



**ANNUAL REMUNERATION REPORT
OF DE' LONGHI S.P.A.**

MARCH 2016

DE' LONGHI S.P.A. – Registered office: Via Ludovico Seitz n. 47, Treviso (Italy)
Share capital: € 224,250,000.00 fully paid up – Tax code and Registration number with
the Company Register of Treviso 11570840154

SUMMARY

<i>Definitions</i>	3
<i>Preamble</i>	6
SECTION I – REMUNERATION POLICY 2016	7
1. Policy aims and principles	8
1.1 Aims	8
1.2 General Principles	8
1.3 Scope of application.....	9
1.4 Changes compared to the previous financial year	9
2. Governance of the remuneration process	10
2.1 The bodies and persons involved	10
2.2 Remuneration and Appointments Committee.....	12
2.3 Process for defining and approving the Policy.....	15
3. Description of the Policy	15
3.1 Compensation of members of the Board of Directors	15
3.1.1 Compensation of non-executive directors.....	16
3.1.2 Compensation of executive directors	16
a) Chairman of the Board of Directors	17
b) Vice Chairman, Chief Executive Officer and Key Manager with Strategic Responsibilities.....	18
3.2 Compensation of Key Managers with Strategic Responsibilities and Other Executives	19
3.2.1 Compensation of the Financial Reporting Manager	20
3.2.2 Compensation of the Internal Audit Manager.....	20
3.3 Compensation of members of the Board of Statutory Auditors	20
3.4 Short-term incentives: Annual variable component (MBO)	21
3.5 Medium/long-term incentives	22
3.5.1 LTI CASH PLAN 2015-2017	22
3.5.2 Share-based compensation plans.....	22
3.6 Non-monetary benefits	24
3.7 Indemnity in the event of resignation, dismissal without just cause or termination of employment following a public takeover bid	25
SECTION II – COMPENSATION PAID DURING 2015 AND OTHER INFORMATION	25
1. Compensation paid during 2015	26
A) Table 1 – Annex 3A, Scheme 7-bis of the Issuers' Regulation	27
2. Interests held by the members of the Board of Directors and Board of Statutory Auditors	32
A) Table 1 – Annex 3A, Scheme 7-bis of the Issuers' Regulation	33
3. Monetary incentive plans	34
A) Table 3B: Monetary incentive plans in favour of members of the Board of Directors and General Managers and other key managers with strategic responsibilities	35

DEFINITIONS

Below are the main definitions concerning the general remuneration policy of De' Longhi S.p.A. used in this report, in addition to those indicated in the main text.

OTHER EXECUTIVES	The people reporting directly to the Company's Chief Executive Officer and, in particular, the Chief of Legal & Corporate Affairs, the Chief Administrative Officer and Financial Reporting Officer; Chief of Finance & Investor Relations, the Internal Audit Officer, the IT (Information Technology) Officer; Chief of Planning & Control; Chief of Human Resources & Organisation.
SHAREHOLDERS' MEETING	The Meeting of Shareholders of De' Longhi S.p.A.
INDEPENDENT COMMITTEE OR IC	The " <i>Independent Committee</i> " of De' Longhi S.p.A.
CONTROL AND RISKS COMMITTEE OR CRC	The "Control, Risks and Corporate Governance Committee" of De' Longhi S.p.A.
REMUNERATION AND APPOINTMENTS COMMITTEE OR RAC	The " <i>Remuneration and Appointments Committee</i> " of De' Longhi S.p.A.
CCNL	The National Collective Bargaining Agreement for executives of companies producing goods and services.
CORPORATE GOVERNANCE CODE	Corporate Governance Code for listed companies prepared by the Corporate Governance Committee, promoted by Borsa Italiana (July 2015 edition) and available on the website: http://www.borsaitaliana.it/borsaitaliana/regolamenti/corporategovernance/corporategovernance.htm
CONSOB	Italian Securities and Exchange Commission with registered office in Rome, Via G. B. Martini 3.
BOARD OF STATUTORY AUDITORS	The " <i>Board of Statutory Auditors</i> " of De' Longhi S.p.A.

BOARD OF DIRECTORS	The “ <i>Board of Directors</i> ” of De’ Longhi S.p.A.
DE’LONGHI S.P.A. OR DE’LONGHI OR COMPANY	De’ Longhi S.p.A., with registered office in Via Ludovico Seitz 47, Treviso, Italy.
KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES	Managers of the Company identified by the Board of Directors who – in accordance with the provisions of Annex 1 to Consob Regulation no. 17221 of 12th March 2010 containing the rules for transactions with related parties, as subsequently amended – have the power and the responsibility, whether directly or indirectly, for planning, directing and controlling the Company's activities.
DE’ LONGHI GROUP OR GROUP	All the companies included in the consolidation scope of De’ Longhi S.p.A.
MBO	The annual variable component of the compensation for the position of Executive Director or for an employment contract as an executive, given based on the achievement of pre-defined business objectives, illustrated in subsection 3.4 of Section I of this Report.
OPC PROCEDURE	La The procedure for executing transactions with related parties prepared in accordance with Consob Regulation n° 17221/2010, approved by the Company's Board of Directors on 12th November 2010 and came into effect on 1st January 2011 and subsequently updated at the meeting held on 12th November 2013.
GROSS ANNUAL REMUNERATION OR GAR	The gross fixed annual component of the compensation for those who have an employment relationship with one of the companies in the Group.
ISSUERS’ REGULATION	Implementation Regulation of Legislative Decree n° 58 of 24 February 1998, concerning the issuers'

regulation, adopted by Consob with Resolution n° 11971 of 14 May 1999 and subsequent amendments and additions.

OPC REGULATION

The “*Regulation concerning transactions with related parties*” adopted by Consob with Resolution no. 17221 of 12th March 2010 subsequently amended and supplemented by Consob with Resolution no. 17389 of 23rd June 2010 and its subsequent amendments and/or additions and/or interpretations.

**CONSOLIDATED LAW ON FINANCE
OR TUF**

Legislative Decree n° 58 of 24th February 1998 (“Consolidated Law on the regulations concerning financial intermediation”) and subsequent amendments and additions.

PREAMBLE

This "Annual Report on Remuneration of De' Longhi S.p.A." (hereinafter the "**Report**") has been approved by the Company's Board of Directors upon the proposal of the Remuneration and Appointments Committee, on 3rd March 2016, in compliance with the current legal and regulatory obligations laid down, in particular, by Art. 123-ter of the TUF and Art. 84-quater of the Issuers' Regulation.

The Report explains:

- in **Section I**, the policy adopted for the financial year 2016 with regard to the compensation of the Company's Directors, Statutory Auditors, the General Manager (if appointed) and Key Managers with Strategic Responsibilities (hereinafter also the "**Policy**" or the "**Remuneration Policy**") and the procedures employed to adopt and implement the same Policy;
- in **Section II**, (i) the compensation paid to the Company's Directors, Statutory Auditors and Key Managers with Strategic Responsibilities in 2015; (ii) information on interests held in the Company and in its subsidiaries by members of the Board of Directors and Board of Statutory Auditors.

To better understand the contents of this Report, it should be noted that the Company is a holding company that does not engage in operating activities.

The contents of this Report:

- a) are made available to the public, at the Company's office and on its website www.delonghi.it – in the section "*Investor Relations / Governance / Annual Shareholders' Meetings /2016*", and on the authorised storage mechanism IINFO accessible on the website www.1info.it – by the 21st day before the date the shareholders' meeting is convened to approve the financial statements for the year 2015;
- b) is then submitted to the Shareholders' Meeting for the purposes described in Art. 123-ter of the TUF and Art. 84-quater of the Issuers' Regulation, and in accordance with and for the purposes set out in Art. 13, paragraph 3(b) of the OPC Regulation and Art 9.1(c) of the OPC Procedure.

SECTION I

REMUNERATION POLICY 2016

1. POLICY AIMS AND PRINCIPLES

1.1 AIMS

The Remuneration Policy of De' Longhi S.p.A. is defined in accordance with the governance model adopted by the Company and the recommendations of the Corporate Governance Code, in order to:

- (i) align the interests of management with those of shareholders, pursuing the primary objective of creating sustainable value over the medium-long term by establishing a strong link between pay and performance;
- (ii) attract, retain and motivate people with the necessary personal and professional qualities to achieve the company's business development objectives, based on competitive company pay packages over the medium/long-term compared to the external market;
- (iii) acknowledge merit in order to adequately place a value on the individual contribution of managers.

These aims historically constitute the fundamental point of reference for the definition of the compensation policies of the Issuer and of the De' Longhi Group.

1.2. GENERAL PRINCIPLES

In view of the aforementioned aims, the compensation of Directors, Statutory Auditors, General Manager (if appointed) and Key Managers with Strategic Responsibilities is defined in accordance with the following principles and criteria:

- compensation of non-executive Directors is proportionate to the commitment required also with regard to participation in board committees;
- adequately balanced compensation structure for directors with executive powers, the General Manager (if appointed) and any Key Managers with Strategic Responsibilities in order to ensure the essential coherence between short-term development objectives and the sustainability in the creation of value for shareholders over the medium/long-term; more particularly, the compensation structure consists of:
 - (i) a fixed component which is appropriate for the powers and/or responsibilities assigned;
 - (ii) a variable component defined with maximum limits and aimed at remunerating performance expected over the medium/long-term;
- consistency of the total compensation (for each type of position) compared to those on the market which are applicable for similar positions and for the importance of the selected competition panel, through specific salary comparison analyses, also conducted with the support of leading consulting firms;
- objectives connected with variable compensation which are pre-determined, measurable and defined in such a way as to ensure, through vesting periods and varied parameters, the compensation of performance over the short- as well as the medium/long-term and based on the results achieved;

- periodic review of pay packages based on overall company and personal performance, the potential for future development of the individual and the competitiveness and attractiveness of salaries compared to market values;
- different modulation between the annual fixed component and short-term variable compensation (MBO) with regard to the nature of the position held in the company and the responsibilities assigned in order to ensure the sustainability of the business results and the creation of value for shareholders over the medium-long term;
- benefits in line with the relevant salary market practices and consistent with local regulations, in order to complete and enhance the total compensation package taking the positions and/or assigned responsibilities into account.

1.3 SCOPE OF APPLICATION

The Policy sets out the principles and guidelines which the Company follows and applies to Directors, Statutory Auditors, the General Manager (if appointed) and Key Managers with Strategic Responsibilities.

The Policy has been prepared in line with the contents of the Issuers' Regulation and in consideration of the recommendations on compensation contained in the Corporate Governance Code as most recently amended in the July 2014 edition.

Companies directly and indirectly controlled by De' Longhi determine their compensation policies by applying principles and guidelines similar to those of the Company.

1.4 CHANGES COMPARED TO THE PREVIOUS FINANCIAL YEAR

As of the date this Report is approved, no substantial changes to the aims, general principles and scope of application of the remuneration policy applied by the Company in 2015 are envisaged.

* * *

2. GOVERNANCE OF THE REMUNERATION PROCESS

2.1 THE BODIES AND PERSONS INVOLVED

De' Longhi's Remuneration Policy is defined in accordance with the regulatory provisions and by taking into account the provisions contained in the Articles of Association, according to which:

• Annual Shareholders' Meeting

- a) determines the compensation for each member of the Board of Directors and the Executive Committee, if appointed, as well as the Statutory Auditors, at the time of their appointment and throughout the term of office;
- b) resolves in favour of or against the Remuneration Policy (defined by the Board of Directors upon the proposal of the Remuneration and Appointments Committee) in accordance with Art. 123-ter, para. 6 of the TUF. The resolution is not binding and the voting results must be disclosed to the market pursuant to Art. 125-quater, para. 2 of the TUF;
- c) receives adequate information on the implementation of the Remuneration Policy;
- d) resolves on the compensation plans based on financial instruments for directors, employees and collaborators, including Key Managers with Strategic Responsibilities, pursuant to Art. 114-bis of the TUF;

• Board of Directors:

- a) having examined the proposals of the Remuneration and Appointments Committee and having heard the Board of Statutory Auditors, determines the additional compensation of the Chairman, the Vice Chairman and the Chief Executive Officer, and any other directors holding particular positions; the Board of Directors also determines the compensation to be paid to Directors for their participation in board committees;
- b) defines, upon the proposal of the Remuneration and Appointments Committee, the Company's Remuneration Policy;
- c) approves the Remuneration Report, in accordance with Art. 123-ter of the TUF;
- d) prepares, with the assistance of the Remuneration and Appointment Committee, the compensation plans based on shares or other financial instruments and submits them to the Shareholders' Meeting for its approval in accordance with Art. 114-bis of the TUF and, as authorised by the Shareholders' Meeting, ensures their implementation using the Remuneration and Appointments Committee;
- e) prepares, with the help of the Remuneration and Appointments Committee, the medium/long-term cash incentive plans and is responsible for their implementation by making use of the Remuneration and Appointments Committee;
- f) establishes among its members a Remuneration and Appointments Committee in accordance with the principles of the Corporate Governance Code.

In line with the Company's corporate governance, the Board of Directors also:

- g) defines the objectives and approves the business results and the performance plans to which the determination of directors' variable compensation is connected, if provided;
- h) approves the general criteria for the compensation of Key Managers with Strategic Responsibilities;
- i) defines, upon the proposal of the director responsible for the internal control and risk management system and having heard the opinion of the Control and Risks Committee, the compensation structure for the Internal Audit Officer, in accordance with the

Company's remuneration policies and having heard the opinion of the Control and Risks Committee;

• **Remuneration and Appointments Committee:**

- a)* submits for the approval of the Board of Directors, within the time limits established by law, the Remuneration Report and in particular the Remuneration Policy for directors and Key Managers with Strategic Responsibilities, for presentation at the Shareholders' Meeting convened for the approval of the financial statements;
- b)* periodically assesses the adequacy, overall coherence and practical application of the remuneration policy adopted for directors and Key Managers with Strategic Responsibilities, using the information provided by the Chief Executive Officer; submits proposals on this subject to the Board of Directors;
- c)* submits proposals or expresses opinions to the Board of Directors regarding the compensation of executive directors and other directors holding particular positions as well as the setting of performance objectives related to the variable component of such compensation;
- d)* monitors the implementation of the resolutions adopted by the board itself and verifies, in particular, whether the performance objectives have effectively been achieved.
- e)* assists the Board of Directors in the preparation and implementation of *(i)* compensation plans based on shares or other financial instruments and *(ii)* medium/long-term cash incentive plans;
- f)* reports to the shareholders on the manner of performing its functions; to this end, the presence of the Chairman of the Remuneration and Appointments Committee or other member of the Committee at the Annual Shareholders' Meeting is recommended;
- g)* if it deems it necessary or appropriate for performing the tasks it is assigned, makes use of external consultants who are experts in remuneration policies; the experts must be independent and, therefore, for example, must not engage in important activities for the Human Resources function of De' Longhi, the controlling shareholders of De' Longhi or the Company's directors or Key Managers with Strategic Responsibilities. The independence of external consultants is verified by the Remuneration and Appointments Committee before their appointment.

In connection with the functions attributed to it by the Board of Directors regarding appointments, the Remuneration and Appointments Committee also:

- h)* submits opinions to the Board of Directors concerning the size and composition of the same and makes recommendations regarding the professionals whose presence on the Board is considered advisable;
- i)* makes recommendations concerning the maximum number of positions as director or auditor held in other companies listed on regulated markets (also abroad), in financial, banking, insurance companies or large companies that may be considered compatible with the effective performance of the position of director of the issuer;
- l)* makes recommendations concerning the Board's authorisation, in general and beforehand, of any exceptions to directors' non-competition restrictions laid down by Art. 2390 of the Italian Civil Code and with regard to any problematic issues;
- m)* proposes candidates for the office of director to the Board of Directors in cases of co-option, if it is necessary to replace the independent directors.

• **Chief Executive Officer:**

a) submits proposals for medium/long-term incentive plans to the Remuneration and Appointments Committee, including any plans based on financial instruments or, where appropriate, assists the Committee in the preparation of the same;

b) upon the instructions of the Board of Directors, prepares and implements, in accordance with the approved Guidelines and with the collaboration of the Group's Human Resources & Organization Department: (i) remuneration policy interventions for the individual executive, quantifying such interventions in consideration of the office held in the corporate organization, the professional skills, performance, potential for development as well as the competitive positioning of the compensation packages compared to the market value for the office held, while keeping within the amounts set aside in the budget; (ii) incentive systems to which the maturation of the annual MBO of Other Key Managers with Strategic Responsibilities and the Other Executives of the Company are linked;

c) provides the Remuneration and Appointments Committee with any relevant information in order to enable it to assess the adequacy and effective application of the Remuneration Policy;

- the **Board of Statutory Auditors** has an advisory role in the context of which:
 - a) it prepares the opinions required by law and, in particular, expresses its opinion with regard to the proposed compensation of directors vested with particular duties, in accordance with Art. 2389, paragraph 3 of the Italian Civil Code; in expressing its opinion the Board of Statutory Auditors verifies the proposals submitted by the Remuneration and Appointments Committee to the Board of Directors with the Company's Remuneration Policy;
 - b) at the invitation of the Remuneration and Appointments Committee, it participates via its Chairman or other designated Statutory Auditor, in the meetings of the same Committee.

The Remuneration Policy is defined after a formalized process (described in section 2.3) involving the Remuneration and Appointments Committee, the Board of Directors and the Group's Human Resources & Organisation Department.

2.2 REMUNERATION AND APPOINTMENTS COMMITTEE

De' Longhi's *Remuneration and Appointments Committee* (also the "**Committee**") was set up by the Company's Board of Directors within the Board itself with resolution dated 1st March 2007.

The Remuneration and Appointments Committee currently in office for the three-year period 2013-2014-2015 was appointed by the Board of Directors at the meeting held on 23rd April 2013 and, in line with the recommendations contained in the July 2015 edition of the Corporate Governance Code, is composed of the following non-executive directors, the majority of whom are independent:

- PROF ALBERTO CLÒ – independent director who acts as Chairman;
- CRISTINA PAGNI – independent director;
- CARLO GARAVAGLIA – director.

In accordance with the principles of corporate governance, the composition of the Committee currently in office guarantees the presence of persons who, in consideration

of their professional experience, possess the necessary knowledge and experience in financial matters as well as remuneration policies, since the majority of its members have served on remuneration committees of other listed companies.

At the meeting held on 23rd April 2013, the Board of Directors also assigned the responsibilities to the Committee in accordance with framework resolution on corporate governance adopted by the Board of Directors on 18th December 2012 in compliance with Art. 7 of the Corporate Governance Code and the provisions of application criteria 5.C.1 of the same Corporate Governance Code (for a list of the individual functions assigned to the Committee, please see section 2.1 of this Report).

The work of the Remuneration and Appointments Committee is coordinated by the Chairman and the meetings are minuted and the minutes are entered into the appropriate book.

In compliance with the governance principles, no Director takes part in the Remuneration and Appointments Committee meetings where the proposals to be submitted to the Board of Directors regarding their compensation are prepared.

In the performance of its duties, the Committee has the authority to access the information and business functions necessary for the execution of its duties, and to avail itself of external consultants.

It should be noted that the Board of Directors has not allocated an *ad hoc* budget for the Remuneration and Appointments Committee, but from time to time, when the Committee deems it necessary or appropriate to use external consultants, the Company makes the resources necessary to perform its duties available to the same. In the case of recourse to external consultants, the Remuneration and Appointments Committee first verifies that the same are not in a position that would compromise their independence of judgement.

Activities carried out in 2015

During 2015 the Remuneration and Appointments Committee met 8 (eight) times in total: on 6th February, 2nd March, 14th April, 4th June, 20th July, 10th September, 12th October and 2nd December with an average attendance of 100% of its members and for an average duration of 2 hour 15 minutes for each meeting. The Chairman of the Board of Statutory Auditors, or an auditor delegated by him, attended 6 (six) of the 8 (eight) Committee meetings representing the statutory auditors. All the Committee meetings were attended, at the invitation of the Chairman, by the Group's Chief of Human Resources who acted as Secretary of the Committee. Some of the Remuneration and Appointments Committee meetings were attended by non-members who were invited by the Committee for specific items on the agenda.

The activities that the Committee was mainly involved in during the year 2015 were: (i) review of the innovations envisaged in the Corporate Governance Code of listed companies (July 2014 edition) regarding remuneration and the formulation of proposals to the BoD with regard to the adoption of the new recommendations introduced since the previous version; (ii) verification of the degree to which the performance objectives defined for the year 2014 and correlated to the MBO have been achieved (related the employment relationship as the Company's Key Manager with Strategic

Responsibilities) of the Vice Chairman and the Chief Executive Officer and Key Manager with Strategic Responsibilities;(iii) verification of the degree to which the objectives of the two medium and long-term incentive schemes (LTI) due to expire have been achieved and the formulation of the proposed payment of bonuses to the Board of Directors; (iv) assessment of the fairness, overall consistency and practical application of the remuneration policy to directors and Key Managers with Strategic Responsibilities adopted for the year 2015; (v) preparation for the proposal on performance objectives to which the MBO is linked (regarding the employment relationship as a Key Manager with Strategic Responsibilities of the Company and the executive term of office) of the Vice Chairman as well as the Chief Executive Officer and Key Manager with Strategic Responsibilities relating to the fiscal year 2015; (vi) preparation of the proposed review of the remuneration to executive directors to be submitted to the Board of Directors; (vii) preparation of the Company's proposed 2015 Remuneration Policy under Art. 123-ter of the TUF to be submitted to the Board of Directors for its approval and, then, to the non-binding vote of the Shareholders' Meeting; (viii) preparation of the proposed two new medium-long term incentive systems (please see section 3.5 of this Report).

In the first months of this financial year the Committee has met three times (26th January, 16th February and 29th February 2016) and carried out the following activities: (i) definition of the proposal regarding the new medium/long-term incentive system based on the allocation of stock options (called the "2016-2022 Stock Option Plan"), reserved for the Chief Executive Officer of the Company and to a limited number of key resources (Top Management) of the Group, to be submitted for the approval of the Board of Directors and, then, for the approval of the Shareholders' Meeting; (ii) assessment of the fairness, overall consistency and practical application of the remuneration policy to directors and Key Manager with Strategic Responsibilities adopted for the year 2015; (iii) preparation of the Company's proposed 2016 Remuneration Policy under Art. 123-ter of the TUF to be submitted to the Board of Directors and, then, to the non-binding vote of the Shareholders' Meeting; (iv) verification of the degree to which the performance objectives defined for the year 2015 and correlated to the MBO have been achieved (related to the employment relationship as the Company's Key Manager with Strategic Responsibilities and to the term of office of the Chief Executive Officer) of the Vice Chairman as well as the Chief Executive Officer and Key Manager with Strategic Responsibilities and preparation of the proposed payment of bonuses to the Board of Directors; (v) preparation for the Board of Directors, in view of its renewal, of an opinion and recommendations regarding the size and composition of the Board as well as the professional figures whose presence on the Board is considered appropriate according to the Committee.

2.3 PROCESS FOR DEFINING AND APPROVING THE POLICY

The Remuneration Policy is submitted to the approval of the Board of Directors each year upon the proposal of the Remuneration and Appointments Committee. To draft the Policy the Remuneration and Appointments Committee is assisted by the Group's Human Resources & Organisation Department in order to collect market data in terms

of practices, policies and benchmarking to be used to better prepare the policy, and, where necessary, also involves independent experts.

De' Longhi's Board of Directors, having examined and approved the Policy, proposes it – in compliance with the provisions of Art. 123-ter of the TUF – to the non-binding vote of the Shareholders' Meeting, and makes it available at least 21 days before the Meeting is convened.

In order to the prepare this Policy, the Remuneration and Appointments Committee has defined - as part of its duties - the structure and contents of the same in the meeting held on 16th and 29th February 2016.

This Policy was then approved by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, in the meeting held on 3rd March 2016, at the same time as the approval of this Remuneration Report.

* * *

3. DESCRIPTION OF THE POLICY

The main features of the Remuneration Policy are highlighted below, in terms of the elements to the pay package and their determination, for the various offices identified by the provisions and regulations in force as well as for Other Executives.

3.1 REMUNERATION OF MEMBERS OF THE BOARD OF DIRECTORS

Among the members of the Board of Directors it is possible to distinguish between:

- Executive Directors vested with special duties who can also be assigned specific functions (“*Executive Directors*”);
- Directors not vested with special duties (“*Non-Executive Directors*”).

The assignment of powers to directors for emergencies only is not sufficient, in itself, for them to be identified as Executive Directors.

In the Board of Directors in office on the date of this Report it is possible to identify as:

- Executive Directors: Giuseppe de' Longhi (Chairman) and Fabio de' Longhi (Vice Chairman and Chief Executive Officer, and the Company's Key Manager with Strategic Responsibilities)
- Non-Executive Directors: the directors Silvia de' Longhi, Alberto Clò, Renato Corrada, Carlo Garavaglia, Cristina Pagni, Stefania Petruccioli, Giorgio Sandri and Silvio Sartori.

Pursuant to Art. 2389 of the Italian Civil Code, the compensation of all the members of the Board of Directors is determined at the time of their appointment: the Shareholders' Meeting sets the gross annual compensation for each director for their term of office.

The Shareholders' Meeting held on 23rd April 2013 set the annual gross compensation of each member of the Board of Directors appointed for the three-year period 2013-2015 at € 45,000.00 and authorised the Board of Directors to define any further

compensation for directors vested with special duties in accordance with the memorandum of association, pursuant to Art. 2389, third paragraph of the Italian Civil Code.

The members of the Board of Directors are reimbursed for documented expenses incurred in carrying out their duties.

3.1.1 REMUNERATION OF NON-EXECUTIVE DIRECTORS

In addition to that described in subsection 3.1 above, the Remuneration Policy for the Company's Non-Executive Directors provides, in compliance with the principles of corporate governance, the allocation of a fixed compensation and/or predetermined fees for attending committees established within the Board of Directors which is set by the Board.

The Board of Directors meeting held on 9th May 2013 set the fees for the three-year period 2013-2015 for participating in the meetings of committees set up within the Board. The following fees were set: (i) € 1,500 for the Chairmen and (ii) € 1,000 for the other members, for each meeting they attend of the committee they belong to.

In line with the best practices, no variable component of the compensation is envisaged for Non-Executive Directors.

3.1.2 REMUNERATION OF EXECUTIVE DIRECTORS

The Remuneration Policy for De' Longhi's Executive Directors envisages, in addition to that described in subsection 3.1.1 above, acknowledgement of additional compensation determined according to the office held and the respective responsibilities.

This compensation is set, in accordance with Art. 2389, third paragraph of the Italian Civil Code, by the Board of Directors upon the proposal of the Remuneration and Appointments Committee after having heard the opinion of the Board of Statutory Auditors.

In order to define this compensation, the Remuneration and Appointments Committee assesses the trend of the results achieved and the positioning of the Executive Directors' total compensation package in relation to market values for similar position taken from a representative sample of leading companies (also listed companies) operating in the sector the Company belongs to (or related and/or similar sectors), or in other business contexts.

The compensation of Executive Directors provides for:

- (i) a *fixed component* which guarantees adequate and definite basic compensation for the work of executive directors as recompense for the position held in terms of breadth of responsibilities and impact on the business, reflecting the experience, skills and competencies required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to the business results. The

work of the executive directors cannot be compensated with only variable instruments which could lead to zero pay-out in the event of adverse market conditions not ascribable to the directors themselves;

- (ii) a variable component linked to the achievement of economic results and any other specific pre-determined and measurable objectives, such as to ensure interest in pursuing value creation for the shareholders in the short and medium-long term. There is a partial deferment of the amounts accrued.

In line with the provisions of the Corporate Governance Code for listed companies which the Company has adopted, "claw-back" clauses will be applied at contract level to the variable component of the Compensation for Executive Directors, which envisage the possible restitution of all or part of the amounts paid, or the non-payment of compensation accrued but not yet paid, if they have been determined based on data that in the following three years prove to be manifestly incorrect.

The relationship between the fixed and variable components in the total package is structured in such a way that it focuses management's attention on growth and sustainability of the results over the medium term, reducing the risks of unbalanced trends in the short term.

In the case where the Executive Directors have an existing employment relationship, they enjoy non-monetary benefits similar to those envisaged for the Company's Other Executives.

a) Chairman of the Board of Directors

In application of the guidelines outlined above, the compensation of the Chairman of the Board of Directors in office on the date of this Report is broken down into:

- a gross annual *fixed component* ("**Fixed Compensation**") is set:

- (i) by the Shareholders' Meeting, in relation to his function as a member of the Board of Directors at the time of appointment;
- (ii) by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned to him under Art. 2389, third paragraph of the Italian Civil Code.

The Chairman's current compensation does not include a variable component, owing to the express waiver of the party concerned.

b) Vice Chairman, Chief Executive Officer and Key Manager with Strategic Responsibilities

In application of the guidelines illustrated above and in consideration of the employment relationship with the Company, the compensation of the Chief Executive Officer (recently identified by the Board of Directors of the Company on 3rd March 2016 as the Key Manager with Strategic Responsibilities) in office at the date of this report is broken down into:

- a gross annual *fixed component* set:

- (i) by the Shareholders' Meeting, in relation to his function as a member of the Board of Directors at the time of appointment;
 - (ii) by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned to him under Art. 2389, third paragraph of the Italian Civil Code;
 - (iii) by the Board of Directors upon the proposal of the Remuneration and Appointments Committee and after having heard the opinion of the Board of Statutory Auditors, in relation to the current employment relationship as a manager with strategic responsibilities with the Company;
- a gross annual *variable component* (MBO) set by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to:
 - (i) the office of Chief Executive Officer attained when the budget EBITDA objective is reached up to a maximum in 2016 of 60% of the fixed component assigned by the Board of Directors for the powers granted pursuant to Art. 2389, third paragraph, of the Italian Civil Code;
 - (ii) the employment relationship as a Key Manager with Strategic Responsibilities of the Company, attained when predefined company objectives are reached (in 2015 equal to 31.25% up to a maximum of 62.5% of the GAC if performance exceeds the budget EBITDA values);
 - a medium-long term *variable component* set by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, relating to the employment relationship as a Key Manager with Strategic Responsibilities of the Company, using the participation in the “LTI Cash” incentive plan for the three-year period 2015-2017 approved by the Board of Directors, upon the proposal of the Remuneration and Appointment Committee and with the favourable opinion of the Board of Statutory Auditors, on 11th November 2015. This LTI awards a predetermined incentive correlated to the position held in the business organization and the Gross Annual Compensation in effect at the time the Plan was approved. On 19th February 2016, the Board of Directors approved, upon the proposal of the Remuneration and Appointment Committee and with the favourable opinion of the Board of Statutory Auditors, the “2016-2022 Stock Option Plan” that will be submitted for the approval of the Shareholders’ Meeting convened for 14th April 2016. The Company’s Chief Executive Officer is among the beneficiaries of this plan. (For more details, please see section 3.5.2 of this Report).

The amounts accrued for the variable component of the remuneration are subject to a partial deferment which is limited to the medium-long term variable component deriving from the LTI Cash Plan.

3.2 REMUNERATION OF KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES AND OTHER EXECUTIVES

Remuneration of the Key Managers with Strategic Responsibilities and of the Other Executives of the Company consists of the following elements:

- a *gross annual fixed component* ("GAC") which is defined according to the chosen positioning compared to the reference market, the levels of responsibilities and complexities managed, as well as the individual's professional skills, experience and development potential.

This compensation component is adjusted over time, in accordance with the market developments, by assessing the abilities and professional skills acquired and mainly the results produced and potential developed;

- a *gross annual variable component* ("MBO") awarded once predefined business objectives are achieved, defined in quantitative terms with regard to the position held in the company (for further details, see section 3.4) to be paid without deferment of any amounts accrued.
- a *medium/long-term variable component*, through participation in (i) the LTI Cash plan which envisages the issuing of monetary bonuses once predefined medium/long-term quantitative objectives are reached and (ii) the "2016-2022 Stock Option Plan" that will be submitted for the approval of the Shareholders' Meeting convened for 14th April 2016, which does not envisage further objectives other than the increase of De'Longhi's share value on the stock exchange (for further details, see section 3.5).

The amounts accrued for the variable component of the compensation are subject to a partial deferment which is limited to the medium-long term variable component.

As for the Executive Directors, the fixed component of the compensation recompenses the position held in terms of breadth of responsibilities and impact on the business also for the Key Managers with Strategic Responsibilities and for the Other Executives, reflecting the experience, skills and competencies required for each position, as well as the level of excellence demonstrated and the overall quality of the contribution to the business results.

The variable component of the compensation is designed to recognize the results achieved by management, establishing a link between pay and performance. The incentives reward the achievement of objectives, both in terms of quantity and quality, defining the payment of a variable bonus. There are fixed upper limits on the annual variable component of the compensation linked to monetary systems (annual MBO and LTI Cash incentive system).

With regard to the importance and critical nature of the position held in the Company, De' Longhi can enter Non-Competition Agreements and/or Stability Agreements with the Key Managers with Strategic Responsibilities and Other Executives which provide for the awarding of a predetermined amount in relation to the duration and extent of the restrictions contained in the agreements.

3.2.1 REMUNERATION OF THE MANAGER RESPONSIBLE FOR DRAFTING THE COMPANY ACCOUNTS (FINANCIAL REPORTING MANAGER)

The compensation of the Financial Reporting Manager is determined, in compliance with the above guidelines, in line with the tasks assigned to him.

The rationale behind the awarding and determination of such compensation corresponds to that regarding the compensation for Other Executives.

3.2.2 REMUNERATION OF THE MANAGER RESPONSIBLE FOR THE INTERNAL AUDIT FUNCTION (INTERNAL AUDIT MANAGER)

The compensation of the Internal Audit Manager is defined, in line with the tasks assigned to him, by the Board of Directors, upon the proposal of the Director responsible for the Internal Control and Risk Management System and having heard the opinion of the Control and Risks Committee and the Board of Statutory Auditors.

The rationale behind the awarding and determination of such compensation does not differ from that regarding the compensation for Other Executives.

3.3 REMUNERATION OF MEMBERS OF THE BOARD OF STATUTORY AUDITORS

At the date this Report is drafted the Board of Statutory Auditors of De' Longhi S.p.A. is composed as follows:

- GIANLUCA PONZELLINI (Chairman)
- PAOLA MIGNANI (Standing Member)
- ALBERTO VILLANI (Standing Member)

The compensation of the standing members of the Board of Statutory Auditors is determined by the Shareholders' Meeting following the proposal of the Board of Directors or by the same shareholders and consists of a gross annual fixed component.

On 23rd April 2013 the Shareholders' Meeting set, for the three-year period 2013-2015, the annual compensation of the Chairman of the Board of Statutory Auditors at € 61,900.00 gross per annum and the compensation of each of the two standing members at € 41,300.00 gross per annum.

3.4 SHORT-TERM INCENTIVES: ANNUAL VARIABLE COMPONENT (MBO)

MBO represents the annual variable component of the compensation paid once short-term predefined (quantitative or qualitative) business objectives are reached.

As a rule the quantitative objectives are linked to an incentive scale which expresses the bonus matured in relation to the degree the objective has been achieved. It envisages minimum values, under which the Company does not pay the incentive, and maximum values above which the Company will always pay the amount, namely the maximum percentage decided.

The MBO objective set for Executive Directors is linked to the achievement of the budget EBITDA, taking into account any extraordinary and/or non-recurring events.

The MBO objectives set for Key Managers with Strategic Responsibilities are linked to economic and financial indicators or specific projects, in accordance with the general principles laid down by this Policy (described in section 1.2 above), and in particular:

- Group's budget turnover 2016 (20% weight)
- Group's budget EBITDA 2016 (40% weight)
- Net Financial Position (20% weight)
- Extraordinary Activities and Projects 2016 (20% weight)

The MBO objectives set for the Other Executives, defined in accordance with the principles laid down in this Remuneration Policy by the Vice Chairman as well as the Chief Executive Officer and Key Manager with Strategic Responsibilities on the mandate of the Board of Directors, are the following:

- Budget EBITDA %, Turnover and Net Financial Position 2016 (40% weight)
- targets related to the specific activities / projects of the different business functions connected with the budget approved by the Company's Board of Directors for the year (60% weight).

The weight of the MBO (expressed as a percentage) linked to the short-term results with respect to the fixed component:

- (i) for Executive Directors it is equal to a maximum of 60% of the gross annual fixed component approved by the Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, in relation to the powers assigned to him under Art. 2389, third paragraph of the Italian Civil Code;
- (ii) for the Vice Chairman as well as the Chief Executive Officer and the Key Manager with Strategic Responsibilities in relation to the employment relationship as a Manager with Strategic Responsibilities of the Company is equal to 31.25% of the relevant GAC (up to a maximum of 62.5% if performance exceeds the budget EBITDA value);
- (iii) in the case of Other Executives of the Company it is roughly between 15% and 30% of the GAC.

3.5 MEDIUM/LONG-TERM INCENTIVES

The medium/long-term incentives are the medium/long-term variable component of compensation.

3.5.1 LTI CASH PLAN 2015-2017

▪ In the meeting held on 11th November 2015 the Board of Directors approved, upon the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors, an incentive plan for the Vice Chairman and Chief Executive Officer and Key Manager with Strategic Responsibilities of the Company and for some Other Executives of De'Longhi and other companies in the Group, linked to the achievement of objectives of the Group's multi-year business plan

for the three-year period 2015 - 2017 approved by the Board of Directors on 21st September 2015.

The above plan:

- (i) is intended for a limited number of participants selected by the Board of Directors, upon the proposal of the Chief Executive Officer, having heard the opinion of the Remuneration and Appointments Committee and the Board of Statutory Auditors;
- (ii) envisages the payment of cash sums once the approved performance conditions have been achieved (EBITDA, cumulative EBITDA and corrective factor linked to the level of working capital) and therefore is not based on shares or other financial instruments connected to the shares;
- (iii) does not envisage sums guaranteed for merely maintaining the employment relationship with the Company or with a company in the Group;
- (iv) envisages that any sums accrued are paid to beneficiaries in two instalments: 50% in May 2018 and the remaining 50% in December 2018, with a deferment deemed consistent with the nature of the business carried out and with the related risk profiles;
- (v) it also envisages to an incentive scale which expresses the bonus matured in relation to the degree the objective has been achieved. It envisages minimum values, under which the Company does not pay the incentive, and maximum values above which the Company will always pay the amount, namely the maximum percentage decided.

3.5.2 SHARE-BASED COMPENSATION PLANS

At the date of this Report there are no existing Share-Based Compensation Plans.

In the meeting held on 19th February 2016 the Company's Board of Directors approved, upon the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors, the proposed equity based incentive plan for the Company's Chief Executive Officer and a limited number of managers and key resources (Top Management) of the Company and the De' Longhi Group based on the assignment of stock options. This Plan, called the "2016-2022 Stock Option Plan" (the "Plan"), will be submitted to the Shareholders' Meeting convened for 14th April 2016 for its approval.

The above plan envisages:

- (i) the assignment of up to a maximum of 2,000,000 options at no charge (the "Options") that attribute the beneficiaries the right to subscribe, for each option held, one share in the Company at a unit price, which will be the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 60 calendar days before the date for the approval of the plan and its rules by the Meeting of Shareholders of the Company.
- (ii) that, except for specific cases governed by the Rules for the Plan, the Options assigned to each beneficiary can be exercised, in one or more tranches, as follows:
 - 50% in the period from 15 May 2019 to 31 December 2022 (and more precisely within one or more of the following intervals: 15 May - 15 July; 1 September - 15 October; 15 November - 15 January);

- the remaining 50% in the period from 15 May 2020 to 31 December 2022 (and more precisely within one or more of the following intervals: 15 May - 15 July; 1 September - 15 October; 15 November - 15 January);

(iii) for an overall duration of 7 years and will in any case end on 31 December 2022.

Exercise of the Options is not subject to the achievement of performance objectives by the Beneficiaries. Considering that (i) the general long-term variable remuneration structure of the CEO, the executives and Key Resources of the De' Longhi Group - the potential beneficiaries of the Stock Option Plan - already envisages a long-term monetary incentive plan, conditional upon achieving the performance objectives linked to the De' Longhi Group's business plan; (ii) the nature of the Stock Option Plan encompasses the concept of the share's performance, the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, has decided not to subject the Options' vesting and their exercise to further and/or different performance conditions other than the increase of De' Longhi share prices on the stock exchange, and therefore not applying the recommendation referred to in Criteria 6.C.2. letter b) of the Corporate Governance Code to the Stock Option Plan.

Shares issued to the Beneficiary under the exercise of the Options will be freely available and therefore freely transferrable by the same. The Stock Option Plan does not envisage for the CEO or the executives with strategic responsibilities who may be the beneficiaries of the Plan any restrictions to retain, until the end of the mandate or for an appropriate set time respectively, a portion of the Shares purchased by exercising the Options (lock-up restriction recommended by criteria 6.C.2. letter c) of the Corporate Governance Code).

On this point the Board of Directors, upon the proposal of the Remuneration and Appointments Committee, has decided not to apply the recommendation under criteria 6.C.2. (c) of the Corporate Governance Code to the Stock Option Plan, given the long-standing relationship between the Company and the Top Management, beneficiary of said plan, and the Board having already arranged a vesting schedule for the exercise of the Options in intervals of time.

With regard to the application of the lock-up restriction to the CEO, the Board of Directors has determined that, even in this case, there is no need to envisage this restriction, considering that Fabio de' Longhi has undoubtedly a well-established and long-standing relationship with the Company and the De' Longhi Group, such that he needs no motivation to remain in his position owing to the obligation to retain (in part) a portion of any Company Shares purchased by exercising the Options. It has also been noted that the CEO already directly holds his own share in De' Longhi S.p.A's share capital (and has done for some time) which is known to the market.

For the description of the "2016-2022 Stock Option Plan" please refer to the "*Directors' report on the fifth item on the agenda for the ordinary part of the Meeting of Shareholders of De' Longhi S.p.A. convened in ordinary and extraordinary sessions for 14 April 2016, in a single call*" and to the Information Document prepared pursuant to Art. 114-bis of the TUF and Art. 84-ter of the Issuers' Regulation, attached thereto, available on the Company's website www.delonghigroup.com, "*Governance*" – "*Annual Shareholders' Meeting*" – "2016".

3.6 NON-MONETARY BENEFITS

The compensation for the Chairman and Vice Chairman as well as the CEO and Manager with Strategic Responsibilities, and Other Executives of the Company includes various types of non-monetary benefits.

Company policy with regard to non-monetary benefits not arising from legal obligations or the national collective bargaining agreement (CCNL), envisages:

- the assignment of company cars for employees' use (including personal use), including different categories/values of car depending on the position held in the company. The Company charges each employee an annual amount inclusive of VAT for the personal use of the vehicle for the year 2016 of € 1,743.96, and ensures that tax and social security contributions are applied to any residual amount of the benefit;
- FASI insurance coverage for reimbursement of additional medical expenses for the executive and his/her family unit;
- travel insurance;
- insurance for permanent disability and death from disease (IPM).

In view of specific personal circumstances, the compensation package for some of the Other Executives includes the provision of accommodation at the expense of the Company (which, as a benefit, is duly subject to taxation and social security contributions).

3.7 INDEMNITY IN THE EVENT OF RESIGNATION, DISMISSAL WITHOUT JUST CAUSE OR TERMINATION OF EMPLOYMENT FOLLOWING A PUBLIC TAKEOVER BID

For Non-Executive Directors and for the Chairman, Vice Chairman and CEO (also with regard to the existing employment relationship as a Manager with Strategic Responsibilities) no indemnity is envisaged in the event of termination of office for any reason.

For the other Key Managers with Strategic Responsibilities and Other Executives individual agreements may be envisaged which regulate *ex ante* the economic aspects arising from early termination of employment by the Company or for any other cause, except as provided for in any non-competition agreements.

At the date of this Report no indemnity have been formalised in the event of termination of office for any reason for the non-Executive Directors, the Chairman, the Vice Chairman and CEO (also with regard to the existing employment relationship as a Manager with Strategic Responsibilities) in office.

SECTION II

COMPENSATION PAID DURING 2015 AND OTHER INFORMATION

1. COMPENSATION PAID DURING 2015

Information on the compensation paid during the year ending on 31st December 2015 is given below. Explanation of the items and further information can be found in Section I of this Report.

TABLE 1 – ANNEX 3A, SCHEME 7-BIS OF THE ISSUERS' REGULATION
COMPENSATION PAID DURING 2015 TO MEMBERS OF THE BOARD OF DIRECTORS AND BOARD OF STATUTORY AUDITORS,
GENERAL MANAGERS AND OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES (IN OFFICE AT 31 DECEMBER 2015)

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
NAME AND SURNAME	OFFICE	PERIOD DURING WHICH THE POSITION WAS HELD	EXPIRY OF OFFICE	FIXED COMPENSATION	COMPENSATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE OF EQUITY COMPENSATION	INDEMNITY AT END OF OFFICE OR TERMINATION OF EMPLOYMENT
						BONUSES & OTHER INCENTIVES	SHARE IN PROFITS					
GIUSEPPE DE' LONGHI	Chairman of the Board of Directors	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a) €1,255,000 ^(b)	-	-	-	-	-	€1,300,000	-	-
(II) Compensation from subsidiaries and associates				€ 300,000 ^(a)	-	-	-	-	-	€ 300,000	-	-
(III) Total				€1,600,000	-	-	-	-	-	€1,600,000	-	-
FABIO DE' LONGHI	Vice Chairman and CEO	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a) € 585,000 ^(b) € 320,000 ^(c)	-	€ 117,000 ^(d) € 200,000 ^(e)	-	€ 20,400 ^(f)	-	€1,287,400	-	-
(II) Compensation from subsidiaries and associates				€ 150,000 ^(a)	-	-	-	-	-	€ 150,000	-	-

				€1,100,000	-	€ 317,000	€ 20,400	-	€1,437,400	-	-	
(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
NAME AND SURNAME	OFFICE	PERIOD DURING WHICH THE POSITION WAS HELD	EXPIRY OF OFFICE	FIXED COMPENSATION	COMPENSATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE OF EQUITY COMPENSATION	INDEMNITY AT END OF OFFICE OR TERMINATION OF EMPLOYMENT
						BONUSES & OTHER INCENTIVES	SHARE IN PROFITS					
ALBERTO CLÒ	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 13,500	-	-	-	-	€ 58,500	-	-
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				€ 45,000	€ 13,500	-	-	-	-	€ 58,500	-	-
RENATO CORRADA	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 10,000	-	-	-	-	€ 55,000	-	-
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				€ 45,000	€ 10,000	-	-	-	-	€ 55,000	-	-
SILVIA DE' LONGHI	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statement									

			s								
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	-	-	-	-	€ 45,000	-	-
(II) Compensation from subsidiaries and associates				€ 61,983 ^(c)	-	-	-	€ 9,653 ^(f)	€ 71,636	-	-
(III) Total				€ 106,983	-	-	-	€ 9,653	€ 116,636	-	-

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
NAME AND SURNAME	OFFICE	PERIOD DURING WHICH THE POSITION WAS HELD	EXPIRY OF OFFICE	FIXED COMPENSATION	COMPENSATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE OF EQUITY COMPENSATION	INDEMNITY AT END OF OFFICE OR TERMINATION OF EMPLOYMENT
						BONUSES & OTHER INCENTIVES	SHARE IN PROFITS					
CARLO GARAVAGLIA	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 8,000	-	-	-	-	€ 53,000	-	-
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				€ 45,000	€ 8,000	-	-	-	-	€ 53,000	-	-
CRISTINA PAGNI	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 9,000	-	-	-	-	€ 54,000	-	-

(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	
(III) Total				€ 45,000	€ 9,000	-	-	-	-	€ 54,000	-	-
STEFANIA PETRUCCIOLI	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statement s									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 6,000	-	-	-	-	€ 51,000	-	-
(II) Compensation from subsidiaries and associates					-	-	-	-	-		-	-
(III) Total				€ 45,000	€ 6,000	-	-	-	-	€ 51,000	-	-

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
NAME AND SURNAME	OFFICE	PERIOD DURING WHICH THE POSITION WAS HELD	EXPIRY OF OFFICE	FIXED COMPENSATION	COMPENSATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE OF EQUITY COMPENSATION	INDEMNITY AT END OF OFFICE OR TERMINATION OF EMPLOYMENT
						BONUSES & OTHER INCENTIVES	SHARE IN PROFITS					
GIORGIO SANDRI	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	-	-	-	-	-	€ 45,000	-	-
(II) Compensation from subsidiaries and associates				-	-	-	-	-	-	-	-	-
(III) Total				€ 45,000	-	-	-	-	-	€ 45,000	-	-
SILVIO SARTORI	Director	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 45,000 ^(a)	€ 6,000	-	-	-	-	€ 51,000	-	-
(II) Compensation from subsidiaries and associates					-	-	-	-	-		-	-
(III) Total				€ 45,000	€ 6,000	-	-	-	-	€ 51,000	-	-
GIANLUCA PONZELLINI	Chairman Board of Statutory Auditors	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 61,900 ^(a)	-	-	-	-	-	€ 61,900	-	-

(II) Compensation from subsidiaries and associates	€ 63,500	-	-	-	-	-	€ 63,500	-	-
(III) Total	€ 125,400	-	-	-	-	-	€ 125,400	-	-

(A)	(B)	(C)	(D)	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)
NAME AND SURNAME	OFFICE	PERIOD DURING WHICH THE POSITION WAS HELD	EXPIRY OF OFFICE	FIXED COMPENSATION	COMPENSATION FOR PARTICIPATION IN COMMITTEES	NON-EQUITY VARIABLE COMPENSATION		NON-MONETARY BENEFITS	OTHER COMPENSATION	TOTAL	FAIR VALUE OF EQUITY COMPENSATION	INDEMNITY AT END OF OFFICE OR TERMINATION OF EMPLOYMENT
						BONUSES & OTHER INCENTIVES	SHARE IN PROFITS					
PAOLA MIGNANI	Standing Auditor	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 41,300 ^(a)	-	-	-	-	-	€ 41,300	-	-
(II) Compensation from subsidiaries and associates				€ 43,000	-	-	-	-	-	€ 43,000	-	-
(III) Total				€ 84,300	-	-	-	-	-	€ 84,300	-	-
ALBERTO VILLANI	Standing Auditor	01/01/2015 31/12/2015	Approval of 2015 Financial Statements									
(I) Compensation in the company preparing the financial statements				€ 41,300 ^(a)	-	-	-	-	-	€ 41,300	-	-
(II) Compensation from subsidiaries and associates				€ 43,000	-	-	-	-	-	€ 43,000	-	-
(III) Total				€ 84,300	-	-	-	-	-	€ 84,300	-	-

NOTES:

- a) Emoluments approved by the Shareholders' Meeting, even if they have not been paid. It is specified that it is company practice for the company to pay the emolument to members of the Board of Directors in December each year for the entire financial year, while the members of the Board of Statutory Auditors are paid on a *pro rata temporis* basis.
- b) Compensation received for the performance of special duties, pursuant to Art. 2389, paragraph 3, of the Italian Civil Code (e.g. by the Chairman and Vice Chairman). It is specified that it is company practice for the company to pay the emolument in December each year for the entire financial year.
- c) Fixed compensation from employment gross of income tax and social security contributions payable by the employee, excluding obligatory collective social security costs payable by the Company and provision for severance indemnities.
- d) The 2015 MBO related to the CEO's term of office, even if not yet paid.
- e) The 2015 MBO related to the employment relationship, even if not yet paid.
- f) Non-monetary benefits related to the employment relationship.

2. INTERESTS HELD AS AT 31ST DECEMBER 2015

The Table below shows the interests held during the period from 31st December 2014 to 31st December 2015 in De' Longhi S.p.A. and in the companies it controls as at 31st December 2015, by the Company's directors and statutory auditors as well as by their spouses, unless legally separated, and minor children, whether directly or by means of subsidiaries, trust companies or via a third party, resulting from the Shareholders' Register, from the communications received and from other information acquired.

TABLE 1 – ANNEX 3A, SCHEME 7-TER OF THE ISSUERS' REGULATION**INTERESTS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS, BOARD OF STATUTORY AUDITORS AND THE GENERAL MANAGERS**

NAME AND SURNAME	OFFICE	INVESTEE COMPANY	NUMBER OF SHARES HELD AT THE END OF THE PREVIOUS FINANCIAL YEAR	NUMBER OF SHARES ACQUIRED	NUMBER OF SHARES SOLD	NUMBER OF SHARES HELD AT THE END OF THE CURRENT FINANCIAL YEAR
Giuseppe de' Longhi	Chairman of the Board of Directors	De' Longhi S.p.A.	1,790,000	-	-	1,790,000
Fabio de' Longhi	Vice Chairman, CEO	De' Longhi S.p.A.	321,855	-	-	321,855
Giorgio Sandri	Director	De' Longhi S.p.A.	20,750	-	-	20,750

3. MONETARY INCENTIVE PLANS FOR THE BOARD OF DIRECTORS, GENERAL MANAGER AND OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES

The Table below contains the monetary incentive plans awarded during the year ending 31st December 2015 to the Board of Directors, General Manager and other Key Managers with Strategic Responsibilities.

**TABLE 3B: MONETARY INCENTIVE PLANS
FOR MEMBERS OF THE BOARD OF DIRECTORS,
GENERAL MANAGERS AND OTHER KEY MANAGERS WITH STRATEGIC RESPONSIBILITIES**

(A)	(B)	(1)	(2)			(3)			(4)
Name and surname	Office	Plan	Bonus for the year			Bonus for previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/Paid	Deferred	Deferment Period	No longer payable	Payable/Paid	Still Deferred	
Fabio de'Longhi	Vice Chairman, CEO and Manager with Strategic Responsibilities								
(I) Compensation in the company preparing the financial statements		2015 MBO Plan relating to the CEO's term of office (BoD's award resolution on 8th May 2015 and BoD's maturation resolution on 19th February 2016)	€ 117,000						
		2015 MBO Plan relating to the employment relationship (BoD's award resolution on 8th May 2015 and BoD's maturation resolution on 19th February 2016)	€ 200,000						
		LTI Cash Plan 2015-2017 ^(a) (BoD's award resolution on 11th November 2015)		€ 170,667	2018				
(II) Compensation from subsidiaries and associates									
(III) Total			€ 317,000	€ 170,337					

NOTES:

(a) Variable component deferred and subject to the achievement of expressly predetermined performance objectives