

DIRECTORS' REPORT  
ON THE THIRD AND FOURTH ITEM ON THE  
AGENDA  
(ordinary part)

*for the Ordinary and  
Extraordinary Shareholders'  
Meeting of Equita Group  
S.p.A.  
of 29 April 2021*

(published on 29 March 2021)



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EQUITA GROUP

*(COURTESY TRANSLATION)*

### ITEM 3 ON THE AGENDA

#### *3. Modifications to the 2019-2021 incentive plan based upon financial instruments known as “2019-2021 Equita Group Plan based upon financial instruments”: related and consequent resolutions.*

Dear Shareholders,

The Board of Directors wishes to submit to the Shareholders’ Meeting, in accordance with Art. 114-*bis* of the Consolidated Finance Law, some changes to the incentive plan based upon financial instruments known as “2019-2021 Equita Group Plan based upon financial instruments” (the “2019-2021 Plan”), approved by the Shareholders’ Meeting on 30 April 2019.

The information document containing the proposed changes to the 2019-2021 Plan - drafted in accordance with Article 84-*bis* and Annex 3A of the CONSOB Issuers’ Regulation - to which reference is made for further details, is made available to the public at the Company’s registered office in Milan, Via Filippo Turati no. 9, on the Company website [www.equita.eu](http://www.equita.eu) (*Corporate Governance* section, *Shareholders’ Meetings* area) and on the authorised storage mechanism *eMarket Storage* [www.emarketstorage.com](http://www.emarketstorage.com).

Aside from the improvements of form, the main changes made to the 2019-2021 Plan consist of:

- a) the specification that the Beneficiaries of the 2019-2021 Plan include, as well as the Employees, also the Collaborators of the Group companies identified by the Board of Directors (see Definitions and Art. 1.1 of the 2019-2021 Plan);
- b) the introduction of gates applicable *ad hoc* to Equita Capital SGR SpA, namely the Group’s asset management company (see Art. 2.2 of the 2019-2021 Plan);
- c) with reference to the *Stock Options*, the introduction of the possibility for the Company to use, in service of the same, and thus to assign to the Beneficiaries who exercise those *Stock Options*, together with or alternatively to the treasury shares, newly-issued shares originating from paid capital increases (see Art. 3.4 of the 2019-2021 Plan);
- d) the revision and shortening of the paragraph on extraordinary events (see Art. 4.23 of the 2019-

2021 Plan).

With reference to the introduction of the possibility of using, in service of the *Stock Options*, and thus assigning to the Beneficiaries who exercise the *Stock Options* – together with or alternatively to the treasury shares - newly-issued shares originating from paid capital increases, it is noted that this modification is aimed at giving flexibility to the Company if the *Stock Options* are exercised by the beneficiaries. In the absence of that modification, in fact, the Company would only have treasury shares to use in service of the *Stock Options* of the 2019-2021 Plan; those shares are, on the other hand, particularly useful for extraordinary operations and to attract qualified personnel.

In view of the foregoing, the Board of Directors has also proposed that the Shareholders' Meeting resolves on a paid capital increase, pursuant to Art. 2441, paragraph 8 of the Italian Civil Code, in favour of employees of the Group and excluding the right of option. For further details on the proposed capital increase, see the Explanatory Report on the first item on the agenda of the extraordinary part.

The Company's Remuneration Committee has expressed a favourable opinion on the modifications to the 2019-2021 Plan, not identifying criticalities in that regard.

In light of what is illustrated above, the Shareholders' Meeting is asked to:

- examine this explanatory report of the Board of Directors, prepared in accordance with Articles 114-*bis* and 125-*ter* of the Consolidated Finance Law;
- examine the information document, prepared in accordance with Art. 84-*bis* of the CONSOB Issuers' Regulation, which has been made available to the public according to the methods described above, containing the proposed changes to the 2019-2021 Plan;
- approve, in accordance with and for the effects of Art. 114-*bis* of the Consolidated Finance Law, the modifications to the 2019-2021 Plan, as summarised in this explanatory report of the Board of Directors and illustrated in detail in the information document on the 2019-2021 Plan;
- give a mandate to the Board of Directors, with the right of sub-delegation, to adjust the regulation of the 2019-2021 Plan to what is stated by the modified information document, also granting to the Board of Directors all necessary or appropriate powers to execute and manage the 2019-2021 Plan, in respect of the provisions of the modified information document and, more generally, all the widest powers to implement this resolution;

- grant to the Chairman of the Board of Directors and to the Managing Director, severally, every power, with the right of sub-delegation, to complete the legislative and regulatory fulfillments consequent to the resolutions adopted.

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#### ITEM 4 ON THE AGENDA

#### *4. Modifications to the 2020-2022 Incentive Plan based on stock options known as “2020-2022 Equita Group Plan for senior management based upon Stock Options”: related and consequent resolutions*

Dear Shareholders,

The Board of Directors wishes to submit to the Shareholders’ Meeting, in accordance with Art. 114-*bis* of the Consolidated Finance Law, some changes to the incentive plan known as “2020-2022 Equita Group Plan for senior management based upon Stock Options” (the “**2020-2022 Plan**”), approved by the Shareholders’ Meeting on 7 May 2020.

The information document containing the proposed changes to the 2020-2022 Plan - drafted in accordance with Article 84-*bis* and Annex 3A of the CONSOB Issuers’ Regulation - to which reference is made for further details, is made available to the public at the Company’s registered office in Milan, Via Filippo Turati no. 9, on the Company website [www.equita.eu](http://www.equita.eu) (*Corporate Governance* section, *Shareholders’ Meetings* area) and on the authorised storage mechanism *eMarket Storage* [www.emarketstorage.com](http://www.emarketstorage.com).

Aside from the improvements of form, the main changes made to the 2020-2022 Plan consist of:

- a) the extension of the definition of Beneficiaries of the 2020-2022 Plan, which may therefore include, as well as the Managing Director of the Company and of the other Group companies (even if they are not Employees of the Group), also the other Employees/Collaborators of the Group, identified by the Board of Directors, who are heads of division and/or who fall within the definition of Managers with Strategic Responsibilities and/or Key Personnel (see the Definitions and Art. 1.1 of the 2020-2022 Plan);
- b) the specification - albeit already implicit - that the Board of Directors may, in any case, transfer, after 2020, to one or more Beneficiaries - identified by the Board of Directors itself - *Stock Options*

previously attributed to another Beneficiary who has, however, in accordance with the Plan, lost the right to maintain and exercise the same, *Stock Options* that are definitively assigned upon completion of the Deferment Period (namely in 2023) in accordance with the 2020-2022 Plan (see Art. 2.2. of the 2020-2022 Plan);

- c) with reference to the *Stock Options*, the introduction of the possibility for the Company to use, in service of the same, and thus to assign to the Beneficiaries who exercise those *Stock Options*, together with or alternatively to the treasury shares, newly-issued shares originating from paid capital increases (see Art. 3.4 of the 2020-2022 Plan);
- d) the revision and shortening of the paragraph on extraordinary events (see Art. 4.23 of the 2020-2022 Plan).

With reference to the introduction of the possibility of using, in service of the *Stock Options*, and thus assigning to the Beneficiaries who exercise the *Stock Options* – together with or alternatively to the treasury shares - newly-issued shares originating from paid capital increases, it is noted that this modification is aimed at giving flexibility to the Company if the *Stock Options* are exercised by the beneficiaries. In the absence of that modification, in fact, the Company would only have treasury shares to use in service of the *Stock Options* of the 2019-2021 Plan; those shares are, on the other hand, particularly useful for extraordinary operations and to attract qualified personnel.

In view of the foregoing, the Board of Directors has also proposed that the Shareholders' Meeting resolves on a paid capital increase, pursuant to Art. 2441, paragraph 8 of the Italian Civil Code, in favour of employees of the Group and excluding the right of option. For further details on the proposed capital increase, see the Explanatory Report on the first item on the agenda of the extraordinary part.

The Company's Remuneration Committee has expressed a favourable opinion on the modifications to the 2020-2022 Plan, not identifying criticalities in that regard.

In light of what is illustrated above, the Shareholders' Meeting is asked to:

- examine this explanatory report of the Board of Directors, prepared in accordance with Articles 114-*bis* and 125-*ter* of the Consolidated Finance Law;
- examine the information document, prepared in accordance with Art. 84-*bis* of the CONSOB Issuers' Regulation, which has been made available to the public according to the methods described above,

containing the proposed changes to the 2020-2022 Plan;

- approve, in accordance with and for the effects of Art. 114-*bis* of the Consolidated Finance Law, the modifications to the 2020-2022 Plan, as summarised in this explanatory report of the Board of Directors and illustrated in detail in the information document on the 2020-2022 Plan;
- give a mandate to the Board of Directors, with the right of sub-delegation, to adjust the regulation of the 2020-2022 Plan to what is stated by the modified information document, also granting to the Board of Directors all necessary or appropriate powers to execute and manage the 2020-2022 Plan, in respect of the provisions of the modified information document and, more generally, all the widest powers to implement this resolution;
- grant to the Chairman of the Board of Directors and to the Managing Director, severally, every power, with the right of sub-delegation, to complete the legislative and regulatory fulfilments consequent to the resolutions adopted.

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THE EQUITA GROUP S.P.A. BOARD OF DIRECTORS