

Aquafil S.p.A.
Ordinary Shareholders' Meeting of April 27, 2018

**Informative Document on the Long-Term Cash Incentive Plan
2018-2020**

prepared pursuant to Article 114-*bis* of
Legislative Decree No. 58 dated February 24, 1998 (*TUF*)
and Article 84-*bis* of the Regulation No. 11971 issued by Consob on May 14, 1999,
as further amended and extended (*Rules for Issuers*)

Aquafil S.p.A.

Via Linfano 9 – Arco (Trento)

Authorized share capital €0,676,034.18, subscribed and paid-in share capital €49,708,767.68
VAT and Tax code and registration number in the Trento Register of Company **09652170961**

Informative document made available to the public from the registered offices of Aquafil S.p.A.
(Arco, TN, Via Linfano, 9), the Company's website (www.aquafil.com) and the centralized
storage mechanism eMarket STORAGE, accessible via the website www.emarketstorage.com.

Foreword

This informative document (the “*Informative Document*”), prepared pursuant to Article 84-*bis* and Model 7 of Annex 3A to the **Rules for Issuers**, has been prepared by Aquafil S.p.A. (“*Aquafil*” or the “*Company*”) to disclose to its Shareholders and the market the essential elements of the long-term cash incentive plan entitled the “*Long-Term Cash Incentive Plan 2018-2020*” (the “*Plan*”), approved by the Board of Directors on March 2, 2018 on the proposal of the Nomination and Remuneration Committee, in consultation of the Board of Statutory Auditors; pursuant to Article 114-*bis* of the Consolidated Finance Law (TUF), the Plan is subject to the approval of the Shareholders’ Meeting called for April 27, 2018.

Although the Plan does not call for the assignment of financial instruments, but only cash incentives, it does provide that a part of such incentives be based on the metric of the return on the Company’s shares. Accordingly, the Plan is subject to the provisions of Article 114-*bis* TUF governing plans that call for the assignment of financial instruments, to the extent applicable. Consequently, the Informative Document does not contain the specific information required for compensation plans based on the assignment of shares, share options or other financial instruments.

It must be also pointed out that:

- (i) this Informative Document has been drafted on the basis of the contents of the Plan approved by the Company’s Board of Directors on March 2, 2017 and submitted for the approval of the Shareholders’ Meeting;
- (ii) all references to the Plan in this Informative Document are to be understood as referring to the Plan submitted to the Shareholders’ Meeting for approval.

Finally, the Plan is to be considered of “*particular importance*” within the meaning of Article 114-*bis*, paragraph 3, TUF and Article 84-*bis*, paragraph 2, of the Rules for Issuers, in that it is intended to benefit — among other beneficiaries — Directors with delegated powers and Key Management Personnel of the Company and its Subsidiaries.

Definitions

For the purposes of this Informative Document, the capitalized terms and expressions set out below shall have the meanings attributed to them hereunder:

<i>Shareholders' Meeting</i>	means the General Shareholders' Meeting of Aquafil.
<i>Aquafil, Issuer or Company</i>	means Aquafil S.p.A., with registered offices in Arco (Trento), via Linfano 9.
<i>Beneficiaries</i>	means the recipients of the Plan.
<i>Borsa Italiana</i>	means Borsa Italiana S.p.A., with registered offices in Milan, Piazza degli Affari 6.
<i>Self-Regulatory Code</i>	means the Corporate Governance Code for Listed Companies approved in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria, available on the website www.borsaitaliana.it , section " <i>Borsa Italiana > Rules > Corporate Governance</i> "
<i>Board of Statutory Auditors</i>	means the Board of Statutory Auditors of Aquafil.
<i>Nomination and Remuneration Committee</i>	means the Nomination and Remuneration Committee of Aquafil.
<i>Board of Directors</i>	means the Board of Directors of Aquafil.
<i>Consob</i>	means the National Commission for Companies and the Stock Exchange, with its registered office in Rome, Via G.B. Martini 3.
<i>Key Management Personnel</i>	Aquafil Group executives who have the power and the duty, directly or indirectly, to plan, manage and oversee the activity of the Company or of the Group or the power to make decisions that may affect their development of future prospects.
<i>Informative Document</i>	means this informative document, drawn up pursuant to Article 84- <i>bis</i> and the Layout 7 of Annex 3A of the Rules for Issuers.
<i>Group or Aquafil Group</i>	means Aquafil and its Subsidiaries.
<i>Cash Incentive or Incentive</i>	means the amounts payable in accordance with the terms and conditions of the Plan.
<i>MTA</i>	means the Mercato Telematico Azionario (electronic stock exchange) organized and managed by Borsa Italiana.
<i>Plan</i>	means the Long-term Cash Incentive Plan 2018-2020".

<i>Rules</i>	means the document approved by the Board of Directors on March 2, 2018 (on the proposal of the Nomination and Remuneration Committee, having heard the opinion of the Board of Statutory Auditors) in order to regulate Plan implementing conditions.
<i>Rules for Issuers</i>	means the regulation implementing the Consolidated Finance Law (TUF) concerning Issuers adopted by CONSOB by resolution No. 11971 of May 14, 1999, as amended from time to time.
<i>Related Party Regulation</i>	means the Related Party Transactions Regulation adopted by Consob by resolution No. 17221 of March 12, 2010 (as subsequently amended and extended).
<i>Subsidiaries</i>	means the companies directly or indirectly controlled by Aquafil, as defined in Article 93 of TUF.
<i>Annual Target EBITDA</i>	means the consolidated Ebitda value of the Company to be generated on an annual basis during the financial years 2018, 2019 and 2020, as defined by the Board of Directors.
<i>Aquafil stock</i>	means the ordinary share issued by Aquafil, listed on the MTA, STAR Segment.
<i>Total Shareholder Return or TSR</i>	means the total return on investment for the shareholder, which is calculated by adding to the increase in share price over a given time interval the effect of the dividends per share paid during the same period.
<i>Consolidated Finance Law or TUF</i>	means Legislative Decree No. 58 of February 24, 1998, as amended and extended from time to time.

1. Beneficiaries

1.1. 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 Plan will apply to the following members of the Board of Directors of the Issuer:

- Giulio Bonazzi (Chairman and CEO);
- Adriano Vivaldi (Executive Director and CFO);
- Fabrizio Calenti, (Executive Director and President of NTF and ECONYL);
- Franco Rossi (Executive Director and President of BCF USA);

As well as to the following Key Management Personnel of the Aquafil Group:

- Stefano Loro (Key Manager and President of BCF EMEA);
- Giuseppe Crippa (Key Manager and Vice President of BFC Industrial Operations of Aquafil);
- Sergio Calliari (Key Manager and Vice President of Finance Area of Aquafil);
- Karim Tonelli (Investor Relator and Performance Management Director of Aquafil);
- Denis Jahic (NTF Operations Manager of AquafilSlo);
- Sasa Muminovic (HR Manager of AquafilSlo); and
- Gregor Kranjc (Administration Manager of AquafilSlo).

The Plan may be subsequently extended to any further Recipients, corresponding to the persons specified by name by the Board of Directors (having heard the opinion of the Nomination and Remuneration Committee).

1.2. Categories of employees or collaborators of the financial instrument Issuer and companies controlling or controlled by this Issuer.

The Plan does not identify specific categories of Aquafil Group employees or outside collaborators as beneficiaries.

1.3. Names of the Plan Beneficiaries belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.

a) General managers of the Issuer of financial instruments.

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 March 12, 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**

Reference should be made to point 1.1 above.

- b) **In the case of "small" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation No. 17221 of March 12, 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument Issuer**

Not applicable.

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

Within the Plan, no category of collaborators has been granted different terms and conditions.

2. Reasons behind the adoption of the plan.

2.1. Objectives to be achieved by means of the attribution of plans.

In accordance with the best practices adopted by Italian and international listed companies, the Company believes that share-based compensation plans are an effective means of providing incentives for and promoting the loyalty of persons in key roles, safeguarding and improving on sound business performance and contributing to increasing the Company's growth and success.

The adoption of share-based compensation plans is also consistent with the recommendations set out in the Corporate Governance Code, Article 6 of which acknowledges that this type of plan is an appropriate means of aligning the interests of executive directors and key management personnel of listed companies with those of their shareholders, and thus of pursuing the priority goal of creating value in the medium-to-long term.

The purpose of the Plan is therefore to facilitate the closest possible alignment, in terms of objectives, between the interests of the Beneficiaries and the pursuit of the priority goal of creating sustainable value for the shareholders in the medium-to-long term. The Plan is among the instruments that the Company employs to supplement the fixed component of the remuneration package of strategic resources with variable components based on performance targets, in keeping with market best practices.

In particular, in accordance with the above, the Company intends to promote and pursue the following goals through the Plan:

- providing rewards for Aquafil's short- and long-term performance and reinforcing the alignment between the interests of management and shareholders;
- developing retention policies aimed at increasing the loyalty of key company resources and providing incentives for them to remain with Aquafil or the Group;
- developing policies for attracting talented managers and other professionals.

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

The Plan is based on cash and does not call for the assignment of shares or share options, but the payment of an incentive calculated as a percentage of fixed remuneration, conditional on the achievement of specific performance objectives tied to the annual Target EBITDA and on the Total Shareholder Return (as defined in further detail below).

The performance targets envisaged in the Plan fall within a range that varies as follows, depending on the role played by the Beneficiary within the Group:

- between 90% and 110% of the annual Target EBITDA for the Company's Chairman and CEO, executive directors and members of key management personnel Giuseppe Crippa and Stefano Loro;
- between 90% and 115% of the annual Target EBITDA for the other Beneficiaries indicated in paragraph 1.1. above.

In particular, the Plan provides for three levels of achievement of performance objectives (minimum, target and maximum), each of which is associated with specific values of the related incentive:

- no Incentive will be paid for results below the minimum level (the 'Floor');
- the Incentive payable for results above the maximum level will be equal to the Incentive envisaged for the maximum level (the 'Cap');
- the amount of the Incentives due for the achievement of results between the minimum and maximum level of each performance objective will be determined in a manner directly proportional to the result achieved.

In this regard, depending on the performance level achieved, the Incentive falls within a range that varies as follows, depending on the role played by the Beneficiary within the Group:

- between 10% and 110% of fixed remuneration for the Company's Chairman and CEO, executive directors and members of key management personnel Giuseppe Crippa and Stefano Loro; and
- between 7% and 90% of fixed remuneration for the other Beneficiaries indicated in paragraph 1.1. above.

The Cash Incentive will be paid as follows:

- 40% (the "Immediate Bonus") will be paid within 90 days of the approval by the General Shareholders' Meeting of the financial statements for the year to which the Incentive refers;

- the remaining 60% (the “Deferred Bonus”) will be paid after a deferral of two years with respect to the Immediate Bonus, within 90 days of the date of approval by the Company’s General Shareholders’ Meeting of the related financial statements, provided that as at the payment date the Beneficiary has not been subject to disciplinary sanctions and has not engaged in behavior or committed violations that have resulted, or may result, in disciplinary sanctions against the Company.

The amount of the Deferred Bonus will be based on the return on the Aquafil Stock, calculated according to the following formula:

$$\text{Percent return on the Aquafil Shares} = ((\text{VAZf} + \text{Div}) - \text{VAZfB}) / \text{VAZfB}$$

Where:

- VAZf: means the average value of the shares during the last six months of the year prior to that in which the Deferred Bonus is paid;
- Div: means the sum of the dividend per share paid during the period in which the bonus was deferred;
- VAZfB: the average value of the shares during the last six months of the year in which the Deferred Bonus accrued⁽¹⁾.

If there are materially significant transactions, i.e. transactions that exceed 5% of the Group’s consolidated sales, the degree of achievement of performance objectives will be determined by neutralizing the effects of any acquisitions and/or sales of companies and/or business units and/or other similar transactions that may materially influence the degree of achievement of performance objectives or, alternatively, by updating the Plan objectives to take account of the new scope.

In addition, the Board of Directors may, unilaterally and in good faith, change the values of performance objectives (that have been accepted by the Beneficiaries), where this is necessary from a management standpoint, in order to ensure that they are consistent with the annual performance objectives approved after the Plan is prepared and/or there are changes in the structural conditions of the Company and/or the Group and/or the business, or if there are extraordinary and/or unforeseen events that may affect the markets in which the Company and/or the Group operate.

The performance objectives achieved will be calculated by the Board of Directors gross of the cost to the company of paying the Incentives in implementation of the Plan.

Finally, the Company will be entitled to invoke a claw-back clause, meaning that it may demand the return of part or all of the cash bonus paid if within three years from the date of payment it is found that the Incentive was paid on the basis of incorrect or false data.

2.3. Elements underlying the determination of compensation based on financial instruments, or otherwise, criteria with which to determine it and additional detailed disclosures.

⁽¹⁾ This value will be set at €10 for the bonus to be paid in 2021, the first year of final reckoning.

The incentive level of each Beneficiary has been assessed and defined in consideration of the responsibility, importance and strategic nature of the role played and the benchmarks applicable to each role in terms of remuneration.

2.4. Reasons underlying any decision to assign financial instrument based compensation plans not issued by the financial instrument Issuer.

Not applicable.

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

The structure of the Plan has not been conditioned by applicable tax rules or consequences of an accounting nature.

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 December 24, 2003.

Not applicable.

3. Approval procedure and timing for the assignment 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.

On March 2, 2018 the Board of Directors resolved — on the proposal of the Nomination and Remuneration Committee of that same date, and having heard the opinion of the Board of Statutory Auditors — to submit the Plan for the approval of the Shareholders' Meeting pursuant to Article 114-*bis* of TUF.

The Shareholders' Meeting will be asked to grant the Board of Directors all powers necessary and appropriate to implementing the Plan.

3.2. Indication of the parties appointed to administrate the Plan and their function and competence.

The Board of Directors will be responsible for implementing the Plan, which it will be empowered to do by the Shareholders' Meeting, with the support in preliminary matters and consultation of the Nomination and Remuneration Committee.

The Chief Executive Officer, who will act in accordance with the terms and conditions of the Plan and the related Regulation, will be tasked with operational management of the Plan. In the event of a conflict of interests, operational management of the Plan will fall to the Board of Directors, in consultation with the Nomination and Remuneration Committee.

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 authority of the Shareholders' Meeting where mandated by law, the Board of Directors (in consultation with the Nomination and Remuneration Committee) is the body empowered to amend the Plan.

3.4. Description of the methods by which to determine the availability and assign the financial instruments on which the Plans are based.

Not applicable. The Plan provides for the payment of cash incentives and does not envisage the assignment of financial instruments.

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

In accordance with the recommendations set out in the Corporate Governance Code, the Plan has been approved by the Board of Directors on the proposal of the Nomination and Remuneration Committee, which consists solely of Independent Directors, having heard the opinion of the Board of Statutory Auditors.

Directors Giulio Bonazzi, Adriano Vivaldi, Fabrizio Calenti and Franco Rossi did not participate in the Board of Directors' resolution regarding their identification as Beneficiaries of the Plan.

In light of its Beneficiaries, the Plan constitutes a related party transaction subject to approval by the Shareholders' Meeting pursuant to Article 114-*bis* TUF. Accordingly, the specific procedures established in the Related Party Regulation and applicable laws and regulations do not apply.

3.6. For the purpose of the requirements of Article 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 2, 2018, upon proposal submitted by the Nomination and Remuneration Committee on the same date, and having heard the opinion of the Board of Statutory Auditors, the Board of Directors resolved to submit the Plan for the approval of the General Shareholders' Meeting.

3.7. For the purpose of the requirements of Article 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.

Not applicable.

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 market price of the Aquafil Stock on the date on which the Board of Directors — on the proposal of the Nomination and Remuneration Committee and in consultation with the Board of Statutory Auditors — approved the Plan to be submitted to the Shareholders' Meeting, i.e. March 2, 2018, was €1.85.

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 114, paragraph 1 of TUF; 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.**

Not applicable.

4. Characteristics of the instruments assigned.

4.1. Description of the ways in which the compensation plans based on financial instruments are structured.

The Plan does not envisage the assignment of shares or financial instruments, but it exclusively calls for the payment of a Cash Incentive.

4.2. Indication of the period of effective plan implementation, also with reference to any different cycles envisaged.

The Plan covers the 2018-2020 period and will end in 2023 (following the payment of the deferred Incentive relating to 2020).

The Board of Directors may propose that the Plan be extended to additional periods, identifying the Beneficiaries and determining the amount of the related incentives and performance objectives.

4.3. Term of the Plan.

Please refer to paragraph 4.2.

4.4. Maximum number of financial instruments assigned each tax year in relation to the entities identified or the specified categories.

The Plan envisages the payment of cash incentive and does not call for the assignment of financial instruments.

4.5. 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; description of said conditions and results.

The Plan does not envisage the assignment of financial instruments. With regard to the Plan's implementing procedures, please refer to paragraph 2.2.

4.6. 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.

Not applicable.

4.7. 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 neutralization 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 applicable.

4.8. Description of the effects determined by the termination of the employment.

The rights of each of the Beneficiaries in respect of the Plan will lapse automatically on the date on which the employment relationship between the Beneficiary concerned and the Company or the Group ceases (for any reason), without prejudice to:

- (i) consensual termination;
- (ii) eligibility for pension benefits based on age, contribution history or disability (where entailing the termination of the employment relationship);
- (iii) transfer of the enterprise, or part of the enterprise, in which the Beneficiary works to a party that is not controlled by Aquafil.

In particular, in the event of termination of employment in the cases set out in points (i) to (iii) above, the following will apply:

- termination during the year of accrual (e.g., November 30, 2018) entails the loss of any right for the Beneficiary to payment of the entire Incentive relating to the year of accrual (e.g., 2018);
- termination on December 31 of the year of accrual (e.g., December 31, 2018) or during the following two years (e.g., 2019-2020) does not entail any loss of the right to the payment of the Incentive relating to the year of accrual (e.g., 2018); in this case, however, the metric of return on the Aquafil Shares will not apply to the deferred portion of the Incentive.

4.9. Indication of any other causes for the cancellation of the plans.

There are no circumstances in which the Plan is to be cancelled.

4.10. 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 Article 2358 of the Italian Civil Code.

Not applicable.

4.12. 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.

Non applicable as the Plan does not envisage the assignment of financial instruments.

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

Non applicable as the Plan does not envisage the issue of financial instruments.

4.14 - 4.22

Sections concerning the assignment of shares or stock options are not applicable.

4.23. Criteria for the adjustments necessary following extraordinary capital operations and other operations entailing the change in the number of underlying instruments (capital increases, extraordinary dividends, groupings and splitting of the underlying shares, mergers and spin-offs, conversions into other share categories, etc.).

See paragraphs 2.2 and 3.3 above.

4.24.

Not applicable. As this is a cash Plan, it does not envisage the assignment of financial instruments, but it exclusively calls for the payment of a cash incentive.