



PiovanGroup

2020-2022
Phantom Stock
Option Plan

INFORMATION DOCUMENT

drawn up pursuant to Article 84-bis of the regulation adopted by Consob by resolution no. 11971 of 14 May 1999, as later amended and supplemented (the "Issuers' Regulation") and Article 114-bis of Italian legislative decree no. 58 of 24 February 1998 (the "Consolidated Law on Finance")

PIOVAN S.p.A.

Santa Maria di Sala (Venice), Italy, March 19, 2020

INTRODUCTION

This information document (the “**Information Document**”) was drawn up pursuant to Article 114-*bis* of Italian legislative decree no. 58 of 24 February 1998, as later amended and supplemented (the “**Consolidated Law on Finance**”) and Article 84-*bis* of the Regulation adopted by Consob by resolution no. 11971 of 14 May 1999, as later amended and supplemented (the “**Issuers’ Regulation**”). The numbering of the sections of this Information Document are in line with the indications contained in Schema 7 of Schedule 3A of the Issuers’ Regulation.

The purpose of this Information Document is to provide information to the shareholders and the market on the key elements of the plan for the grant of the Options (as defined hereinafter) and, potentially, of monetary incentives headed “2020-2022 Phantom Stock Option Plan” (the “**Plan**”) reserved to the Beneficiaries (as defined hereinafter), in their capacities as persons playing a key role in achieving the objectives of the Group (as defined hereinafter).

The Plan was prepared in view of the ordinary Shareholders’ Meeting of Piovan to be convened on April 29, 2020 to resolve, in a consolidated meeting, *inter alia*, upon the Plan.

On March 19, 2020, the Board of Directors approved, upon a proposal of the Nomination and Compensation Committee, subject to the opinion of the Board of Statutory Auditors, the proposal to submit to the approval of the Shareholders’ Meeting of the Company the adoption of the Plan, pursuant to Article 114-*bis* of the Consolidated Law on Finance, on the terms and conditions described in this Information Document and in the corresponding Regulation.

As of the date hereof, the proposal of adoption of the Plan has not yet been approved by the Shareholders’ Meeting of Piovan. It must therefore be noted that:

- i) this Information Document was drawn up solely on the basis of the content of the proposal of adoption of the Plan approved by the Board of Directors of the Company on March 19, 2020;
- ii) any reference to the Plan contained in this Information Document must be intended as referring to the proposal of adoption of the Plan.

It is hereby specified that the Plan must be considered “of special importance” (*di particolare rilevanza*) in accordance with Article 114-*bis*(3) of the Consolidated Law on Finance and with Article 84-*bis*(2) of the Issuers’ Regulation, because it is addressed, *inter alios*, to the executive directors and key managers of the Company.

Any information provided for in Schema 7 of Schedule 3A of the Issuers’ Regulation not contained in this Information Document will be provided, as soon as available in the framework of the implementation of the Plan, according to the mechanics set out in Article 84-*bis*(5)(a) of the Issuers’ Regulation.

This Information Document is made available to the public at the Company’s registered office, in Italy, Santa Maria di Sala (Venice), Via delle Industrie no. 16, as well as on the website <https://www.piovangroup.com/en>.

This Information Document was also sent to Consob and Borsa Italiana S.p.A. according to the procedures defined in the Issuers’ Regulation.

DEFINITIONS

As required under Schema 7 of Schedule 3A of the Issuers' Regulation, this section provides a list of definitions of the uncustomary terms used in this Information Document:

Nomination and Compensation Committee	means the Nomination and Compensation Committee formed and appointed by the Board of Directors of the Company in adherence to the Corporate Governance Code.
Associates	means the persons having an existing direct or indirect collaboration and/or consultancy relationship with the Company or one of its Subsidiaries.
Awarded Options	means the Options which are awarded to each Beneficiary pursuant to the terms and conditions of this Regulation and whose amount shall be determined on the basis of the same.
Awarding	means the awarding to each Beneficiary by the Board of Directors, subject to the opinion of the Nomination and Compensation Committee, of the Options.
Awarding Date of the Options	means, with regard to each Beneficiary, the date of the resolution passed by the Board of Directors upon the identification of that Beneficiary and the awarding in favor of that Beneficiary of the Options.
Awarding Letter	means the letter that the Company sends to each Beneficiary to inform them that they have been awarded the Options, to which the Regulation is attached forming an integral part thereof, whose signing and return to the Company by the Beneficiaries represent, for all purposes, their full and unconditional acceptance of the Plan.
Awarding Price	means the arithmetic average price at which the Shares were traded during the 30 days preceding the Awarding Date of the Options.
Bad Leaver	means all the assumptions regarding the discontinuance of the Relationship other than the Good Leaver assumptions.

Beneficiaries	means the beneficiaries of the Plan, who are identified by name, possibly also in more than one occasion, up to a maximum amount of 30 individuals (i) by the Board of Directors, subject to the opinion of the Nomination and Compensation Committee among the Executive Directors; (ii) by the Board of Directors, upon proposal of the Chair of the Board of Directors and subject to the opinion of the Nomination and Compensation Committee among the Directors with Strategic Responsibility; and (iii) by the Chair of the Board of Directors among the top managers, employees or associates of the Company or of its Subsidiaries for the strategic importance of their roles.
Blackout Period	means the periods provided under the Company's Internal Dealing Regulation currently in force, during which transactions relating to the Company's financial instruments, including the exercise of the Exercisable Options, are not permitted.
Board of Directors	means the board of directors of the Company.
Board of Statutory Auditors	means the Board of Statutory Auditors of the Company.
Business Day	means any calendar day, except for Saturdays, Sundays and the other days on which banks are not generally open for business in Milan.
Change of Control	means: (a) the acquisition, either direct or indirect, by one or more third parties of the control of the Company under Article 93 of the Consolidated Law on Finance; (b) the acquisition, either direct or indirect, by one or more third parties of a number of shares or of a quota of any Subsidiary owning the Relationship of the Beneficiary, other than the Company, greater than 50% of its corporate capital, unless the Company continues to hold control thereof in accordance with Section 2359 of the Italian civil code; (c) the final transfer, at any title, to one or more third parties of the business or going

concern owning the Relationship of the Beneficiary.

It is understood that the Change of Control scenarios described under letters (b) and (c) above apply only towards the Beneficiaries who have an ongoing Relationship with the Subsidiary, business or going concern affected by the Change of Control.

Company or Piovan	means Piovan S.p.A., with registered office in Italy, Santa Maria di Sala (Venice), Via delle Industrie no. 16, tax code and number of registration with the Company's Register of Venice 02307730289.
Consolidated Law on Finance	means Italian legislative decree no. 58 of 24 February 1998, as later amended and supplemented.
Corporate Governance Code	means the Corporate Governance Code of listed companies currently in force as promoted by the Corporate Governance Committee, formed by Borsa Italiana S.p.A., to which the Company has adhered.
Current Price	means the arithmetic average price at which the Shares were traded during the 30 days preceding the Exercise Date.
Employees	means senior managers and other employees having an existing open-ended or fixed-term relationship, excluding self-employed personnel and semi-subordinate workers, with the Company or a company of the Group.
Executive Chair or Chair of the Board of Directors	means the chair of the board of directors of the Company.
Executive Directors	means the directors of the Company or the Subsidiaries qualifying as executive directors under the Corporate Governance Code as well as the directors holding special offices.
Exercisable Options	means the Awarded Options which are exercisable by the Beneficiary pursuant to the terms and conditions of this

Regulation once the Vesting Period has expired.

Exercise Date

means, within the Exercise Period, the date when the Beneficiary will notify the Company its intention to exercise, in whole or in part, the Exercisable Options.

Exercise Period

means the Business Days, except for those included in the Blackout Period, during which each Beneficiary shall exercise the Exercisable Options, including:

- (i) for the 2020-2022 Vesting Period: from the approval by the Board of Directors of the draft financial statements as of December 31, 2022 until December 31, 2023;
- (ii) for the 2021-2023 Vesting Period: from the approval by the Board of Directors of the draft financial statements as of December 31, 2023 until December 31, 2024; and
- (iii) for the 2022-2024 Vesting Period: from the approval by the Board of Directors of the draft financial statements as of December 31, 2024 until December 31, 2025.

Exercise Price

means the Awarding Price discounted at a 12.5% rate.

It is understood that in the event of dividend distribution to the Company's shareholders during the period used to calculate the above arithmetic average, for the purposes of the relevant calculation the official price of the Shares of the days preceding the dividend payment date shall be reduced by a corresponding amount.

Good Leaver

means the below-listed assumptions of discontinuance of the Relationship:

- (i) resignation, on the condition that the Beneficiary possesses the retirement requirements provided for by law and applies, within the following 30 days, for retirement;
- (ii) death or permanent invalidity.

Granting

means the actual grant of the Incentive to each Beneficiary at the

end of the Vesting Period, according to terms and conditions set forth in the Regulation.

Granting Date of the Incentive means, with regard to each Beneficiary, the date when, within 60 days from the Exercise Date, the actual granting of the Incentive to that Beneficiary takes place, following that Beneficiary's legitimate exercise of the Exercisable Options.

Gross Annual Salary means each Beneficiary's gross annual fixed retribution, excluding the variable portion thereof, as of the Awarding Date of the Options.

Gross Annual Salary Percentage means the percentage determined at the Awarding Date of the Options, in reference to each Beneficiary, by the Board of Directors upon an opinion of the Nomination and Compensation Committee while holding the interest of the Company in high regard and considering, *inter alia*, the Beneficiaries' roles, their retribution, the strategic importance of the role they play in the results achieved by the Company, their growth potential in the context of the Group and any other item that may be considered useful or relevant in relation to the value creation targets of the Company and of the Group.

Monetary Incentive or Incentive means the monetary amount to be granted to each Beneficiary who, at the end of each Vesting Period, shall have legitimately exercised the Options pursuant to the terms and conditions of this Regulation.

MTA means the Mercato Telematico Azionario organized and managed by Borsa Italiana S.p.A.

Options means the phantom stock options granted under the Plan, free and not transferrable *inter vivos*, whose exercise by a Beneficiary, pursuant to the terms and conditions of this Regulation, might give rise to the granting of the Incentive to that Beneficiary.

Phantom Stock Option means the phantom stock option plan, addressed to the

Plan or Plan	Beneficiaries and regulated by this Regulation (as amended) and its schedules.
Piovan Group or Group	means the Company and its Subsidiaries.
Plan Approval Date	means the date of approval of the Plan by the ordinary Shareholders' Meeting.
Regulation	means the Regulation of the plan headed "2020-2022 Phantom Stock Option Plan", as approved by the Board of Directors of the Company on March 19, 2020, upon a proposal of the Nomination and Compensation Committee, who met on March 16, 2020, and subject to the opinion of the Board of Statutory Auditors.
Relationship	means the employment and/or directorship and/or collaboration and/or consultancy relationship existing between each Beneficiary and the Company or one of its Subsidiaries.
Shareholders' Meeting	means the shareholders' meeting of the Company.
Shares	means the ordinary shares of Piovan S.p.A., traded on the STAR segment of the Mercato Telematico Azionario (MTA), organized and managed by Borsa Italiana S.p.A.
Subsidiaries	means, indiscriminately, each of the companies from time to time directly or indirectly controlled by the Company, in accordance with Section 2359 of the Italian civil code, with whom one or more of the Beneficiaries have a Relationship.
Vesting Period	means the three-year period divided into three "rolling" cycles at the end of which the Awarded Options will become exercisable and each Beneficiary shall request, during the related Exercise Period, the Granting of the Incentive.

1. BENEFICIARIES OF THE PLAN

1.1 Indication by name of the beneficiaries of the Plan

As of the date hereof, the Plan has not yet been approved by the Shareholders' Meeting; therefore, the Beneficiaries may not yet be identified by name.

The Plan is directed to the beneficiaries of the Options, who are identified by name, who are identified by name, possibly also in more than one occasion, up to a maximum amount of 30 individuals (i) by the Board of Directors, subject to the opinion of the Nomination and Compensation Committee among the Executive Directors; (ii) by the Board of Directors, upon proposal of the Chair of the Board of Directors and subject to the opinion of the Nomination and Compensation Committee among the Directors with Strategic Responsibility; and (iii) by the Chair of the Board of Directors among the top managers, employees or associates of the Company or of its Subsidiaries for the strategic importance of their roles.

To qualify as potential Beneficiaries, at the Awarding of the Incentive, they must meet the following requirements:

1. have a Relationship with the Company or one of its Subsidiaries;
2. not have communicated their willingness to withdraw from or terminate, as the case may be, the Relationship;
3. not have received, by the Company or any of its Subsidiaries, any letter of dismissal or termination, nor any letter of revocation of the Relationship;
4. not have agreed the mutual termination of the Relationship;
5. not be subject to disciplinary proceedings under, *inter alia*, the Code of Ethics and the Organization, Management and Control Model drawn up in accordance with Italian legislative decree no. 231/2001 adopted by the Company.

1.2 Indication of the categories of employees or associates of the financial instrument issuer and of its parent companies or Subsidiaries

As of the date hereof, the Plan has not yet been approved by the Shareholders' Meeting; no indication may therefore be provided on the categories of Employees or Associates included among the Beneficiaries.

The Plan is directed, *inter alios*, to Executive Directors, Directors with Strategic Responsibility, top managers, employees and/or associates (including external consultants) of the Company and of its Subsidiaries, who are identified by name, possibly also in more than one occasion, by the Board of Directors, subject to the opinion of the Nomination and Compensation Committee and with the

abstention of the Directors potentially included among the Beneficiaries, among the Executive Directors and upon a proposal of the Chair of the Board of Directors and subject to the opinion of the Nomination and Compensation Committee, among the Directors with Strategic Responsibility, in consideration of the importance of their position within the Company or its Subsidiaries with regard to the development of the Company and of the Group.

The Chair of the Board of Directors may identify the other Beneficiaries (not included among the Executive Directors and/or Directors with Strategic Responsibility and/or functions reporting directly to the Chair of the Board of Directors) and determine their amount of awardable Options, in consideration of the importance of their position within the Company or its Subsidiaries with regard to the development of the Company and of the Group.

In identifying the Beneficiaries, the Board of Directors or the Chair of the Board of Directors will be supported by the technical-administrative assistance of the Human Resources Office.

1.3 Indication by name of the Beneficiaries of the Plan belonging to the following groups: general manager, top key managers and natural persons who control the issuer and qualify as Employees or Associates

The Plan does not identify by name the Beneficiaries belonging to the groups mentioned under point 1.3(a), (b) and (c) of Schedule 3A, Schema 7, of the Issuers' Regulation.

The Plan is directed, *inter alios*, to Executive Directors, Directors with Strategic Responsibility, top managers, employees and/or associates (including external consultants) of the Company and of its Subsidiaries, who are identified by name, possibly also in more than one occasion, by the Board of Directors, subject to the opinion of the Nomination and Compensation Committee and with the abstention of the Directors potentially included among the Beneficiaries, among the Executive Directors and upon proposal of the Chair of the Board of Directors and subject to the opinion of the Nomination and Compensation Committee, among the Directors with Strategic Responsibility, in consideration of the importance of their position within the Company or its Subsidiaries with regard to the development of the Company and of the Group.

The Chair of the Board of Directors may identify the other Beneficiaries (not included among the Executive Directors and/or Directors with Strategic Responsibility and/or functions reporting directly to the Chair of the Board of Directors) and determine their amount of awardable Options, in consideration of the importance of their position within the Company or its Subsidiaries with regard to the development of the Company and of the Group.

The mechanics for the identification of the Beneficiaries are detailed in Paragraphs 1.1 and 1.2 above.

1.4 Description and indication of the number, for each of the following categories:

a) Key Managers other than those indicated under letter b) of Paragraph 1.3

The Plan does not describe nor does it indicate the number of Beneficiaries belonging to the categories mentioned under point 1.4(a), (b) and (c) of Schedule 3A, Schema 7, of the Issuers' Regulation.

The mechanics for the identification of the Beneficiaries are detailed in Paragraphs 1.1 and 1.2 above.

b) in case of "smaller companies" (*società di minori dimensioni*), pursuant to Article 3(1)(f) of Consob's regulation no. 17221 of 12 March 2010, all key managers of the financial instrument issuer

The mechanics for the identification of the Beneficiaries are detailed in Paragraphs 1.1 and 1.2 above.

c) other categories of Employees or Associates, if any, with respect to whom the Plan has different features

The characteristics of the Plan are the same for all Beneficiaries.

The mechanics for the identification of the Beneficiaries are detailed in Paragraphs 1.1 and 1.2 above.

The information required under Paragraphs 1.1, 1.2, 1.3 and 1.4 will be provided, if applicable, during the implementation phase of the Plan, in accordance with Article 84-*bis*(5)(a) of the Issuers' Regulation.

2. REASONS UNDERLYING THE ADOPTION OF THE PLAN

2.1 Description of the objectives expected to be reached with the Plan

The Plan is a valid instrument to incentivize and promote loyalty among the Beneficiaries, in their capacities as persons playing a key role in achieving the objectives of the Group, and to align the interests between the remuneration targets of the Beneficiaries and the value growth and return on investment targets of the shareholders.

The incentivization and promotion of loyalty among Beneficiaries also represents an essential instrument that enables the Company to proceed on its own route consistently with its preset targets.

In particular, by adopting the Plan, the Company proves to be willing to:

- align the interests of the Beneficiaries with those of the shareholders and investors and with the strategic plan of the Group as a whole;
- link the remuneration of the Beneficiaries, in their capacities as persons playing a key role in achieving the objectives of the Group, to the effective performance of the Company, to the

creation of new value for the Group and to the achievement of medium to long-term preset objectives;

- guide key corporate resources towards the achievement of long-term objectives, thereby enabling the Company to pursue its primary value creation objective over the medium to long term;
- develop retention policies with the purpose of retaining key corporate resources and incentivize their stay in the Company or in the Group;
- develop attraction policies for talented managers and professionals on global markets, with the aim of developing and reinforcing the key and distinctive competences of the Company on a continuing basis;
- ensure flexibility in the management of the Plan so as to shape it to the future requirements of the Group.

2.1.1 Reasons and criteria underlying the relation between the incentive retribution based on financial instruments and the other components of the Beneficiary's overall retribution

With reference to the Executive Directors and the Directors with Strategic Responsibility, in defining the amount of the awardable Options, the appropriate balance between the variable component and the fixed component of the Beneficiary's remuneration is taken into due consideration.

Please refer to Paragraph 2.1 above.

The Incentive is expected to be conditional upon the verification by the Board of Directors of the fulfillment of the following conditions:

- as of the Granting Date of the Incentive the Beneficiaries must have a Relationship with the Company or the relevant Subsidiary and their condition as Beneficiaries with regard to their roles within the Company, the relevant Subsidiary or the Group must still be current;
- the Beneficiary must have notified the Company its intention to exercise, pursuant to the term and conditions of this Regulation, the Options accrued during the related Vesting Period.

2.1.2 Objectives of the long-term incentive schemes

Please refer to Paragraph 2.1 above.

2.1.3 Criteria used to define the incentive schemes' timeline

The Plan has a multiannual duration and is subdivided into 3 (three) "rolling" awarding cycles at the

end on which the Options will become exercisable (the “**Vesting Periods**”). Vesting Periods mean the periods at the end of which the Incentive might be requested.

For additional details on the Vesting Periods, please refer to Paragraph 4.2 below.

2.2 Key variables, including in the form of performance indicators, considered for the purpose of the assignment of the Plan

The Board of Directors determines the number of awardable Options, with regard to each Beneficiary, based on the following formula:

$$\text{Options} = \frac{\text{Gross Annual Salary} \times \text{Gross Annual Salary Percentage}}{(\text{Awarding Price} - \text{Exercise Price})}$$

in which

“Gross Annual Salary” means each Beneficiary’s gross annual fixed retribution, excluding the variable portion thereof, as of the Awarding Date of the Options.

“Gross Annual Salary Percentage” means the percentage determined at the Awarding Date of the Options, in reference to each Beneficiary, by the Board of Directors upon an opinion of the Nomination and Compensation Committee while holding the interest of the Company in high regard and considering, *inter alia*, the Beneficiaries’ roles, their retribution, the strategic importance of the role they play in the results achieved by the Company, their growth potential in the context of the Group and any other item that may be considered useful or relevant in relation to the value creation targets of the Company and of the Group.

“Awarding Price” means the arithmetic average price at which the Shares were traded during the 30 days preceding the Awarding Date of the Options.

“Exercise Price” means the Awarding Price discounted at a 12.5% rate. It is understood that in the event of dividend distribution to the Company’s shareholders during the period used to calculate the above arithmetic average, for the purposes of the relevant calculation the official price of the Shares of the days preceding the dividend payment date shall be reduced by a corresponding amount.

In particular, the actual Granting of the Incentive to each Beneficiary is conditional upon verification by the Board of Directors of certain conditions (for additional details, please refer to Paragraph 2.1.1 above).

2.2.1 Detailed information on the factors, including in terms of performance, and criteria used to identify special features related to the retribution mechanics based on financial instruments

Please refer to Paragraph 2.1 above.

2.2.2 Detailed information on how such mechanics were identified in relation to directors, general managers, key managers and other specific categories of employees or associates subject to special condition plans or associates of the listed company and of its subsidiaries

Please refer to Paragraph 2.1 above.

2.2.3 Detailed information on the reasons underlying the choice of the specific retributions set out in the plans, including in relation to the achievement of the identified long-term objectives

Please refer to Paragraph 2.1 above.

2.3 Elements underlying the determination of the amount of the retribution based on financial instruments, or criteria for the determination of such retribution

The amount of the Monetary Incentive is determined according to the following formula:

$$\text{Monetary Incentive} = \text{Exercisable Options} \times (\text{Current Price} - \text{Exercise Price})$$

in which

“Current Price” means the arithmetic average price at which the Shares were traded during the 30 days preceding the Exercise Date.

“Exercise Price” means the Awarding Price discounted at a 12.5% rate. It is understood that in the event of dividend distribution to the Company’s shareholders during the period used to calculate the above arithmetic average, for the purposes of the relevant calculation the official price of the Shares of the days preceding the dividend payment date shall be reduced by a corresponding amount.

2.3.1 Detailed information on the factors taken into account in deciding the amount of the retributions

Please refer to Paragraph 2.1 above.

2.3.2 Detailed information on the elements considered to introduce amendments compared to

similar former plans

Not applicable.

2.3.3 Detailed information on the impact of the realizable retributions under similar former plans, if applicable, on the determination of the retributions under the Plan

Not applicable.

2.3.4 Detailed information on the consistency between the elements underlying the determination of the retribution and the defined objectives

Not applicable.

2.4 Reasons underlying the decision, if applicable, to award retribution plans based on financial instruments not issued by Piovan, such as financial instruments issued by subsidiaries or parent companies or third companies with respect to Piovan's group of companies; if such instruments are not traded on regulated markets, provide information on the criteria used to determine the value of such instruments

Not applicable.

2.5 Evaluations made in relation to significant tax and accounting implications, if any, that had an impact on the definition of the Plan

The preparation of the Plan was not impacted by any significant tax or accounting evaluation.

2.6 Support, if any, received in relation to the Plan by the special fund to incentivize the participation of workers enterprises (*Fondo speciale per l'incentivazione della partecipazione dei lavoratori nelle imprese*), as referred to in Article 4(112) of Italian law no. 350 of 24 December 2003

The Plan does not benefit from any support by the special fund to incentivize the participation of workers enterprises (*Fondo speciale per l'incentivazione della partecipazione dei lavoratori nelle imprese*), as referred to in Article 4(112) of Italian law no. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIMELINE FOR THE ASSIGNMENT OF THE INSTRUMENTS

3.1 Scope of the powers and authorities delegated by the Shareholders' Meeting to the Board of Directors to implement the Plan

On March 19, 2020, the Board of Directors resolved, upon a proposal of the Nomination and Compensation Committee which met on March 16, 2020, to submit the approval of the Plan to the ordinary Shareholders' Meeting convened, in a consolidated meeting, on April 29, 2020.

The Shareholders' Meeting is thus also required to resolve upon the grant of powers to the management body, with the authority to sub-delegate, for the implementation and management of the Plan, including the identification of the Beneficiaries, the Awarding of the Options and the actual granting to each Beneficiary of the Incentive.

3.2 Persons in charge of managing the Plan and their functions and competences

Except as otherwise provided for in the Regulation, the body in charge of making decisions on the Plan, without prejudice to the competence of the Shareholders' Meeting, is the Board of Directors of the Company, which — with the authority to appoint delegates and with the inquiry and consultancy support of the Nomination and Compensation Committee and the technical-administrative assistance of the Human Resources Office — approves the Regulation and passes resolutions on the matters relevant for the Plan. Any resolution passed by the Board of Directors regarding the interpretation and application of the Plan is final and binding for all interested parties.

The operational management and administration of the Plan are delegated to the Chair of the Board of Directors, who acts in accordance with the powers he or she is granted with by the dedicated Board proxy and the provisions of the Regulation.

3.3 Procedures in place, if any, to revise the Plan, including any variation of its core objectives

The Plan develops over a multiannual timeframe; it is therefore possible that events (either external or internal to the Group) take place, thus impacting the consistency of the Plan's incentivization strategy and limiting the Plan's ability to achieve its core purpose.

In particular, such events generally qualify as either (i) Extraordinary Transactions, or (ii) amendments to the Company structure.

Extraordinary Transactions

In case of extraordinary transactions involving the Company, such as, without limitation,

- (i) extraordinary transactions on the Company's capital, including capital reductions due to losses by the cancellation of shares, capital increases, free of charge or against payment, with an option for the shareholders or with the exclusion of the right of option, that may also be paid in by contribution in kind, stock consolidations or splits that may have an impact on the shares,
- (ii) mergers or split-ups, purchases or sales of stock, businesses or going concerns, or

- (iii) amendments to laws or regulations or other events that may have an impact on the rights under the Plan, on the shares of the Company and on the Company,

the Board of Directors, autonomously and without requiring any other approval from the Shareholders' Meeting of the Company, subject to the opinion of the Nomination and Compensation Committee, may amend and supplement the Regulation as it may deem necessary or appropriate to keep the material and economic content of the Plan unchanged, within the limits allowed under the regulations in force from time to time, in accordance with the objectives and purposes of the Plan itself.

Amendments to the Company Structure

In all instances where, prior to the Granting Date of the Incentive relating to the Vesting Period,

- (i) a Change of Control occurs,
- (ii) a purchase tender offer or an exchange tender offer regarding the shares of the Company is promoted, or
- (iii) the Shares are delisted from the MTA,

the Board of Directors, at its sole discretion, may allow the Beneficiaries to receive the Incentive and determine the early end of the Plan. That decision is binding for the Beneficiaries.

3.4 Mechanics to determine the availability and assignment of the financial instruments at the base of the Plan (e.g., assignment of shares free of charge, capital increase with exclusion of the right of option, sale and purchase of treasury shares)

The Plan provides for the grant of Options whose exercise by a Beneficiary, pursuant to the terms and conditions of this Regulation, might give rise to the granting of the Incentive to that Beneficiary.

3.5 Role played by each director in determining the features of the Plan; describe the situations, if any, entailing a conflict of interest for the interested directors

The features of the Plan, to be submitted to the approval of the Shareholders' Meeting pursuant to and in compliance with Article 114-bis of the Consolidated Law on Finance, were collectively determined by the Board of Directors, which approved to submit to the Shareholders' Meeting the proposal of adoption of the Plan, upon a proposal of the Nomination and Compensation Committee, subject to the opinion of the Board of Statutory Auditors.

3.6 Date of the resolution passed by the competent body to submit the approval of the Plan to the shareholders' meeting and of the proposal, if applicable, of the Nomination and Compensation

Committee, if formed

In its meeting held on March 19, 2020, the Board of Directors approved — upon a proposal of the Nomination and Compensation Committee which met on March 16, 2020, having heard the opinion of the Board of Statutory Auditors — the Plan and the proposal to submit the Plan to the approval of the Shareholders' Meeting of the Company. The Shareholders' Meeting for the approval of the Plan will be convened on April 29, 2020, in a consolidated meeting.

3.7 Date of the resolution passed by the competent body on the assignment of the instruments and of the proposal, if any, to the above-referred body as expressed by the Nomination and Compensation Committee, if formed

The Shareholders' Meeting for the approval of the Plan will be convened on April 29, 2020, in a consolidated meeting.

If the ordinary Shareholders' Meeting approves the Plan, the Board of Directors will meet, on a case-by-case basis, to pass the relevant resolutions relating to the implementation of the Plan.

3.8 Market price, registered as of the above-mentioned dates, of the financial instruments at the base of the Plan, if traded on regulated markets

As of the date of the resolution passed by the Board of Directors on March 19, 2020, the official price of the Shares was € 4.00 per Share.

3.9 In case of plans based on financial instruments traded on regulated markets, describe in which terms and to what extent the issuer took into account, in identifying the timeline for the assignment of the instruments in implementation of the plans, the potential time concurrence between (i) the above assignment or the resolutions, if any, passed by the Nomination and Compensation Committee, and (ii) the disclosure of any information relevant under Article 17 of Regulation (EU) no. 596/ 2014

Concurrently with the resolution passed by the Board of Directors on March 19, 2020 and pertaining to the Plan, the appropriate market notice were made pursuant to and in compliance with the applicable laws and regulations in force.

During the implementation phase of the Plan, the appropriate market disclosures will be made, as provided for by the applicable laws and regulations in force from time to time.

4. FEATURES OF THE AWARDED INSTRUMENTS

4.1 Description of the structure of the Plan

The Options are considered to be awarded, effective retroactively from the Awarding Date of the Options, following the receipt by the Company of the Awarding Letter duly filled-in and signed, as indicated in the document signed by the Company in acknowledgment and confirmation of the receipt of the Awarding Letter. By undersigning the Letter of Acceptance, the Beneficiaries fully approve any and all provisions, terms and conditions set forth and provided for in the Regulation.

The Options are personally awarded to each Beneficiary and may not be transferred by agreement *inter vivos* nor may they be submitted to liens or subjected to other acts of disposal at any title.

4.2 Indication of the actual implementation period of the Plan in reference to different cycles, if relevant

The Plan has a multiannual duration and is subdivided into 3 (three) “rolling” awarding cycles at the end on which the Options will become exercisable (the “**Vesting Periods**”). Vesting Period mean the period at the end of which the Incentive might be requested.

Vesting period						
Rights to receive the Options	2020-2022 Vesting Period			2023 Options are exercisable (granting of the Monetary Incentive)		
	2020 Awarding of the 2020 Options	2021	2022			
Rights to receive the Options		2021-2023 Vesting Period			2024 Options are exercisable (granting of the Monetary Incentive)	
		2021 Awarding of the 2021 Options	2022	2023		
Rights to receive the Options		2022-2024 Vesting Period			2025 Options are exercisable (granting of the Monetary Incentive)	
		2022 Awarding of the 2022 Options	2023	2024		

At the end of each Vesting Period, the Options will become Exercisable Options and each Beneficiary shall have the right to request the Granting of the Incentive by means of written notice to be sent to the Company within the Exercise Period. Upon receipt of the above exercise notice, the Company will have to grant the Incentive within the following 60 days.

4.3 Duration of the Plan

The Plan is effective from the Plan Approval Date until the Granting Date of the Incentive which will occur in 2025, whereas the last Vesting Period will expire with the financial year ending as of December 31, 2024.

If any Beneficiary takes on a new job role within the Company or is transferred to another company of the Group, the Human Resources Office provides support to the Chair of the Board of Directors in adjusting, if required, the premium assigned to that Beneficiary, subject to the favorable opinion of the Nomination and Compensation Committee.

It is understood that, in case of transfer of the Relationship to another company of the Group and/or in case of discontinuance of the Relationship, and concurrently with the creation of a new Relationship within the Group, the Beneficiaries keep, *mutatis mutandis*, any right assigned to them under the Regulation.

In case of discontinuance of the Relationship following a Bad Leaver assumption before the Granting Date of the Incentive for each Vesting Period, Beneficiaries definitely and fully lose their Awarded Options.

In case of discontinuance of the Relationship following a Good Leaver assumption before the Granting Date of the Incentive for each Vesting Period, Beneficiaries (or their heirs) keep the right to receive a prorated number of the Awarded Options, based on the irrevocable decision of the Board of Directors.

4.4 Maximum number of assignable financial instruments, including options, on a yearly basis in relation to the parties identified by name or the indicated categories

The Plan does not indicate a maximum number of awardable Options per fiscal year.

4.5 Mechanics and clauses for the implementation of the Plan, specifying whether the actual awarding of the instruments is conditional upon the occurrence of certain conditions or the achievement of certain results, including performance results; description of any such conditions and results

The Board of Directors, according to the procedure set out in Paragraph 4.2 hereof, identifies the Beneficiaries who receive the Awarding Letter, which must indicate, among other things, the number of the Awarded Options.

Each Beneficiary may adhere to the Plan by duly filling-in, signing and returning the received Awarding Letter to the Company within 10 (ten) calendar days from its receipt, under penalty of forfeiture of the right of adherence to the Plan itself.

The Options are considered to be awarded, effective retroactively from the Awarding Date of the Options, following the receipt by the Company of the Awarding Letter duly filled-in and signed, as

indicated in the document signed by the Company in acknowledgment and confirmation of the receipt of the Awarding Letter. By undersigning the Letter of Acceptance, the Beneficiaries fully approve any and all provisions, terms and conditions set forth and provided for in the Regulation.

Each Beneficiary shall, at the end of the Vesting Period and within the Exercise Period, notify in writing the Company its intention to exercise the Exercisable Options.

The Incentive is conditional upon the verification by the Board of Directors of the fulfillment of the following conditions:

- as of the Granting Date of the Incentive the Beneficiaries must have a Relationship with the Company or the relevant Subsidiary and their condition as Beneficiaries with regard to their roles within the Company, the relevant Subsidiary or the Group must still be current;
- the Beneficiary must have notified the Company its intention to exercise, pursuant to the term and conditions of this Regulation, the Options accrued during the related Vesting Period.

For additional information, please refer to Paragraph 2.3 above.

4.6 Indication of the restrictions in terms of availability, if any, on the awarded instruments or on the instruments resulting from the exercise of the options, with reference in particular to the time limits within which the transfer of such instruments to the Company or to third parties is permitted or prohibited

The Options are personally awarded to each Beneficiary and may not be transferred by agreement *inter vivos* nor may they be submitted to liens or subjected to other acts of disposal at any title.

4.7 Description of the conditions subsequent, if any, to the awarding of the plans in the event in which the Beneficiaries carry out hedging transactions enabling the neutralization of any restriction on the sale of the assigned financial instruments, including options, or of the financial instruments resulting from the exercise of such Shares

Not applicable.

4.8 Description of the effects of the termination of the work Relationship

The discontinuance of the Relationship between any Beneficiary and the Company or its Subsidiaries before the Granting Date of the Incentive of each Vesting Period, except as otherwise resolved upon by the Board of Directors in more favorable terms for the Beneficiaries, is regulated as detailed below.

In case of discontinuance of the Relationship following a Bad Leaver assumption before the Granting

Date of the Incentive for each Vesting Period, Beneficiaries definitely and fully lose their Awarded Options.

In case of discontinuance of the Relationship following a Good Leaver assumption before the Granting Date of the Incentive for each Vesting Period, Beneficiaries (or their heirs) keep the right to receive a prorated number of Awarded Options, based on the irrevocable decision of the Board of Directors.

The terms and conditions regulating the relations between the Company and the Beneficiaries in case of discontinuance of the Relationship are detailed hereinafter.

If a person has multiple legal relationships with the companies of the Group (e.g., employment and directorship) and only one of those relationships is discontinued, such person is not subject to the below conditions applicable in case of discontinuance of the Relationship:

A) Employment Relationship

i. Termination of the Employment Relationship

Only if the Beneficiary is an Employee of the Company or of one of the Subsidiaries, the Relationship is considered to be discontinued in the following particular instances:

- a) dismissal of the Beneficiary by the Company or another company of the Group;
- b) resignation by the Beneficiary;
- c) agreed termination of the employment Relationship;
- d) expiry of the fixed-term employment contract.

If the discontinuance of the Relationship (i.e., the receipt of the letter of dismissal (assumption a above) or the notification of the resignation (assumption b above) or the agreed termination of the employment relationship (assumption c above)) occurs prior to the Granting Date of the Incentive, Beneficiaries have no rights with respect to the Options they were awarded with.

Upon the occurrence of any such assumptions, the Company or the relevant Subsidiary may not be held liable for the compensation and/or indemnification of any damage and/or prejudice suffered by the Beneficiaries. In the framework of this Information Document, the notice period is not taken into consideration with respect to the possibility of granting the Incentive at the Granting Date of the Incentive.

ii. Unpaid Leave

Beneficiaries keep all their rights under the Plan, provided that they resume their work in accordance

with the provisions contained in the agreement regulating the leave and that the leave does not exceed 18 months. Beneficiaries are not entitled to receive the Incentive prorated to the duration of the leave, based upon a *pro rata temporis* criteria.

iii. Early Pension or Retirement Pension

If the Relationship terminates because the Beneficiary meets the early retirement or pension retirement conditions, he or she is entitled to receive the Incentive prorated to his or her awarded Options, in accordance with the Regulation, within one year from the termination of the Relationship. If the termination of the Relationship occurs during the Vesting Period, the Incentive is granted according to the normal Vesting Period.

iv. Disability Pension

If the Relationship terminates because the Beneficiary is granted with a disability pension, he or she is entitled to the Granting of the Incentive in accordance with the Regulation, prorated to the period in which the Relationship was actually current during the Vesting Period. The Incentive is granted according to the timeline set out for that Vesting Period.

v. Death

In case of death of a Beneficiary, his or her heirs are entitled to the Granting of the Incentive in accordance with the Regulation, prorated to the period in which the Relationship was actually current during the Vesting Period. The Incentive is granted according to the timeline set out for that Vesting Period.

B) Directorship Relationship

If the Beneficiary is a director of the Company or of one of the Subsidiaries, the Relationship is considered to be discontinued in the following particular instances:

- a) revocation of the Beneficiary's office by the Company or another company of the Group;
- b) waiver of the directorship;
- c) death of the Beneficiary;
- d) expiry of the mandate, except in case of reappointment.

If the discontinuance of the Relationship (in case of office revocation (assumption a above) or resignation (assumption b above)) occurs prior to the Granting Date of the Incentive, Beneficiaries

have no rights with respect to their Awarded Options, which will in turn be considered as extinguished.

If the Relationship is terminated because of the Beneficiary's death, the provisions under point A(v) above apply.

Upon the occurrence of any such assumptions, the Company or the relevant Subsidiary may not be held liable for the compensation and/or indemnification of any damage and/or prejudice suffered by the Beneficiaries.

C) Association, Self-Employment or Consultancy Relationship

If the Beneficiary is an associate, self-employed professional or consultant of the Company or of one of the Subsidiaries, the Relationship is considered to be discontinued in the following particular instances:

- a) withdrawal from the association, self-employment or consultancy agreement by the Company or another company of the Group;
- b) termination (including agreed termination) of the association, self-employment or consultancy Relationship;
- c) any other case of discontinuance of the association, self-employment or consultancy Relationship;
- d) death of the Beneficiary.

In case of termination of the partnership, self-employment or consultancy Relationship with the Company or the Subsidiaries, the provisions set out for the termination of a directorship relationship as described under point B above apply *mutatis mutandis*.

All the foregoing is without prejudice to the right of the Board of Directors — subject to the opinion of the Nomination and Compensation Committee and in certain individual cases where a company interest and a relevant contribution by the Beneficiary in accordance with the purpose of the Plan are identified — to grant more favorable derogations to any of the above conditions, thereby setting out that each Beneficiary or his or her heirs, in case of termination of the Relationship, may receive all or part of the Incentive in accordance with the Regulation.

4.9 Indication of the other causes of cancellation of the Plan, if any

Without prejudice to the indications contained in the above paragraphs, no causes of cancellation of the Plan are foreseen.

However, where, prior to the Granting Date of the Incentive relating to the Vesting Period,

- (i) a Change of Control occurs,
- (ii) a purchase tender offer or an exchange tender offer regarding the shares of the Company is promoted, or
- (iii) the Shares are delisted from the MTA,

the Board of Directors, at its sole discretion, may allow the Beneficiaries to receive the Incentive and determine the early end of the Plan. That decision is binding for the Beneficiaries.

4.10 Description of the reasons relating to any provisions of “redemption”, by the Company, of the financial instruments under the Plan, as provided for by Sections 2357 *et seq.* of the Italian civil code; indicate the beneficiaries of the redemption, specifying if such redemption is reserved only to certain categories of Employees; description of the effects of the termination of the work Relationship on such redemption

The Plan contains claw-back clauses.

In particular, if within 3 years from the Granting Date of the Incentive the achieved results are proved to have been verified by the Board of Directors on the basis of manifestly wrong data, where the Beneficiary is responsible for calculation errors in the determination of one or more its own results or in case of willful alteration of the data used for any such determination or in case of determination of one or more its own individual results by means of behaviors contrary to the law and/or corporate rules (breach of the Organization, Management and Control Model and Code of Ethics drawn up pursuant to Italian legislative decree no. 231/2001 or other internal procedures adopted by the Company or the Subsidiaries) and/or to the Regulation of the Plan, the Beneficiary is required to return to the Company the received Monetary Incentive.

Should the above circumstance apply, the Company may hold the Incentive that is yet to be granted from any amount owed to the Beneficiary, including, without limitation, any retribution, premium or end-of-service gratuity owed to the Beneficiary, who, in turn, must expressly authorize any such equalization.

4.11 Loans or other facilities, if any, that the Company is willing to grant for the purchase of the Shares under Section 2358 of the Italian civil code

Not applicable.

4.12 Indication of the assessments on the expected charges for the Company as of the relevant assignment, as it may be determined based on the defined terms and conditions, by overall amount and in relation to each instrument of the Plan

The maximum charges expected for the Company may not be quantified.

4.13 Indication of dilutive effects on the capital, if any, caused by the Plan

Not applicable.

4.14 Limitations, if any, in terms of exercise of the voting rights and of awarding of property rights

Not applicable.

4.15 If Shares are not traded on regulated markets, provide any information useful to correctly assess the value of such Shares

Not applicable.

4.16 Number of financial instruments underlying each option

Not applicable.

4.17 Date of expiry of the options

The Exercisable Options shall be exercised, with reference to each Vesting Period, only during the relevant Exercise Period.

4.18 Mechanics (American/European), timeline (e.g., valid period for the exercise) and exercise clauses (e.g., knock-in and knock-out clauses)

Not applicable.

4.19 Strike price of the option or mechanics and criteria used to determine such price, in particular with regard to: (a) the formula to calculate the strike price in relation to a specific market price (the so-called “fair market value”) (e.g., strike price amounting to 90%, 100% or 110% of the market price), and (b) the mechanics to determine the market price taken as a reference to determine the strike price (e.g., last price of the day prior to the assignment, average price of the day, average price of the last 30 days, etc.)

The exercise price of the Options corresponds to the Awarding Price (which is the arithmetic average price at which the Shares were traded during the 30 days preceding the Awarding Date of the Options by the Board of Directors) discounted at a 12.5% rate.

It is understood that in the event of dividend distribution to the Company’s shareholders during the

period used to calculate the above arithmetic average, for the purposes of the relevant calculation the official price of the Shares of the days preceding the dividend payment date shall be reduced by a corresponding amount.

4.20 Reasons of the differences in the strike price with respect to the market price determined as indicated under point 4.19 (fair market value)

The difference (equal to a 12.5% rate) in the Exercise Price with respect to the Awarding Price is aimed at incentivizing and promoting loyalty among the Beneficiaries of the Awarded Options, in their capacities as persons playing a key role in achieving the objectives of the Group and in line with the objectives expected to be reached with the Plan.

4.21 Criteria based on which different strike prices are expected among different Beneficiaries or different categories of Beneficiaries

Not applicable.

4.22 If the financial instruments underlying the options are not traded on regulated markets, indicate the value assigned to the underlying instruments or describe the criteria used to determine such value

Not applicable.

4.23 Criteria used for adjustments that become necessary following extraordinary transactions on the capital and other transactions entailing a variation in the number of underlying instruments (capital increase, extraordinary dividends, consolidation or split of the underlying shares, merger or split-up, conversion into other categories of shares, etc.)

In case of events involving the Company, such as,

- (i) extraordinary transactions on the Company's capital, including capital reductions due to losses by the cancellation of shares, capital increases, free of charge or against payment, with an option for the shareholders or with the exclusion of the right of option, that may also be paid in by contribution in kind, stock consolidations or splits that may have an impact on the shares,
- (ii) mergers or split-ups, purchases or sales of stock, businesses or going concerns, or
- (iii) amendments to laws or regulations or other events that may have an impact on the rights under the Plan, on the shares of the Company and on the Company,

the Board of Directors, autonomously and without requiring any other approval from the Shareholders' Meeting of the Company, subject to the opinion of the Nomination and Compensation Committee, may amend and supplement the Regulation as it may deem necessary or appropriate to keep the material and economic content of the Plan unchanged, within the limits allowed under the regulations in force from time to time, in accordance with the objectives and purposes of the Plan itself.

4.24 Retribution plans based on financial instruments

As of the date of this Information Document, the Plan has not yet been approved by the Shareholders' Meeting of the Company.

Information under Table 1 attached to Schema 7 of Schedule 3A of the Issuers' Regulation, as applicable, will be provided from time to time pursuant to Article 84-*bis*(5)(a) of the Issuers' Regulation.