

**MEDIOLANUM S.P.A.**

**INFORMATION DOCUMENT ON THE COMPENSATION PLAN BASED  
ON THE ASSIGNMENT OF OPTIONS (STOCK OPTION) FOR THE  
PURCHASE OF MEDIOLANUM S.P.A. SHARES**

*(prepared in accordance with article 84-bis of CONSOB - Italian Securities Regulatory  
Authority - with resolution no. 11971 of 14 May 1999 as subsequently amended)*

Collaborators

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## Definitions

In addition to the terms defined elsewhere herein, for the purposes of this document the terms set out below shall have the following meaning :

**Shares** Mediolanum S.p.A. newly issued shares listed on the electronic Screen-Based Equity Market operated by Borsa Italiana.

**Bank** Banca Mediolanum S.p.A.

**Borsa Italiana** Borsa Italiana S.p.A. with registered office in piazza Affari 6, Milan.

**Committee** the Compensation Committee established by the Board of Directors of the Company.

**Bank's Committee** the Bank's Compensation Committee .

**Subsidiaries** the subsidiary companies of the Company pursuant to art. 2359 of the Italian civil code .

**Grant Date** as defined in subsection 3.7. herein.

**Beginning Date of Exercise** as defined in subsection 2.1.1. herein.

**Beneficiaries** the collaborators belonging to the sales personnel of the Company, of the Bank and of the Subsidiaries, who are beneficiaries under the Plan.

**Group or Mediolanum S.p.A. Group** collectively, the Company and its Subsidiaries.

**Options** personal and non-transferable rights to be granted to the Beneficiaries by the Board of Directors and exercisable for the purchase of the Shares, in the ratio of one dividend-bearing share for every exercised Option.

**Potentially Exercisable Options** as defined in subsection 4.18. herein.

**Two-Year Performance Targets** as defined in subsection 4.18. herein.

**Exercise Period** as defined in subsection 4.2. herein.

**Plan** this stock option plan, referred to as the “Collaborators’ Plan 2010”, benefiting the collaborators of the Company, of the Bank and of the Subsidiaries, approved by the Board of Directors on 9 March 2010 and submitted for approval to the shareholders’ ordinary Meeting held on 27 April 2010, on first call, and on 28 April 2010, on second call.

**Subscription Price** as defined in subsection 4.19. herein.

**Regulation** the regulation concerning the definition of criteria, manners and terms for implementing the Plan.

**Regulation for Issuers** the regulation approved by Consob resolution 11971 of 14 May 1999 as subsequently amended.

**Final Expiry** the last day an Option can be exercised.

**Company** Mediolanum S.p.A., with registered office in Basiglio (MI), via Francesco Sforza 15.

**Consolidated Finance Act** Italian Legislative Decree 58 of 24 February 1998 as subsequently amended.

**Vesting Period** as defined in subsection 2.1.1. herein.

## Background

On 9 March 2010, the Board of Directors resolved, upon a proposal from the Compensation Committee, as well as after consultation with the Bank's Committee, to submit for approval of the shareholders' ordinary Meeting held on 27 April 2010, on first call, and on 28 April 2010, on second call, pursuant to art. 114-bis of the Consolidated Finance Act, the establishment of the "Collaborators' Plan 2010", as well as a plan benefiting the directors and managers of the Company and of the Subsidiaries (the "**Top Management Plan 2010**").

This document concerns the "Collaborators' Plan 2010" and was prepared pursuant to art. 84-bis of the Regulation for Issuers and in accordance with the instructions set out in Model 7 of Annex 3A of the Regulation for Issuers, including numbering of sections and subsections.

**1. BENEFICIARIES UNDER THE PLAN**

**1.1. Indication of the names of the beneficiaries, who are members of the board of directors or of the management board of issuer of financial instruments, of the issuer's parent companies and of the companies, whether directly or indirectly, controlled by the issuer.**

The Beneficiaries of the Plan do not include those individuals who, at the Grant Date (as defined below), serve as directors or are members of the board of management of the Company or of parent companies of the Company or of the Subsidiaries.

In relation to the directors and the managers of the Company or of the Subsidiaries, readers are referred to the information document relating to the Top Management Plan 2010, referred to in the background.

**1.2. Classes of employees or collaborators of the issuer of financial instruments and of its parent companies or subsidiaries.**

Beneficiaries of the Plan are those individuals determined by the Board of Directors of the Company, upon a proposal from the Compensation Committee, after consultation with the competent positions of the Company, of the Bank or of the Subsidiaries, which, at the Grant Date, have a collaboration relationship with the Company, the Bank or the Subsidiaries.

The Beneficiaries include mainly those individuals who work as sales personnel of the Bank in relation to whom, as a general rule, in the year prior to the Grant Date, specific individual targets have been fixed, and their participation to the Plan is conditional upon the achievement of said targets.

The Beneficiaries of this Plan do not include the employees of the Company, of the Bank and of the Subsidiaries, in relation to whom readers are referred to the information document relation to the Top Management Plan 2010, referred to in the background.

**2. REASONS FOR ADOPTING THE PLAN**

**2.1. Targets that the Company intends to reach through the adoption of the plans**

The Plan is regarded as and represents an effective loyalty-building tool of the key resources for the growth and success of the Company and of the Group and aims at developing the feeling of belonging of the aforesaid key resources, as well as at

rewarding the results achieved by the single Beneficiaries in order to provide, on a long-term basis, incentives for their maintenance within the Company and the Group.

The plan aims also at causing the global treatment of the Beneficiaries to be linked to the achievement of economic and/ or financial performance targets, in such a way as to conform the Beneficiaries' interests to the Company's interests for the creation of a higher value in the Company and in the Group.

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

The Plan will develop in the medium-long term fixed by the Board of Directors, upon a proposal from the Committee, between a minimum period of five years and a maximum period of ten years from the Grant Date (the "Vesting Period"). The duration of the Vesting Period will be conditional upon the achievement of the incentive and retention targets pursued by the Plan.

We foresee that the Options in relation to which the so-called Two-Year Period Performance Targets (as defined below), will be exercisable as from the last day of the Vesting Period (the "**Beginning Date of Exercise**") and for a period of three year from the Beginning Date of Exercise.

That time horizon is deemed to be appropriate to tie the compensation of the Beneficiaries both to the medium/long-term performances of the Group and to the individual performances, by aligning the Beneficiaries' and the shareholders' targets and maximising the creation of value for the shareholders.

#### **2.2 Principal factors of variation and performance indexes taken into account for the assignment of plans based on financial instruments.**

The Plan Regulation, the preparation of which is referred to the Board of Directors of the Company, upon a proposal from the Compensation Committee, and, if necessary, after consultation with the competent positions of the Company or of the Subsidiaries, will identify, in compliance with the market practice, the so-called Two-Year Period Performances (as defined below) – the achievement of which the exercise of the Options is subject to.

##### **2.2.1. Additional Information**



The so-called Two-Year Period *Performance Targets* (as defined below) will be identified in strict relation to the medium-long term targets, which the Company intends to achieve through the adoption of the Plan.

**2.3 Factors assumed as basis for the determination of the compensation based upon financial instruments, or the criteria for the determination of the aforesaid compensation.**

The number of Options to be assigned to each Beneficiary will be determined by the Board of Directors, upon a proposal from the Committee, and, if necessary, after consultation with the competent positions of the Company or of the Subsidiaries, according to a principle which will take account of (i) the organisational position held by each Beneficiary within the Company, the Bank and the Subsidiaries, as well as the professional responsibilities and skills of each Beneficiary, (ii) the strategic value of the single Beneficiary and of his/her future ability to influence the future creation of the Company's or Group's share value and (iii) the remuneration structure of each Beneficiary.

**2.3.1 Additional information**

The size of the Options to be assigned to each single Beneficiary will be determined by taking account of the factors referred to in Paragraph 2.3. above.

**2.4. Reasons justifying the decision to assign compensation plans based on financial instruments not issued by listed issuer, such as financial instruments issued by its subsidiaries or, its parent companies or third parties; in the event the aforesaid financial instruments are not negotiated on regulated markets, the issuer shall provide information as to the criteria adopted for the calculation of the value attributable to such financial instruments.**

Non applicable.

**2.5. Evaluations, with respect to the relevant tax and accounting implications, taken into account in the definition of the plans.**

There are no relevant tax and accounting implications, taken into account in the definition of the Plan.

**2.6. Indication as to whether the plan enjoys any support from the special Fund for encouraging worker participation in the companies, as provided for under article**

**4, paragraph 112, of the Italian Law of 24 December 2003 n. 350 .**

The Plan is not currently supported by the special Fund for encouraging worker participation in the companies, as provided for under art. 4, paragraph 112, of the Italian Law of 24 December 2003 n. 350.

**3. PROCEDURES FOR THE APPROVAL AND TIMESCALE OF THE STOCK OPTION GRANTS**

**3.1 Powers and authorities delegated by the meeting to the board of directors for the implementation of the Plan**

The Plan will be submitted, in compliance with the provisions under art. 114-bis of the Consolidated Finance Act, for approval of the Company's ordinary Meeting convened on 27 April 2010, on first call, and on 28 April 2010, on second call. The Meeting will be asked to delegate to the Board of Directors all the powers needed to implement the Plan, including the identification of the Beneficiaries, the determination of the number of Options to be assigned to each of them, the Vesting Period, the Two-Year Period Performance Targets (as defined below), as well as to see to any act, performance, formality (including the preparation of the Regulation) and communication, which may be necessary or advisable for the purposes of the management and/ or implementation of the Plan.

**3.2. Indication of the individuals in charge of the plan management and their position and authority.**

The management of the Plan is referred to the Company's Board of Directors.

The Company's Board of Directors, upon a proposal from the Compensation Committee, and, if necessary, after consultation with the competent positions of the Company or of the Subsidiaries, has the authority, vested in it by the ordinary Meeting of the Company, to determine the Beneficiaries, the number of Options to be granted, the Grant Date and the date for the exercise of the Options, as well as to pass any other resolution needed for the best management and implementation of the Plan. For that purpose, the Board of Directors will hear the Committee's opinion, which is vested with consulting and proposing functions in relation to the implementation of the Plan, as well as the opinion of the competent positions of the Company or of the Subsidiaries.

**3.3. Procedures, if any, for the amendment of the plans, also in connection with potential variation of the original targets.**

At any time, the Board of Directors of the Company can make any minor amendments to the Plan (and to the Regulation thereof) that it deems useful or expedient to the best attainment of the purposes of the Plan, provided that said amendments do not prejudice the rights given to the Beneficiaries of the Plan in the meantime.

**3.4. Description of the modalities for the determination of the availability and assignment of the financial instruments contemplated by the plans.**

The Plan entails the grant of rights that entitle the Beneficiaries to subscribe for newly issued ordinary Shares, in the ratio of one dividend-bearing Share for each Option exercised.

The extraordinary Meeting of the Company is called to confer upon the Board of Directors, pursuant to art. 2443 of the Italian civil code, the authority to increase share capital for a consideration in one or more occasions for a period of five years for a maximum total amount of €700,000.00, waiving any shareholders' pre-emptive rights pursuant to art. 2441, paragraph five, of the Italian Civil Code, issuing up to 7,000,000 new Shares, to be allotted to the Beneficiaries.

**3.5. Role played by each director in the determination of the characteristics of the aforementioned plans; potential conflict of interest affecting the directors concerned.**

The characteristics and the guidelines of the Plan have been developed by the Committee, after consultation with the competent positions of the Company or of the Subsidiaries, and submitted to the Board of Directors for the examination of the respective proposals of establishment thereof to be submitted to the shareholders' Meeting. The Board of Directors' resolutions have been passed in compliance with the respective Committee's proposals.

**3.6. For the purposes of art. 84-bis, paragraph 1, the date on which the competent body resolved upon the proposal of the plans to be submitted to the meeting and the proposal, if any, of the compensation committee, if any.**

The adoption of the Plan is submitted for approval at the meeting of 27/28 April 2010 following a decision passed by the Board of Directors dated 9 March 2010 upon a proposal from the Committee met on 5 March 2010.

- 3.7. For the purposes of art. 84-bis, paragraph 5, letter a), the date on which the competent body resolved the assignment of the financial instruments and the proposal, if any, to the aforesaid body formulated by the compensation committee, if any.**

The Options covered by the Plan will be assigned by the Board of Directors pursuant to a proper proxy conferred upon it by the shareholders' Meeting. The grant date of the Options is the date of resolution of the Board of Directors, which approves the grant thereof (the "Grant Date"). That information will be communicated, from time to time, pursuant to article 84 bis, paragraph 5, letter a) of the Regulation for Issuers.

- 3.8. Market price, registered on the aforesaid dates, of the financial instruments on which the plans, if traded on regulated markets, are based.**

On 9 March 2010, the market price of the Shares registered on the Electronic Screen-Based Equity Market operated by Borsa Italiana amounted to €4.2412 per Share.

- 3.9. In case of financial instruments based plans traded on regulated markets, in which terms and modalities the issuer takes into account, in the determination of the timeframe for the assignment of the instruments implementing the plans, of the possible time-coincidence between:**

- i) such assignment or the decisions, if any, adopted thereon by the compensation committee, and**
- ii) the dissemination of relevant information, if any, pursuant to art. 114, paragraph 1; for instance, in cases in which such information is:**

*a. not already public and capable to positively affect the market quotation, or*

*b. already published and capable to negatively affect the market quotation.*

In relation to the timeframe for the assignment of the Options, reference is to be made to the resolutions with which, as specified above, the Board of Directors will identify the Subscription Price of the Options, according to the criteria specified herein, and will assign the Options to the individuals identified as Beneficiaries.

To avoid that disclosure of price-sensitive information (the "Price-Sensitive Information"), as defined in section 114 of the Consolidated Finance Act, may

coincide or interfere with Option grants, the Board of Directors will not make decisions on Option awards concurrently with the examination of extraordinary corporate operations or deals or other circumstances or events which may have a significant impact on the Company's stock price.

#### **4. FEATURES OF THE FINANCIAL INSTRUMENTS GRANTED**

##### **4.1. Description of the structures of the financial instrument-based compensation plans.**

The Plan provides for the grant, without consideration, of Options to the Beneficiaries, which confer the right upon them to subscribe newly-issued Shares of the Company, in the ratio of one Share for each dividend-bearing Option exercised against payment to the Company of the Subscription Price.

##### **4.2. Indication of the time period for the implementation of the plan also indicating different cycles, if any, of its implementation.**

The exercise of the Options, conditional upon to the achievement of the Two-Year Period Performance Targets (as defined below), as well as the consequent subscription of the Shares by the Beneficiaries, are allowed only from the Beginning Date of Exercise. The exercise of the Options and the consequent subscription of the Shares shall occur, in one go, in the first five business days of each of the thirty-sixty calendar months after the Beginning Date of Exercise (hereinafter, each, an "**Exercise Period**"). Options that are not exercised in the respective Exercise Period will automatically lapse and be null and void.

##### **4.3. Expiration of the Plan**

The Expiration of the Plan, i.e. as the deadline for the increase of capital serving the Shares grant, is therefore the fifth anniversary from the date of the meeting's resolution of Plan approval.

##### **4.4. Maximum number of financial instruments, also in the form of options, assigned over any fiscal years with respect to the beneficiaries namely identified or identified by categories, as the case may be.**

The Plan does not provide for a maximum number of Options to be assigned over a fiscal year.

- 4.5. Procedures and clauses for the implementation of the Plan, specifying whether the assignment of the financial instruments is subject to the satisfaction of certain specific conditions and, in particular, to the achievement of specific results, including performance targets; a description of the aforesaid conditions and results.**

The procedures and clauses for the implementation of the Plan are set out in Paragraphs 4.1., 4.2., 4.3. and 4.4. above.

The Board of Director will inform the Beneficiaries of the Option grants and the terms and conditions for their exercise by delivering the relevant grant letter to them. The grant letter will set out (i) the total number of Options granted, (ii) the Subscription Price of the Shares, and (iii) the Two-Year Period Performance Targets, which are conditional upon the exercise of the Options.

A copy of the Plan Rules will be attached to the Grant Letter. Each Beneficiary shall return a signed copy of the Grant Letter and the Plan Rules to the Company as proof of full acceptance thereof by the Beneficiary.

- 4.6. Indication of the restrictions on the availability of the financial instruments allocated under the plan or of the financial instruments relating to the exercise of the options, with particular reference to the time limits within which the subsequent transfer of the stocks to the company or third parties is permitted or prohibited.**

The Options granted are registered to the beneficiary, cannot be assigned or transferred inter vivos, pledged or given as collateral to the benefit of the Company, its subsidiaries or third parties – and in general – cannot be part of any contract, including any derivative contract.

- 4.7 Description of any condition subsequent to the plan in connection with the execution, by the beneficiaries, of hedging transactions aimed at preventing the effects of potential limits to the transfer of the financial instruments assigned there under, also in the form of options, as well as to the transfer of the financial instruments relating to the exercise of the aforesaid options.**

Not applicable.

**4.8./4.9 Description of the consequences deriving from the termination of the employment or working relationship / indication of any other provisions which may trigger the cancellation of the plan.**

The consequences deriving from the different typologies of termination of the collaboration relationship with the Company by the Beneficiaries, as well as the indication of any other provisions which may trigger the cancellation of the Plan will be set out in the Plan Regulation, which will be approved by the Board of Directors, upon a proposal from the Committee, and, if necessary, after consultation with the competent positions of the Company or of the Subsidiaries.

In principle, the exercise of the Options granted to the Beneficiaries of the Plan will be conditional upon the continuation in force of the relationship existing between the Beneficiaries and the Company or between the Beneficiaries and the Bank and the Subsidiaries; consequently, in the event, for any cause whatsoever, the Beneficiaries cease to have with the Company, with the Bank or with the Subsidiaries the relationship existing until that time, any unexercised Options granted to the Beneficiaries under the Plan will automatically lapse and become null and void from the date on which the relationship has ceased.

**4.10 Reasons justifying the “redemption”, pursuant to art. 2357 et. seq. of the Italian Civil Code, by the Company, of the financial instruments contemplated by the plans; the beneficiaries of such redemption, indicating whether the same is limited only to certain categories of employees; the consequences of the termination of the employment relationship with respect to such redemption rights.**

The Plan does not provide for any redemption of the Shares deriving from the exercise of the Options.

**4.11. Loans or other special terms that may be granted for the purchase of the shares pursuant to art. 2358, paragraph 3, of the Italian Civil Code.**

The Plan does not provide for any grant of loans or other special terms for the purchase of the Shares of the Company deriving from the exercise of the Options.

**4.12. Indication of evaluations of the expected economic burden for the Company at date of the assignment, as determined on the basis of the terms and conditions already defined, with respect to the aggregate overall amount as well as with respect to each financial instrument contemplated by the plan.**

The economic burden for the Company cannot be quantified as of the date of assignment; however, administrative and management expenses will be accounted for the Plan.

**4.13. Indication of dilution effects on the corporate capital resulting from the compensation plan, if any.**

The dilution effects of the Plan as determined assuming the total capital increases amounting to €700,000.00, and assuming they will be fully subscribed will be equal to 0.95% of the fully subscribed and paid up share capital at 28 February 2010.

**4.14. Any limitation to the voting and to the economic rights.**

The Plan does not provide for any limitation to the voting or economic rights deriving from the Shares subscribed after the exercise of the Options.

**4.15. In the event the shares are not negotiated on regulated markets, any and all information necessary for a complete evaluation of the value attributable to them.**

Not applicable.

**4.16. Number of financial instruments belonging to each option.**

Each option entitles the beneficiary to subscribe for one dividend-bearing Share under the terms and conditions of the Plan subject to any adjustments as provided under the Plan.

**4.17. Expiration of the options.**

The Options expire on the first day after the expiration of the Exercise Period (the “**Final Expiry**”). Options that are not exercised by the Final Expiry; (i) will automatically lapse, (ii) will be null and void and (iii) will not grant any right to the Beneficiaries any more.

**4.18. Modalities, time limits and clauses for the exercise of the Options.**

The exercise of the Options granted to the Beneficiaries shall be conditional upon the achievement of specific business performance targets, measured with reference to the two-year period following the granting of the Options of specific consolidated economic/income parameters, such as the Normalised Consolidated Revenue or other similar parameters regarded as suitable (the “*Two-Year Period Performance Targets*”), in case amended by factors of risk and cost of capital.

The identification of the *Two-Year Period Targets*, the determination of the exercisability percentages of the Options depending on whether the aforesaid Two-Year Period Targets are reached or not, as well as the verification of the implementation of the aforesaid exercise conditions, is referred to the Board of Directors, upon a proposal from the Remuneration Committee (and, if necessary, after consultation with the competent positions of the Company or of the Subsidiaries.



The Two-Year Period *Performance Targets* will be applicable to all the Beneficiaries of the Plan and, accordingly, there are no differentiated or particular conditions for the different categories of Beneficiaries.

In particular, the maximum number of exercisable Options (the “**Potentially Exercisable Options**”) will be conditional upon the level of achievement of the Two-Year Period Targets. The Plan, therefore, provides for: (i) exercisability of all the granted Options in case the Two-Year Period Performance Targets are exceeded, (ii) partial exercisability of the granted Options in case the Two-Year Period Performance Targets are achieved (or in case of failure to achieve the Two-Year Period Performance Targets without significant deviations) and (iii) full non-exercisability of the granted Options in case of failure to achieve the Two-Year Period Performance Targets with significant deviations.

Options can only be exercised and subsequently Shares subscribed by the Beneficiaries after the Vesting Period, starting from the Beginning Date of Exercise and for the following three years. Options shall be exercised and shares subscribed, in full, and in one go, in the Exercise Period.

**4.19. Strike price of the options or the criteria and modalities for its determination, with respect in particular to: a) the formula for the calculation of the exercise price in connection with the fair market value; and to b) the modalities for the calculation of the market price assumed as basis for the calculation of the exercise price.**

The “**Subscription Price**” is the price the Beneficiary has to pay to the Company to subscribe for one Share upon the exercise of one Option.

The Subscription Price for one Share is established at the Grant Date and is equal to weighted average of: (i) the company’s equity value per Share as reported in the approved financial statements at 31 December of the year preceding the Grant Date and (ii) the stock closing price on the Electronic Screen-Based Equity Market operated by Borsa Italiana in the six-month period preceding the Grant Date. The weight applied is equal to 90% for (i) and to 10% for (ii).

- 4.20. In case the strike price is different from the fair market value as determined pursuant to point 4.19.b (fair market value), the indication of the reasons for such difference.**

The strike price is calculated as indicated in subsection 4.19. above.

- 1. 4.21. Criteria justifying differences in the exercise prices between the relevant beneficiaries or class of beneficiaries.**

Not applicable.

- 4.22. In the event the financial instruments underlying the options are not negotiated on a regulated market, the indication of the value attributable to the same or of the criteria for its determination .**

Not applicable.

- 4.23. Criteria for the adjustments required in connection with any extraordinary transaction involving the corporate capital as well as in connection with transaction triggering a variation in the number of the financial instruments underlying granted options (increases of capital, extraordinary dividends, consolidation and splitting of underlying shares, merger and de-merger, conversion into other share classes, etc.).**

When the circumstances warrant, the Board of Directors will make adjustments to the Subscription Price and/ or the number of Shares attributable under Options that are still unexercised (or establish the exchange ratio for companies resulting from any merger and/ or de-merger) upon the occurrence of the following events: any (i) consolidation and splitting of the Shares; (ii) capital increases with bonus issues of Shares; (iii) Company's capital increases for a consideration which entail the issue of Shares, of shares other than the Shares, of share warrants, of convertible bonds and convertible bonds with warrants; (iv) mergers or de-mergers of the Company; (v) extraordinary dividend distributions using the Company's reserves; (vi) grants of assets in the Company's portfolio to the shareholders; (vii) reduction of the Company's share capital.

In making said adjustments, the Board of Directors shall apply the rules commonly adopted in financial market practice. The Beneficiaries will receive written notice of any such adjustments.

#### **4.24 Tables**

The Table to be prepared pursuant to Model no. 7 of Annex 3A of the Regulation for Issuers will be promptly drawn up and disclosed pursuant to art. 84-bis, paragraph 5, of the Regulation for Issuers, at the time of the assignation of the Options by the Board of Directors.