

DIASORIN S.P.A.

INFORMATION MEMORANDUM ABOUT A COMPENSATION PLAN BASED ON GRANTS OF STOCK OPTIONS, PREPARED IN ACCORDANCE WITH ARTICLE 84-BIS OF REGULATIONS NO. 11971 APPROVED BY THE CONSOB ON MAY 14, 1999, AS AMENDED, WHICH HAS BEEN APPROVED BY THE SHAREHOLDERS' MEETING OF DIASORIN S.P.A. NAMED

**DIASORIN S.P.A. 2016 STOCK OPTION PLAN**

April 2019 update

## DEFINITIONS

The following definitions apply to the corresponding terms, when used in this Information Memorandum.

|                                |  |
|--------------------------------|--|
| <b>Beneficiary</b>             | The Recipient of an Option grant   |
| <b>Board</b>                   | The Company's current Board of Directors or its representatives  |
| <b>Compensation Committee</b>  | The Company's Compensation Committee, which provides consulting support and makes recommendations with regard to the implementation of the Plan, consistent with the guidelines of the Corporate Governance Code for Listed Companies of Borsa Italiana S.p.A. and the Compensation Policy adopted by the Company, as described in the Compensation Report pursuant to Article 123-ter of the TUF, available on the Company's website <a href="http://www.diasoringroup.com">www.diasoringroup.com</a> (Section Governance/Governance Documents) |
| <b>DIASORIN or the Company</b> | DIASORIN S.p.A., with registered office at Via Crescentino (no building number), Saluggia (VC), Italy  |
| <b>Exercise Notice</b>         | The communication by which a Beneficiary exercises the awarded Options   |
| <b>Exercise price</b>          | The consideration that a Beneficiary will be required to pay to exercise Options and buy Shares  |
| <b>Final Exercise Date</b>     | The final deadline for exercising Options, as defined in the Plan Regulations and/or the Option Contract   |
| <b>Grant Date</b>              | The date when the Board approves a an Option grant to a Beneficiary  |
| <b>Group</b>                   | DIASORIN and its Subsidiaries  |
| <b>Information Memorandum</b>  | This information memorandum, prepared in accordance with Article 84-bis of the Issuers' Regulations and consistent, including with regard to the numbering of sections, with the guidelines provided in Form 7 of Annex 3A to the Issuers' Regulations   |
| <b>Initial Exercise Date</b>   | The date when Options become exercisable, as defined in the Plan Regulations and/or the Option Contract  |
| <b>Issuers' Regulations</b>    | Consob Regulation No. 11971/1999, as amended   |
| <b>MTA</b>                     | Abbreviation from the Italian name (Mercato Telematico Azionario) of the Italian online securities   |

market organized and operated by Borsa Italiana S.p.A.

|                                       |  |
|---------------------------------------|--|
| <b>Option</b>                         | The right granted to a recipient to buy Shares in accordance with the Plan's rules; each Option conveys the right to buy one Share   |
| <b>Option Contract</b>                | The Contract by which the Company grants Options to a Beneficiary, duly signed by the latter for acceptance  |
| <b>Ordinary Shareholders' Meeting</b> | The Company's Ordinary Shareholders' Meeting held on April 28, 2016 which favorably resolved upon (i) a motion to adopt the Plan (sixth item on the Agenda) and (ii) a motion to authorize the Board of Directors to buy and dispose of treasury shares (seventh item on the Agenda) |
| <b>Plan</b>                           | The "DIASORIN S.p.A. 2016 Stock Option Plan" approved by the Ordinary Shareholders' Meeting, pursuant to Article 114- <i>bis</i> of the TUF  |
| <b>Recipient</b>                      | A party who, on the Grant Date, has a permanent employment relationship with the Company or one of its Subsidiaries (or anyway a comparable relationship under the legislation from time to time applicable to the Company or to one of its Subsidiaries)                            |
| <b>Relationship</b>                   | The employment relationship between a Recipient and the Company or a Subsidiary (or anyway a comparable relationship under the legislation from time to time applicable to the Company or to one of its Subsidiaries)  |
| <b>Shares</b>                         | The DIASORIN common shares, with a par value of 1 (one) euro each, subject of the Plan, reserved for Beneficiaries who exercise their Options  |
| <b>Subsidiaries</b>                   | Italian and foreign companies that are directly or indirectly controlled by the Company, pursuant to Article 93 of the TUF   |
| <b>TUF</b>                            | Legislative Decree No. 58/1998 (Testo Unico sulla Finanza), as amended   |

## **FOREWORD**

The subject of this Information Memorandum, prepared in accordance with Article 84-*bis* of the Issuers' Regulations and consistent, including with regard to the numbering of sections, with the guidelines provided in Form 7 of Annex 3A to the Issuers' Regulations, is the "DIASORIN S.p.A. 2016 Stock Option Plan" approved by the Ordinary Shareholders' Meeting on April 28, 2016.

The Plan shall be considered of “major significance” pursuant to Article 114-*bis*, Section 3, of the TUF and Article 84-*bis* of the Issuers’ Regulations, as it may be addressed to some Recipients belonging to the top management of DIASORIN

## **1. PLAN’S RECIPIENTS**

### **1.1. Listing by name of the Plan’s Recipients who are not members of the Board of Directors or the Managing Board of the issuer of financial instruments, companies controlling the issuer and direct or indirect subsidiaries of the issuer.**

The Plan is addressed to parties who on the Grant Date have a permanent employment relationship with the Company or one of its Subsidiaries (or anyway a comparable relationship under the legislation from time to time applicable to the Company or to one of its Subsidiaries).

As of the date of this Information Memorandum there are no Beneficiaries having a permanent employment relationship with the Company or one of its Subsidiaries (or anyway a comparable relationship under the legislation from time to time applicable to the Company or to one of its Subsidiaries) who are members of the board of directors of the Company or of its Subsidiaries.

### **1.2. Categories of employees or associates of the issuer of financial instruments, companies controlling the issuer and subsidiaries of the issuer.**

As of the date of this Information Memorandum there are 20 Beneficiaries having, at the Grant Date, a permanent employment relationship with the Company or one of its Subsidiaries (or anyway a comparable relationship under the legislation from time to time applicable to the Company or to one of its Subsidiaries).

### **1.3. Designation by name of Plan Beneficiaries belonging to the following groups:**

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

As of the date of this Information Memorandum, there are no general managers who are Beneficiaries under the Plan.

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;*

As of the date of this Information Memorandum, there are no executives with strategic responsibilities who are Beneficiaries under the Plan.

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

Not applicable, because there are no individuals controlling DIASORIN.

### **1.4. Description and numerical listing, broken down by category, of the following:**

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

As of the date of this Information Memorandum, there are no executives with strategic responsibilities who are Beneficiaries under the Plan.

b) *in the case of “small” companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer;*

Not applicable, because following the approval of the consolidated financial statements, DiaSorin is no longer “a small size company” pursuant to Article 3, paragraph 1, lett. f) of the Related Parties Regulation.

*c) any other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees, etc.).*

Not applicable, because the Plan does not call for the use of different characteristics for special categories of Recipients nor does it provide criteria for setting different Exercise Prices for different Beneficiaries.

## **2. REASONS FOR ADOPTING THE PLAN**

### **2.1. Objectives pursued through the adoption of the Plan**

The reason for and the objectives of the Plan are creation of value for the shareholders and retention of key executives and high-potential employees of the Company and its Subsidiaries. The purpose of the Plan is to continue the policy of incentivizing and increasing the loyalty of key Group employees by making them feel part of the Company’s ownership base, thereby helping retain within the Group their specific competencies by allowing them to share in the Company’s profits and future growth. The Plan’s Beneficiaries will be executives and employees of DIASORIN and its subsidiaries, identified by the Board from time to time.

With reference to the incentivizing remuneration based on stock options plans, it should be also noted that the adoption of remuneration plans based on shares is consistent with the recommendations set forth in Article 6 of the Corporate Governance Code issued by Borsa Italiana S.p.A. and with the principles included in the “Compensation Policy” adopted by the Company, as described in the Compensation Report pursuant to Article 123-ter of the TUF, available on the Company’s website [www.diasoringroup.com](http://www.diasoringroup.com) (Section Governance/ Governance Documents).

#### **2.1.1. Additional information**

Under the Plan, (i) Options may be awarded to Beneficiaries identified by the Board over a period of three years from the date when the Plan regulations are approved and (ii) Options are exercisable during the exercise periods defined in the Plan Regulations and/or the Option Contract, it being understood that awarded Options may not be exercised for a period of three years following the Grant Date. This length of time was deemed to be the most suitable for achieving the Plan’s incentivizing and employee loyalty objectives. Further information is provided in Section 4.2 below.

The Plan does not call for a predetermined ratio between the number of Options awarded to a single Beneficiary and the overall compensation received by that Beneficiary.

### **2.2. Key variables, including performance indicators used to determine grants under plans based on financial instruments**

Options are awarded to the beneficiaries free of charge and the right to exercise those options is not tied to the achievement of specific performance targets.

#### **2.2.1. Additional information**

Not applicable. Options are awarded to the beneficiaries free of charge and the right to exercise those options is not tied to the achievement of specific performance targets.

### **2.3. Elements used to determine the amount of compensation based on financial instruments, or criteria for its computation**

The number of options awarded to each Beneficiary is determined by the Board on each occasion, taking into account the number, category, organizational level, responsibilities and professional competencies of the Beneficiaries.

### **2.3.1. Additional information**

The numbers of Options awarded to each Beneficiary is determined considering the elements indicated in Section 2.3. above.

### **2.4. If applicable, reasons for the decision to offer a compensation plan based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries, controlling companies or companies outside the issuer's group; if the abovementioned instruments are not traded on a regulated market, information about the criteria used to determine the value assigned to them**

Not applicable, because the Plan is based on grants of Options that convey the right to acquire through subscription Company Shares.

### **2.5. Considerations about significant tax and accounting effects that affected the design of the plans**

There are no significant tax and accounting effects that affected the design of the Plan.

### **2.6. If available, support of the plan by the Special Fund to Incentivize Employee Company Stock Ownership referred to in Article 4, Section 112, of Law No. 350 of December 24, 2003**

The Plan does not receive support from the Special Fund to Incentivize Employee Company Stock Ownership referred to in Article 4, Section 112, of Law No. 350 of December 24, 2003.

## **3. APPROVAL PROCESS AND TIMING OF OPTION GRANTS**

### **3.1. Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for plan implementation purposes**

On March 9, 2016 the Board of Directors, upon recommendation of the Compensation Committee, resolved to submit to the Ordinary Shareholders' Meeting the approval of the Plan for the award to the beneficiaries of up to 250,000 Options valid to buy up to 250,000 Shares.

On April 28, 2018 the Ordinary Shareholders' Meeting resolved upon the approval of the Plan, also granting to the Board of any and all powers that may be necessary or appropriate to implement the Plan, including, the following non-exhaustive list being provided merely by way of example, all powers to adopt the Plan regulations, designate the Beneficiaries and determine how many options should be awarded to each Beneficiary, proceed with the granting of Options to the Beneficiaries, determine the Exercise Price of the Options and carry out all acts, required activities, formalities and communications that may be necessary or appropriate for the purpose of managing and/or implementing the Plan, with the option of delegating its powers, tasks and responsibilities in connection with the execution and implementation of the Plan, as explained in Section 3.2 below.

In performance of the powers granted, the Board approved the Plan regulations on May 9, 2016 and designated the Beneficiaries, granting them the Options, with resolutions dated May 16, 2016, August 4, 2016, December 19, 2016, August 3, 2017, March 7, 2018, November 7, 2018 and March 14, 2019, as indicated in Section 3.7.

### **3.2. Designation of the parties responsible for managing the plan and their functions and competencies**

The responsibility to execute the Plan is granted to the Board, which has been empowered by the Ordinary Shareholders' Meeting for the management and implementation of the Plan.

Under the Plan, the Board may delegate its powers, tasks and responsibilities in connection with the execution and implementation of the Plan to the Chairman of the Board, the Deputy Chairman and/or the Chief Executive Officer, acting jointly or severally. In such a case, all reference to the Board contained in the Plan shall be construed as referring to the Chairman of the Board, the Deputy Chairman and/or the Chief Executive Officer, it being understood that the

Board of Directors shall have sole jurisdiction over any decision related to and/or concerning a grant of Option to a Beneficiary who is also the Chairman and/or Deputy Chairman and/or DIASORIN's Chief Executive Officer, as well as over any other decision related and/or pertaining to the management and/or implementation of the Plan concerning the abovementioned parties.

Consistent with the guidelines of the Corporate Governance Code for Listed Companies of Borsa Italiana S.p.A. and with the Compensation Policy adopted by the Company, the Compensation Committee provides consulting support and makes recommendations with regard to the implementation of the Plan.

### **3.3. Any existing procedures for the revision of plans, including those applicable in connection with changes in the basic objectives**

The Board has the powers to amend or modify the Plan regulations in the most appropriate manners, as it deems useful or necessary for a better achievement of the Objectives of the Plan, having regard for the interest of the Beneficiaries.

The right to exercise the Options is not tied to the achievement of specific performance targets and, therefore, there are no procedures for revising the Plan due to changes in the basic objectives.

See Section 4.23 for additional information.

### **3.4. Description of the method used to determine the availability and grants of the financial instruments on which the plans are based**

The Plan calls for awarding to the Beneficiaries Options valid to buy Company treasury Shares, on the basis of 1 Share for each Options exercised. The maximum number of Shares that may be allocated to the Beneficiaries to implement the Plan is 250,000 Shares.

To this end, on April 28, 2016, pursuant to and for the purposes of Article 2357 and Article 2357-ter of the Italian Civil Code and Article 132 of the TUF and related implementation provisions, the Ordinary Shareholders' meeting authorized the Board to purchase treasury shares, for a maximum number of 250,000 Shares, equal to 0.44% of the share capital, in order to allow the Board to have access to treasury shares earmarked for Plan implementation purposes.

The Company shall make available to the Beneficiaries the shares they are entitled to receive following the exercise of their Options within and not later than 10 (ten) business days after the end of the calendar month during which the options were exercised.

### **3.5. Role played by each Director in determining the characteristics of the abovementioned plans; existence of any conflicts of interest affecting interested Directors**

The features of the Plan to be approved by the Ordinary Shareholders' Meeting within the meaning and for the purposes of art. 114-*bis* of the TUF, have been determined collectively by the Board upon recommendation of the Compensation Committee, who met on March 1, 2016.

The Board of Directors approved the following tranches of Options to be awarded to the Beneficiaries:

- Tranche I: no. 130.000 Options awarded with resolution dated May 16, 2016;
- Tranche II: no. 20.000 Options awarded with resolution dated August 4, 2016;
- Tranche III: no. 40.000 Options awarded with resolution dated December 19, 2016;
- Tranche IV: no. 40.000 Options awarded with resolution dated August 3, 2017;
- Tranche V: n. 25.000 Options awarded with resolution dated March 7, 2018;
- Tranche VI: no. 20.000 Options awarded with resolution dated November 7, 2018;
- Tranche VII: no. 25.000 Options awarded with resolution dated March 14, 2019.

It should be noted that, due to events of Bad Leaving or Good Leaving, no. 98.782 out of the awarded Options automatically lapsed and became void automatically, thereby releasing the Company from any obligation or liability towards the Beneficiaries.

It should also be noted that the motion for the adoption of the Plan is in line with the compensation policy adopted by the Company.

**3.6. For the purposes of complying with the requirements of Article 84-bis, Section 1, date of the decision adopted by the governance body authorized to recommend the approval of plans to the Shareholders' Meeting and any recommendations submitted to the abovementioned body by the Compensation Committee**

The Board approved the Plan on March 9, 2016, upon a recommendation of the Compensation Committee.

The Plan has been approved by the Ordinary Shareholders' Meeting on April 28, 2016.

**3.7. For the purposes of complying with the requirements of Article 84-bis, Section 5, Letter a), date of the decision adopted by the governance body authorized to award grants of financial instruments and any recommendations submitted to the abovementioned body by the Compensation Committee**

As of the date of this Information Memorandum, no. 171.218 Options (net of Options lapsed for events of Good Leaving or Bad Leaving) have been awarded by the Board to the Beneficiaries, upon recommendation of the Compensation Committee.

In detail, the Board awarded the following Options: (i) on May 16, 2016, no. 130.000 Options to no. 10 Beneficiaries (of which no. 83.782, awarded to no. 4 Beneficiaries, lapsed for events of Good Leaving or Bad Leaving); (ii) on August 4, 2016, no. 20.000 Options to n. 3 Beneficiaries; (iii) on December 19, 2016 no. 40.000 Options to no. 4 Beneficiaries (of which no. 15.000, awarded to no. 2 Beneficiaries, lapsed for events of Bad Leaving); (iv) On August 3, 2017, no. 40.000 Options to no. 1 Beneficiary; (v) on March 7, 2018, no. 25.000 Options to no. 4 Beneficiaries; (vi) on November 7, 2018, no. 20.000 Options to no. 4 Beneficiaries and (vii) on March 14, 2019, no. 25.000 Options to no. 2 Beneficiaries.

**3.8. Market price on the abovementioned dates of the financial instruments on which the plan is based, if traded on regulated markets**

The last official closing prices of DIASORIN share at the grant dates were the following:

- May 16, 2016: € 52,25;
- August 4, 2016: € 57,80;
- December 19, 2016: € 53,65;
- August 3, 2017: € 73,05;
- March 7, 2018: € 70,60;
- November 7, 2018: € 79,57;
- March 14, 2019: € 85,80.

**3.9. In the case of plans based on financial instruments traded on regulated markets, when deciding the timing of grants of securities in implementation of a plan, on what basis and in which manner does the issuer take into account potential timing overlap of:**

(i) the abovementioned grant or decisions made in this regard by the Compensation Committee, with

(ii) the dissemination of material information, pursuant to Article 114, Section 1; for example, when such information:

a. is not yet public and could have a positive impact on market prices; or

**b. has already been published and could have a negative impact on market prices.**

The length of the time period chosen to compute the Exercise Price, as shown in Section 4.19 below, is sufficient to ensure that the grant is not significantly affected by the potential dissemination of material information, pursuant to Article 114, Section 1, of the TUF.

Under the 2016 Plan, the exercise of the Options by the Beneficiaries shall be suspended during the period:

- between the day of any meeting of the Board of Directors held with the purpose of approving a resolution to convene a Shareholders' Meeting called to approve (i) the statutory financial statements and at the same time the proposal to distribute dividends or (ii) the proposal to distribute special dividends; and
- the day when the Shareholders' Meeting in question is held.

In case the Shareholders' Meeting resolves upon the distribution of a dividend or special dividend, the suspension period will anyway expire the day after the relevant coupon date.

The Board also has the right to suspend the Beneficiaries' right to exercise their Options during certain periods of the year. In such cases, the Board shall send a special written communication to each beneficiary.

#### **4. CHARACTERISTICS OF THE AWARDED INSTRUMENTS**

##### **4.1. Description of how compensation plans based on financial instruments are structured**

The Plan calls for the award, free of charge, of Options that can be used subsequently, on predetermined terms, to purchase Shares with settlement against physical delivery. Therefore, these are stock options.

Each awarded Option conveys the Beneficiary the right to purchase no. 1 (one) Share, with regular dividend, upon payment of the Exercise Price to the Company.

##### **4.2. Indication of the plan's actual implementation period, with mention of any different cycles, if applicable**

The Plan calls for the award to the beneficiaries of up to 250,000 Options valid to buy up to 250,000 Shares.

Under the Plan, Options may be awarded to Beneficiaries identified by the Board over a period of three years from the date when the Plan Regulations are approved. Options are exercisable during the exercise periods defined in the Plan Regulations and/or the individual Option Contract, it being understood that awarded Options may not be exercised for a period of three years following the Grant Date. Therefore, Options will be exercisable during the period between the Initial Exercise Date and the Final Exercise Date, as stated in the individual Option Contract signed by the Company and the Beneficiary. In any case, options must be exercised by the Final Exercise Date.

##### **4.3. Duration of the plan**

See Section 4.2 above.

##### **4.4. Maximum number of financial instruments, including options, awarded each fiscal year to individuals identified by name or to designated categories**

The Plan calls for the award to the beneficiaries of up to 250,000 Options valid to buy up to 250,000 Shares.

The Plan does not call for a maximum number of Options to be awarded in a fiscal year.

As of the date of this Information Memorandum, no. 171.218 Options (net of Options lapsed for events of Good Leaving or Bad Leaving) have been awarded by the Board to the Beneficiaries, as indicated in Section 3.7 above.

**4.5. Plan's implementation methods and clauses, specifying if the actual award of financial instruments is subject to the fulfillment of conditions precedent or the attainment of predetermined performance targets; description of these conditions and results**

Information about the Plan's implementation methods and clauses is provided in the different sections of this Information Memorandum. Specifically, as mentioned in Section 2.3 above, the number of Options awarded to each Beneficiary is determined on each occasion by the Board, taking into account the number, category, organizational level, responsibilities and professional competencies of the Beneficiaries.

The award of financial instruments is not subject to the achievement of performance targets.

**4.6. Indication of any availability restrictions on the awarded financial instruments or the financial instrument obtained through the exercise of options, specifically indicating the time periods during which the subsequent transfer to the company or a third party is allowed or forbidden**

Options are awarded on a personal basis and may be exercised exclusively by the Beneficiaries. Options may not be transferred or negotiated, pledged or otherwise encumbered by the Beneficiary and/or provided as collateral both as a result of a contract or pursuant to law.

Option will become null and void and may no longer be exercised if an attempt is made to transfer or negotiate them, including, by way of example, any attempt to transfer them by means of a contract or pursuant to law, the establishment of a pledge or other encumbrance, seizure or attachment affecting the Option.

There are no restrictions on the transfer of Company Shares acquired through the exercise of Options.

**4.7. Description of any cancellation conditions regarding the establishment of plans, if the recipients execute hedging transactions to bypass any prohibitions to sell awarded financial instruments, including options, or financial instruments obtained through the exercise of options**

Not applicable because there are no cancellation conditions if a Beneficiary executes hedging transactions to bypass any prohibitions to sell awarded Options.

However, please note the information provided in Section 4.6 above about instances of Options being voided if an attempt is made to transfer or negotiate them.

**4.8. Description of the effects resulting from the end of the employment relationship**

An ongoing employment relationship with DIASORIN or a Subsidiary is an eligibility requirement for the Plan.

Specifically, under the Plan, if the Relationship is ended as a result of a bad leaver situation before the Options are exercised, all options awarded to the Beneficiary shall automatically lapse and shall become null and void, thereby releasing the Company from any obligation or liability.

Bad leaver refers to situations when the employment relationship is ended due to (i) firing of a Beneficiary for cause or (a) violation by the Beneficiary of the laws governing the Relationships; (b) criminal conviction of the Beneficiary of a crime resulting from a malicious or negligent act; (ii) resignation by the Beneficiary not justified by the occurrence of (a) withdrawal from the employment relationship due to a Beneficiary's physical or mental disability (caused by illness or accident) resulting in inability to work for more than 6 (six) months; (b) death of the Beneficiary.

If the employment relationship is ended as a result of a good leaver situation before the Options are exercised, the Beneficiary will retain the right to exercise his/her awarded options proportionately to the length of his/her employment after the Grant Date, as against the length of time running between the Grant Date and the initial Option exercise date. Options that are not exercisable shall become void automatically, thereby releasing the Company from any obligation or liability.

Good leaver refers to situations when the employment relationship is ended due to (i) firing without cause; (ii) withdrawal from the employment relationship due to a Beneficiary's physical or mental disability (caused by illness or accident) resulting in inability to work for more than 6 (six) months; (iii) death of the beneficiary; (iv) retirement of the Beneficiary; and (v) loss of the status of subsidiary by the company employing the Beneficiary.

The Options cancelled for whatever reason will return in the Board's availability, which may re-award them within a period of three years from the approval date of the regulations of the Plan.

#### **4.9. Description of any other cause of plan cancellation**

Options shall become void and will be no longer exercisable if the restrictions described in Section 4.6 above are violated.

Moreover, if the Company does not received the Exercise Notice within the deadline established by the Board and stated in the Option Contract, or if the full Exercise price owed by the beneficiary is not paid to the Company within he required deadline, the Beneficiary shall lose permanently the right to exercise the awarded Options and the affected Options will be deemed to have been permanently cancelled, thereby releasing the Company and the Beneficiary from any existing obligations.

Aside from the situations described above, and without prejudice to the provisions explained in Section 3.3 above, there are no other causes of cancellation under the Plan.

#### **4.10. Reasons for a provision, if any, concerning the "redemption" by the company of the financial instruments subject of the plans, adopted pursuant to Articles 2357 and following of the Italian Civil Code; beneficiaries of the redemption, specifying whether the redemption applies only to certain employee categories; effect of the end of the employment relationship on the redemption**

There is no provision giving the Company the right to redeem the Options object of the Plan and of the Shares deriving from their Exercise.

#### **4.11. Any loans or other subsidies that may be granted for the purchase of shares, pursuant to Article 2358, Section 8, of the Italian Civil Code**

No provision has been made to grant loans or other subsidies for the purchase of Shares, pursuant to Article 2358, Section 8, of the Italian Civil Code.

#### **4.12. Indication of the cost that the company expects to incur on the award date, as determinable based on predefined terms and conditions, in terms both of total amount and amount for each financial instrument in the plan**

The overall cost of the 2016 Plan, equal to Euros 551.189,00 for the year 2018, was recognized in the income statement as part of labor costs and general and administrative expenses, with the offsetting entries posted to shareholder's equity.

#### **4.13. Description of any dilutive effects on the share capital caused by compensation plans**

Because no new shares will be issued under the Plan, the Plan will not have a dilutive effect on the Company's share capital.

#### **4.14. Restrictions, if any, on the exercise of voting rights and the attribution of ownership rights**

The object of the Plan are stock options and there are no restrictions on the exercise of voting rights and the attribution of ownership rights inherent in the Shares deriving from the Exercise of the Options.

**4.15. If the shares are not traded on regulated markets, any useful information for an informed assessment of the value attributable to them**

Not applicable because the Shares are traded on the MTA.

**4.16. Number of financial instruments underlying each option**

Each awarded Option, if exercised with the deadlines and in accordance with the conditions of the Plan, conveys the right to purchase one Share.

**4.17. Expiration of the options**

See Section 4.2 above.

**4.18. Exercise mode (American/European), timing (e.g., periods valid for exercising) and exercise clauses (e.g., knock-in and knock-out clauses)**

The Options will have a “European” exercise mode. See Section 4.2 above for the Option exercise periods.

**4.19. The price for the exercise of the option or method and criteria for its determination, with specific regards: a) to the formula for calculating the exercise price in relation to a given market price (the “fair market value”) (e.g. exercise price equal to 90%, 100% or 110% of market price) and b) to the method used to determine the market price taken as reference for the determination of the exercise price (e.g. last price of the day prior to assignment, day average, average of the last 30 days, etc.)**

The Exercise Price for each Option is determined by the Board in an amount that shall not be less than the simple average of the official prices on the MTA during the period between the Option Grant Date and the same day of the previous calendar month.

Here below are the Exercise Price of the Options awarded, determined with the criteria described in this Section 4.19:

- for the Options awarded on May 16, 2016, the Exercise Price for each Options is Euro 52,5431;
- for the Options awarded on August 4, 2016, the Exercise Price for each Options is Euro 56,3108;
- for the Options awarded on December 19, 2016, the Exercise Price for each Options is Euro 51,83923;
- for the Options awarded on August 3, 2017, the Exercise Price for each Options is Euro 69,6334;
- for the Options awarded on March 7, 2018, the Exercise Price for each Options is Euro 70,0517;
- for the Options awarded on November 7, 2018, the Exercise Price for each Options is Euro 82,4239;
- for the Options awarded on March 14, 2019, the Exercise Price for each Options is Euro 86,0448.

**4.20. If the exercise price is different from the market price determined as explained in Section 4.19 above (fair market value), reasons for the difference**

Not applicable.

**4.21. Criteria for setting different exercise prices for different beneficiaries or different categories of beneficiaries**

Not applicable, because there are no criteria used to determine different Exercise Prices for different Beneficiaries.

**4.22. If the financial instruments underlying the options are not traded on regulated market, indication of the value attributable to the underlying instruments or criteria to determine their value**

Not applicable because the Shares are traded on the MTA.

**4.23. Criteria for the adjustments required as a result of extraordinary share capital transactions and other transactions causing a change in the number of the underlying instruments (capital increases, extraordinary dividends, reverse stock splits and stock splits, mergers and demergers, conversions into other classes of shares, etc.)**

The Board of Directors has the right to make any amendment or integration to the Plan as it deems useful or necessary for the best achievement of the objectives of the Plan, provided that they do not affect the Exercise of the Options granted to the Beneficiaries.

**TABLE**

| <b>Tranche</b> | <b>First and last name</b> | <b>Post held</b> | <b>Resolution date</b> | <b>Options awarded</b> | <b>Exercise price</b> | <b>Market price of the shares at the grant date</b> | <b>Exercise period</b> |
|----------------|----------------------------|------------------|------------------------|------------------------|-----------------------|---|------------------------|
| <b>I</b>       | Other key employees        |                  | 5.15.2016              | 46,218*                | € 52.5431             | € 52.25   | 16.5.2019-16.5.2022    |
| <b>II</b>      | Other key employees        |                  | 8.4.2016               | 20,000                 | € 56.3108             | € 57.80   | 5.8.2019-5.8.2022      |
| <b>III</b>     | Other key employees        |                  | 12.19.2016             | 25,000*                | € 51.83923            | € 53.65   | 20.12.2019-20.12.2022  |
| <b>IV</b>      | Other key employees        |                  | 8.3.2017               | 40,000                 | € 69.6334             | € 73.05   | 4.8.2020-4.8.2023      |
| <b>V</b>       | Other key employees        |                  | 7.3.2018               | 25,000                 | € 70,0517             | € 70.60   | 8.3.2021-8.3.2024      |
| <b>VI</b>      | Other key employees        |                  | 7.11.2018              | 20,000                 | € 82,4239             | € 79.57   | 8.11.2021-8.11.2024    |
| <b>VII</b>     | Other key employees        |                  | 14.3.2019              | 25,000                 | € 86,0448             | € 85.80   | 15.3.2022-17.3.2025    |

\* Net of options lapsed for Bad Leaving or Good Leaving hypothesis pursuant to 2016 Plan.