



SPAFID CONNECT

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resolutions

Testo del comunicato

Vedi allegato.

NEWS RELEASE

- **Adoption of an incentive plan called "2018-2022 Shares Performance Plan";**
- **Proposal to authorise the purchase and disposal of treasury shares;**
- **Call of the ordinary Meeting of the Shareholders.**

Brugine, 1 August 2018 - Today, the Board of Directors of Carel Industries S.p.A. (the "**Company**" or "**Carel**"), acting on a recommendation of the Compensation Committee and having heard the opinion of the Board of Auditors, approved the regulation of an incentive plan whose purpose is to grant free Carel common shares (the "**Shares**"). The Plan, called "*2018-2022 Shares Performance Plan*" (the "**Plan**") is reserved to specific beneficiaries, in their capacity as persons who fulfil key roles in achieving the objectives of the Carel Group. The Plan is to be submitted to the approval of the Meeting of the Carel Shareholders which is about to be called (see below).

The regulation of the Plan was developed on the basis of the guidelines concerning the incentive mechanisms for executive directors and executives that hold strategic responsibility within the Company, approved by the Board of Directors on 11 May 2018, as described in the Information Prospectus published by the Company on 25 May 2018, as well as in compliance with the regulatory provisions in effect applicable to STAR issuers.

The Plan is reserved to specific persons who shall be identified individually, also on several occasions, by the Board of Directors, after hearing the opinion of the Compensation Committee, among the executive directors, the executives having strategic responsibilities, and the employees of the Company or its subsidiaries who fulfil strategically important roles (the "**Beneficiaries**").

Therefore, the Plan must be considered to be of "major importance" pursuant to article 84-bis, paragraph 2, of the Issuers Regulation.

The Plan is a valid tool to provide incentives to the Beneficiaries and to secure their loyalty, as well as to align their interests with those of the shareholders.

The regulation does not identify the Beneficiaries individually; they will be identified by the Board of Directors within the 30 days following the approval of the Plan for the 2018-2020 Vesting Period and by 31 December of the first financial year of the reference three-year period of the 2019-2021 and 2020-2022 Vesting Periods.

The individual identification of the Beneficiaries and the other information required by section 1 of Chart 7 of Attachment 3A to the Issuers Regulation shall be provided in accordance with art. 84-bis, paragraph 5 of the Issuers Regulation.

The plan covers several years and is subdivided into 3 (three) rolling share distribution cycles (the "**Vesting Periods**"), each lasting three years; the Shares shall be distributed at the end of each cycle, subject to the verification that specific performance objectives have been met (cumulative adjusted EBITDA of the Group for each Vesting Period and Cash Conversion), under the terms and conditions provided by the regulation.

The maximum number of Shares is not set out, as the number of Shares actually granted to each Beneficiary shall be determined at the end of each Vesting Period by the Board of Directors on the basis of the performance objectives that have been met.

The right to receive the Shares shall be granted to each Beneficiary on a personal basis and cannot be transferred by a deed inter vivos, nor can it be subjected to constraints or be the object of other disposal deeds at any title.

In order to ensure greater retention, part of the Shares object of the distribution will be subjected (starting at the end of each Vesting Period to which the distributed Shares refer) to constraints of inalienability for a period of two years for the executive directors and one year for the other Beneficiaries of the Plan.

For more information on the Plan, reference is made to the information document prepared in accordance with art. 114-*bis* of the TUF (Testo Unico Finanziario [*Consolidated Financial Services Act*]) and with art. 84-*bis* of the Issuers Regulation, which shall be made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website at the address www.carel.com in section IR/Shareholders Meeting Documentation, as well as on the authorised data storage facility "eMarket STORAGE" at the address www.emarketstorage.com, within the time limits provided by the legislation in effect.

In order to provide complete information, it is pointed out that, still on today's date, the Board of Directors also approved a monetary incentive plan called 2018-2022 *Cash Performance Plan*, reserved to employees of the Company or of Carel Group companies in consideration of the strategic importance of their roles. This plan cannot be classified as a compensation plan based on financial instruments pursuant to art. 114-*bis*, paragraph 1 of the TUF because it does not provide for the distribution of financial instruments in favour of the beneficiaries involved and does not set out performance objectives based on indicators linked to the value of Carel's shares.

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The share portfolio used for the Plan shall consist of treasury shares, subject to authorisation by the Shareholders Meeting pursuant to art. 2357-*ter* of the Civil Code. Consequently, still on today's date, the Board of Directors also resolved on a proposal to authorise the purchase and disposition of treasury shares, to be submitted to the Shareholders Meeting which is about to be called.

The Board of Directors' proposal requests the authorisation to purchase treasury shares, one or more times, up to a maximum number which, taking into account the number of treasury shares present in the portfolio of the Company and its subsidiaries over time, shall not exceed 5,000,000 shares overall, equal to 5% of the Company's share capital, in order to: (i) fulfil the obligations deriving from the share-based incentive plans approved by the Company and intended for the members of the administrative bodies and/or the employees of the Company or its subsidiaries; (ii) carry out transactions to support market liquidity so as to facilitate the normal course of trading beyond the normal fluctuations linked to market behaviour; and (iii) carry out sale, exchange, swap, assignment transactions or other disposal actions on treasury shares in order to acquire securities and/or real estate properties, and/or to enter into agreements (also commercial) with strategic partners, and/or to complete industrial projects or extraordinary financial transactions that fall within the expansion objectives of the Company and of the Carel group.

The authorisation to purchase treasury shares is requested for the maximum duration provided for by art. 2357, paragraph 2, of the Civil Code, or eighteen months from the date of the authorisation resolution of the Shareholders Meeting.

The purchase of the treasury shares shall take place within the limits of the distributable earnings and available reserves as they appear in the latest approved regulatory financial statements at the time each transaction is performed, (i) at a price that does not depart, either upwards or

downwards, by more than 20% from the reference price recorded by the shares during the stock market trading session on the day preceding each individual transaction, and, in any case, (ii) for a consideration that is no higher than the greater of the price of the latest independent transaction and of the highest current independent bid price available in the stock market in which the purchase is carried out.

At present, the Company does not hold any treasury shares in its portfolio, not even through its subsidiaries.

The Board of Directors also requests the authorisation, for the same purposes as those detailed above, to dispose (in whole or in part and also in more than one operation) of the treasury shares in its portfolio pursuant to article 2357 of the Civil Code, without any time constraints, even before having reached the maximum number of purchasable shares, and possibly to repurchase said shares, to such an extent that the number of treasury shares held by the Company and, if applicable, by its subsidiaries does not exceed the limit set by the authorisation.

For more information on the authorisation to purchase and dispose of treasury shares, reference is made to the explanatory report prepared in accordance with art. 125-ter of the TUF and of art. 73 of the Issuers Regulation, which shall be made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website at the address www.carel.com in section IR/Shareholders Meeting Documentation, as well as on the authorised data storage facility "eMarket STORAGE" at the address www.emarketstorage.com, within the time limits provided by the legislation in effect.

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In view of the above, the Board of Directors resolved to call the ordinary Meeting of the Carel Shareholders on 7 September 2018, in a single call, to pass resolutions on the approval of the "2018-2022 Share Performance Plan" and on the authorisation to purchase and dispose of treasury shares, as specified in the meeting call that will be made available to the public together with the explanatory reports on the Shareholders Meeting's agenda items, with the information document on the "2018-2022 Share Performance Plan" and with the additional Shareholders Meeting documents, within the time limits and in accordance with the procedures set forth by the law.

For further information

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Carel overview

Carel and its subsidiaries (the "Group") is a leading provider of advanced, energy-efficient control solutions and components for air conditioning ("HVAC") and refrigeration units and systems and isothermal/adiabatic humidifiers' units. Carel is focused on high added-value vertical market niches, where customers require the development of dedicated solutions, in contrast to the standard products for the mass market.

The Group designs, manufactures and sells hardware, software and algorithmic solutions designed to enhance the performance and maximize energy efficiency of the units into which they are installed. Management believes that the Carel brand is recognized in the HVAC and refrigeration (together, "HVAC/R") markets in which it operates around the world and enjoys a highly distinctive position in those market niches.

HVAC is the Group's principal market, accounting for 62% of the Group's revenues in the year ended December 31, 2017, while refrigeration accounted for 35% of the Group's revenues.

The Group allocates a significant amount of resources to research and development, which is key to maintaining the Group's leadership in the HVAC/R market niches where the Group operates. The Group's R&D effort focuses in particular on energy efficiency, environmental impact reduction, developments in the use of natural refrigerant gases, automation and remote connectivity (IoT), as well as on the development of data driven solutions and services.

The Group operates through 21 subsidiaries and 7 manufacturing facilities located in various countries. At December 31, 2017, 80% of the Group's revenues were generated outside of Italy, and 51% outside of Western Europe.

Original Equipment Manufacturers, or OEMs, engaged in manufacturing complete units for the HVAC/R markets, are the Company's principal customer category. The Group focuses on building long-term relationships with OEMs. At December 31, 2017, more than 80% of the Group's top customers, in the HVAC market and more than 67% of those in the refrigeration market have been Carel customers for more than 10 years. "Top customers" is defined as the largest 60 customers by revenue for each market that, together, generated approximately 50% of Group revenues for each market.

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