



2015 REMUNERATION REPORT

in the terms of Articles 123-*ter* of the Consolidated Act and 84-*quater* of the Issuers'
Regulation

Issuer: Banzai S.p.A.

Website: www.banzai.it

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GLOSSARY

Borsa Italiana: Borsa Italiana S.p.A..

Code of Self-Governance: the Code of Self-Governance of listed companies, approved in March 2006 (with subsequent modifications) by the *Corporate Governance* Committee and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria, accessible to the public on the website of Borsa Italiana www.borsaitaliana.it.

Civ. Code: Italian Civil Code.

Board of Auditors: Issuer's Board of Auditors.

Board of Directors: the Issuer's Board of Directors.

Issuer or Company: Banzai S.p.A..

2015 Financial Year: the financial year ending on 31 December, 2015.

Group: the Banzai group composed of the Issuer and other subsidiaries of the same Issuer.

Instructions to the Stock-Market Regulation: the Instructions to the Regulation of Markets organised and managed by Borsa Italiana S.p.A.

MTA: the *Mercato Telematico Azionario* [Italian Telematic Stock-Market] organised and managed by Borsa Italiana S.p.A..

Stock Market Regulation: the Regulation of Markets organised and managed by Borsa Italiana S.p.A..

Issuers' Regulation: the Regulation issued by Consob in decision no. 11971 of 1999 (with subsequent modifications) regarding issuer guidelines.

Regulation on Related Parties: the Regulation issued by Consob in decision no. 17221 of 12 March 2010 (with subsequent modifications) regarding related-party transactions.

Remuneration report: the remuneration report that issuers are obliged to draw up under Articles 123-bis *Testo Unico* and 84-*quater* of the Issuers' Regulation.

Articles of Association: the Issuer's Articles of Association.

TUF: Legislative Decree of 24 February 1998, no. 58 (*Testo Unico della Finanza* - Consolidated Financial Act), with subsequent amendments.

INTRODUCTION

This remuneration report (the "**Remuneration Report**") has been drawn up by the Board of Directors under Article 123-ter of the Legislative Decree of 24 February 1998 no. 58 as subsequently amended ("**TUF**") and Article 84-*quater* of the Consob regulation adopted with ruling no. 11971 of 14 May 1999 (the "**Issuer Regulation**") as well as pursuant to the recommendations of the Self-Governance Code for the companies listed on the Italian Stock Exchange.

The Remuneration Report contains information regarding the remuneration policy (the "**Remuneration Policy**") adopted by Banzai S.p.A (the "**Company**" or the "**Issuer**") and is composed of the following two sections, drawn up in accordance with Appendix 3A scheme 7-*bis* and 7-*ter* of the Issuer Regulation:

- Section I illustrates the guidelines and the principles with which the Company complied in the determination of the remuneration practices of the Board Members and the Managers with strategic responsibility and describes the procedures used to draw up and approve the Remuneration Policy in addition to the bodies and persons responsible for the execution thereof;
- Section II namely for the remuneration attributed to Board Members and Company Auditors and in aggregate form for the compensation attributed to Group Managers with strategic responsibilities:
 - (a) Analytically shows, with regard to the 2015 financial year, individual items composing remuneration including the processes provided for should a position or a working relationship be terminated;
 - (b) Provides, in registered form for the members of the Board of Directors and the Board of Auditors and in aggregate form for the Managers with strategic responsibilities, the representation of the remuneration paid in the reference financial year of any kind and in any form by the Company and subsidiaries or affiliates and reports on the possible components of this compensation attributable to activity carried out in financial years prior to the reference financial year, by providing an estimate of compensation to be paid in one or more consecutive financial years for activity carried out in the reference financial year.

In addition, Section II contains information regarding shareholdings held, with the Issuer and subsidiaries, of the members of the administration and supervisory bodies, of the Managers with strategic responsibilities in addition to spouses who are not legally separated and minor children in accordance with that which is set out by Article 84-*quater*, comma 4, of the Issuer Regulation.

The Remuneration report set out below has been approved by the Board of Directors upon the proposal of the Remuneration Committee on 2 March 2016.

SECTION I

This Section of the Remuneration Report describes the essential processes of the Remuneration Report adopted by the company and the aims pursued, the principles and guidelines with which the group complies in the determination and monitoring of the application of the remuneration practices of the Board Members and Managers with strategic responsibilities.

The Remuneration Policy, drawn up in light of the recommendation of the Self-Governance Code and in consideration of that which is set out in Article 2.2.3 of the Regulation of markets organised and managed by the Italian Stock Exchange and of the relevant Instructions for issuers with the STAR qualification in addition to the Procedure for Transactions with Related Parties, has been adopted by the Board of Directors of 14 May 2015 upon the proposal of the Remuneration Committee and approved by the Related Parties Committee as is provided for by the Procedure for Transactions with Related Parties insofar as not previously subject to the advisory vote of the Shareholders' Meeting.

The Group Remuneration Policy is currently being revised and updated by the Board of Directors upon the proposal of the Remuneration Committee.

a) Stakeholders in the remuneration process

The main stakeholders and bodies involved in drawing up and approving the Remuneration Policy are: the Board of Directors, the Remuneration Committee, the Shareholders' Meeting and the Board of Auditors.

Board of Directors

The Board of Directors:

- is internally formed by a Remuneration Committee;
- defines the Remuneration Policy upon the proposal of the Remuneration Committee;
- consistent with the Remuneration Policy and upon the proposal of the Remuneration Committee, after obtaining an opinion from the Board of Auditors, determines the remuneration of Board Members holding particular offices;
- approves the Remuneration report under Articles 123-ter TUF and 84-quater of the Issuer Regulation;
- draws up any remuneration plans based on shares or other financial instruments intended for Board Members, staff and employees, including Managers with strategic responsibilities, subjecting them to the approval of the Shareholders' Meeting under Article 114-bis TUF and ensuring their implementation.

Remuneration Committee

Refer to paragraph b) below for the composition, competences and operational procedures of the Remuneration Committee

Shareholders' meeting

In terms of remuneration, the Shareholders' meeting:

- determines the compensation of the members of the Board of Directors and Board of Auditors, pursuant to Art. 2364, comma 1, no. 3) of the Italian Civil Code, pursuant to Article 2389, comma 3 of the Italian Civil Code and pursuant to Article 20 of the Articles of Association;
- casts an advisory vote on the Remuneration Policy defined by the Board of Directors on the proposal of the Remuneration Committee;
- resolves on any remuneration plans based on shares or other financial instruments intended for Board Members, staff and employees, including Managers with strategic responsibilities under Article 114-*bis* TUF.

Board of Auditors

The Board of Auditors formulates opinions on the remuneration proposals of the executive Board Members and Board Members holding particular positions under Article 2389, comma 3 of the Italian Civil Code by verifying the consistency with the Company's Remuneration Policy.

The Board of Auditors or other Auditors designated by the same may attend the Committee meetings in relation to individual items on the agenda.

- b) The possible meeting of a committee for remuneration and appointment of another committee for shares and appointment of another committee competent in the matter describing the composition (with the distinction between non-executive and independent board members), the competences and the operational procedures**

In accordance with that which is set out in the Self-Governance Code and for the purpose of ensuring that the choices made with regard to remunerations are adequately informed and comply with the rules of transparency and strict discipline regarding potential conflicts of interest, the Board of Directors internally formed its remuneration committee (the "**Remuneration Committee**").

The Company's Remuneration Committee, appointed with the resolution of the Board of Directors of 22 January 2015, is composed of three non-executive Board Members insofar as they are not holders of individual delegated management powers, do not hold management positions within the Company, and the majority of whom are independent, according to that which is set out by the provisions of Article 148 TUF of the Self-Governance Code in the persons of:

- Stefano Quintarelli (Chairman) – Non-executive independent Board Member;
- Anna Gatti – Non-executive independent Board Member;
- Andrea Biasco – Non-executive Board Member.

The members of the Remuneration Committee have appropriate experience in the areas of finance and remuneration policies.

The members of the Remuneration Committee shall be in office, unless otherwise resolved, until the expiration of the mandate of the Board Members and therefore until the Meeting to approve the financial statements at 31 December 2015.

The Remuneration Committee is a body with functions of an educational, consulting and advisory nature with the main task of formulating proposals to the Board of Directors with reference to the Remuneration Policy.

In particular, within the scope of the decision-making process relating to the definition of the remuneration policy, the Remuneration Committee:

- formulates proposals and expresses opinions to the Board of Directors for the remuneration of executive Board Members and those holding particular roles (e.g. Chairman, Managing Director, Board Members with delegated powers and Board Members who are members of committees), also bearing in mind the participation of each Board Member in one or more committees in such a way as to ensure the alignment of the objective of creating value for the shareholders in the medium-term and long-term;
- shall periodically evaluate the adequacy and complete consistency and the criteria for the remuneration of Managers with strategic responsibilities, without prejudice to the competence of the Managing Director with regard to the definition of management remuneration policies and levels, and formulates proposals and recommendations regarding remuneration with particular reference to incentive and retention tools or the definition of performance objectives associated with variable remuneration components in addition to the execution of the remuneration plans based on shares or other financial instruments instructed by the Shareholders' Meeting under Article 114-*bis* TUF;
- monitors the application of the decisions adopted by the Board of Directors in particular by verifying the effective achievement of the performance objectives;
- monitors the application of and compliance with company policies with regard to remuneration issuing, on an annual basis, a report on controls carried out in which it is attested whether the Company adopts a Remuneration Policy and incentive schemes in accordance with the provisions established by the Board of Directors, in accordance with the applicable guidelines and in such a way as to minimise legal and reputational risks.

The Remuneration Committee meets with the frequency necessary to perform its own functions or when it is deemed necessary by the Chairman, including upon the request of one or more of its members.

The Remuneration Committee meetings take place in collegial form and are regularly recorded.

The determinations of the Remuneration Committee are adopted with the absolute majority of members participating in the meeting. The presence of the majority of members is necessary for the meetings to be valid.

Representatives of company roles and independent experts and/or other persons whose participation is considered useful for the performance of the meeting may take part in Remuneration Committee meetings, if invited.

The participant who is the bearer of his or her own interests or the interests of others with reference to the subject of the resolution shall make this known to the Remuneration Committee and abstain from the same, provided that no Board Member shall participate in the meetings of the Remuneration Committee where proposals to the Board of Directors regarding its remuneration are put forward.

In order to perform its functions, the Remuneration Committee makes use of the Issuer's means and corporate structure.

If it considers it appropriate or necessary for the performance of its duties, it may call on the services of external consultants in order to obtain information on market practices with regard to remuneration policies.

c) Independent experts that may take part in the arrangement of the remuneration policy

The Company did not use independent experts when drawing up the Remuneration Policy.

d) The aims pursued with the remuneration policy, its underlying principles and the possible changes in the remuneration policy with regard to the previous financial year

The main objective of the Company's Remuneration Policy is to align the interests of management with those of the Company and the shareholders in the medium-term and long-term.

With this in mind, the Issuer Remuneration Policy aims to:

- attract, motivate and keep employees with great professional qualities that are appropriate for the complexity and specialisation of business and necessary to profitably pursue the objectives of the Company;
- gear management shares towards the creation of value and the safekeeping of the company assets over a long period of time.

In particular, the Remuneration Policy, consistent with the general purposes listed above, is based on the following reference principles regarding the remuneration of executive Board Members and Managers with strategic responsibilities:

- full remuneration levels capable of recognising the professional value of employees and their contribution to sustainable value creation in the short-term, medium-term and long-term;
- definition of limits for the variable remuneration components;
- predetermination and measurability of the performance objectives associated with the disbursement of variable components.

e) **Description of the policies regarding fixed and variable remuneration components with particular regard to the indication of the relative weight within the scope of total remuneration and distinguishing between short-term, medium-term and long-term periods of variable components**

The Remuneration Policy provides for the fixed and variable components to be structured according to the different principles and procedures in relation to different types of recipients.

The fixed component of remuneration rewards the extent of responsibilities and strategic nature of the role held, the distinctive individual characteristics and professional specialisation and must be sufficient for remunerating the service even in the case that the performance objectives are not achieved.

The variable remuneration component is sub-divided into short-term variable remuneration and long-term variable remuneration.

The short-term incentive is aimed at recognising the results achieved over a single financial year establishing a direct link between compensation and objectives associated with a mix of individual performance, business units and results at corporate level. The short-term incentive may vary between 10% and 30% of the fixed remuneration and, generally, does not have an incidence lower than 10% of the full annual remuneration.

The amount of incentive to be paid to each stakeholder is determined based on achieving the results effectively pursued and this incentive, moreover, must be "self-financed", i.e. considered either at budget level or in the final statement phase.

The long-term incentive on the other hand is aimed at incentivising employees to operate in a way that maximises the value of the Company in the medium-term and long-term and is composed of incentive plans based on financial instruments under Article 114-*bis* TUF.

In particular, the Company adopted a "2015-2019 stock options plan" (the "**Stock Options Plan**") instructed by the Shareholders' Meeting of 22 December 2014 whose regulation has been approved by the Board of Directors on 14 May 2015 upon the proposal of the Company's Remuneration Committee, within their respective powers, addressed to the executive Board Members, Managers with strategic responsibilities and any employees that are key Group staff.

The Company considers it appropriate to distinguish the remuneration structure in relation to the executive/managerial powers and responsibilities recognised for the persons concerned and consequently to independently define the remuneration determination criteria of:

- (i) Non-executive Board Members and independent Board Members;
 - (ii) Executive Board Members;
 - (iii) Board Members with strategic responsibilities.
- (i) Non-executive Board Members and independent Board Members**

Non-executive Board Members are understood to be Board Members who do not hold individual delegated management powers and who are not holders of management positions in the Company or Group Companies.

Independent Board Members are understood to be Board Members that meet the independence requirements set out by Article 148, comma 3 TUF and of Article 3 of the Self-Governance Code.

Both non-executive Board Members and independent Board Members are paid fixed compensation determined by the ordinary shareholders' meeting at the time of their appointment which may determine the single full amount or also provide for the relevant breakdown amongst Board Members in addition to the reimbursement of expenses incurred for the exercise of office.

The Board of Directors may determine, upon the proposal of the Remuneration Committee and with the favourable opinion of the Board of Auditors, subsequent fixed compensation for non-executive Board Members and independent Board Members in relation to the activities associated with participating in the internal committees of the Board of Directors.

The additional compensation attributed in this way is assigned upon the proposal of the Remuneration Committee with it being understood that, in each case, each Board Member shall abstain from voting on the proposals regarding his or her own remuneration.

The non-executive Board Members and independent Board Members, also in accordance with that which is established by European Recommendations and by Article 6 of the Code of Corporate Governance, do not receive an incentive and their compensation is not linked to the economic results achieved by the Company. In addition, they are not the recipients of short-term and/or medium-term or long-term incentive plans.

The guiding principle for the remuneration is, in fact, that of attributing a one-off fee to the non-executive members of the Board of Directors.

(ii) Executive Board Members

Executive Board Members are entitled to an annual fixed compensation determined by the Board of Directors in accordance with the specification proposed by the Remuneration Committee and with the favourable opinion of the Board of Auditors and in relation to the provisions of Article 2389 comma 3 of the Italian Civil Code.

The Chairman of the Board of Director and the Managing Director are currently the Issuer's Executive Board Members.

In particular, the Chairman of the Board of Directors is entitled to a fixed compensation not connected with achieving objectives but commensurate with the responsibilities and competences associated with the position.

The Managing Director shall be paid both fixed compensation and short-term variable compensation for each year of office in accordance with that which is established by the Board of Directors upon the proposal of the Remuneration Committee. In particular, the variable compensation is subordinated to the achievement of specific objectives established every year by the Board of Directors upon the proposal of the Remuneration Committee.

The Managing Director, in his or her role as General Director of the Company, is also the recipient of a Stock Options Plan as described in the paragraph below.

(iii) Board Members with strategic responsibilities

The Managers with strategic responsibilities, as set out by Article 65, comma 1-*quater* of the Issuer Regulation which references the definition provided in Appendix 1 of the Regulation of Related Parties, taken from international accounting principle IAS 24, are identified from amongst the persons with responsibility for processes that may affect the development and future prospects of the Company or the power and responsibility, directly or indirectly, of the planning, managing and control of Company activities and who, however, hold a strategic role within the Group.

The remuneration of Managers with strategic responsibilities, bearing in mind their position and role held within the corporate organisation chart is defined using criteria similar to those provided for the executive Board Members and is structured as follows:

- a fixed annual component determined based on the size of the business management and the organisational role held and reflects the experience, competence and capacity to contribute to Company results and loyalty-building requirements. This component is indicatively equal to a range of between 75% and 90% of the total remuneration;
- a short-term variable component that may only mature if the annual quantitative objectives associated with the performance indicators and relating to the annual budget are achieved and that is expressed in a maximum percentage of total remuneration that may vary between 10% and 25% with increasing values in relation to the role and responsibilities held. The maturity mechanism for this variable component is exclusively linked to the parameters of profitability of the financial year and is paid following the approval of the draft financial statements by the Board of Directors;
- a medium-term/long-term variable component composed of incentive plans based on financial instruments under Article 114-*bis* TUF.

In addition, in the event that the Company carries out particular exceptional transactions for strategic relevance and/or for the effects on the results of the Company itself and/or the Group, the Board of Directors is able to attribute, with discretion, specific bonuses to Managers with strategic responsibilities strictly related to their specific contribution to said transactions.

f) Policy followed with regard to non-monetary benefits

With the aim of ensuring a full offer of administration that is competitive and aligned with the best practices of the reference market as far as possible, the remuneration package for Executive Board members and other Managers with strategic responsibilities may also include non-monetary benefits intended as fringe benefits (such as a company car) in addition to types of additional insurance (such as full health insurance).

g) Performance objectives for the assignment of short-term, medium-term and long-term variable components and information on the link between the variations of the results and the variation of remuneration

We refer to that which is described in paragraph e) above.

h) Criteria used for the evaluation of the performance objectives based on the assignment of shares, options, other financial instruments or other variable remuneration components

With regard to the short-term variable component of executive Board Members and Managers with strategic responsibilities, it is provided for that the evaluation of the performance and the communication of the extent to which the assigned objectives have been achieved in addition to the determination of the extent of the variable component of the remuneration payable to the person concerned takes place following the approval of the consolidated financial statements by the Board of Directors.

With regard to the long-term variable component, the competent bodies shall determine the definition and verification procedures and timing, even intermediate, of the performance objectives set out for the incentive plans based on financial instruments under Article 114-bis TUF in addition to any corrections to be made to the objectives themselves.

i) Information aimed at providing evidence of the coherence of the remuneration policy with the pursuit of the interests of the Company in the long-term and with the risk management policy, where formalised

We refer to that which is described in paragraph e) points (ii) and (iii) above.

j) The vesting period, any deferred payment systems, with indication of the periods of deferment and of the criteria used to determine these periods and, if provided for, the ex post correction mechanisms

The Remuneration Policy, with reference to the incentive plans based on financial instruments under Article 114-bis TUF, provides that the same are in accordance with the comparable best market practices and that they may provide for vesting periods.

The Remuneration Policy, with regard to monetary components, does not provide for deferred payment systems.

k) Information on any clauses relating to the holding of financial instruments after their acquisition, with indication of the holding periods and of the criteria used to determine such periods

The Stock Options Plan does not have any clauses relating to the holding of shares after their subscription following the exercising of assigned options, with the vesting period set out by the Stock Options Plan Regulation being deemed adequate.

l) Policy relating to the processes provided for in the case of a position being terminated or the termination of a work relationship, with specification of the circumstances giving rise to the right and any connection between these processes and the Company's performance

It is not Company practice to enter into agreements with non-executive Board Members or independent Board Members that regulate, ex ante, the economic issues relating to the

possible early termination of the relationship with the Company or the individual ("good leaver" or "bad leaver" clauses).

With reference to the Managing Director, the salaries provided in the event of termination of office or termination of the working relationship will be settled from time to time with the Managing Director himself or herself. We refer to Section II for the description of the salary corresponding to the current Managing Director in the case of termination of office or termination of the working relationship with the Company.

Except in special cases which are evaluated from time to time, the Company's policy is not to enter into agreements with Managers with strategic responsibilities that regulate, ex ante, the economic issues relating to the possible early termination of the relationship with the Company or the individual. Should the existing relationship with the company be terminated for reasons other than just cause or dismissal without just cause or termination of the working relationship following a takeover bid, the goal is to seek agreements for the termination of the same by consensus, without prejudice, in any case, to the legal obligations and/or national collective bargaining agreement for employees.

In light of the above, it is noted that if there is early termination of office/employment relationship and/or on the Company's initiative for reasons of just cause, the loss of the right to the short-term and medium-term/long-term incentive is provided for.

Regarding the Stock Options Plan, information about the fate of the options in the event of termination of the working relationship can be found in the relevant published legal documentation.

The company shall consider however, the possibility of entering into non-competition agreements with Board Members, Managers with strategic responsibilities and other employees with critical skills at the end of the mandate or the working relationship.

In accordance with case law and practice, such agreements may provide for the payment of a sum related to the Gross Annual Salary (GAS), in relation to the duration and scope of the obligation arising from the agreement itself.

The non-competition obligation is referred to the industry in which the Company operates at the time of the agreement and its extent varies according to the position held by the individual at the time of the relationship.

m) Information on the presence of any insurance cover, whether social security or pension coverage, other than the mandatory coverage

As explained in paragraph f) above.

n) Remuneration policy that may be followed with reference: (i) to independent Board Members, (ii) to the activity of participating in committees and (iii) in the performance of particular roles (Chairman, Vice-Chairman, etc.)

There are no specific principles in terms of remuneration for independent Board Members individually considered.

The non-executive Board Members and independent Board Members may be paid an additional annual fixed sum as members sitting on the committees of the Board of Directors with a majority if the Board Member holds the position of Chairman of the committee.

For more information relating to the remuneration of Board Members holding particular positions, please refer to paragraph d) above.

o) Remuneration policies of other Companies with reference to any indication of the criteria used to select these Companies

The Company's remuneration policy has not been defined using, as a reference, remuneration policies from other Companies.

SECTION II

This Section, named for the compensation attributed to Board Members and Auditors and in aggregate form for the compensation attributed to Managers with strategic responsibilities:

- the first part provides an adequate representation of each of the items composing remuneration including the processes provided for should a position or a working relationship be terminated;
- the second part analytically illustrates the compensation paid in the financial year, for any reason and in any form, by the Company and its subsidiaries or affiliates, indicating any components of this compensation that are attributable to activities carried out in financial years prior to the reference year and also highlighting the compensation to be paid in one or more consecutive financial years for the activity carried out in the financial year

Banzai, being a company "of smaller size" under Article 3, comma 1, lett. f) of the Regulation of Related Parties, made use of the option provided in Appendix 3A, Scheme 7-*bis*, of the Issuers' Regulation: (i) to provide any information on the compensation received by Managers with strategic responsibilities in aggregate form and (ii) to provide any information about agreements that provide for compensation in the case of early termination only in relation to the executive Board Members and the Chairman of the Board of Directors.

SECTION II – PART ONE – ITEMS COMPRISING REMUNERATION

In the first part of Section II, an adequate representation is provided of each of the items comprising remuneration including the processes provided for should a position or a working relationship be terminated.

Remuneration of Board Members

Remuneration of Board Members other than the Managing Director

The compensation of the Board of Directors was determined at the ordinary Shareholders' meeting held on 6 April 2013, 27 April 2015 and 25 November 2015.

In particular, the ordinary Shareholders' meeting of 6 April 2013 ruled to grant the Board of Directors a gross annual remuneration of €600,000, including €500,000 to the Chairman and €1,000 to each Board Member, requesting from the Board of Directors itself, with the legal opinion of the Board of Auditors, the allocation of the remaining amount of €94,000 among the same members in relation to particular positions attributed to them.

The Shareholders' meeting of 27 April 2015, following the listing of the Company on the *MTA* that took place on 16 February 2015, has integrated the gross annual remuneration to be attributed to each Board Member for the remaining period during which the same remained in office, i.e. until the approval of the financial statements at 31 December 2015, from €1,000 to €10,000.

Following the increase in the number of members, the meeting of 25 November 2015 ruled to recalculate the remuneration payable to the Chairman of the Board of Directors to an amount equal to €350,000 gross per annum on a pro rata basis, as well as to remove the limit for the special positions of the Board Members resolved by the meeting of 6 June 2013 and to grant the Board of Directors the power to determine the remuneration of the members with special positions after examining the proposal of the Remuneration Committee and after consulting the Board of Auditors under Article 2389 of the Italian Civil Code.

However, the compensation results as follows:

- fixed compensation equal to €500,000 annually until 25 November 2015 and equal to €350,000 annually from 26 November 2015 for Chairman Paolo Ainio; and equal to €450,000 annually for Managing Director Pietro Scott Jovane;
- Variable compensation for Managing Director Pietro Scott Jovane equal to €180,000 on an annual basis upon the achievement of 100% of the objectives fixed by the Board of Directors;
- an equal fixed annual compensation for all other Board Members equal to €1,000 by 27 April 2015 and €10,000 by 28 April 2015;
- additional fixed compensation for every non-executive Board Member who is a member of the Supervisory and Risk Committee and the Remuneration Committee equal to €15,000 annually from the date that negotiations started until 18 March 2015 and to €3,000 annually from 19 March 2015 for participating in each committee;

- additional fixed compensation for every non-executive Chairman who is a member of the Supervisory and Risk Committee and the Remuneration Committee equal to €17,000 annually from the date that negotiations started until 18 March 2015 and to €5,000 annually from 19 March 2015 for participating in each committee;
- additional fixed compensation for the Lead Independent Director equal to €15,000 annually from the date that negotiations started until 18 March 2015 and to €5,000 annually from 19 March 2015 for participating in each committee;
- The Managing Director is also the beneficiary of the Stock Options Plan described below.

Managing Director Remuneration

The position of Managing Director was held by Paolo Ainio until 25 November 2015. In this context, the ordinary Shareholders' meeting of 6 April 2013 approved the granting of fixed gross annual compensation of €500,000, in addition to reimbursement of expenses incurred in carrying out his office and not providing for the payment of any variable compensation or participation in remuneration plans based on shares or other financial instruments.

The Board of Directors of 15 October 2015, after obtaining the favourable opinion of the Remuneration Committee and the Board of Auditors, approved the signing of the employment contract (the "**Contract**") signed on the same date between the Company and Pietro Scott Jovane.

The Contract governs the financial terms of the relationship with the Issuer by providing, among other things: (i) for the hiring of Pietro Scott Jovane in the role of manager of the company and the role of general director as of 16 October 2015 with gross annual remuneration of €150,000; (ii) for the granting to Pietro Scott Jovane, as soon as he assumes his role as manager, of 1,300,000 options of the second tranche of the Stock Options Plan subject to the achievement of performance objectives to be defined by the Board of Directors upon the proposal of the Remuneration Committee at an exercise price per share of €5.00, corresponding to the arithmetic average of the official closing prices of Banzai shares during the 30 days preceding the grant date.

The Board of Directors of 25 November 2015, after obtaining the favourable opinion of the Remuneration Committee and the Board of Auditors, appointed Pietro Scott Jovane as the new Managing Director and ruled to grant him an annual gross fixed compensation on a pro rata basis of €450,000 until the expiration of the current Board of Directors, i.e. until the approval of the financial statements as at 31 December 2015, as well as an annual variable compensation of €180,000 upon the achievement of performance targets to be defined by the Board of Directors, upon the proposal of the remuneration Committee, in addition to the right to a termination indemnity, equal to 7.41% of the emoluments (fixed and variable) fully paid upon the termination of office to the Member, except for cases of withdrawal from office for just cause further described below.

During the financial year, the Company only paid the Managing Director the fixed compensation and the gross remuneration on a pro rata basis as General Director.

Compensation in the event of early dissolution of the relationship and the effects of terminating the relationship on the rights assigned within the scope of incentive plans based on financial instruments to be paid in cash

Over the 2015 financial year, no compensation was paid.

Except as indicated below, there have not been any agreements between the Issuer and, respectively, the Chairman and the Managing Director that provide for compensation at the end of the relationship or compensation in the event of resignation or dismissal without just cause or if the working relationship terminates following a public takeover bid.

On 15 October 2015, the Board of Directors, upon the proposal of the Remuneration Committee, ruled that should there be no just cause during the period between the first appointment as Managing Director and the approval of the 2021 financial statements, the Company would have to put an end to the subordinate working relationship or the position of Board Member or in the case of resignation for just cause, the Company shall pay the Managing Director a comprehensive one-off amount, plus any accrued severance compensation and severance fund equal to 1.5 annuities of the annual compensation for General Director and Managing Director. The severance compensation will be equal to 7.41% of emoluments received as Managing Director (fixed and variable), except for cases of withdrawal from office for just cause.

Regarding the Stock Options Plan, information about the fate of the options in the event of termination of the working relationship can be found in the relevant published legal documentation.

Non-Monetary Benefits

The remuneration of the Managing Director also provides for fringe benefits such as the allocation of a company vehicle, insurance cover for accidents of professional risk and additional professional insurance cover in addition to full *Fasdac* cover (*Fondo Assistenza Sanitaria Aziende Commerciali* - Fund for Commercial Company Healthcare), a mobile phone, a laptop and a company credit card. No other non-monetary benefits are provided for.

Remuneration of Auditors

The compensation of the Board of Auditors was determined at the ordinary Shareholders' meetings held on 6 April 2013 and 27 April 2015.

The Meeting held on 6 April 2013 ruled to grant the Chairman of the Board of Auditors an annual gross comprehensive compensation of €22,500 and each Statutory Auditor an annual gross comprehensive compensation of €15,000.

The Shareholders' meeting of 27 April 2015, following the start of trading of the Company's ordinary shares on the MTA, which took place on 16 April 2015, integrated annual gross emolument to members of the Board of Auditors for the remaining period during which the same remained in office, i.e. until the approval of the financial statements of the financial year as at 31 December 2015, granting the Chairman of the Board of Auditors an annual gross comprehensive compensation of €30,000 and each Statutory Auditor an annual gross comprehensive compensation of €20,000.

Non-Monetary Benefits

No non-monetary benefits for Auditors are provided.

Remuneration of Board Members with strategic responsibilities

The remuneration of Managers with strategic responsibilities for the reference financial year is composed of fixed compensation, variable compensation and non-monetary benefits.

The Company identified nine Managers with strategic responsibilities whose full compensation for the 2015 financial year amounts to a total of €1,863,717.08. This amount also includes the short-term variable compensation that was paid during the 2015 financial year.

It is specified that, during the 2015 financial year, eight of the nine Managers with strategic responsibilities have been identified as beneficiaries of Stock Options Plans.

With regard to the Stock Options Plan, please refer to the published legal documentation.

Non-Monetary Benefits

Managers with strategic responsibilities are paid insurance cover for accidents of professional risk and additional professional cover provided for by the national collective bargaining agreement for Managers.

Eight of the nine Managers with strategic responsibilities were assigned a company vehicle. No other non-monetary benefits are provided for.

SECTION II – PART TWO – ANALYTIC REPRESENTATION OF THE COMPENSATION PAID DURING THE FINANCIAL YEAR

TABLE 1

Compensation¹ paid to members of the administration and supervisory bodies, to general directors and other managers with strategic responsibilities as at 31 December 2015.

First and last name	Position held	Period when the position was held	Mandate end	Fixed compensations	Compensations for participation in committees	Variable compensations - non-equity	Non-Monetary Benefits ²	Other compensations	Total	Fair value of equity compensation	Compensation at the end of office or termination of working relationship
Paolo Luigi Guglielmo Ainio	Chairman of the Board of Directors	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	484,918	-	-	-	-	484,918	-	-
Pietro Scott Jovane	Managing Director	25/11/2015 – 31/12/2015	Approval of 2015 financial statements	45,000	-	-	-	-	75,555.07	-	-
	General Director	16/10/2015 – 31/12/2015	For an indeterminate period	26,785.63	-	-	3,769.44	-		-	-
Ezilda Mariconda ³	Director	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,115	3,230	-	-	-	10,345	-	-

¹ The values shown in the tables are expressed in euros.

² The values refer to company vehicles.

³ Compensation for the participation in the Supervisory and Risk Committee of €3,230.

Matteo Renzulli	Director	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,115	-	-	-	-	7,115	-	-
Pietro Boroli	Director	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,115	-	-	-	-	7,115	-	-
Andrea Biasco ⁴	Director	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,115	3,230	-	-	-	10,345	-	-
Anna Gatti ⁵	Director	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,115	12,567	-	-	-	19,682	-	-
Stefano Quintarelli ⁶	Director	22/01/2015 – 31/12/2015	Approval of 2015 financial statements	7,055	7,978	-	-	-	15,033	-	-
Francesco Perrini	Chairman of the Board of Auditors	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	27,596	-	-	-	-	27,596	-	-
Stefania Bettoni	Statutory Auditor	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	18,397	-	-	-	-	18,397	-	-
Giuliano Foglia ⁷	Statutory Auditor	01/01/2015 – 31/12/2015	Approval of 2015 financial statements	18,397	8,740	-	-	-	27,137	-	-

⁴ Compensation for the participation in the Remuneration Committee of €3,230.

⁵ Compensation as Chairman of the Supervisory and Risk Committee of €4,748; compensation for participation in the Remuneration Committee €3,230.

⁶ Compensation as Chairman of the Remuneration Committee of €4,748; compensation for participation in the Supervisory and Risk Committee €3,230.

⁷ Compensation for participation in the Supervisory Body of €8,740.

Managers with Strategic Responsibilities	No.9	01/01/2015 – 31/12/2015	-	-	-	-	-	-	1,895,489.5	-	-
	Compensation in the company preparing the financial statements			284,047.67	-	-	3,643.32			-	-
	Compensations from subsidiaries and associated companies			1,579,669.41	-	-	28,129.1			-	-

TABLE 2

Stock-options allocated to members of the administration body, to general managers and managers with strategic responsibilities

First and last name	Position	Plan	Options held at the start of the financial year			Options assigned during the financial year						Options exercises during the financial year			Options expired in the financial year	Options held at the end of the financial year	Financial year competence options
			Number of options	Exercise price	Period for possible exercise (from-to)	Number of options	Exercise price	Period for possible exercise (from-to)	Fair value as of the assigning date	Assigning date	Market price of underlying shares and allocation of options	Number of options	Exercise price	Market price of underlying shares and allocation of options	Number of options	Number of options	Fair value
Pietro Scott Jovane	Managing Director and General Manager	SOP 2015-2019	-	-	-	1,300,000	5.000	From 01/08/17 al 31/07/19 ⁸	988,200.2	15/10/2015	5.03	-	-	-	-	1,300,000	-
Other with responsibilities (9)	Managers strategic	SOP 2015-2019	-	-	-	470,000	6.000	From 01/08/2016 al 31/07/2018 ⁹	462,776.1	14/05/2015	5.88	-	-	-	-	110,000 ¹⁰	-

⁸ The allocated options can be exercised as follows:

- (i) up to a maximum of 25% starting from 1 August 2017 until 31 October 2017;
- (i) up to a maximum of 50% starting from 1 November 2017 until 31 January 2018;
- (i) up to a maximum of 75% starting from 1 February 2018 until 30 April 2018; and
- (iv) 100% starting from 1 May 2018 until 31 July 2019.

⁹ The allocated options can be exercised as follows:

- (i) up to a maximum of 25% starting from 01 August 2016 until 31 October 2016;
- (i) up to a maximum of 50% starting from 01 November 2016 until 31 January 2017;
- (i) up to a maximum of 75% starting from 1 February 2017 until 30 April 2017; and
- (iv) 100% starting from 01 May 2017 until 31 July 2018.

¹⁰ Number of options accrued at the end of the financial year.

SECTION II – THIRD PART – INVESTMENTS HELD

Investments of members of the administration and supervisory bodies, the general directors and other managers with strategic responsibilities as at 31 December 2015.

First and last name	Investee company ¹¹	Forms of ownership	No. of shares owned as at 31/12/2014 ¹²	No. of shares purchased	No. of shares sold	No. of shares owned as at 31/12/2015
Paolo Guglielmo Luigi Ainio	Banzai S.p.A. Total	Direct and indirect	9,001,300	97,886	-	9,099,186 ¹³
Pietro Scott Jovane	Banzai S.p.A. Total	Direct	-	6,000	-	6,000
Pietro Boroli	Banzai S.p.A. Total	Direct and indirect	1,824,000	10,000	-	1,834,000 ¹⁴
Managers with strategic responsibilities (9)	Banzai S.p.A. Total	Direct	2,762,500	403,000	-	3,165,500

¹¹ Including investments held through spouses not legally separated and minor children and subsidiaries.

¹² The number of shares entered takes into consideration the fractioning ruled by the extraordinary meeting of Banzai on 6 November 2014.

¹³ Of which 221,750 shares are held via PUPS S.r.L., 80% controlled by Paolo Ainio and 138,450 held by his spouse, Ms Ginevra Barbi.

¹⁴ Of which 1,811.55 are held by Vis Value Partecipazioni S.r.L.