

**AMPLIFON S.P.A.**

**INFORMATIVE DOCUMENT OF THE “SUSTAINABLE VALUE SHARING PLAN 2022-2027”  
FOR THE [MANAGING DIRECTOR/ GENERAL MANAGER]**

**Informative document relating to the co-investment scheme (“Sustainable Value Sharing Plan 2022-2027” or the “Scheme”) in favour of Enrico Vita, MD/GM of Amplifon S.p.A. (the “Beneficiary”), drafted pursuant to Article 114-bis of the Legislative Decree No. 58 dated February 24, 1998 (“Securities Dealing Act” or “TUF”), and Article 84-bis of CONSOB resolution No. 11971/99 (“Consob Issuer Regulation”) and Annex 3A, Scheme 7 of Consob Issuer Regulation.**

## Introduction

According to the provisions of Article 114-*bis* of Legislative Decree No. 58, dated 24 February 1998, (the “**Securities Dealing Act**” or “**TUF**”), as well as those of Article 84-*bis* of Consob Resolution No. 11971/99 (the “**Consob Issuer Regulation**”) concerning information to be disclosed to the market in relation to compensation plans based on financial instruments in favour of members of the Board of Directors, employees or self-employees not linked to the Company by any employment agreement, as well as in favour of members of the Board of Directors, employees or self-employees of other parent companies or controlled companies, this informative document (the “**Informative Document**”) has been prepared for the ordinary Shareholders’ Meeting of Amplifon S.p.A. (the “**Company**” or the “**Issuer**”, and, jointly with the companies directly or indirectly controlled by the same, the “**Group**”), convened by the Board of Directors held on March [3], 2022, on April [22], 2022, [on single call], to resolve upon, *inter alia*, the approval of the co-investment scheme in favour of Enrico Vita, in his capacity as MD/GM of the Company (the “**Scheme**”).

The Scheme is a two-fold instrument, being composed of two distinct phases (“**Phase A**” and “**Phase B**”), where the latter is optional and depending on the development of the former, as better described below.

Phase A: effective as from financial year 2022: (a) the Target MBO Bonus theoretically available to the Beneficiary under the applicable MBO Bonus Plan in connection with the previous financial year (including without limitation that related to financial year 2021) shall not become due and be paid and (b) in lieu of the Target MBO Bonus the Beneficiary shall be assigned Rights to receive Shares after a Vesting Period (the “**Coinvested Rights**”)<sup>1</sup>.

Phase B: to the extent the Beneficiary actually receives Coinvested Rights in a given year based on the above mechanism, the Beneficiary will then be eligible to take part in an autonomous and distinct equity-based instrument, whereby the Company offers Matched Rights entitling the Beneficiary to receive Shares in a number which will equal in total the number of the Coinvested Rights under Phase A, provided that certain pre-determined KPIs are achieved at the end of a Vesting Period (the “**Matched Rights**”).

The Scheme is offered to the Beneficiary as a new incentive instrument with intrinsic retention purposes and is aimed at rewarding the co-investment choice made by the Beneficiary thus fostering the alignment with the shareholders’ interest and at the same time supporting the Company’s medium/long term value creation, combined with sustainability objectives (ESG).

Considering that the creation of value for Shareholders in the medium/long term is the Company’s primary objective, the Board of Directors believes that the Scheme – based on the accrual of the right to the free assignment of shares, hinged on performance objectives linked to the creation of value and the Group’s sustainability – ensures the alignment of the interests of the management with those of Shareholders and constitutes the most effective incentive and loyalty tool that best meets the Company’s interests.

This Informative Document has been drafted, also with respect to the numbering of relevant paragraphs, in compliance with Scheme 7 of Annex 3A of Consob Issuer Regulation and is aimed at providing the shareholders and the market with all information necessary to exercise their voting right in the context of the Shareholders’ Meeting.

Pursuant to Article 114-*bis*, paragraph 3, of TUF, and Article 84-*bis*, paragraph 2, of Consob Issuer Regulation, the Scheme, considering its Beneficiary, shall be considered as a “plan of significant relevance”, as it is addressed to a person having strategic functions within the Company.

This Informative Document is available to the public at the Company’s legal office in Milan, Via Ripamonti no. 131/133, as well as on the Company’s website at [www.amplifon.com](http://www.amplifon.com) (section “Governance” – “**Remuneration**”) and on the storage mechanism “eMarket Storage”.

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<sup>1</sup> Unless the Beneficiary elects to receive payment in cash of the Target MBO Bonus, as better explained below.

## DEFINITIONS

<b>Assigned Matched Rights</b>	Shall have the meaning under point 4.2 of this Informative Document.
<b>Beneficiary</b>	means Enrico Vita in his capacity as MD/GM of the Company.
<b>Board of Directors</b>	means the board of directors of the Company.
<b>Business Day</b>	means a day other than Saturdays, Sundays and any other public bank holiday in Milan.
<b>Coinvested Rights</b>	shall have the meaning under the Introduction of this Informative Document.
<b>Company or Issuer</b>	means Amplifon S.p.A., having its registered offices at Via Giuseppe Ripamonti, no. 131/133, Milan, fiscal code and registration number in the Companies' Register of Milan - Monza - Brianza - Lodi 04923960159.
<b>Consob Issuer Regulation</b>	means Consob Resolution No. 11971/1999, as subsequently amended.
<b>Consolidated Financial Statements</b>	means the consolidated financial statements of the Company.
<b>Date of Assignment</b>	means the date on which the Shares are assigned to the Beneficiary, as indicated in the Letter of Assignment Under Phase A.
<b>Date of Vesting</b>	means (i) in respect of Phase A, the date on which the Board of Directors will approve the Consolidated Financial Statements of the third year following the year to which the MBO Bonus refers, and (ii) in respect of Phase B, the date on which the Board of Directors assesses the achievement of the Target KPIs during the Performance Period.
<b>Group</b>	means Amplifon S.p.A. and the companies directly or indirectly controlled by the same.
<b>Group Company</b>	means: (i) the Company; and (ii) a company controlled by the Company pursuant to the definition of "control" set forth in Article 2359, paragraph 1, of the Italian Civil Code.
<b>Laws</b>	means any laws, judicial or arbitration ruling (even if provisionally effective), administrative ruling or regulation, or any other provisions binding on the person to which it is addressed; and " <b>Law</b> " means any of the aforesaid;
<b>Letter of Assignment Under Phase A</b>	means the letter whereby the Company will notify the total number of Coinvested Rights [10] Business Days after the MBO Bonus Possible Cash Election.
<b>Letter of Assignment Under Phase B</b>	means the letter, to be released by the Company at the same time as the Letter of Assignment under Phase A, whereby the Company will notify the total number of Assigned Matched Rights and which will also identify and detail the Target KPIs.

<b>Matched Rights</b>	shall have the meaning under the Introduction of this Informative Document.
<b>MBO Bonus</b>	means the performance-based payout attributable to the Beneficiary with reference to a given year.
<b>MBO Bonus Plan</b>	means the terms and conditions for the attribution of the MBO Bonus each year.
<b>MBO Communication</b>	shall have the meaning under point 4.2 of this Informative Document.
<b>Notice of Vesting</b>	means the letter whereby the Company will notify, within [45 (forty-five)] Business Days from the Date of Vesting of the Coinvested Rights, the numbers of Vested Rights assigned to the Beneficiary.
<b>Notice of Vesting Under Phase B</b>	shall have the meaning under point 4.2 of this Informative Document.
<b>Ordinary Shareholders' Meeting</b>	means the ordinary shareholders' meeting of the Company's shareholders.
<b>Performance Period</b>	means the three-year period to which the key performance indicators underlying the Target KPI refer, as it will be indicated in the Letter of Assignment Under Phase B.
<b>Regulation</b>	means the rules providing for the terms and conditions of the Scheme, as well as any amendment to the same.
<b>Remuneration Committee</b>	means the Remuneration and Appointments Committee of the Company.
<b>Rights</b>	means the rights attributed to the Beneficiary to receive Shares under Phase A.
<b>Scheme Rights</b>	means the Rights and/or the Matched Rights.
<b>Securities Dealing Act or TUF</b>	means Legislative Decree No. 58 dated February 24, 1998, as subsequently amended.
<b>Share</b>	means a share of the Company.
<b>Target KPIs</b>	means the target key performance indicators identified in the Letter of Assignment Under Phase B, which represent a condition for the vesting of the Matched Rights, it being agreed that such indicators will refer to: (i) Sustainability Plan targets; (ii) Absolute Total Shareholder Return.
<b>Theoretical MBO Bonus</b>	shall have the meaning under point 2.2 of this Informative Document.
<b>Target MBO Bonus</b>	means the MBO Bonus attributable upon achievement of 100% of the assigned performance-based targets with reference to a given year.
<b>Vested Matched Rights</b>	shall have the meaning under point 4.2 of this Informative Document.

**Vested Rights**

shall have the meaning under point 4.2 of this Informative Document.

**Vesting Period**

means: (i) under Phase A means the period running from the date of delivery of the Letter of Assignment Under Phase A and the date of approval of the Consolidated Financial Statements related to the third financial year following the year to which the MBO Bonus refers; and (ii), while under Phase B means the period running from the date of delivery of the Letter of Assignment Under Phase B and the date on which the Board of Directors assesses the achievement of the Target KPIs during the preceding three years (including the fiscal year in which the Letter of Assignment Under Phase B is delivered).

## **1. The addressees**

**1.1 The indication of the name of the addressees who are members of the board of directors or management board of the financial instrument issuer, of the companies controlling the issuer and the companies directly or indirectly controlled by it.**

The Scheme applies to the Beneficiary, in his capacity as [MD/GM] of the Company.

**1.2 The categories of employees or collaborators of the financial instrument issuer and companies controlling or controlled by this issuer.**

Not applicable as the Scheme applies exclusively to the Beneficiary.

**1.3 Names of the beneficiaries of the plan belonging to the following groups:**

**a) general managers of the financial instrument issuer:**

Not applicable.

**b) other executives with strategic responsibilities of the financial instrument issuer not classed as "small", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;**

Not applicable.

**c) natural persons controlling the share issuer, who are employees or who collaborate with the share issuer.**

Not applicable.

**1.4 Description and numerical indication, broken down according to category:**

**a) executives with strategic responsibilities other than those specified under letter b) of paragraph 1.3;**

Not applicable.

**b) for "minor" companies, the indication of all the managers with strategic responsibilities of the financial instruments' issuer.**

Not applicable.

**c) any other category of employees or self-employees for whom a different treatment is envisaged under the plan (e.g executives, middle management, employees, etc.).**

Not applicable.

## **2. Reasons for the adoption of the plans**

**2.1 Objectives to be achieved through the implementation of the plans.**

The Scheme is offered to the Beneficiary as a new incentive instrument with intrinsic retention purposes and is aimed at rewarding the co-investment choice made by the Beneficiary, thus fostering the alignment with the

shareholders' interest and at the same time supporting the Company's medium/long term value creation, combined with sustainability objectives (ESG).

Considering that the creation of value for Shareholders in the medium/long term is the Company's primary objective, the Board of Directors believes that the Scheme – based on the accrual of the right to the free assignment of shares, hinged on performance objectives linked with the creation of value and the Group's sustainability - constitutes the most effective incentive and loyalty tool that best meets the Company's interests.

Briefly, the Scheme is aimed at:

- (i) strengthening the retention and the motivation of the Beneficiary and his alignment to the shareholders' interests in creating value for the Group;
- (ii) consolidating, in the context of the remuneration policy, the importance of the variable part, in particular the mid-long term period one, underlining the pay-for-performance concept;
- (iii) reinforcing the appeal and the competitiveness of the Company's remuneration package; and
- (iv) combining the performance of the Company with sustainability objectives (ESG).

## **2.2 Key variables, including in the form of performance indicators considered in order to attribute the financial instrument based plans.**

In Phase A, the Scheme provides that, effective as from financial year 2022: (a) the Target MBO Bonus theoretically attributable to the Beneficiary with reference to the previous financial year under the applicable MBO Bonus Plan (the “**Theoretical MBO Bonus**”) shall not be paid and (b) in lieu of the Theoretical MBO Bonus the Beneficiary shall be assigned Rights to receive Shares after a Vesting Period<sup>2</sup>.

To the extent the Beneficiary actually receives Coinvested Rights under Phase A, then the Company will offer Matched Rights also entitling the Beneficiary to receive Shares upon condition that certain pre-determined Target KPIs are achieved by the Company at the end of a Vesting Period.

The award of Shares is conditional upon achievement, in full or in part, of the following Target KPIs (as better described under point 4.5 below):

- (i) Sustainability Plan targets;
- (ii) Absolute Total Shareholder Return.

## **2.3 Elements underlying the determination of the entity of the financial instrument based compensation, namely the criteria with which to determine it.**

In Phase A, in lieu of the Theoretical Target MBO Bonus pertaining to the Beneficiary a given year, as stated in the MBO Communication, the Beneficiary shall be assigned a number of Rights to receive Shares, based on conversion criteria that will be determined in the Letter of Assignment Under Phase A

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<sup>2</sup> Nevertheless, within [10] Business Days from the MBO Communication (see point 4.2 below) the Beneficiary may still elect to receive payment in cash of the Theoretical MBO Bonus (the “**MBO Bonus Possible Cash Election**”). If : (a) the Beneficiary elects to receive the Theoretical MBO Bonus fully in cash, the relevant amount shall be paid according to the timing and modalities set forth in the annual MBO Bonus Plan and Phase A shall not apply for that year (b) the Beneficiary elects to receive the Theoretical MBO Bonus partially in cash, the relevant portion shall be paid according to the timing and modalities set forth in the annual MBO Bonus Plan, whereas the remaining amount thereof shall not be due and the Beneficiary will receive Coinvested Rights.

To the extent the Beneficiary has received Coinvested Rights in Phase A, in Phase B the Company shall assign to the Beneficiary Matched Rights in a number which will equal in total the number of Coinvested Rights. The Matched Rights shall be assigned at same time as the Coinvested Rights.

In Phase B, the incentive levels are defined in terms of number of Matched Rights that can vest upon total or partial achievement of the Target KPIs (as better described in point 4.5 below), in line with the following remuneration policy principles adopted by the Company:

- remuneration structure suitably balanced between: a fixed component in line with the powers and/or responsibilities assigned and a variable component calculated, within maximum limits, and aimed at linking remuneration to the performance effectively achieved;
- consistency of comprehensive remuneration with respect to the market references applicable to similar positions entailing similar levels of responsibility and complexity, from peer groups of companies comparable with the Company;
- variable remuneration of the Beneficiary strictly linked to medium/long-term performance.

**2.4 The reasons underlying any decision to assign financial instrument based compensation plans not issued by the financial instrument issuer, such as financial instruments issued by subsidiaries or parent companies or third party companies with respect to the group of origin; in the event that said instruments are not traded on regulated markets, information on the criteria used to determine the value assigned to them.**

Not applicable.

**2.5 Evaluations with regards to significant tax and accounting implications which have affected the definition of the plans.**

The preparation of the Scheme was not influenced by significant tax or accounting considerations.

**2.6 Any support of the plan by the special Fund to encourage workers to participate in businesses, pursuant to Article 4, paragraph 112 of Italian Law no. 350 of 24 December 2003.**

Not applicable.

**3. Approval procedures and timing for the allocation of instruments.**

**3.1 scope of powers and functions delegated by the shareholders' meeting to the board of directors in order to implement the plan.**

The meeting held by Amplifon's Board of Directors on March [3] 2022 resolved, on the proposal of the Remuneration Committee and with the abstention of the MD/GM, to submit the Scheme for the approval by the Shareholders' Meeting, in accordance with Article 144-bis of the Securities Dealing Act.

In exercising the authority delegated to by the Shareholders' Meeting, the Board of Directors will have the powers and functions in order to implement the Scheme and to approve the Regulation and of the documentation related thereto, as well as to amend and/or integrate the Scheme in any way it deems appropriate, including without limitation in order to, *inter alia*: (i) take into account any changes to applicable Law; or (ii) allow the Beneficiary to obtain or maintain a favorable regime.

**3.2 indication of the parties appointed to administrate the plan and their function and competence.**

The Board of Directors has the authority to manage the Scheme.



The Ordinary Shareholders' Meeting delegates its powers, functions and responsibilities for the implementation of the Scheme to the Board of Directors of the Company, following the approval of the Scheme.

**3.3 Any procedures in place for the review of plans, including in relation to any alteration of the basic objectives.**

Without prejudice to the competence of the Shareholders' Meeting in the cases laid down by the Law, the Board of Directors is the body entitled to make any amendments to the Scheme, consulting the Remuneration Committee. When implementing the Scheme, the Board of Directors will determine, upon the proposal of the Remuneration Committee, the Scheme Regulation. These procedures may provide at any time for the faculty of the Board of Directors, with the abstention of the MD/GM, to amend and/or integrate the Scheme in any way it deems appropriate, including without limitation in order to, *inter alia*: (i) take into account any changes to applicable Law; or (ii) allow the Beneficiary to obtain or maintain a favourable regime.

**3.4 Description of the methods used to determine the availability and the assignment of the financial instruments on which the plans are based on (for example: the assignment of shares on a free-of-charge basis, share capital increases with the exclusion of pre-emptive rights, and the sale and purchase of its treasury shares).**

Each of the Scheme Rights is attributed to the Beneficiary free of charge. Likewise, the Shares corresponding to the Scheme Rights will be assigned to the Beneficiary free of charge and the Beneficiary will not anyhow be required to pay any consideration to the Company in respect thereto. Shares will be assigned by committing treasury shares obtained from purchases made by the Company from time to time in accordance with Article 2357 *et seq.* of the Civil Code.

**3.5 The role played by each director in determining the characteristics of said plans; any situations of conflict of interest arising concerning the relevant directors.**

For the approval of the Scheme proposal to be submitted for approval to the Ordinary Shareholders' Meeting, the meeting of the Board of Directors, with the abstention of the MD/GM, has taken into account the conclusions of the Remuneration Committee held on February [23], 2022.

**3.6 For the purpose of the requirements of Art. 84-bis, paragraph 1, the date of the decision taken by the competent body to propose the approval of the plans to the shareholders' meeting and any proposal of a remunerations committee, where existing.**

On March [3], 2022, the Board of Directors approved the Scheme, based on the conclusion of the meeting of the Remuneration Committee held on February [23], 2022, and resolved to submit the approval of the same to the Ordinary Shareholders' Meeting convened on April [22], 2022, on [single call].

**3.7 For the purpose of the requirements of Art. 84-bis, paragraph 5, letter a), the date of the decision taken by the competent body with regards to the assignment of instruments and the potential proposal to said body by a remunerations committee, where existing.**

The Ordinary Shareholders' Meeting which shall resolve upon the approval of the Scheme is convened on April [22], 2022, on [single call].

Should the Scheme be approved, the Board of Directors will be held in order to resolve upon the implementation of the same.

Therefore, at the time of this Informative Document, information about the date on which the decision and the proposal, if any, is not available and shall be subsequently communicated pursuant to Article 84-*bis*, Paragraph 5, of Consob Issuer Regulation.

### **3.8 The market price, recorded on said dates, for the financial instruments on which the plans are based, if traded on regulated markets.**

The Shares' official closing market price on February [23], 2022 (date on which the Remuneration Committee gave its opinion on the Scheme) was equal to € 35,77.

The Shares' official market price on March [3], 2022 (date on which the Board of Directors approved the Scheme) was equal to € 37,91.

The Shares' official market price, which will be recorded when the Board of Directors will assign the Rights on the basis of the powers granted by the Ordinary Shareholders' Meeting, will be communicated pursuant to Article 84-*bis*, Paragraph 5, of Consob Issuer Regulation.

### **3.9 In the case of plans based on financial instruments traded on regulated markets, in what terms and how the issuer considers, when identifying the timing of the assignment of instruments in implementation of the plan, of the possible timing coincidence of:**

- i) **said assignment or any decisions taken in this regard by the remunerations committee; and**
- ii) **the diffusion of any significant information in accordance with article 17 of Regulation (EU) No 596/2014; for example, if such information is:**
  - a. not already public and able to positively affect market listings, or**
  - b. already public and able to negatively affect market listings.**

Any disclosure of privileged information at the time of assigning the Scheme Rights would have no effect on the Beneficiary who - based on the Scheme mechanism that grants the Scheme Rights to receive Shares - cannot carry out any transactions on the Shares since there is no physical delivery of Shares.

## **4. Characteristics of the assigned instruments.**

**4.1 The description of the ways in which the compensation plans based on financial instruments are structured; e.g. specify if the plan is based on the attribution of: financial instruments ("restricted stock assignment"); the increase of value of these instruments ("phantom stock"); option rights that enable the subsequent purchase of financial instruments ("option grants") with regulation for physical delivery ("stock option") or for cash on the basis of the differential ("stock appreciation right").**

The Scheme provides for the assignment of Rights entitling the Beneficiary to receive Shares on a free-of-charge basis.

In Phase A, effective as from financial year 2022: (a) the Theoretical Target MBO Bonus available to the Beneficiary under the applicable MBO Bonus Plan in connection with the previous financial year (including without limitation that related to financial year 2021) shall not become due and be paid and (b) in lieu of the Target MBO Bonus the Beneficiary shall be assigned Rights to receive Shares after the Vesting Period, as indicated in the Phase A.

In Phase B, to the extent the Beneficiary actually receives Coinvested Rights in a given year based on the above mechanism, the Beneficiary will be then eligible to take part in a distinct and autonomous equity-based instrument, whereby the Company offers Matched Rights entitling the Beneficiary to receive Shares provided that certain pre-determined KPIs are achieved at the end of the Vesting Period.

#### **4.2 The indication of the period of effective plan implementation also with reference to any different cycles envisaged.**

The Scheme shall be implemented in two distinct phases, of which the latter is optional and depends on the development of the former; in particular:

In Phase A:

- The level of achievement of the performance-based targets assigned to the Beneficiary in each financial year for the purposes of his annual MBO Bonus, and the amount of the corresponding Theoretical MBO Bonus, shall be ascertained and resolved by the Board of Directors once approved the Consolidated Financial Statements of the financial year to which the Theoretical MBO Bonus refers and communicated to the Beneficiary within 60 Business Days from such resolution (the “**MBO Communication**”).
- The Rights will vest upon approval of the Consolidated Financial Statements related to the third financial year following the year to which the MBO Bonus refers (the “**Vested Rights**”).
- The number of Vested Rights assigned in the aggregate to the Beneficiary shall be communicated by the Company within 45 (forty-five) Business Days from the Date of Vesting of the Coinvested Rights (the “**Notice of Vesting**”). The Shares shall be assigned within 90 (ninety) Business Days from the date of the Notice of Vesting.

In Phase B:

- The number of Assigned Matched Rights (the “**Assigned Matched Rights**”) shall be communicated to the Beneficiary in the Letter of Assignment Under Phase B. Not later than 3 years thereafter, the Board of Directors shall assess the achievement of the Target KPIs during the Vesting Period and, accordingly, the portion of Matched Rights which have vested (the “**Vested Matched Rights**”).
- The number of Vested Matched Rights shall be communicated by the Company within 15 (fifteen) Business Days from the Date of Vesting (the “**Notice of Vesting Under Phase B**”). The Shares shall be assigned within 90 (ninety) Business Days from the date of the Notice of Vesting Under Phase B.

#### **4.3 The plan terms.**

The Coinvested Rights under Phase A may be granted to the Beneficiary starting from 2022 and with respect to the 2021 Target MBO Bonus.

The Scheme will expire in 2027, following approval of the financial statements as of December [31] 2026.

#### **4.4 The maximum number of financial instruments, also in the form of options, assigned each tax year in relation to the entities identified or the specified categories.**

The Scheme provides for the assignment of up to an aggregate maximum of 300,000 Shares.

#### **4.5 The methods and clauses for the implementation of the plan, specifying if the effective attribution of the instruments is subject to conditions being met or given results being achieved, including performance-related; a description of said conditions and results.**

Under Phase A the actual achievement of the performance targets assigned to the Beneficiary in each financial year for the purposes of his annual MBO Bonus, and the amount of Theoretical Target MBO Bonus pertaining to the Beneficiary shall be ascertained and resolved by the Board of Directors once approved the Consolidated Financial Statements of the financial year to which the Theoretical MBO Bonus refers.

In Particular (i) in case of failure to achieve the above-mentioned performance targets, the Beneficiary shall not be eligible for the annual MBO Bonus and Phase A shall not apply for that year; and (ii) the Theoretical MBO Bonus shall in no case exceed the Target MBO Bonus and, therefore, any portion of the MBO Bonus in excess of the Target MBO Bonus shall be settled in cash according to the timing and modalities of the applicable Bonus Plan and shall not be relevant for the purposes of this point 4.5.

The Phase A shall not apply in case the Beneficiary elects to receive the Theoretical MBO Bonus fully in cash (as better described under point 2.2 above).

The Phase B is an optional equity-based instrument and applies only to the extent Rights are actually assigned to the Beneficiary under Phase A. Therefore, in case of (i) failure to achieve the above-mentioned performance targets or (ii) election by the Beneficiary to receive the Theoretical MBO Bonus fully in cash, Phase A and, thereby, Phase B shall not apply for that year.

Furthermore, Phase B provides for the assignment and achievement of Target KPIs as a condition for the vesting of the Matched Rights, it being agreed that such indicators will refer to: (i) Sustainability Plan targets; (ii) Absolute Total Shareholder Return.

After the Vesting Period indicated in the Letter of Assignment Under Phase B, the Board of Directors, upon approval of the Consolidated Financial Statements, shall assess and ascertain, at its absolute discretion, the full or partial achievement of the Target KPIs during the Vesting Period and, accordingly, the portion of Vested Matched Rights, as indicated below:

- (i) in case of achievement of both the KPIs, the Beneficiary shall automatically vest also all the Assigned Matched Rights;
- (ii) in case of achievement of only one of the KPIs, the Beneficiary shall automatically vest 50% of the Assigned Matched Rights;
- (iii) in case of failure to achieve the KPIs, then no Assigned Matched Rights shall vest.

The Matched Rights which will not vest according to this point 4.5 will be finally cancelled and forfeited by the Beneficiary and the latter will not have any right whatsoever in connection thereto.

**4.6 The indication of any restrictions of availability affecting the instruments assigned or the instruments from the year of the options, with specific reference to the terms within which the subsequent transfer to the company or third parties is permitted or prohibited.**

The Scheme Rights assigned to the Beneficiary are personal, nominative, and may not be transferred, assigned or otherwise disposed by the Beneficiary to any other person, except for transmission to his heirs in case of death (*mortis causa*), as better indicated below. The Coinvested Rights and Assigned Matched Rights shall automatically be forfeited and terminated in case of any attempt of transfer or negotiation, including but not limited to any transfer *inter vivos* or, based on applicable Law, any pledge or other charge, lien or encumbrance thereon.

**4.7 The description of any termination conditions in relation to the attribution of plans in the event that the addressees should carry out hedging operations that enable the neutralisation of any prohibitions of the sale of the financial instruments assigned, also in the form of options, or financial instruments arising from the exercise of these options.**

Not present.

#### **4.8 The description of the effects determined by the termination of the employment.**

Under Phase A:

The vesting of the Coinvested Rights will be accelerated, in case the following events occur before the Notice of Vesting:

- (i) the MD/GM relationships of the Beneficiary with the Company should cease upon initiative of the Company or the Beneficiary for whatever reason;
- (ii) death or ascertained permanent disability of the Beneficiary which prevents the continuation of the MD/GM relationships.

In such a case, the Company shall send the Notice of Vesting within 10 (ten) Business Days following the date of the events under (i) and (ii) above and the Shares corresponding to the Vested Rights shall be assigned to the Beneficiary within 90 Business Days from said notice.

Under Phase B:

- (i) Should the MD/GM relationships of the Beneficiary be terminated before the Notice of Vesting under Plan B:
  - (a) upon initiative of the Company, due to just cause or certain situations of failure to achieve the business performance objectives; or
  - (b) upon initiative of the Beneficiary, for reasons other than those under (ii)(b) below,

then the Assigned Matched Rights shall not vest and will be finally cancelled and forfeited.

- (ii) Should the MD/GM relationships of the Beneficiary be terminated before the Notice of Vesting under Plan B:
  - (a) upon initiative of the Company, in the absence of just cause or certain situations of failure to achieve the business performance objectives; or
  - (b) upon initiative of the Beneficiary, for just cause or pursuant to Art. 16 or 24 of the National Collective Labor Agreement, in certain eventualities of substantial reduction of powers, or due to disagreement on strategy.

then the Assigned Matched Rights shall not vest and the Beneficiary shall not be entitled to receive any Shares, but the following rules will apply:

- if termination occurs within the first 12 months after the Letter of Assignment Under Phase B, an amount equal to 30% of the Matched Rights will be paid and settled in cash to the Beneficiary;
- if termination occurs from the 13th to the 24th month after the Letter of Assignment Under Phase B, an amount equal to 45% of the Matched Rights will be paid and settled in cash to the Beneficiary;
- if termination occurs 24 months after the Letter of Assignment Under Phase B, an amount equal to 60% of the Matched Rights will be paid and settled in cash to the Beneficiary.

The terms and conditions under point (ii) above shall apply also in case of death of the Beneficiary or ascertained permanent disability which prevents any continuation of the MD/GM relationships with the Company occurring before the Notice of Vesting Under Phase B, with effects on his successors *mortis causa* as the case may be.

The amounts in cash under point (ii) above shall be calculated on the basis of the average stock exchange price of the Shares in the month preceding each of the above events.

**4.9 The indication of any other causes for the cancellation of the plans.**

Causes for cancellation of the Scheme, if any, will be specified in the Regulation during the implementation phase of the Scheme.

**4.10 The reasons in relation to the potential provision for "redemption" by the company of the financial instruments concerned by the plans, arranged in accordance with Article 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption, specifying if it is only intended for specific categories of employees; the effects of the termination of employment on said redemption.**

Not applicable.

**4.11 Any loans or other benefits intended to be granted for the purchase of shares in accordance with Art. 2358 of the Italian Civil Code.**

Non applicable.

**4.12 The indication of assessments of the forecast burden for the company on the date of the related assignment, as can be determined on the basis of the terms and conditions already defined, for the total amount and in relation to each plan instrument.**

The Company's expected cost shall be determined on the Date of Assignment. Information on the total cost of the Scheme shall be provided in accordance with the procedures set out in Article 84-*bis* (5)(a) of the Issuers' Regulations.

**4.13 the indication of any dilution effects on the capital determined by the compensation plans.**

Not applicable.

**4.14 Any limits envisaged for the exercise of voting rights and the attribution of equity rights.**

Not applicable.

**4.15 If shares are not traded on regulated markets, all information that will help fully assess the value that can be assigned to them.**

Not applicable.

[Table No. 1 of Scheme No. 7 of Annex 3A of Consob Issuer Regulation, duly filled in in the sections applicable to the Scheme will be provided during the implementation of the Scheme when the Rights will be assigned.]