

Giglio Group S.p.A.

STOCK OPTION PLAN 2018-2021

DISCLOSURE DOCUMENT REGARDING THE COMPENSATION PLAN BASED
ON THE GRANT OF OPTIONS (STOCK OPTION) FOR THE SUBSCRIPTION OR
PURCHASE OF GIGLIO GROUP S.P.A. ORDINARY SHARES SUBMITTED FOR
THE APPROVAL OF THE SHAREHOLDERS' MEETING

*(drafted pursuant to Art. 84-bis of the Regulation adopted by Consob with resolution no.
11971 of 14 May 1998 as amended and integrated)*

Milan, 30 March 2019

PREAMBLE

This disclosure document (the "**Disclosure Document**") has been drafted pursuant to Art. 84-*bis* and scheme 7 of Annex 3A of the Regulation adopted by Consob with resolution no. 11971 of 14 May 1999 as amended and integrated (the "**Issuers' Regulation**") and covers the "*Stock Option Plan 2018-2021*" (the "**Plan**") approved with resolution by Giglio Group S.p.A. (the "**Company**" or "**Giglio Group**") Shareholders' Meeting of 29 October 2018, pursuant to Art. 11-*bis* of Legislative Decree no. 58 of 24 February 1998 as amended and integrated (the "**CFA**").

This disclosure document is an update to the disclosure document published on 28 September 2018 (available on the Company's Website at <https://www.giglio.org/>, *Corporate Governance* section), drafted in accordance with the terms and procedures set forth by the applicable law, in order to provide information regarding the implementation of the Plan, in accordance with the resolutions adopted by the Meeting and the Board of Directors concerning the adoption and implementation of the Plan after the publication of the original document, and shall be thus referred to as the Plan currently in effect.

It is noted that the Plan should be considered of "significant relevance" pursuant to Art. 114-*bis*, par. 3 of the CFA and Art. 84-*bis*, par. 2 of the Issuers' Regulation, as it addresses, inter alia, Executive Directors and Managers with strategic responsibilities within the Company.

This disclosure document is available to the public at the registered office of the Company, as well as on the Company's Website at <https://www.giglio.org/>, *Corporate Governance* section and on the authorised emarket storage mechanism www.emarketstorage.com.

DEFINITIONS

The following terms shall carry the following meaning in this Disclosure Document.

"Executive Directors"	The Company's directors qualified as "executive" pursuant to the Corporate Governance Code.
"Shares"	The Company's ordinary shares, listed on the MTA-STAR segment.
"Bad Leaver"	Any hypothesis of termination of employment as a consequence of: (a) dismissal and/or revocation and/or termination and/or failure to renew the employment relationship of the Beneficiary by the Company for a just cause; (b) the infringement on behalf of the Beneficiary of non-competition obligations however assumed by the same against the Company and/or the Group; or (c) voluntary resignation of the Beneficiary not justified by a Good Leaver hypothesis.
"Beneficiaries"	The Executive Directors and the Managers with strategic responsibilities identified as beneficiaries of the Plan by the Company's Board of Directors.
"Corporate Governance Code"	The Company's Corporate Governance Code approved on March 2006 by the Corporate Governance Committee (as amended) and promoted by Borsa Italiana, Abi, Ania, Assogestioni, Assonime and Confindustria.
"Appointments and Remuneration Committee"	The Appointment and Remuneration Committee established by the Board of Directors of the Group and assigned with the task to express opinions and make proposals regarding the appointment and remuneration in compliance with the recommendations included in Art. 4, 5 and 6 of the Corporate Governance Code..
"Board of Directors"	The Company's Board of Directors in office at the time.
"Grant Date"	29 October 2019, date in which the Board of Directors identified the Beneficiaries and determined the number of Options to be granted to each one of them.
"Expiry Date"	The date in which Accrued Options (not yet expired) shall be exercised, under penalty of expiration,, for each tranche laid out in the following paragraph 4.2.
"Vesting Date"	The first working day following the end of the Vesting Period, in which Accrued Options become exercisable

pursuant to the Regulation.

"Managers with Strategic Responsibilities"

Managers vested with the power and the responsibility, directly or indirectly, to plan, manage and control de Company's activities.

"Disclosure Document"

This disclosure document, drafted pursuant to Art. 84-*bis* of Issuers' Regulation and consistent with, also in the numbering of the paragraphs, the guidelines laid out in scheme 7 of Annex 3A of the Issuers' Regulation.

"EBITDA"

The algebraic sum of the following items, for every financial year, on the basis of the results of the Company's annual consolidated financial statement drafter pursuant to IAS/IFRS standards and certified without qualifications:

1. (+) Revenues from sales and services;
2. (+) Other revenues;
3. (+/-) Change in inventories;
4. (-) Production costs;
5. (+) Amortization, depreciation & write-downs;
6. (+) Provisions for liabilities;
7. (+) Other provisions;
8. (+) Non-recurring costs¹.

"Working Day"

A trading day on the MTA, according to Borsa Italiana S.p.A. calendar, in force at each time.

"Good Leaver"

Any hypothesis of termination of employment as a consequence of:

- (a) death or permanent invalidity of the Beneficiary;
- (b) dismissal, revocation, termination or failure to renew the employment relationship of the Beneficiary by the Company for reasons different than a just cause;
- (c) transfers and/or assignments of the Company's branches;
- (d) resignation from the office or termination of the

¹Following the resolution of 27 March 2019, the Board of Directors of the Company resolved to integrate the item "non-recurring costs" in EBITDA definition, submitting said amendment for the approval of the Shareholders' Meeting called for 30 April 2019.

employment relationship due to death or physical or psychological invalidity (due to illness or accident); or

- (e) resignation of the Beneficiary in case of gross breach on behalf of the Company - ascertained by a legally valid finding - of the Beneficiary's employment terms and conditions, such as not to allow to the Beneficiary to continue working for the Company, not even temporarily.

"Giglio Group" or "Group"	Giglio Group S.p.A. and its subsidiaries, pursuant to Art. 93 of CFA.
"MTA"	The Telematic Stock Exchange market organised and managed by Borsa Italiana S.p.A.
"Objectives"	The Performance objectives to which the accrual of Granted Options is connected.
"Option"	The right granted to Beneficiaries to subscribe or purchase any Share in accordance with all terms and conditions set forth in the Plan. Any 1 (one) Option gives the right to subscribe or purchase 1 (one) Share.
"Granted Options"	The Options granted by the Board of Directors to any Beneficiary upon Grant Date.
"Accrued Options"	The Options that, upon achievement of the Objectives, can be exercised by the Beneficiaries within the related Exercise Periods.
"Exercise Periods"	The time frame included between the Vesting Date and the Expiry Date in which each Beneficiary can exercise its Accrued Options, with the exception of the days where the exercise is not allowed by the Regulation, valid for any tranche laid out in the following paragraph 4.2.
"Vesting Period"	The Vesting period of the Options granted to Beneficiaries, included between the Grant Date of the Option and the Vesting Date, during which Granted Options cannot be exercised, valid for any tranche laid out in the following paragraph 4.2.
"Plan"	The Stock Option Plan 2018-2021 approved by the Company's ordinary Shareholders' Meeting, pursuant to Art. 114-bis of CFA, on 29 October 2018.
"Exercise Price"	The price that every Beneficiary shall have to pay to exercise the Accrued Option in order to subscribe or purchase a Share.

"Relationship"	The directorship and/or employment relationship in existence between each Beneficiary and the Company.
"Issuers' Regulation"	The Regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as amended and integrated.
"Regulation"	The Regulation with the implementation discipline of the Plan approved by the Board of Directors on 20 October 2019 following the approval of the Plan on the same date by the Company's Shareholders' Meeting.
"Company" or "Group"	Giglio Group S.p.A., with registered office in Milan (MI), Piazza Diaz, 6 - 20123.
"CFA"	The Legislative Decree no. 58 of 1998 as amended and integrated.

1. STOCK OPTION PLAN BENEFICIARIES

1.1 Names of the beneficiaries who are members of the Board Of Directors or the Management Board of the Issuer of the financial instruments, of the companies controlling the Issuer, and of the companies controlled, directly or indirectly, by the Issuer

The plan is addressed to the Executive Directors and/or to the Managers with Strategic Responsibilities within the Company, identified by the Board of Directors, following the opinion of the Appointments and Remuneration Committee.

In the following table, the names of the Directors beneficiary of the Plan - identified by the Board of Directors following the opinion of the Appointments and Remuneration Committee with resolution adopted on 29 October 2018 after the approval of the Plan by the Shareholders' Meeting - are shown.

Name	Company	Office
Alessandro Giglio	Giglio Group S.p.A.	Chairman and Chief Executive Officer
Massimo Mancini	Giglio Group S.p.A.	Vice-Chairman and General Director
Anna Maria Lezzi	Giglio Group S.p.A.	Executive Director
Carlo Frigato	Giglio Group S.p.A.	Executive Director ²

For more information, see the summary table in paragraph **Error! Reference source not found.**

1.2 Categories of employees or associate workers of the Issuer of the financial instruments and of the companies controlling or controlled by the Issuer

See the previous paragraph 1.1.

1.3 Names of the persons who benefit from the plan belonging to the following groups

(a) *general managers of the Issuer of financial instruments*

As shown in the previous paragraph 1.1, on 29 October 2018, the Board of Directors, following the opinion of the Appointments and Remuneration Committee, identified Vice-Chairman and General Director Massimo Mancini as Beneficiary of the Plan.

(b) *other Managers with strategic responsibilities of the Issuer of financial instruments which is not of "small dimensions", pursuant to Art. 3, par. 1, letter f) of Regulation no. 17221 of 12 March 2010, where they have received total remuneration during the*

² Following the resignation of Carlo Frigato on 21 December 2018, the Options assigned to him are no longer exercisable and have been returned to the Company's availability.

financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments

Non applicable as the Company is qualified as of "small dimensions" pursuant to Art. 3, par. 1, letter f) of Regulation no. 17221 of 12 March 2010.

- (c) *natural persons controlling the issuer of shares, who are employees or work in the Issuer of shares.*

As shown in the previous paragraph 1.1, on 29 October 2018, the Board of Directors, following the opinion of the Appointments and Remuneration Committee, identified Chairman and CEO Alessandro Giglio as Beneficiary of the Plan.

1.4 Description and number, by category

- (a) *of Managers with strategic responsibilities other than those indicated in letter b) of paragraph 1.3*

On 29 October 2018, the Board of Directors, following the opinion of the Appointments and Remuneration Committee, identified another Manager with strategic responsibilities as Beneficiary of the Plan.

- (b) *for companies of "small dimensions", pursuant to article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, information by total for all Managers with strategic responsibilities of the issuer of financial instruments*

See the previous paragraph 1.4(a).

- (c) *of any other categories of employees or associate workers subject to different treatment under the Plan (e.g. executives, middle managers, office workers etc.)*

There are no employees or associate workers' categories subject to different treatment under the Plan.

2. REASON FOR ADOPTION OF THE PLAN

2.1 Objectives to be achieved through the grant of the Stock Option Plan

The Company believes that compensation plans based on shares are an efficient means to provide incentives for and retain the loyalty of persons having key roles in order to maintain high and improve the performances of the Company, as well as increasing the growth and success of the Company and the Group.

The Plan is an adequate instrument to align the interests of executive directors and Managers with strategic responsibilities with those of the shareholders, allowing to pursuit the main objective of value creation in a medium/long-term period.

The objective of the Plan is to give recognition to key persons for the efforts they have put in the growth of the Group over the last years, which culminated with the successful listing procedure of the Shares and the passage from the AIM-Italia market to the MTA-STAR

segment.

2.2 Key variables, also in the form of performance indicators, considered for the implementation of the Plan based on financial instruments

Granted Options shall become Accrued, and thus exercisable by Beneficiaries during the relevant Exercise Periods, only upon achievement of the specific performance Objectives of each tranche and in accordance to the terms shown in the following tables:

First Tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2018	% of Accrued Options in the first tranche
below € 7,947,000.00	0%
equal to or greater than € 7,947,000.00	100%

Second tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2019	% of Accrued Options in the second tranche
below € 8,495,000.00	0%
equal to or greater than € 8,495,000.00	100%

Third tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2020	% of Accrued Options in the third tranche
below € 9,918,000.00	0%
equal to or greater than € 9,918,000.00	100%

The verification of the achievement of the Objectives shall be carried out by the Company's Board of Directors following the approval of the reference consolidated financial statement.

On 27 March 2019, the Board of Directors, with the favourable opinion of the Appointments and Remuneration Committee and of the Board of Statutory Auditors, recognised as achieved

the performance Objective of 2018 set by the Plan, parametrising said objective with regard to the sole results of the e-commerce business area by reason of the divestment process of the media area which led to the change of the Group's structure, thus making the original performance Objective set by the Plan not anymore current. Therefore, all Options included in the First Tranche of the Plan, exercisable after one year from the Grant Date, are considered Accrued.

By reason of the adoption of the new Industrial Plan 2019-2021, approved by the Board of Directors on 15 March 2019 and providing for the focus of the Company's activities on the business activity related to e-commerce and the gradual divestment and re-valorisation of the media area, on 27 March 2019, the Board of Directors resolved to approve the following amendments to the Stock Option Plan, in order to align it to the new strategic lines and the changed structure of the Company and the Group:

- to incorporate non-recurring costs in the EBITDA definition used for determining the performance objectives on which the maturing of assigned options pursuant to the Stock Option Plan is parametrised; and
- to reformulate the performance Objectives set in the Stock Option Plan for years 2019 and 2020 in the terms represented below, in order to align them to the targets set for the new industrial plan 2019-2021.

Second tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2019	% of Accrued Options in the second tranche
below € 2,200,000.00	0%
equal to or greater than € 2,200,000.00	100%

Third tranche	
EBITDA value resulting from the Company's financial statement at 31 December 2020	% of Accrued Options in the third tranche
below € 4,080,000.00	0%
equal to or greater than € 4,080,000.00	100%

In the same meeting, by reason of the importance of the amendments and in order to ensure the utmost transparency regarding the implementation of the Stock Option Plan, the Board of Directors resolved to submit for the approval of the Shareholders' Meeting called on 30 April 2019 the aforementioned amendment proposals.

2.3 Factors involved in determining the amount of compensation based on financial instruments and determining criteria

At the Grant Date, the Board of Directors of the Company, after hearing the opinion of the Appointments and Remuneration Committee, determined the number of Options to be assigned to each Beneficiary.

The number of Option to be assigned to each Beneficiary was defined by the Board of Directors after assessing the contribution to the realisation of the strategy and the achievement of the objectives of value creation of each Beneficiary, taking into account the strategic importance of the offices held and the centrality of the activities carried out within the Company and the Group.

2.4 Reasons for adopting compensation plans based on financial instruments not issued by the Issuer, such as securities issued by subsidiaries, controlling company or third parties companies (out of the group); if such instruments are not traded in regulated markets, information on the criteria used to determine their value

Not applicable, since the Plan is based on granting to each Beneficiary the right to receive (for free) Options, which in turn grant the right to subscribe or purchase Shares of the Company.

2.5 Significant tax and accounting implications affecting the design of the Plan

As at the date of this Disclosure Document, the Company did not face significant tax and accounting implications that affected the design of the Plan.

2.6 Eventual support for the Plan from the special fund for encouraging worker participation in companies referred to in Art. 4, par. 112 of Law no. 350 of 24 December 2003

The Plan shall not receive any support from the special fund for encouraging worker participation in companies referred to in Art. 4, par. 112 of Law no. 350 of 24 December 2003.

3. APPROVAL PROCESS AND TIMING OF GRANTS

3.1 Scope of the powers and functions assigned by shareholders to the Board of Directors for the purposes of the implementation of the Plan

On 3 September 2018, the Board of Directors of the Company resolved, with the favourable opinion of the appointments and Remuneration Committee, to submit the adoption of the Plan for the approval of the Shareholders' Meeting called on 29 October 2018.

The Shareholders' Meeting of 29 October 2018 resolved, other than the approval of the Plan, to vest the Board of Directors of any authority required or appropriate to completely implement the Plan, including (by mere example) any authority for (i) the approval, amendment and/or integration of the Regulation, (ii) identifying Beneficiaries, (iii) determining the Exercise Price of Options, (iv) determining the amount of Options to be granted to each Beneficiary, (v) granting Options to each Beneficiary, and (vi) drafting and/or finalising any document required or appropriate for the implementation of the Plan, as well as performing any act, fulfilment, formality and communication required or appropriate for the

management and/or implementation of the Plan, with the power to delegate its authorities and responsibilities regarding the implementation of the Plan.

3.2 Persons appointed to administer the Plan and their function and responsibilities

The Board of Directors is responsible for the execution of the Plan, as resolved on the Shareholders' Meeting of 29 October 2018, as well as of its management and implementation, making use of the consultative and preparatory support of the Appointments and Remuneration Committee, as well as of the Human Resources Area's help.

The Plan's management is entrusted to a trust company operating on the basis of a specific mandate assigned by the Company, who shall abide by the Regulation's provisions.

3.3 Existing procedures for the revision of the Plan, with respect, inter alia, to changes in the key objectives

Without prejudice to the competence of the Shareholders' Meeting in the cases provided for by law, the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee, shall be able to amend the Plan as seen fit, in order to (i) conform the Plan to existing regulations or any regulatory or statutory change, or (ii) to improve the Plan's effectiveness consistent with its objectives, without prejudice to the rights acquired by Beneficiaries following the Options' grant.

3.4 Description of the methods used to determine the availability and the grant of the financial instruments on which the Plan is based (e.g. assigning shares free of charge, increases in capital excluding the right of option, purchase and sale of own shares)

The Plan involves the free grant of Options to Beneficiaries valid for subscribing newly-issued Shares of the Companies or the purchase of own shares held by the Company, with a 1 (one) Share to 1 (one) Exercised Option ratio.

The total number of maximum shares to be granted to Beneficiaries for executing the Plan is 690,000.00.

Options exercise shall be subject to the payment of the Exercise Price on behalf of the individual, as explained in the following paragraph 4.19.

Both (i) own shares subject to purchase authorisation pursuant to Art. 2357 of the Civil Code as granted each time by the Meeting and (ii) shares resulting from the capital increase that the Board of Directors may resolve, to be counted on the proxy to increase the share capital pursuant to Art. 2443 of the Civil Code as resolved by the extraordinary Meeting of 29 October 2018, can be used to implement the Plan, increasing, against payment, also in separate issues and tranches, the share capital of the Company for a maximum amount of € 138,000 in nominal value, excluding option rights pursuant to Art. 2441, par. 8 and - as far as applicable -, par. 5 of the Civil Code, by issuing a maximum no. of 690,000.00 newly-issued ordinary shares without any nominal value and with the same characteristics of the ordinary shares already issued by the issue date, with regular dividend, to be reserved for Beneficiaries' subscriptions.

For more information on the capital increase for the implementation of the Plan, see the related documents of the Meeting of 29 October 2018 available to the public on the Company's Website <https://www.giglio.org/>, *Corporate Governance* section and on the

authorised emarket storage mechanism www.emarketstorage.com.

The Company has provided Beneficiaries with the Options due to each of them within the terms and in accordance with the procedures set forth in the Regulation.

3.5 Role filled by each board member in determining the features of the Plan and any situations of conflict of interest for the directors involved

The determination of the Plan's characteristics, approved by the Shareholders' Meeting of 29 October 2019 pursuant to Art. 114-*bis* of CFA, was carried out jointly by the Board of Directors, with the support of the Appointments and Remuneration Committee.

On 20 October 2019, the Board of Directors, after hearing the favourable opinion of the Appointments and Remuneration Committee, approved the Plan Regulation and, with the abstention of the interested party, the grant of Options to Beneficiaries.

3.6 Date of the decision made by the body responsible for proposing the approval of the Plan to the Shareholders' Meeting and of the proposal by the Appointments and Remuneration Committee

On 3 September 2018, the Board of Directors of the Company approved to submit to the Shareholders' Meeting the adoption of the Plan, after hearing the favourable opinion of the Appointments and Remuneration Committee, which had previously met on the same date in order to resolve on the Plan's adoption.

3.7 Date of the decision made by the body responsible for the grant of the instruments and any proposal to the aforementioned body made by the remuneration committee

On 29 October 2018, the Board of Directors of the Company, following the approval of the adoption of the Plan by the Shareholders' Meeting, with the favourable opinion of the Appointments and Remuneration Committee, adopted the Plan Regulation, identified the Beneficiaries and granted them 690,000 Options.

3.8 Market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets

The market price of the Shares on 3 September 2018 was equal to € 3.26, while the market price of the Shares on 29 October 2018 was equal to € 2.72.

3.9 For plans based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the Issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of: (i) the aforementioned grant or any related decisions taken by the remuneration committee, and (ii) the disclosure of any relevant information pursuant to Art. 17 of Regulation (EU) no. 596/2014; for example, when the information is: a) not already public and capable of positively influencing the market prices, or b) already published and capable of negatively influencing the market prices

The current structure of the Plan, the conditions, the duration and the Options' grant procedures do not suggest that their grant may be significantly influenced by the eventual disclosure of relevant information pursuant to Art. 17 of Regulation (EU) no. 596/2014, without prejudice to the fact that the Options' grant procedure took place, in any case, with

full respect of disclosure obligations concerning the Company, thus ensuring transparency and information equality to the market, as well as with full respect of the internal procedures adopted by the Company.

According to the Plan, Beneficiaries cannot exercise their Options in the thirty calendar days prior to communication to the public of the periodic financial statements that the Company must make public pursuant to applicable current regulations.

The Board of Directors, after hearing the Appointments and Remuneration Committee, shall be able to set further extraordinary blocking periods for Options exercise, or to amend the terms laid out in this paragraph in the event of relevant regulatory or statutory amendments.

Beneficiaries shall also be required to comply with applicable regulations, in particular with regard to regulations concerning market abuse as far as Options exercise and placement of Shares arising from the exercise of the Options granted within the Plan are concerned.

The verified perpetration by Beneficiaries, also on a non-definitive basis, of a behaviour that can be qualified as insider dealing or market manipulation pursuant to the CFA and the internal dealing code adopted by the Company, shall automatically result in the exclusion of the Beneficiary from the Plan and in the expiration of the Options not exercised by the same.

4. CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS GRANTED

4.1 **Description of the structure of the remuneration Plans based on financial instruments; e.g., state if the Plan is based on the grant: of financial instruments (so called restricted stock grant); of the value increase of said instruments (so called phantom stock); of the option rights allowing for the consequent purchase of financial instrument (so called option grant); with settlement by physical delivery (so called stock option) or by cash on the basis of a differential (so called stock appreciation right)**

The Plan provides for the free grant of Options that allow, under the conditions laid down, for the subscription or purchase of Shares, with settlement by physical delivery. Thus, the Plan provides for the grant of stock options.

Every 1 (one) Granted Option gives the right to the Beneficiary to subscribe or purchase 1 (one) Share, with regular dividend, against the payment to the Company of the Exercise Price.

The Granted Options can be exercised in multiple tranches, following the achievement of the Objectives laid out in the previous paragraph 2.2 and in accordance with the terms and procedures set forth in paragraph 4.2.

4.2 **Specification of the Plans' effective period of implementation, also with reference to any cycles established**

Originally, the Plan provides for a single cycle of Options grant.

Options can be exercised over a Vesting Period of three years divided into three tranches as shown below:

- **first tranche:** until 20% (twenty percent) of the Granted Options; they can be exercised after 1 (one) year from the Grant Date;

- **second tranche:** until 30% (thirty percent) of the Granted Options; they can be exercised after 2 (two) year from the Grant Date;
- **third tranche:** until 50% (fifty percent) of the Granted Options; they can be exercised after 3 (three) year from the Grant Date.

Granted Options included in the aforementioned tranches shall accrue - and shall thus become exercisable in the relevant Exercise Periods - only if the Objectives described in the previous paragraph 2.2 are met.

4.3 **End of the Plan**

The Plan shall last until the expiration of the exercisability of the Options of the third tranche, hence after six years from the Grant Date.

The Options not exercised within the relative Expiry Date shall be considered for all purposes expired, resulting in the Company being absolved of all obligations towards the Beneficiary arising from the Plan.

Without prejudice to what set forth in the previous paragraph 3.3, the Shareholders' Meeting can renew the Plan or extend its duration, making all required or appropriate integrations and amendments to the Plan in order to adapt it to the applicable regulation each time or to the Group's changed needs.

4.4 **Maximum number of financial instruments, including those in the form of options, granted in each fiscal year in relation to the persons identified by name or the categories listed**

The Plan provides for the grant of a maximum of 690,000 Options, giving rise to the right to subscribe or purchase an equal maximum number of Shares.

The Plan does not provide a maximum number of Options to be granted within a fiscal year.

4.5 **Trigger procedures and clauses for the Plan, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results**

As far as trigger procedures and clauses for the Plan, see provisions laid down in the single paragraphs of this Disclosure Document. More specifically, as at the Grant Date, the Board of Directors of the Company determined the number of Options to be granted to each Beneficiary according to the criteria laid down in the previous paragraph 2.3.

The grant of Options to Beneficiaries is free of charges. Each and every Beneficiary can exercise its Accrued Options at then of the relevant Vesting Period, by subscribing or purchasing Shares, under the conditions set forth in paragraphs 2.2 and 4.2.

4.6 **Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited**

The Beneficiaries of the Plan are obliged to hold continuously, for at least 18 (eighteen) months from the date in which they received the Shares following the exercise of the Accrued

Options, a number of Shares equal to at least 20% (twenty percent) of subscribed or purchased Shares by effect of the exercise of Accrued Options, after deduction of a number of Shares of equal value to the Exercise Price of exercised Accrued Options and tax and social security contributions actually paid for and related to the exercise of exercised Accrued Options (the so-called sell to cover).

Furthermore, Beneficiaries vested with the office of Executive Directors, in compliance with the recommendations of the Corporate Governance Code, shall have the obligation, also after the aforementioned unavailability period, to hold continuously until the end of the mandate with regard to every Vesting Period, a number of Shares equal to 20% (twenty percent) of the subscribed or purchased Shares by effect of the exercise of Accrued Options, after deduction of a number of Shares of equal value to the Exercise Price of exercised Accrued Options and tax and social security contributions actually paid for and related to the exercise of exercised Accrued Options.

No further unavailability obligations on granted Shares following the exercise of Accrued Options are provided.

4.7 Description of any termination conditions for grants under the Plan if the beneficiaries conduct hedging transactions that neutralise any restrictions on the sale of the financial instruments granted, including those in the form of options, or the financial instruments resulting from the exercise of those options

The Plan does not have any termination conditions of this kind.

4.8 Description of the effects of the termination of the directorship/employment relationship of Beneficiaries

In case of termination of relationships, the provisions set forth in paragraph 4.8 shall apply, unless otherwise determined by the Board of Directors in favour of Beneficiaries and without prejudice to the right of the Board of Directors, after hearing from the Appointments and Remuneration Committee, to reach any arrangements to the contrary with each Beneficiary.

In the event of termination of relationships ascribable to an hypothesis of Good Leaver, whose termination date precedes the end of the relevant Exercise Period, the Beneficiary (or his/her heirs or legal successors) shall maintain the right to exercise the Accrued Options not yet exercised, in accordance with the provisions of the Plan, within the end of the relevant Exercise Period. Granted Options that are not accrued yet shall be deemed expired.

In the event of termination of relationships ascribable to an hypothesis of Bad Leaver, the Beneficiary shall lose definitively, starting from the termination of the relationship, the right to exercise his/her Options (both Granted and Accrued) not yet exercised.

It is understood that (i) the natural expiration of the director term followed by the immediate and seamless renewal, (ii) the transfer of the relationship to another company of the Group, and (iii) the end of the relationship and the immediate establishment of a new one with the Company or its subsidiaries shall not be deemed as a termination of the relationship.

It is also understood that the right to exercise Accrued Options by Beneficiaries shall be suspended starting from the eventual despatch of a letter of disciplinary action and until the end of the disciplinary proceeding.

The Board of Directors, after hearing the Appointments and Remuneration Committee, has the right to allow Beneficiaries to exercise Options, in whole or in part, in the event of consensual termination of relationships between the parties, as well as the right to grant non-exercised Options following the termination of relationships with one or more Beneficiaries to other Beneficiaries of the Plan or to other individuals identified in accordance with the criteria set by the Plan, setting the relevant accrual and exercise terms for the Options thus granted.

In the event that, after the Grant Date, a change of control occurs, the Beneficiary shall be able to participate to the Plan with the modes, terms and conditions of the Regulation, with the exception of eventual different contract proposals issued by the individual that shall take control, or to exercise the totality of Granted Options, even if the relevant Vesting Period is not over yet and independently of the achievement of performance Objectives.

For the purposes of the Plan, change of control occurs when an individual or more individuals act in concert (excluding Alessandro Giglio and Meridiana Holding S.r.l. and /or any other body controlled by them), directly or indirectly, to purchase a participation in the Company's share capital which results:

(i) in the obligation of the aforementioned individual (or individuals) to promote a mandatory public purchase offer of the Company's ordinary shares pursuant to the CFA; or

(ii) in the appointment or removal of the majority of the Company's directors by the aforementioned individual (or individuals).

4.9 **Details of any other reasons for the cancellation of the Plan**

Without prejudice to the provisions laid down in other paragraphs of this Disclosure Document, the Plan does not have any other cancellation clauses.

4.10 **Reasons for the provision of any "buy-back" by the Company of the shares involved in the Plan , pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the buy-back**

The Plan does not provide for the buy-back of shares involved in the Plan by the Company.

The Plan provides for surrender or revocation clauses. More specifically, if the Board of Directors, after consulting the Appointments and Remuneration Committee, ascertains that, within three years from the end of the Stock Option Plan as laid out in paragraph 4.3, the objectives were determined on the basis of data that were clearly erroneous or that were wilfully altered to determine the objectives' final balance, it shall reserve the right, after consulting the Appointments and Remuneration Committee, to obtain from the beneficiaries or beneficiary author of one of the aforementioned acts and/or facts, the revocation of the appointed options or the return of its shares, having deducted a number of shares equal to the exercised accrued options' exercise price and the tax, social security and welfare charges connected to the exercise of the exercised accrued options actually paid, or, alternatively, the return of the sale value (having deducted an amount equal to the exercised accrued options' exercise price and the tax, social security and welfare charges connected to the exercise of the exercised accrued options) in the event that the beneficiary's shares have already been sold.

4.11 **Any loans or concessions to be granted for the purchase of the shares pursuant to Art. 2358, par. 3 of the Italian Civil Code**

The Plan does not provide for loans or concessions for the purchase of the shares involved in the Plan, given that the Plan provides for the free grant of Options and no other advantages are provided for Beneficiaries, without prejudice to the provisions laid out in paragraph 4.6 concerning the so-called "sell to cover" for the payment of the Exercise Price.

4.12 **Details of the estimates of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Plan**

If the exercise of Options is met with share capital increase by payment, no direct charges to the Company for the subscription of Shares are foreseen. If the exercise of Options is met with the allocation of own shares, the charges for the Company shall be parametrised to the difference between the price paid by the same for the purchase of the own shares and the exercise price.

4.13 **Details of any dilution effect on share capital resulting from the grant of the shares**

The full subscription of the increase of share capital for the Plan subsequent to the exercise of all Options and assuming that no further share capital increase is put in place, would determine a 4.30 dilution of the current share capital for the Company's Shareholders.

4.14 **Any limits set on the exercise of voting rights and on the assignment of economic rights**

No limits have been set on the exercise of voting rights or on the assignment of economic rights concerning Shares arising from the exercise of Options.

4.15 **If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them**

Not applicable, as the Plan shall only use shares traded on the MTA.

4.16 **Number of financial instruments underlying each Option**

Any 1 (one) Granted Option gives the right to the Beneficiary to subscribe or purchase 1 (one) Share.

4.17 **Options expiration**

The expiration of Options from the first tranche is set at four years from the Grant Date, by which all accrued and not expired Option rights regarding the first tranche shall be exercised.

The expiration of Options from the second tranche is set at five years from the Grant Date, by which all accrued and not expired Option rights regarding the second tranche shall be exercised.

The expiration of Options from the third tranche is set at six years from the Grant Date, by which all accrued and not expired Option rights regarding the third tranche shall be exercised.

4.18 Modalities (American/European), timing (e.g. valid exercise periods) and exercise clauses (e.g. knock-in and knock-out clauses)

Upon termination of the Vesting Period described in paragraph 4.2, Options shall be exercised with the American modality.

For exercise modalities and periods of Options, see paragraph 4.2.

4.19 Exercise price of the Option or arrangements and criteria for determining it, especially regarding: a) the formula for the calculation of the exercise price in relation to a particular market price (so-called fair market value) (e.g. exercise price corresponding to 90%, 100% or 110% of market price), and b) the methods for the determination of the market price used as a reference for the determination of the exercise price (e.g. last price on the day before the grant, average for the day, average of the last 30 days etc.)

The Exercise Price was determined on the Grant Date by the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee, as € 2.95 on the basis of the arithmetic mean of official prices recorded by the Company's Shares on the MTA in the month previous to the Options' Grant Date

This criterion corresponds to market standards for listed companies with regards to the criterion adopted to set the exercise price of shares for share incentive plans and was assessed as representative of the market price of the Shares by the Board of Directors.

4.20 In the event that the exercise price is not equal to the market price as laid out in paragraph 4.19 (fair market value), the reasons for such difference

See paragraph 4.19.

4.21 Criteria for the establishment of different exercise prices between the various beneficiaries or the various categories of beneficiaries

Not applicable, as the Plan provides for the same Exercise Price for all Beneficiaries.

4.22 In the event that the financial instruments underlying the options are not traded in regulated markets, indication of the value attributable to the underlying financial instruments or to the criteria to determine said value

Not applicable, as the Shares underlying the Options are traded on the MTA.

4.23 Criteria used to make any adjustments that may be necessary following extraordinary operations on the capital or other operations entailing variation of the number of underlying instruments (share capital increases, extraordinary dividends, rearrangement or splitting of underlying shares, mergers and divisions, conversion operations in other Shares categories etc.)

In the event of extraordinary operations regarding the Company or of any other event capable of influencing the Objectives, the Options, the Shares or the Plan, the Board of Directors (after hearing the Appointments and Remuneration Committee) shall have the right to amend and integrate the Plan as seen fit in order to maintain the essential contents of the Plan as unchanged as possible, while respecting the aims and objectives of the Plan and the economic and financial rights recognized by it.

These amendments and integrations can vary, inter alia, the number and type of Shares subject to Options, the Exercise Price, the Objectives, the Vesting Period, the Expiry Date and the Exercise Period.

The correction set forth in this paragraph, final and binding, shall be promptly communicated in writing to the Beneficiaries.

4.24 Remuneration plans based on financial instruments

Table no. 1 of scheme 7 of Annex 3A of Issuers' Regulation

		BOX 2							
		"Stock Option Plan 2018-2021"							
		Stock option							
Name or Category	Office	<u>Section 1</u>							
		Instruments relating to currently valid plans approved on the basis of previous shareholders' resolutions							
		Date of Shareholders Resolution	Type of Financial Instrument	Options Held at Year End (2018)	Options Exercised	Grant Date	Exercise Price	Market Price on Grant Date	Vesting Period
Alessandro Giglio	Chairman and CEO	28/10/2018	Options on Giglio Group S.p.A. Ordinary Shares	315,000	0	28/10/2018	2.95	2.72	(1)
Massimo Mancini	Vice-Chairman and General Director	28/10/2018	Options on Giglio Group S.p.A. Ordinary Shares	125,000	0	28/10/2018	2.95	2.72	(1)
Anna Maria Lezzi	Executive Director	28/10/2018	Options on Giglio Group S.p.A. Ordinary Shares	32,000	0	28/10/2018	2.95	2.72	(1)
Carlo Frigato	Executive Director (2)	28/10/2018	Options on Giglio Group S.p.A. Ordinary Shares	0 (2)	0	28/10/2018	2.95	2.72	NA

Managers with Strategic Responsibilities	1	28/10/2018	Options on Giglio Group S.p.A. Ordinary Shares	110,000	0	28/10/2018	2.95	2.72	(1)
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(1) Up to 20% after one year from the grant date and for a period of three years. Up to 30% after two years from the grand date and for a period of three years. Up to 50% after two years from the grant date and for a period of three years

(2) Following Director Carlo Frigato's resignation on 21 December 2018, the 108,000 options granted to him are no longer exercisable and have been returned to the Company's availability