervene in the processing of said Policy.

### **1. Shareholders' Meeting**

In conformity with the Company By-laws, the Shareholders' Meeting can determine a total amount for remunerating all the Directors, including those with particular roles.

In accordance with TUF article 123-ter, the Shareholders' Meeting expresses its own advisory opinion - with approved non-binding rule – on the first section of the Remuneration Report defined by the Board of Directors (on the proposal of the Remuneration and Nomination Committee) which regards: a) the remuneration of the Administration Body members, Executive Directors<sup>1</sup> and Managers with strategic responsibilities that will at least involve the next financial period; b) the procedures used to adopt and activate the Remuneration policy.

### **2. Board of Directors**

In accordance with the Company By-laws and in conformity with the provisions in article 6 of the corporate Governance Code, the Board of Directors determines, on the proposal of the Nominating and Remuneration Committee and after having heard the opinion of the Board of Auditors, the remuneration of the Executive Directors, the Directors with particular roles and Committee members as they are instituted by the Board of Directors itself.

Furthermore, the Board of Directors:

- establishes an internal Nominating and Remuneration Committee;
- approves the Remuneration Report to submit annually to the Shareholders' Meeting;
- draws up, with the help of the Nominating and Remuneration Committee, Remuneration Plans based on shares or other financial instruments and submits them to the Shareholders' Meeting for approval, in accordance with TUF article 114-bis;

---

<sup>1</sup> At the moment CAD IT S.p.A. has no Executive Directors.

- activates the Remuneration Plans based on shares or other financial instruments, together with - or with the help of - the Nominating and Remuneration Committee, on delegation from the Shareholders' Meeting.

### **3. Remuneration and Nomination Committee**

For the composition, duties and functions of the Nominating and Remuneration Committee, please refer to paragraph b) below.

### **4. Executive Directors**

The Executive Directors:

- submit Remuneration Plans based on shares or other financial instruments to the Nominating and Remuneration Committee, or, if necessary, collaborate with the Committee in processing them;
- provide the Nominating and Remuneration Committee with all the necessary information so that it can evaluate the adequacy and proper application of the Remuneration policy, particularly with regard to the remunerations of Managers with strategic responsibilities;
- activate the Company's remuneration policies in accordance with the Report.

### **5. Board of Auditors**

In reference to the Remuneration Policy, the Board of Auditors plays an advisory role in which it formulates the advice required by the laws in force and particularly expresses its opinion on Executive Director remunerations and, more in general, those of the Directors with particular roles, verifying that the suggestions made by the Nominating and Remuneration Committee to the Board of Directors conform to the Remuneration Policy.

### **b) The intervention of a Remuneration Committee or other such competent Committee, describing the composition (distinguishing between non-executive and independent directors), duties and functions.**

In accordance with the provisions outlined in the Corporate Governance Code and with Board of Director resolution of 29<sup>th</sup> April 2015, the Company has set up a Nominating and Remuneration and Nomination Committee.

At the moment the Committee is made up of Maurizio Rizzoli, non-Executive Director and chairman of the same Committee, Lamberto Lambertini, Independent Director and Alessandra Pedrollo, Independent Director, who will keep these positions up to the date in which the Shareholders' Meeting is called to approve the balance for the financial period ending 31<sup>st</sup> December 2017.

All the Committee members have the appropriate knowledge and experience in financial matters and relate with the relative company offices.

The Committee meets as often as necessary in order to carry out its functions or, should the Chairman deem it opportune, on the request of one or more of its members.

The Chairman of the Board of Auditors or another Auditor assists the Committee's work.

No Director takes part in the Committee's meetings in which suggestions to propose to the Board of Directors on their remunerations are formulated. A specific report on the Committee meetings is drafted and written in a book specifically for the purpose.

In regard to remuneration, the Committee has the following functions:

- to periodically assess the adequacy, general conformity and correct application of the Remuneration Policy for Executive Directors, Directors with particular roles and Managers with strategic responsibilities, using information provided by the Managing Directors;
- to formulate proposals on the subject to the Board of Directors;
- to present the Board of Directors with suggestions or opinions on Executive Director and other Directors with particular roles' remunerations, as well as to set performance objectives correlated to the remuneration's variable component;
- to monitor the application of the decisions adopted by the Board of Directors, especially verifying that performance objectives are achieved.

**c) Nomination of the independent experts whose intervention may be needed in the drawing up of the remuneration policy.**

When drawing up the Remuneration Policy, the Company does not use the services of persons outside its own company structure.

**d) The aims of the remuneration policy, the principles behind it and any changes in remuneration policy compared to the previous financial period.**

The Company's Remuneration policy aims at attracting, motivating and retaining the human resources who have the right professional qualities to adequately and profitably fulfil the Company's objectives and has been defined in such a way as to align the Management's interests with those of the Shareholders, thus creating a strong link between remuneration and individual performance.

The Policy that the Nominating and Remuneration Committee proposes, and is subsequently approved by the Board of Directors, concerns the remunerations of:

- a) Executive Directors and other Directors who hold particular roles;

b) Managers with strategic responsibilities.

The Policy conforms to the provisions of the laws in force and also to those in article 6 of the Corporate Governance Code since it foresees:

- that a significant part of the remunerations of Directors with managerial roles and strategic managers is linked to the fulfilment of previously determined specific performance targets, including non-financial ones;
- the right balance between the fixed and variable components in terms of the Company's strategic objectives and risk management policy, in consideration of the business sector in which it operates and the characteristics of the activities carried out;
- the setting of maximum limits for the variable component in the understanding that the fixed component should be sufficient to remunerate the Director's services even if the variable component is not paid due to the non-fulfilment of performance targets;
- the use of pre-set, measurable performance objectives that can be linked to the creation of value for Shareholders over a medium-long period.

The Company's Remuneration policy does not foresee incentive plans based on financial instruments.

The main aims of the Policy are:

- to involve and motivate the Directors and the Management, whose services are deemed to be of fundamental importance in achieving the Company's objectives;
- to maintain CAD IT S.p.A.'s social sustainability with particular attention to its employees, collaborators, customers and suppliers;
- to support the fulfilment of a three-year Industrial Plan approved by the Board of Directors.

The Company does not intend to significantly change its remuneration policy in respect of the previous financial year.

**e) Description of the policies regarding fixed and variable remuneration components, with particular attention to indicating the relative weight within the entire remuneration and distinguishing between the short, medium and long term components.**

The Remuneration Policy foresees that the fixed and variable remuneration components (distinguished between short, medium and long-term variable components) are arranged

according to different modalities in relation to the different types of persons receiving them and in accordance with the following specifications.

### **1. Executive Director Remuneration**

Executive Directors remuneration for those still in charge until the date of the Shareholders' Meeting called for the approval of the 2017 financial statements, was set by the Board of Directors on April 29<sup>th</sup> 2015, on proposal of the Nominating and Remuneration Committee and on prior opinion of the Board of Auditors, upon subdivision of the overall remuneration established at the Shareholders' Meeting of April 29<sup>th</sup> 2015. Said remuneration is made up of:

- a) a fixed annual gross component that adequately remunerates the Director even if the variable component is not paid due to the non-fulfilment of the performance targets established by the Board of Directors;
- b) an attendance fee for taking part in Board of Director meetings;
- c) a variable component that depends on achieving pre-established strategic objectives in the short, medium and long term.

The Executive Directors also have the right to be reimbursed for any expenses sustained while carrying out their duties.

The Nominating and Remuneration Committee proposes to the Board of Directors the criteria on the base of which the aforementioned variable component can be paid.

To be more precise, the criterion on which a short-term incentive is based, is the achievement of a percentage, decided annually by the Board of Directors on the suggestion of the Nominating and Remuneration Committee, of the EBITDA value in CAD IT S.p.A.'s financial statement. It is thought, in fact, that a time period of twelve months is sufficient to determine targets that are in line with the trend of the market sector in which the Company operates.

The measurement units on which the medium to long-term incentives are based are: EBITDA, Value of Production and Cash flows from operating activities.

The Board has established that the variable part cannot, in any case, exceed 50% of the total remuneration.

Payment of the variable part of the remuneration is four months after its actual maturity.

Lastly, the Company has introduced contractual agreements (called "claw back clauses") thus enabling the Company to ask for rebates or to withhold, either entirely or partially, the

variable remuneration components calculated on data that were later found to be clearly wrong.

The foregoing shall not prejudice any other action allowed by the Italian judicial system protecting the Company's interests, should such data prove to be wrong due to wilful or negligent behaviours or against the regulations in force.

## **2. Non-Executive Director Remuneration**

Non-Executive Directors remuneration for those in charge until the Shareholders' Meeting called to approve the 2017 financial statements, was set on April 29<sup>th</sup> 2015 and foresees a fixed amount and an attendance fee for each Board of Directors' meeting he/she takes part in.

Moreover, non-Executive Directors have the right to be reimbursed of any expenses sustained while carrying out their duties.

Non-Executive Directors' remuneration does not depend on the Company's economic results.

## **3. Remuneration of Directors members of the Nominating and Remuneration Committee and the Internal Control and Risks Committee**

The Directors who are currently members of the Nominating and Remuneration Committee and the Internal Control and Risks Committee receive the fixed remuneration set on April 29<sup>th</sup> 2015 by the Shareholders' Meeting, which is higher than non-executive directors remuneration, considering the effort required for their participation in such committees. They are also entitled to expenses reimbursement and to an attendance fee for each Board Meeting they attend as well as an attendance fee for each Committee's meeting they attend if such meetings are held on a different day from Board Meetings.

## **4. Remuneration of managers with strategic responsibilities**

At the time of drafting this Report, the Company had one manager with strategic responsibilities identified as the Manager charged with preparing the Company's financial reports.

The remuneration of said Manager, appointed as of October 1<sup>st</sup> 2014, consists of a fixed component (salary) and a variable component, defined annually by the Board of Directors

and proposed by the Nominating and Remuneration Committee, which is not linked to economic parameters and is in line with the duties assigned.

**f) Non-monetary benefit policy**

The Remuneration Policy foresees the allocation of non-monetary benefits currently acknowledged in remuneration practices and coherent with the roles/functions covered.

To be more precise, the Company provides the following non-monetary benefits:

- industrial health and safety insurance policy in favour of: (i) the Strategic Manager, the holder of the office of Manager charged with preparing the Company's financial reports appointed as of October 1<sup>st</sup> 2014; (ii) the Executive Director who is a Company employee;
- life insurance policy in favour of: (i) the Strategic Manager holder of the office of Manager charged with preparing the Company's financial reports appointed as of October 1<sup>st</sup> 2014; (ii) the Executive Director who is a Company employee;
- additional pension fund in favour of the Executive Director who is a Company employee.

**g) Variable components and a description of the performance targets on the base of which they are assigned, distinguishing between short and medium to long term components, and information on the link between result variation and remuneration variation.**

Please see paragraph e) above.

**h) Criteria used to evaluate performance targets based on the allocation of shares, options, other financial instruments or other variable remuneration components.**

The Remuneration Policy does not foresee incentive plans linked to financial instruments.

**i) Information aimed at highlighting the remuneration policy's coherence with pursuing the long-term interests of the Company and the Risk Management Policy, if formalised.**

The Remuneration Policy establishes that remunerations must be financially sustainable and, therefore, must encourage those receiving them to make business decisions that, also in the medium to long term, cohere with the risk profile defined by the Board of Directors.

**j) Vesting period, deferred payment systems, with indication of deferment period and the criteria used to determine said period, and, if foreseen, subsequent correction mechanisms**

The Remuneration Policy, in regard to Executive Director remunerations, foresees that:

- a) the short-term variable component is paid annually four months after it has matured;
- b) the medium-long term variable component is put aside annually and is paid four months after the expiry of the Executive Director's third year in the role.

**k) Information on the possible addition of a clause for maintaining financial instruments in portfolio after their acquisition with indication of the maintenance periods and the criteria used to determine said periods.**

The Company has no clauses for maintaining financial instruments in portfolio after their acquisition.

**l) Policy regarding severance pay should the role be suspended or work relations terminated, specifying the circumstances that give rise to any such right and any connection between them and Company performance.**

At the time of drafting the Report, no severance pay allocation at mandate termination was foreseen and neither were there any damage mechanisms foreseen in case of suspension or termination of Director or Auditor relations either on the part of the Company or individual persons.

In reference to Managers, the resolution of employment relations by the employer, without just cause, leads to the payment of compensation in accordance with the corresponding manager's employment contract and the legal provisions, which also establish the quantitative limits.

**m) Information on the existence of additional insurance, welfare or pension policies other than those required by law.**

In line with *best practices*, the Company has set up an insurance policy scheme against civil liability towards third parties for its Company Bodies and Managers with strategic responsibilities (the so-called “D&O Directors & Officers Liability”), which aims at protecting the Company from any costs that may derive from damage claims.

**n) Remuneration Policy in reference to: (i) Independent Directors, (ii) Committee participation activities and (iii) the carrying out of particular roles (Chairman, Vice-Chairman, etc.).**

Please refer to paragraph e) above.

**o) The use of other companies' remuneration policies and the criteria adopted in selecting these companies**

In processing this Report, the Company conducted an analysis of the remuneration policies of a selection of companies listed in the STAR sector that are comparable in size (in terms of turnover and number of employees) and the type/characteristics of the roles in question.

## SECTION II

Section II of this Report provides the following information nominally for Directors and Auditors and jointly for strategic managers:

- in the first part: an adequate representation of each item that makes up the remuneration, including any payment due to position termination or work contract resolution, highlighting its coherence with the Company Remuneration Policy;
- in the second part:
  - an analytical illustration of remunerations paid in the 2015 financial period under any title and in any form by the Company or its subsidiaries;
  - in accordance with attachment 3A, Chart 7-ter of the Issuers' Regulations, a list of the shares held in the Company and its subsidiaries by members of the Administrative and Controlling Bodies and by Managers with strategic responsibilities, including those held by their legal spouses and under-age children, either directly or through subsidiaries or through a third party, as shown in the Register of Members, in communications received or in other information acquired from the members of the Administrative and Controlling Bodies and the Managers with strategic responsibilities themselves.

### FIRST PART

In reference to the 2015 financial period, the remuneration for Executive Directors Giuseppe Dal Cortivo, Giampietro Magnani and Luigi Zanella is made up of the following:

- a fixed gross annual remuneration of Euro 180,000.00, paid monthly with effect from the date of appointment made by the Shareholders' Meeting on April 29<sup>th</sup> 2015;
- a fixed gross annual remuneration to be paid in respect of the fulfilment of the following short and medium-long term objectives:
  - **Short-term objectives**  
Euro 40,000.00 gross annually on achieving an EBITDA gross operational result of no less than the percentage decided annually by the Board of Directors on the proposal of the Nominating and Remuneration Committee, taken from the CAD IT financial statement approved by the

Shareholders' Meeting. This variable short-term remuneration will be paid annually four months after its actual maturity.

In reference to the 2015 financial period, this remuneration, subject to the achievement of an EBITDA result in the CAD IT S.p.A. financial statement of no less than 10% (ten per cent), has been reached;

- **Medium-long term objectives**

Euro 12,000.00 gross set aside annually and to be paid four months after the expiry of the third year of the mandate on reaching the objectives linked to the following parameters: EBITDA, Value of Production and Cash flows from operating activities.

These values will be determined in reference to the financial statements of the three-year mandate.

At the end of the three-year period (2012 – 2014), the amount set aside will be Euro 36,000.00 and this sum will be paid four months after its maturity in measures equal to one third of each objective achieved;

- a gross remuneration (attendance fee) of Euro 650.00 for each Board of Directors meeting attended;
- no money set aside for severance pay or in the case of termination or resolution of collaboration relations.

Moreover, Executive Directors will have the right to be reimbursed for any expenses sustained while carrying out their duties.

The remuneration of the **Executive Director who is employee of the Company Paolo Dal Cortivo** is made up as follows:

- a fixed gross annual remuneration of Euro 25,000.00 paid monthly with effect from the date of appointment made by the Shareholders' Meeting on April 29<sup>th</sup> 2015;
- a fixed gross annual remuneration to be paid in respect of the fulfilment of the following short and medium-long term objectives:

- **Short-term objectives**

Euro 40,000.00 gross annually on achieving an EBITDA gross operational result of no less than the percentage decided annually by the Board of Directors on the proposal of the Nominating and Remuneration Committee, taken from the CAD IT financial statement approved by the

Shareholders' Meeting. This variable short-term remuneration will be paid annually four months after its actual maturity.

In reference to the 2015 financial period, this remuneration will be paid upon achieving an EBITDA result in the CAD IT S.p.A. financial statement of no less than 10% (ten per cent);

- **Medium-long term objectives**

Euro 12,000.00 gross set aside annually and to be paid four months after the expiry of the third year of the mandate on reaching the objectives linked to the following parameters: EBITDA, Value of Production and Cash flows from operating activities.

These values will be determined in reference to the financial statements of the three-year mandate.

At the end of the three-year period (2015 – 2017), the amount set aside will be Euro 36,000.00 and this sum may be paid four months after his maturity in measures equal to one third of each objective achieved;

- a gross remuneration (attendance fee) of Euro 650.00 for each Board of Directors meeting attended;
- no money set aside for severance pay or in the case of termination or resolution of collaboration relations.

Considering the Executive Director Paolo Dal Cortivo is an employee of the Company, he is also granted the following non-monetary benefits;

- industrial injury insurance;
- life insurance;
- additional pension fund;
- additional healthcare fund.

Moreover, for the same reason, the Executive Director Paolo Dal Cortivo will be entitled to a compensation should the work contract be resolved by the Employer without just cause or justified reason, in accordance with the Director's professional contract and the law, which will establish the amount limits.

Lastly, he will have the right to be reimbursed for any expenses sustained while carrying out its duties.

The remuneration of the **Executive Director appointed for employee management** Giulia Dal Cortivo is made up as follows:

- a fixed gross annual remuneration of Euro 15,000.00 paid monthly with effect from the date of appointment made by the Shareholders' Meeting on April 29<sup>th</sup> 2015;
- a fixed gross annual remuneration to be paid in respect of the fulfilment of the following short and medium-long term objectives:
  - **Short-term objectives**

Euro 3,000.00 gross annually on achieving an EBITDA gross operational result of no less than the percentage decided annually by the Board of Directors on the proposal of the Nominating and Remuneration Committee, taken from the CAD IT financial statement approved by the Shareholders' Meeting. This variable short-term remuneration will be paid annually four months after its actual maturity.

In reference to the 2015 financial period, this remuneration will be paid upon achieving an EBITDA result in the CAD IT S.p.A. financial statement of no less than 10% (ten per cent);
  - **Medium-long term objectives**

Euro 3,000.00 gross set aside annually and to be paid four months after the expiry of the third year of the mandate on reaching the objectives linked to the following parameters: EBITDA, Value of Production and Cash flows from operating activities.

These values will be determined in reference to the financial statements of the three-year mandate.

At the end of the three-year period (2015 – 2017), the amount set aside will be Euro 9,000.00 and this sum may be paid four months after his maturity in measures equal to one third of each objective achieved;
- a gross remuneration (attendance fee) of Euro 650.00 for each Board of Directors meeting attended;
- no money set aside for severance pay or in the case of termination or resolution of collaboration relations.
- reimbursement for any expenses sustained while carrying out its duties.

The remuneration of the Executive Directors Paolo Dal Cortivo and Giulia Dal Cortivo are coherent with the Company Remuneration Policy in that they fully conform to the following criteria:

- a) a correct balance between the fixed and variable components in terms of the Company's strategic objectives and risk management policy;
- b) the setting of maximum limits for the variable components up to a maximum 50% of the total remuneration, in the understanding that the fixed component is, in any case, sufficient to remunerate the Directors' services should the variable component not be paid due to the non-fulfilment of the performance targets set by the Board of Directors;
- c) the performance targets to which the payment of the variable component is linked, are pre-determined, measurable and connected to the creation of value for the Shareholders.

The remuneration of **Non-Executive Directors** for the 2015 financial period is made up as follows:

- a fixed gross annual remuneration of Euro 15,000.00;
- a gross remuneration (attendance fee) of Euro 650.00 for each Board of Directors meeting attended.

Moreover, these Non-Executive Directors will have the right to be reimbursed for any expenses sustained while carrying out their duties.

The above Non-Executive Director remuneration is coherent with the Company Remuneration policy in that, in line with best practices, it does not foresee any variable component and is not linked to the Company's economic results.

The remuneration of **Directors members of Board's internal Committees** in reference to the 2015 financial period is as follows:

- a fixed gross annual remuneration of Euro 20,000.00 for each director appointed as chairman of a Committee;
- a fixed gross annual remuneration of Euro 18,000.00 for each director appointed as a member of a Committee;
- a gross remuneration (attendance fee) of Euro 650.00 for each Board of Directors meeting attended.
- a gross remuneration (attendance fee) of Euro 650.00 for each Committee's meeting attended, if the meeting is not held in the same day of a Board's meeting.

Furthermore, those directors who are members of the board of directors' internal committees are also entitled to the reimbursement of expenses incurred during their activity.

The remuneration of those Directors with particular duties is coherent with the Company Remuneration Policy in that it foresees a further fixed remuneration for the responsibility and the extra work deriving from being a member of one or more Committees.

The remuneration of **Auditors** in reference to the 2015 financial period is as follows:

- for the office of standing auditor and Chairman of the board of Auditors, a fixed gross annual remuneration of Euro 25,000.00, based on the effective duration of the office effective from the date of appointment;
- for the office of standing auditor, a fixed gross annual remuneration of euro 17,000.00, based on the effective duration of the office effective from the date of appointment.

The above-described Auditors' remuneration is coherent with the Company Remuneration Policy in that it is considered adequate for the responsibility and effort required for their auditing activity.

**TABLE 1 (Issuers' Regulation – Appendix 3A Scheme 7-bis)**  
**Remunerations for the Administrative and Controlling Bodies, Executive Directors and other Managers with strategic responsibilities.**

**TABLE 3B (Issuers' Regulation – Appendix 3A Scheme 7-bis)**  
**Monetary incentive plans in favour of members of the Administrative Bodies, Executive Directors and other Managers with strategic responsibilities.**

**TABLES 1 and 2 (Issuers' Regulation – Appendix 3A Scheme 7-ter)**  
**Chart showing information relating to the holdings of members of the Administrative and Controlling Bodies. Executive Directors and other Managers with strategic responsibilities.**

**TABLE 1 (Issuers' Regulation – Appendix 3A Scheme 7-bis)**

**Remunerations for the Administrative and Controlling Bodies, Executive Directors and other Managers with strategic responsibilities.**

| COMPENSATION DISTRIBUTED BY THE COMPANY PREPARING THE FINANCIAL STATEMENTS |                                 |            |               |               |                           |                                 |                                  |                |                           |                    |         |                                   |                                      |
|--|---------------------------------|------------|---------------|---------------|---------------------------|---------------------------------|----------------------------------|----------------|---------------------------|--------------------|---------|-----------------------------------|--------------------------------------|
| (A)  | (B)                             |            | (C)           | (D)           | (1)                       | (2)                             | (3)                              |                | (4)                       | (5)                | (6)     | (7)                               | (8)                                  |
| Surname and Name   | Office                          |            | Office period | Office term   | Fixed Compensation (a)(b) | Compensation for Committees (c) | non equity variable compensation |                | Non monetary benefits (d) | Other Compensation | TOTAL   | Fair value of equity compensation | End of office/relationship indemnity |
|  |                                 |            |               |               |                           |                                 | Bonuses and other incentives     | Profit-sharing |                           |                    |         |                                   |                                      |
| Dal Cortivo Giuseppe   | Chairman and Executive Director | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 176.693                   |                                 | 52.000                           |                |                           |                    | 228.693 |                                   |                                      |
| Magnani Giampietro   | Executive Director              | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 176.693                   |                                 | 52.000                           |                |                           |                    | 228.693 |                                   |                                      |
| Rizzoli Maurizio   | Director                        | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 22.261                    |                                 |                                  |                |                           |                    | 22.261  |                                   |                                      |
| Zanella Luigi  | Executive Director              | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 176.693                   |                                 | 52.000                           |                |                           |                    | 228.693 |                                   |                                      |
| Dal Cortivo Paolo  | Executive Director              | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 133.165                   |                                 | 52.000                           |                | 9.211                     |                    | 194.376 |                                   |                                      |
| Dal Cortivo Giulia   | Executive Director              | CAD IT SpA | 29/04 –31/12  | Close of 2017 | 12.682                    |                                 | 6.000                            |                |                           |                    | 18.682  |                                   |                                      |
| Lambertini Lamberto  | Director                        | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 21.611                    |                                 |                                  |                |                           |                    | 21.611  |                                   |                                      |
| Rossi Francesco  | Director                        | CAD IT SpA | 01/01 - 29/04 | Close of 2014 | 5.609                     |                                 |                                  |                |                           |                    | 5.609   |                                   |                                      |
| Thomas Burkhart  | Director                        | CAD IT SpA | 13/03 - 31/12 | Close of 2017 | 16.616                    |                                 |                                  |                |                           |                    | 16.616  |                                   |                                      |
| Pedrollo Alessandra  | Director                        | CAD IT SpA | 29/04 –31/12  | Close of 2017 | 14.049                    |                                 |                                  |                |                           |                    | 14.049  |                                   |                                      |
| Tosoni Gianpaolo   | Director                        | CAD IT SpA | 29/04 –31/12  | Close of 2017 | 12.032                    |                                 |                                  |                |                           |                    | 12.032  |                                   |                                      |
| Ranocchi Gianpaolo   | Standing Auditor                | CAD IT SpA | 01/01 - 31/12 | Close of 2017 | 17.680                    |                                 |                                  |                |                           |                    | 17.680  |                                   |                                      |
| Tengattini Renato  | Standing Auditor                | CAD IT SpA | 01/01 - 31/12 | Close of 2014 | 17.680                    |                                 |                                  |                |                           |                    | 17.680  |                                   |                                      |

|                                     |  |            |               |               |                |  |  |  |                |  |               |  |                  |
|-------------------------------------|--|------------|---------------|---------------|----------------|--|--|--|----------------|--|---------------|--|------------------|
| Benciolini Chiara                   | Chairman Board of Directors                      | CAD IT SpA | 29/04 - 31/12 | Close of 2017 | 17.333         |  |  |  |                |  | 17.333        |  |                  |
| Ferrari Riccardo                    | Chairman Board of Directors                      | CAD IT SpA | 01/01 –29/04  | Close of 2014 | 8.667          |  |  |  |                |  | 8.667         |  |                  |
| Michele Miazzi                      | Manager charged with preparing financial reports | CAD IT SpA | 01/01 - 31/12 | Indet.        | 91.129         |  |  |  | 4.053          |  | 95.183        |  |                  |
| TOTAL compensation in CAD IT S.p.A. |  |            |               |               | <b>920.594</b> |  |  |  | <b>214.000</b> |  | <b>13.264</b> |  | <b>1.147.858</b> |

## NOTES

(a) of which attendance fees: Dal Cortivo Giuseppe euro 3.250 – Magnani Giampietro euro 3.250 –Rizzoli Maurizio euro 3.900 – Zanella Luigi euro 3.250 – Dal Cortivo Paolo euro 3.250 – Lambertini Lamberto euro 3.250 – Rossi Francesco euro 650 – Burkhart Thomas euro 2.600 – Dal Cortivo Giulia euro 2.600 – Pedrollo Alessandra euro 1.950 - Tosoni Gianpaolo euro 1.950

(b) of which employee compensation: Dal Cortivo Paolo euro 107.210 – Miazzi Michele euro 91.129, of which euro 7.200 for the position of manager charged with preparing financial reports

///

(c)

(d) Dal Cortivo Paolo: Managers insurance policy euro 802 - Additional pension fund euro 4.800 - Additional health insurance fund euro 3.244 - Managers life insurance policy euro 365

Miazzì Michele: Managers insurance policy euro 673 - Additional health insurance fund euro 3.088 - Managers life insurance policy euro 292

| COMPENSATION DISTRIBUTED BY SUBSIDIARIES AND AFFILIATES |                                 |                |               |               |                        |                             |                                  |                |                       |                    |                |                                   |                                       |
|---|---------------------------------|----------------|---------------|---------------|------------------------|-----------------------------|----------------------------------|----------------|-----------------------|--------------------|----------------|-----------------------------------|---------------------------------------|
| (A)   | (B)                             |                | (C)           | (D)           | (1)                    | (2)                         | (3)                              |                | (4)                   | (5)                | (6)            | (7)                               | (8)                                   |
| Surname and Name  | Office and Company              |                | Office Period | Office term   | Fixed Compensation (*) | Compensation for Committees | non equity variable compensation |                | Non monetary benefits | Other compensation | TOTAL          | Fair value of equity compensation | End of office/ relationship indemnity |
|   |                                 |                |               |               |                        |                             | Bonuses and other incentives     | Profit-sharing |                       |                    |                |                                   |                                       |
| Dal Cortivo Giuseppe                                    | Attorney                        | CAD Srl        | 01/01-31/12   | Indeterminate | 86.765                 |                             |                                  |                |                       |                    | 86.765         |                                   |                                       |
|   | Director                        | CESBE Srl      | 01/01-31/12   | Indeterminate | 9.000                  |                             |                                  |                |                       |                    | 9.000          |                                   |                                       |
|   | Director                        | SICOM Srl      | 01/01-31/12   | Indeterminate | 6.198                  |                             |                                  |                |                       |                    | 6.198          |                                   |                                       |
| Magnani Giampietro                                      | Chairman and Executive Director | CAD Srl        | 01/01-31/12   | Close of 2015 | 86.765                 |                             |                                  |                |                       |                    | 86.765         |                                   |                                       |
|   | Director                        | SMART LINE SRL | 01/01-31/12   | Close of 2016 | 16.000                 |                             |                                  |                |                       |                    | 16.000         |                                   |                                       |
| Zanella Luigi   | Attorney                        | CAD Srl        | 01/01-31/12   | Indeterminate | 86.765                 |                             |                                  |                |                       |                    | 86.765         |                                   |                                       |
|   | Director                        | CESBE Srl      | 01/01-31/12   | Indeterminate | 9.000                  |                             |                                  |                |                       |                    | 9.000          |                                   |                                       |
|   | Director                        | SICOM Srl      | 01/01-31/12   | Indeterminate | 6.198                  |                             |                                  |                |                       |                    | 6.198          |                                   |                                       |
| Dal Cortivo Giulia                                      | Director                        | CESBE Srl      | 01/01-31/12   | Indeterminate | 94.285                 |                             |                                  |                | 8.999                 |                    | 103.284        |                                   |                                       |
| Ranocchi Gianpaolo                                      | Chairman Board of Auditors      | CAD Srl        | 01/01-31/12   | Close of 2015 | 6.240                  |                             |                                  |                |                       |                    | 6.240          |                                   |                                       |
| TOTAL compensation by subsidiaries and affiliated       |                                 |                |               |               | <b>407.216</b>         |                             |                                  |                | <b>8.999</b>          |                    | <b>416.214</b> |                                   |                                       |

|   |                  |  |                |  |               |  |                  |  |  |
|---|------------------|--|----------------|--|---------------|--|------------------|--|--|
| Compensation in CAD IT S.p.A.   | 920.594          |  | 214.000        |  | 13.264        |  | 1.147.858        |  |  |
| Compensation by subsidiaries and affiliates                             | 407.216          |  |                |  | 8.999         |  | 416.214          |  |  |
| <b>TOTAL compensation (CAD IT S.p.A. + subsidiaries and affiliates)</b> | <b>1.327.809</b> |  | <b>214.000</b> |  | <b>22.263</b> |  | <b>1.564.072</b> |  |  |

## NOTES

(a) of which employee compensation: Dal Cortivo Giulia euro 85.285

(b) Dal Cortivo Giulia: Managers insurance policy euro 639 - Additional pension fund euro 4.800 - Additional health insurance fund euro 3.244 - Managers life insurance policy euro 316

**TABLE 3B (Issuers' Regulation – appendix 3A scheme 7-bis)**

**Monetary incentive plans in favour of members of the Administrative Bodies, Executive Directors and other Managers with strategic responsibilities\***

| A  | B                               | (1)                   | (2)                           |               |                        | (3)                        |                               |                        | (4)           |
|--|---------------------------------|-----------------------|-------------------------------|---------------|------------------------|----------------------------|-------------------------------|------------------------|---------------|
| Name and Surname                                     | Office                          | Plan                  | Year's Bonuses                |               |                        | Previous years' Bonuses    |                               |                        | Other Bonuses |
|  |                                 |                       | (A)                           | (B)           | (C)                    | (A)                        | (B)                           | (C)                    |               |
|  |                                 |                       | Distributable/<br>distributed | Postponed     | Postponement<br>period | No longer<br>distributable | Distributable/<br>distributed | Furtherly<br>postponed |               |
| Dal Cortivo Giuseppe                                 | Chairman and Executive Director | Variable Remuneration | 40.000                        | 12.000        |                        |                            |                               |                        |               |
| Magnani Giampietro                                   | Executive Director              | Variable Remuneration | 40.000                        | 12.000        |                        |                            |                               |                        |               |
| Rizzoli Maurizio                                     | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Zanella Luigi  | Executive Director              | Variable Remuneration | 40.000                        | 12.000        |                        |                            |                               |                        |               |
| Dal Cortivo Paolo                                    | Executive Director              | Variable Remuneration | 40.000                        | 12.000        |                        |                            |                               |                        |               |
| Dal Cortivo Giulia                                   | Executive Director              | Variable Remuneration | 3.000                         | 3.000         |                        |                            |                               |                        |               |
| Lambertini Lamberto                                  | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Rossi Francesco                                      | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Burkhart Thomas                                      | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Pedrollo Alessandra                                  | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Tosoni Gianpaolo                                     | Director                        |                       |                               |               |                        |                            |                               |                        |               |
| Ranocchi Gianpaolo                                   | Standing Auditor                |                       |                               |               |                        |                            |                               |                        |               |
| Tengattini Renato                                    | Standing Auditor                |                       |                               |               |                        |                            |                               |                        |               |
| Ferrari Riccardo                                     | Chairman Board of Auditors      |                       |                               |               |                        |                            |                               |                        |               |
| Benciolini Chiara                                    | Chairman Board of Auditors      |                       |                               |               |                        |                            |                               |                        |               |
| Other managers with strategic responsibilities: n. 1 |                                 |                       |                               |               |                        |                            |                               |                        |               |
| TOTAL  |                                 |                       | <b>163.000</b>                | <b>51.000</b> |                        |                            |                               |                        |               |

\* It is hereby pointed out that the Table refers to all types of monetary incentive plans, both short and medium-long term.

**TABLES 1 and 2 (Issuers' Regulation – appendix 3A scheme 7-ter)**

**Chart showing information relating to the holdings of members of the Administrative and Controlling Bodies. Executive Directors and other Managers with strategic responsibilities**

| Surname and Name     | Office                          | Company    | Number of shares held at the end of the previous financial year |                              | Number of shares bought | Number of shares sold | Number of shares held at the end of the current financial year |                              |
|----------------------|---------------------------------|------------|---|------------------------------|-------------------------|-----------------------|--|------------------------------|
|                      |                                 |            | Total   | Of which held by the consort |                         |                       | Total  | Of which held by the consort |
| Dal Cortivo Giuseppe | Chairman and Executive Director | CAD IT SpA | 1.334.534   | 370.885                      |                         |                       | 1.334.534  | 370.885                      |
| Magnani Giampietro   | Executive Director              | CAD IT SpA | 1.331.021   | 370.885                      |                         |                       | 1.331.021  | 370.885                      |
| Rizzoli Maurizio     | Director                        | CAD IT SpA | 1.376.934   | 1.368.934                    |                         | 24.141                | 1.352.793  | 1.344.793                    |
| Zanella Luigi        | Executive Director              | CAD IT SpA | 1.333.480   | 380.985                      |                         |                       | 1.333.480  | 380.985                      |
| Dal Cortivo Paolo    | Executive Director              | CAD IT SpA | 5.481   |                              |                         |                       | 5.481  |                              |
| Dal Cortivo Giulia   | Executive Director              | CAD IT SpA | 1.080   |                              |                         |                       | 1.080  |                              |
| Thomas Burkhart      | Director                        | CAD IT SpA |   |                              |                         |                       |  |                              |
| Lambertini Lamberto  | Director                        | CAD IT SpA |   |                              |                         |                       |  |                              |
| Rossi Francesco      | Director                        | CAD IT SpA |   |                              |                         |                       |  |                              |
| Pedrollo Alessandra  | Director                        | CAD IT SpA |   |                              |                         |                       |  |                              |
| Tosoni Gianpaolo     | Director                        | CAD IT SpA |   |                              |                         |                       |  |                              |
| Riccardo Ferrari     | Chairman Board of Auditors      | CAD IT SpA | 1.000   |                              |                         |                       | 1.000  |                              |
| Ranocchi Gianpaolo   | Standing Auditor                | CAD IT SpA | 6.434   | 6.434                        | 4.650                   |                       | 11.084   | 11.084                       |
| Tengattini Renato    | Standing Auditor                | CAD IT SpA | 60  |                              |                         |                       | 60   |                              |
| Benciolini Chiara    | Chairman Board of Auditors      | CAD IT SpA |   |                              |                         |                       |  |                              |

| Number of managers with strategic responsibilities | Company    | Number of shares held at the end of the previous financial year |                              | Number of shares bought | Number of shares sold | Number of shares held at the end of the current financial year |                              |
|--|------------|---|------------------------------|-------------------------|-----------------------|--|------------------------------|
|  |            | Total   | Of which held by the consort |                         |                       | Total  | Of which held by the consort |
| 1  | CAD IT SpA | 2   |                              |                         |                       | 2  |                              |

Dear Shareholders,

all things being considered, we kindly invite you to agree or disagree on Section I of the Report as follows:

*“The Shareholders' Meeting, having read the Board of Directors Remuneration Report, declares to be in favour of /adverse to the first section of the Remuneration Report relating to the policies adopted in terms of the remuneration of the members of the Administrative Bodies and Managers with strategic responsibilities and the procedures used to adopt and activate such policies”.*