



## **Remuneration policy and fees paid report at June 30<sup>th</sup>, 2021**

**pursuant to Art. 123-ter of Legislative Decree no. 58 of February 24<sup>th</sup>, 1998 and  
Art. 84-quater of the Issuers' Regulation**

Approved on October 6<sup>th</sup>, 2021

**Digital Bros S.p.A.**  
Via Tortona, 37 – 20144 Milan, Italy  
VAT Number and Tax Number 09554160151  
Share capital: Euro 6,024,334.80 of which Euro 5,704,334,80 subscribed  
Milan Companies House No. 290680-Vol. 7394 Chamber of Commerce 1302132

This report is available in the Governance/Remuneration section of the Company's website at  
[www.digitalbros.com](http://www.digitalbros.com)

*Please note that this is an Italian to English translation and that the Italian version shall always prevail in case  
of any discrepancy or inconsistency*

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## GLOSSARY

**Board:** the Board of Directors of Digital Bros S.p.A..

**Civil Code:** the Italian Civil Code.

**Consolidated EBIT:** EBIT resulting from the Consolidated Financial Statements at June 30<sup>th</sup>, 2021.

**Corporate Governance Code/Code:** the Corporate Governance Code for listed companies approved in July 2018 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A., the Italian Banking Association, ANIA, Assogestioni, Assonime and Confindustria, later updated in January 2020.

**Financial Year/Reporting Period:** the year ended at June 30<sup>th</sup>, 2021 to which the Report relates.

**Group or Digital Bros Group:** collectively, the Issuer and its subsidiaries in terms of Art. 93 of the T.U.F..

**Issuers' Regulations:** the Regulations issued by Consob by means of resolution no. 11971/1999 for issuers, as subsequently amended.

**Market Regulations:** the Regulations issued by Consob by means of resolution no. 20249/2017 on markets, as subsequently amended.

**Parent Company or Issuer:** Digital Bros S.p.A..

**Policy or Remuneration Policy:** the remuneration policy approved by the Shareholders' Meeting of October 28<sup>th</sup>, 2020 and of June 15<sup>th</sup>, 2021.

**Related party regulations:** the Regulations issued by means of resolution no. 17221 of March 12<sup>th</sup>, 2010 (as subsequently amended) on related party transactions.

**Remuneration Committee:** committee established to support the Board of Directors with advisory, proposal-making and control functions on remuneration matter and appointment of directors.

**Report on the policy regarding remuneration and fees paid:** the Report required by Art. 123-ter of the T.U.F. and approved by the Board of Directors.

**T.U.F.:** Legislative Decree no 58 of February 24<sup>th</sup>, 1998 (Consolidated Finance Act), as subsequently amended.

This Remuneration policy and fees paid report at June 30<sup>th</sup>, 2021 (the “**Report**”) has been prepared in accordance with Art. 123-ter of Legislative Decree no 58 of February 24<sup>th</sup>, 1998 (the “**T.U.F.**”) and with Art. 84-quater of the Consob Regulation no. 11971 of May 14<sup>th</sup>, 1999, as subsequently amended (the “**Issuers’ Regulation**”).

The Report is divided into two sections:

- section I, which describes the remuneration of Board members and directors with strategic responsibility (“**key managers**”) and the procedures used to adopt and implement the aforementioned remuneration policy and submitted to the binding vote of the Shareholders’ Meeting;
- section II, which details each component of the remuneration of the Board and control bodies and key managers highlighting the consistency with the remuneration policy submitted to the non-binding advisory vote of the Shareholders’ Meeting.

The remuneration of the members of the Board, of the control bodies and of key managers is detailed in the tables attached to this Report in accordance to the Issuers’ Regulation.

**SECTION I** (submitted to the binding vote by the Shareholders’ Meeting pursuant to Art. 123-ter, par. 3-ter of the T.U.F.)

The first section of the Report describes the remuneration policy adopted by the Company and defines the principles and guidelines that Digital Bros Group uses to determine and monitor the application of remuneration practices for Board members and key managers.

The Remuneration Policy was approved by the Shareholders’ Meeting of June 15<sup>th</sup>, 2021 as proposed by the Remuneration Committee, applying the Corporate Governance Code recommendations.

The related party transactions procedure adopted by the Company (pursuant to Consob Resolution no. 17221/2010 and subsequent amendments) does not apply to resolutions concerning the remuneration of Directors with special offices/strategic responsibilities, except as regards any possible disclosures to be made in financial reports for the reporting period, as specified therein, as long as:

- (i) the Company has adopted a remuneration policy drawn up by a committee consisting solely of non-executive directors, the majority of whom independent;
- (ii) a report disclosing the remuneration policy has been submitted for approval or for an advisory vote to the Shareholders’ Meeting;
- (iii) the remuneration is consistent with the suggested policy.

External independent experts assisted the Remuneration Committee in the preparation of the Remuneration policy and the benchmark analysis of similar companies.

The Board of Directors defines the Chief Executive Officer remuneration, while the Chief Executive Officer himself defines the remuneration of key managers (also by way of suggestion and proposals to subsidiaries' corporate bodies), without prejudice to the powers entrusted to the Shareholders' Meeting in accordance with the Law and the Articles of Association.

## **1. Bodies involved in the preparation and approval of the Remuneration Policy**

The corporate bodies involved in the preparation and approval of the Remuneration Policy are the Board of Directors, the Remuneration Committee, the Shareholders' Meeting and the Board of Statutory Auditors.

### **1.1 Board of Directors**

The Board of Directors:

- establishes the Remuneration Committee;
- establishes the remuneration for Directors with special offices based on proposals suggested by the Remuneration Committee and having heard the Board of Statutory Auditors;
- defines the Remuneration Policy based on proposals formulated by the Remuneration Committee;
- drafts and submits the Remuneration Report to the approval of the Shareholders' Meeting;
- periodically assesses the adequacy and overall consistency of the Remuneration Policy especially regarding the alignment of Executive Directors objectives to value creation in the medium/long term perspective, with the assistance of the Remuneration Committee;
- designs and implements any share-based incentive scheme or any financial instrument-based remuneration plan for directors, employees and collaborators, including key managers, and submits them for the Shareholders' Meeting's approval in accordance with Art. 114-bis of the T.U.F..

### **1.2 Remuneration Committee**

The Remuneration Committee is established by the Board of Directors, as suggested by the Corporate Governance Code, and consists entirely of non-executive and independent directors. At the Report date, the committee is as follows:

Susanna Pedretti – Chairman

Laura Soifer – member

Sylvia Anna Bartyan – member

The Remuneration Committee:

- submit proposals to the Board of Directors regarding the Chief Executive Officer's and other Directors with special offices' remuneration and monitors their implementation;
- periodically assess key management remuneration criteria and assist the Board of Directors with the identification of Directors holding strategic responsibilities;
- monitor the correct application of the aforementioned criteria considering the information provided by the CEOs;
- formulate recommendations for the Board of Directors regarding remunerations and performance objectives associated to the variable component of the remuneration; monitor the actual achievement of said performance objectives;
- assist the Board of Directors in preparing and implementing any share- or other financial instrument-based incentive scheme;
- assist the Board of Directors in the preparation of the Remuneration Report.

The Remuneration Policy was therefore proposed by the Remuneration Committee and submitted to the Shareholder's Meeting for approval by the Board of Directors.

### **1.3 Shareholders' Meeting**

The Shareholders' Meeting:

- defines the Board of Directors and the Board of Statutory Auditors remuneration in accordance with Art. 2364, paragraph 1, no 3 of the Italian Civil Code;
- expresses a binding vote on the first section of the Report and a non-binding advisory vote on the second;
- resolves on any share-based incentive scheme or any financial instrument-based remuneration plan proposed for directors, employees and collaborators, including key managers, in accordance with Art. 114-bis of the T.U.F..

### **1.4 Board of Statutory Auditors**

The Board of Statutory Auditors expresses an opinion on the proposed remuneration for Directors and Directors with special offices, verifying its compliance with the Remuneration Policy.

## **2. Principles and purposes of the Remuneration Policy**

The remuneration of Directors and key managers is defined to ensure a remuneration structure that considers the professional value of each individual and that balances fixed and variable components, in order to create a sustainable value in the medium- and long-term perspective, as well as the Group's overall sustainability.

The Remuneration Policy seeks to enhance personnel motivation and their will to undertake responsibilities for performance excellence, granting that the fixed component and the variable component are adequately balanced and defining a balance between short-term and medium/long-term objectives in order to align Executive Directors' and key managers' interests with value creation, shareholders' primary objective in a medium/long-term perspective and the Group's activities sustainability.

The Remuneration Policy takes into account the following guidelines:

- the fixed component shall be sufficient to remunerate Directors for their services in the event that the variable component is not paid due to failure to meet the performance objectives set;
- the short-term variable component is mainly measured according to profitability objectives for the year: it provides for a cap, a claw-back and withholding clause (malus) as recommended by the Corporate Governance Code;
- the medium / long-term variable component relates to the growth of the Company profitability compared to the operating margins / EBIT achieved in the previous period so as not to be influenced by the financial structure and / or the distribution of dividends. The long-term variable component does not have a cap in absolute values but is in any case determined as a percentage of the Group's operating profit for the period. Claw-back and malus clauses are provided for, as required by the Corporate Governance Code;
- the existence of a previously approved Stock Option plan.

Performance objectives are:

- overriding, as they are directly connected to the Company's medium/long-term strategy;
- specific, as they are clear and concrete in terms of the expected results;
- measurable, as they are defined using clear and predefined indicators;
- realistic, as they shall be achievable, albeit challenging and ambitious;
- temporarily defined.

### **2.1 Remuneration Policy principles**

The Remuneration Policy aims for an ever-increasing adherence to the recommendations of the Corporate Governance Committee regarding clarity and completeness of remuneration policies, pay-mix between fixed and variable items, the introduction of claw-back clauses and, in general, the definition of a better connection between variable remuneration and long-term objectives.

The Group believes in the growth and enhancement of people as an indispensable element to compete on the market and pursue the objectives of sustainable success. Career opportunities are offered to all employees on the basis of merit, professional and managerial skills and active participation in the Company development and improvement processes.

The main changes introduced compared to the remuneration policy approved by the October 28<sup>th</sup>, 2020 Shareholders' Meeting, also in perspective of a full compliance with the recommendations of the Corporate Governance Code, relate to the following:

- the introduction of a medium / long-term objective (“**LTI Objective**”), to increase the level of involvement of Executive Directors and key managers with a view to creating value for shareholders as well as sustainability of the activities carried out by the Group as in the strategic plan. This LTI Objective aims to increase the Company's retention that is consistent with the growth and sustainability objectives that the Group has in the strategic plan; and
- elimination of the Board of Directors' possibility to assign extraordinary one-off bonuses.

The Remuneration Policy describes the policies regarding the remuneration of Executive Directors, Non-executive Directors and key managers.

The Remuneration Policy is valid until the expiry of the current mandate of the Board of Directors, and therefore until the approval of the Financial Statements at June 30<sup>th</sup>, 2023.

### **3. Remuneration policy application**

The Remuneration Policy is structured according to different principles and methods regarding the fixed components and the short and medium-long term variable components in relation to the different types of recipients.

The Remuneration Policy was defined using the best practices on the market as a reference without, however, using the remuneration policy of other companies as a specific reference.

#### **Executive Directors and key managers**

The total remuneration for Executive Directors is defined in line with market benchmarks and other factors including their contribution to Company's results, their working performance and a right balance with internal remuneration levels considering the Group's actual and prospective size, always with a view to pursuing sustainable success.

The overall remuneration of the Executive Directors as well as the pay mix assessment was subjected to benchmarking analysis by the Remuneration Committee supported by independent external consultants.

The remuneration of Executive Directors holding specific offices is as follows:

- a fixed component consistent with management powers and special positions assigned;



- a short-term variable component, defined within the fixed component pre-established limits and designed to reward expected short-term results (MBO);
- a medium / long-term variable component related to the growth of operating margins / EBIT compared to the margins achieved in the previous year (LTI);
- a stock option plan;
- other components.

Executive Directors holding professional or executive positions within the Issuer, beside the fixed component determined by the Shareholders' Meeting, are rewarded with a variable remuneration decided by the Board considering the following criteria and taken into consideration for the purposes of the pay-mix analysis that follows.

#### Fixed remuneration

The fixed component of remuneration for Directors with specific offices is defined by the Board of Directors, based on proposals formulated by the Remuneration Committee having heard the Statutory Auditors, in accordance to art. 2389, par. III of the Civil Code.

The fixed component is consistent with the level of management powers, special positions and strategic responsibility assigned to each director. Its extent is sufficient to remunerate the performance even in the event of failure to achieve the performance objectives that affect the payment of variable remuneration and this, among other things, in order to discourage the assumption of behaviors that are inconsistent with the propensity to business risk.

#### Short-term variable remuneration (MBO)

The variable component of the remuneration for Directors with specific offices is defined by the Board of Directors, based on proposals formulated by the Remuneration Committee having heard the Statutory Auditors.

This component encourages the management to work towards the achievement of annual objectives in order to maximize the value of the Company, in line with the shareholders' interests and in compliance with the Group's long-term strategic plans.

The short-term variable component (MBO) is rewarded upon the achievement of pre-determined annual quantitative results linked to some performance indexes at Group consolidated level. The variable component is paid upon the approval by the Board of Directors of the draft financial statements for the fiscal year, after the Remuneration Committee has assessed the achievement of the performance objectives. Objectives are based on budget data and are exclusively quantitative, using unbiased indicators and available performance indicators, in order to reduce the risk of biased valuation and to guarantee an adequate consideration of all management aspects. Following the introduction of the medium-long term objective based on the growth of operating profitability, starting next year it becomes crucial that a significant component of the MBO objective is based on qualitative objectives that can be determined on an annual basis.

The annual MBO require the achievement of the 100% of the quantitative objectives assigned and the total payment of the annual payable remuneration. The variable component shall not exceed 30% of the directors' fixed component for

the Chief Executive Officers and 30% of the annual gross salary and the non-competition agreement for Executive Directors with an executive and/or professional contractual role.

The MBO:

- awards the Group's revenue growth on which the operating margins / EBIT objective depends;
- communicates sense of belonging and teamwork;
- grants personal presidium and individual accountability.

Claw-back and malus mechanisms have been provided for: the Company can request the full return of the variable component as a result of data that have been found to be manifestly incorrect.

#### Medium / long term variable remuneration (LTI)

The Group Remuneration Policy introduces an LTI objective in addition to the other remuneration mechanisms previously provided for. At the time of approval of the Remuneration Policy, the Group is going through a period of growth and considers it strategically important to maintain it over time, to the extent that it can efficiently deal with its competitors on an international scale, in the constant pursuit of sustainable success objectives. For these reasons, the Group intends to maintain the self-financing level that has characterized the last decade to increase the number and the quality of intellectual properties held. In this context, it is crucial to be able to count on a stable management structure over time, also in light of the fact that today's editorial choices will only be effective after a few years.

The four Executive Directors and some key managers have been identified as the medium-long term variable remuneration beneficiaries. The plan is divided into three periods:

- 2021 – 2022 two-year period;
- 2023 – 2024 two-year period;
- 2025 – 2027 three-year period.

For each period, a monetary equivalent percentage will be paid to all Executive Directors and key managers in relations to the operating income realized in the period on the portion exceeding Euro 35 million for the first two periods and Euro 52.5 million for the last period (equivalent to an average Euro 17.5 million operating income per year). The percentages to be applied to the operating income increase over time and go from 6% in the first period, to 9% in the second, to 12% in the last. This percentage shall be subject to individual subdivision according to predefined criteria. The total cost of the LTI bonuses cannot exceed 5% of the cumulative operating income realized in the respective periods.

This component is paid, subject to verification of the achievement of the performance objectives by the Remuneration Committee, within 45 days from the date of the Shareholders' Meeting approval of the financial statements for the previous year of each reference period, a deadline deemed appropriate with reference to the characteristics of the business and the related risk profiles. The disbursement of the LTI Objective is bound to the Directors' permanence for a single period (except in the case of Good Leaver provided for by the incentive plan) and provides claw-back and malus clauses as required by the Corporate Governance Code.

### *Pay mix*

The Remuneration Policy was subjected to benchmarking by the Remuneration Committee assisted by an independent expert (Carter & Benson).

The activity was carried out to compare the remuneration levels of the four Executive Directors, both in terms of the evaluation of remuneration in absolute values and in terms of pay mix, with respect to a panel of comparable companies.

The LTI Objective does not have a maximum limit in absolute values, but only a ratio between the total cost of the LTI Objective and the operating income achieved in the period, and the percentage of the LTI Objective varies in the period under consideration. The LTI Objective resulting pay mix for the 2021-2022 period and for the 2023 period were therefore assumed considering the complete disbursement of the MBO Objective and the disbursement of the LTI Objective based on a 20% and 50% increase in operating income compared to the basic figure of Euro 17.5 million.

The impact of each remuneration component of the Executive Directors in the Group's operating income various scenarios of growth was reported below.

#### *Average 20% operating income growth scenario*

2021-2022				
	Fixed	MBO	20% EBIT LTI	TOTAL
CEOs	76%	20%	4%	100%
CFO	72%	21%	7%	100%
General Counsel	77%	15%	8%	100%

2023-2024				
	Fixed	MBO	20% EBIT LTI	TOTAL
CEOs	74%	19%	6%	100%
CFO	70%	20%	10%	100%
General Counsel	75%	15%	11%	100%

#### *Average 50% operating income growth scenario*

2021-2021				
	Fixed	MBO	50% EBIT LTI	TOTAL
CEOs	71%	18%	10%	100%
CFO	65%	19%	16%	100%
General Counsel	69%	14%	17%	100%

2023-2024				
	Fixed	MBO	50% EBIT LTI	TOTAL
CEOs	68%	18%	15%	100%
CFO	60%	18%	22%	100%
General Counsel	64%	13%	23%	100%

### Stock option plan

With reference to the incentive plans based on financial instruments to submit to the Shareholders' Meeting approval pursuant to art. 114-*bis* of the T.U.F. and subject to specific market information in accordance to current provisions, detailed elements and application methods are defined by the Board of Directors with the advisory and proactive support of the Remuneration Committee considering the Company risk profile and in accordance to the following principles:

- consolidation of a sustainable value creation process for the Company and for the Group in a medium/long term perspective and management incentive and loyalty encouragement through definition of long-term duration and vesting periods;
- constraints to beneficiaries to leave the Company.

The Company used the assistance of an external audit firm in defining and managing the incentive plans based on financial instruments in order to meet market standards for companies of similar size listed on the same regulated market.

Further information on the Stock Option Plan in place is provided in the Information Document pursuant Art. 84-*bis* of the Consob Regulation no. 11971, May 14<sup>th</sup>, 1999 and published on the Company website, [www.digitalbros.com](http://www.digitalbros.com), Corporate Governance/Remuneration section, in accordance to Art. 123-*ter*, par. 5 of the T.U.F..

The existing stock option plan provides for a deferral in the accrual of the rights due to the Executive Directors and the key managers (vesting period) which for all beneficiaries is:

- 30% of the number of options starting July 1<sup>st</sup>, 2019;
- 30% starting July 1<sup>st</sup>, 2022;
- 40% starting July 1<sup>st</sup>, 2025.

The deadline for exercising the options is June 30<sup>th</sup>, 2026.

It is mandatory for the Executive Directors to hold 20% of the shares subscribed as a result of the exercise of the options, at least until the end of the mandate with respect to each of the vesting periods.

The Stock Option Plan provides for Bad Leaver clauses where the beneficiary will permanently lose the right to exercise the options not yet exercised, while in the case of Good Leaver the beneficiary will retain the right to exercise the options already vested.

In the event of death and / or permanent disability, the heirs and / or the beneficiary may request the exercise of all the options provided for the beneficiary even if they have yet to mature.

## Other information

### **Additional performance objectives**

No performance objectives that provide for the allocation of shares, options and / or other financial instruments have been set in addition to those previously described.

With the exception of the stock option plan, no further provision exists for the retention of financial instruments in the portfolio.

### **Extraordinary operations**

In the event of extraordinary operations concerning the Group – such, as by way of example and not exhaustive, company acquisitions or disposals, activities dismissal, mergers, divisions or demergers, transfers of business branches, operations on share capital, financial or equity operations – as well as in the event of legislative or regulatory changes capable of significantly affecting performance objectives, the Board of Directors, after consulting the Remuneration Committee, has the right to make, at its discretion, all the changes and additions necessary to maintain unchanged the economic contents of the plans underlying the short-term incentive systems referring to Executive Directors.

### **Non-monetary benefits**

The non-monetary benefits provided by the Trade and Tertiary C.C.N.L. (National Collective Labor Contract) for executives are paid to Executive Directors and include welfare, assistance and insurance benefits. Non-monetary benefits also comprise the use of a car that can be used for private purposes.

### **Policy in case of resignation or termination of employment**

The Company did not provide for agreements ruling *ex-ante* the economic aspects in case of early resignation from the position of Directors or termination of employment or if the relationship is terminated due to a tender offer, with the exception of the notice periods provided for by the Trade and Tertiary C.C.N.L. for executives.

There are no plans to allocate or maintain non-monetary benefits or to conclude consultancy contracts for a period after the termination of the relationship.

The effects of the termination of the existing relationship with a Director are described in the descriptive paragraphs of the individual components as they differ from each other.

### **Non-Executive Directors**

Non-executive Directors are directors with no individual management powers nor management positions in the Company or in other Group's subsidiaries. The remuneration of Non-executive Directors is determined as a fixed compensation and it is proportional to the expertise, professionalism and commitment required, in relation also to their participation into the Board of Directors' committees either as the Chairman or a member.

The remuneration of such directors is not linked to economic results nor to specific objectives of the Company and such directors do not benefit from remuneration plans based on stocks.

The remuneration of non-executive directors is subjected to benchmarking analysis on a recurring basis by the Remuneration Committee.

### **Insurance coverage**

In line with best practices, an insurance policy called D&O (Directors & Officers) was stipulated against third party liability of the corporate bodies in the exercise of their functions, aimed at indemnifying the Group from the costs deriving from any compensation, with the exclusion of cases of willful misconduct and gross negligence.

There are no further insurance, social security and / or pension coverage other than the mandatory ones.

### **Exceptions to the Remuneration Policy**

No exceptions to the Remuneration Policy are allowed.

**SECTION II Remuneration paid to the Boards of Directors’ members, the Statutory Auditors, General Managers and other key managers** (submitted to the non-binding advisory vote of the Shareholders’ Meeting pursuant to Art. 123-ter, paragraph 6 of the T.U.F.)

The remuneration of the Board of Directors’ members was defined by the Board of Directors during the meeting on November 12<sup>th</sup>, 2020, based on proposals formulated by the Remuneration Committee and having heard the Statutory Auditors.

The tables below report the remuneration received by the Board of Directors and key managers during the financial year, according to the criteria provided in Annex 3A of the Issuers’ Regulation. The tables include all those who held office during the financial year, even if just for a portion of the entire period.

At the date of this Report, the Company had not identified any key managers, with the exception of Executive Directors of the Board.

***Executive directors’ remuneration***

The Chairman and CEO, Abramo Galante, and the Co-CEO, Raffaele Galante, received the same annual remuneration:

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2020</b>	<b>June 30<sup>th</sup>, 2021</b>
Fixed remuneration as Director	400,000	400,000
Variable remuneration as Director	80,000	226,981
<b>Total remuneration as Director</b>	<b>480,000</b>	<b>626,981</b>
Fixed remuneration for employment	64,260	64,260
Variable remuneration for employment	0	0
Fringe benefits (car)	6,080	6,335
Non-competition agreement	0	0
<b>Total remuneration for employment</b>	<b>70,340</b>	<b>70,595</b>
Total remuneration from subsidiaries	0	0
<b>Total remuneration</b>	<b>550,340</b>	<b>697,576</b>

In relation to the Company’s “2016-2026 Stock Option Plan” (approved by the Shareholders’ Meeting on January 11<sup>th</sup>, 2017), the Chairman and CEO, Abramo Galante, and the Co-CEO, Raffaele Galante, have been designated as beneficiaries of 200,000 options each, valid for the subscription of 200,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for an exercise price for each option of Euro 10.61 corresponding to the average reference price of the shares recorded on the STAR segment of the MTA market in the six months prior to the assignment. After the extraordinary operation on Digital Bros share capital on March 13<sup>th</sup>, 2017, the exercise price for options not yet subscribed decreased to Euro 10.50 each.

Further details on the Stock Option Plan are provided in the Information Document prepared in accordance with Art. 84-bis of Consob Regulation 11971 of May 14<sup>th</sup>, 1999 that has been published in the Corporate Governance section of the Company’s website at [www.digitalbros.com](http://www.digitalbros.com), in compliance with Art. 123-ter, paragraph 5, of the T.U.F..

There are no agreements providing any indemnity in the event of an early termination of employment nor for the termination of office.

Executive Director Stefano Salbe receives a remuneration for the office of Director of Euro 6,000. His total remuneration was:

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2020</b>	<b>June 30<sup>th</sup>, 2021</b>
Fixed remuneration as Director	6,000	6,000
Variable remuneration as Director	0	0
<b>Total remuneration as Director</b>	<b>6,000</b>	<b>6,000</b>
Fixed remuneration for employment	222,571	225,571
Variable remuneration for employment	110,043	189,707
Fringe benefits (car)	3,766	3,691
Non-competition agreement	44,239	50,183
<b>Total remuneration for employment</b>	<b>380,619</b>	<b>469,152</b>
Total remuneration from subsidiaries	0	0
<b>Total remuneration</b>	<b>386,619</b>	<b>475,152</b>

In relation to the Company’s “2016-2026 Stock Option Plan”, Stefano Salbe, has been designated as a beneficiary of 120,000 options valid for the subscription of 120,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for an exercise price for each option of Euro 10.61 corresponding to the average reference price of the shares recorded on the STAR segment of the MTA market in the six months prior to the agreement. After the extraordinary operation on Digital Bros share capital on March 13<sup>th</sup>, 2017, the subscription price for options not yet subscribed decreased to Euro 10.50 each.

There are no agreements providing any indemnity in the event of an early termination of employment except what provided by the employment contract in place.



Executive Director Dario Treves received an annual remuneration for the execution of his office of Euro 6,000, whereas for his professional contract-related and legal services performed on behalf of the Group, the total remuneration was:

<i>Amounts in Euro</i>	<b>June 30<sup>th</sup>, 2020</b>	<b>June 30<sup>th</sup>, 2021</b>
Fixed remuneration as a Director	6,000	6,000
Variable remuneration as a Director	0	0
<b>Total remuneration as a Director</b>	<b>6,000</b>	<b>6,000</b>
Fixed remuneration for employment	269,867	282,900
Variable remuneration for employment	67,366	191,851
Fringe benefits (car)	0	0
Non-competition agreement	0	0
<b>Total remuneration for employment</b>	<b>337,233</b>	<b>474,751</b>
Total remuneration from other subsidiaries	0	0
<b>Total remuneration</b>	<b>343,233</b>	<b>480,751</b>

In relation to the Company's "2016-2026 Stock Option Plan", Dario Treves has been designated as a beneficiary of 50,000 options valid for the subscription of 50,000 Digital Bros ordinary shares (in the ratio of one new ordinary share for each option exercised) for a subscription price for each option of Euro 10.61 corresponding to the average reference price of the shares recorded on the STAR segment of the MTA market in the six months prior to the agreement. After the extraordinary operation on Digital Bros share capital on March 13<sup>th</sup>, 2017, the subscription price for options not yet subscribed declined to 10.50 Euro.

There are no agreements providing any indemnity in the event of the early termination of employment or his office as a Director.

#### **Non-executive directors' remuneration**

Non-executive Director Davide Galante received Euro 72,000 as remuneration for the execution of his office as director.

Non-executive Director Lidia Florean received Euro 6,000 as remuneration for the execution of her office as a director, and 60,000 for the activities carried out on behalf of the subsidiary 505 Games S.p.A..

Non-executive Directors do not receive any variable remuneration nor there are any agreements providing an indemnity in the event of the early termination of their office.

### **Independent Directors' remuneration**

The independent directors Luciana La Maida and Irene Longhin (for the period 01/07/2020-30/10/2020), Sylvia Anna Bartyan (for the period 01/11/2020-30/06/2021) and Susanna Pedretti and Laura Soifer (01/07/2020-30/06/2021) received the following remuneration during the fiscal year:

<b>Amounts in Euro</b>	<b>Fixed remuneration as Director</b>	<b>Fixed remuneration as member of the Control and Risks Committee</b>	<b>Fixed remuneration as member of the Remuneration Committee</b>	<b>Total Remuneration</b>
Luciana La Maida	3,333	1,166	1,666	<b>6,165</b>
Irene Longhin	3,333	0	666	<b>3,999</b>
Sylvia Anna Bartyan	6,666	2,666	1,333	<b>10,665</b>
Susanna Pedretti	10,000	4,000	5,000	<b>19,000</b>
Laura Soifer	10,000	10,000	2,000	<b>22,000</b>

### **Statutory Auditors remuneration**

The Statutory Auditors remuneration was defined at the time of appointment by the Shareholders' Meeting on October 28<sup>th</sup>, 2020. The Chairman of the Board of Statutory Auditors, Carlo Hassan, has been assigned Euro 27.000 while the two other members were given Euro 22.000 each.

## Board of Directors and key managers

Name and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for attending committee meetings	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Abramo Galante</b>	Chairman/CEO	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				464,260		226,981		6,335		697,576		
(II) Remuneration from subsidiaries and associates												
(III) Total				464,260		226,981		6,335		697,576		
<b>Raffaele Galante</b>	CEO	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				464,260		226,981		6,335		697,576		
(II) Remuneration from subsidiaries and associates												
(III) Total				464,260		226,981		6,335		697,576		
<b>Stefano Salbe</b>	CFO	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				281,754		189,707		3,691		475,152		
(II) Remuneration from subsidiaries and associates												
(III) Total				281,754		189,707		3,691		475,152		

<b>Dario Treves</b>	Executive Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				6,000		191,581			282,900	480,751		
(II) Remuneration from subsidiaries and associates												
(III) Total				6,000		191,581			282,900	480,751		
<b>Lidia Florean</b>	Non-Executive Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				6,000						6,000		
(II) Remuneration from subsidiaries and associates									60,000	60,000		
(III) Total				6,000					60,000	66,000		
<b>Davide Galante</b>	Non-Executive Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				72,000						72,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				72,000						72,000		
<b>Laura Soifer</b>	Independent Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				10,000	12,000					22,000		
(II) Remuneration from subsidiaries and associates												
(III) Total				10,000	12,000					22,000		

<b>Luciana La Maida</b>	Independent Director	01/07/2020 – 30/10/2020	Approval of FY 2020 financial statements			Bonuses and other incentives	Profit sharing						
(I) Remuneration from the Company drafting the financial statements				3,333	2,832					6,165			
(II) Remuneration from subsidiaries and associates													
(III) Total				3,333	2,832					6,165			
<b>Irene Longhin</b>	Independent Director	01/07/2020 – 30/10/2020	Approval of FY 2020 financial statements			Bonuses and other incentives	Profit sharing						
(I) Remuneration from the Company drafting the financial statements				3,333	666					3,999			
(II) Remuneration from subsidiaries and associates													
(III) Total				3,333	666					3,999			
<b>Susanna Pedretti</b>	Independent Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing						
(I) Remuneration from the Company drafting the financial statements				10,000	9,000					19,000			
(II) Remuneration from subsidiaries and associates													
(III) Total				10,000	9,000					19,000			
<b>Sylvia Anna Bartyan</b>	Independent Director	01/07/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing						
(I) Remuneration from the Company drafting the financial statements				6,666	3,999					10,665			
(II) Remuneration from subsidiaries and associates													
(III) Total				6,666	3,999					10,665			

## Board of Statutory Auditors

Name and last name	Position held	Term of office	End of term	Fixed remuneration	Remuneration for attending committee meetings	Variable non-equity remuneration		Non-monetary benefits	Other remuneration	Total	Fair value of equity remuneration	Indemnity for termination of office or employment
						Bonuses and other incentives	Profit sharing					
<b>Paolo Villa</b>	Chairman and Statutory Auditor	01/07/2020 – 30/10//2020	Approval of FY 2020 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				9,000						9,000		
(II) Remuneration from subsidiaries and associates				12,000						12,000		
(III) Total				21,000						21,000		
<b>Luca Pizio</b>	Statutory Auditor	01/07/2020 – 30/10//2020	Approval of FY 2020 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				7,333						7,333		
(II) Remuneration from subsidiaries and associates				3,333						3,333		
(III) Total				10,666						10,666		
<b>Carlo Hassan</b>	Chairman and Statutory Auditor	01/11/2020 – 30/06//2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				18,000						18,000		
(II) Remuneration from subsidiaries and associates				6,667						6,667		
(III) Total				24,667						24,667		
<b>Gianfranco Corrao</b>	Statutory Auditor	01/11/2020 – 30/06//2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				14,666						14,666		
(II) Remuneration from subsidiaries and associates												
(III) Total				14,666						14,666		

<b>Maria Pia Maspes</b>	Statutory Auditor	01/11/2020 – 30/06/2021	Approval of FY 2023 financial statements			Bonuses and other incentives	Profit sharing					
(I) Remuneration from the Company drafting the financial statements				22,000						22,000		
(II) Remuneration from subsidiaries and associates				10,000						10,000		
(III) Total				32,000						32,000		

## Stock options awarded to the Board of Directors' members, the General Manager and other key managers

Name and surname	Position held	Plan	Option held at beginning of financial year			Option awarded during the financial year						Option exercised during the FY			Options expired in the FY	Option held at the end of FY	Options attributable to the FY
			Number of options	Exercise price	Exercise period (from-to)	No. of options	Exercise price	Exercise periods	Fair Value on grant date	Grant date	Market price of underlying shares on exercise date	Number of options	Exercise price	Market price of underlying shares on exercise date	Number of options	Number of options	Fair Value
<b>Abramo Galante</b>	Chairman/CEO																
(I) Remuneration from the company drafting the financial statements	Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2019 to 30/06/2026										60,000	60,000	0	
	Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2022 to 30/06/2026											60,000	0	
	Stock Option Plan 2016-2026	80,000	10.50	from 01/07/2025 to 30/06/2026											80,000	0	
(II) Remuneration from subsidiaries and associates																	
(III) Total			200,000											60,000	200,000	0	
<b>Raffaele Galante</b>	CEO																
(I) Remuneration from the company drafting the financial statements	Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2019 to 30/06/2026										60,000	60,000	0	
	Stock Option Plan 2016-2026	60,000	10.50	from 01/07/2022 to 30/06/2026											60,000	0	
	Stock Option Plan 2016-2026	80,000	10.50	from 01/07/2025 to 30/06/2026											80,000	0	
(II) Remuneration from subsidiaries and associates																	
(III) Total			200,000											60,000	200,000	0	



Name and surname	Position held	Plan	Option held at beginning of financial year			Option awarded during the financial year						Option exercised during the financial year			Options expired in the year	Option held at the end of financial year	Options attributable to the FY
			Number of options	Exercise price	Exercise period (from-to)	Number of options	Exercise price	Exercise periods	Fair Value on grant date	Grant date	Market price of underlying shares on exercise date	Number of options	Exercise price	Market price of underlying shares on exercise date	Number of options	Number of options	Fair Value
<b>Stefano Salbe</b>	CFO																
(I) Remuneration from the company drafting the financial statements		Stock Option Plan 2016-2026	36,000	10.50	from 01/07/2019 to 30/06/2026										36,000	36,000	0
		Stock Option Plan 2016-2026	36,000	10.50	from 01/07/2022 to 30/06/2026											36,000	0
		Stock Option Plan 2016-2026	48,000	10.50	from 01/07/2025 to 30/06/2026											48,000	0
(II) Remuneration from subsidiaries and associates																	
(III) Total			120,000												36,000	120,000	0
<b>Dario Treves</b>	Executive Director																
(I) Remuneration in the company that prepares the financial statement		Stock Option Plan 2016-2026	15,000	10.50	from 01/07/2019 to 30/06/2026										15,000	15,000	0
		Stock Option Plan 2016-2026	15,000	10.50	from 01/07/2022 to 30/06/2026											15,000	0
		Stock Option Plan 2016-2026	20,000	10.50	from 01/07/2025 to 30/06/2026											20,000	0
(II) Remuneration from subsidiaries and associates																	
(III) Total			50,000												15,000	50,000	0

**Monetary incentive plans payable to the Board of Directors' members, the General Managers and other key managers:**

A	B	(1)	(2)			(3)			(4)
Name and Last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Abramo Galante	Chairman/CEO		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the Company that prepares the financial statements	MBO 10/20		120,000				80,000		
(I) Remuneration in the Company that prepares the financial statements	LTI 06/21			106,981	2022				
(II) Remuneration from subsidiaries and associates							80,000		
(III) Total			120,000	106,981					

A	B	(1)	(2)			(3)			(4)
Name and Last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Raffaele Galante	CEO		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the Company that prepares the financial statements	MBO 10/20		120,000				80,000		
(I) Remuneration in the Company that prepares the financial statements	LTI 06/21			106,981	2022				
(II) Remuneration from subsidiaries and associates							80,000		
(III) Total			120,000	106,981					

A	B	(1)	(2)			(3)			(4)
Name and Last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Stefano Salbe	CFO/Executive Director		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the Company that prepares the financial statements	MBO 10/20		82,726				110,043		
(I) Remuneration in the Company that prepares the financial statements	LTI 06/21			106,981	2022				
(II) Remuneration from subsidiaries and associates									
(III) Total			82,726				110,043		

A	B	(1)	(2)			(3)			(4)
Name and Last name	Position held	Plan	Bonus for the year			Prior year bonuses			Other bonuses
Dario Treves	Executive Director		(A)	(B)	(C)				
			Payable/Paid	Deferred	Reference period	No longer payable	Payable/Paid	Still deferred	
(I) Remuneration in the Company that prepares the financial statements	MBO 10/20		84,870				67,366		
(I) Remuneration in the Company that prepares the financial statements	MBO 10/20			106,981	2022				
(II) Remuneration from subsidiaries and associates									
(III) Total			84,870				67,366		

**Table 7-ter in accordance to Annex 3A of the Issuers' Regulation**

Shareholding by the members of the managing and control bodies and general managers					
<b>Name and Surname</b>	<b>Participated Company</b>	<b>No. of shares owned at 30/06/2020</b>	<b>No. of shares purchased</b>	<b>No. of shares sold</b>	<b>No. of shares owned at 30/06/2021</b>
Galante Abramo	Digital Bros S.p.A.	4,904,267	-	-	4.904.267
Galante Davide	Digital Bros S.p.A.	243,728	-	-	243.728
Galante Raffaele	Digital Bros S.p.A.	4,678,736	-	-	4.678.736
Stefano Salbe	Digital Bros S.p.A.	15,526	-	-	15.526

A similar table has not been provided for key managers as there are no key managers except members of the Board of Directors.