

ITALMOBILIARE

DIRECTORS' REPORT

to the ordinary Shareholders' Meeting on April 21, 2020

(Translation from the Italian which remains the definitive version)

Agenda

1. 2019 Annual Report, dividend distribution and extraordinary dividend distribution, also out of reserves.
2. Report on the remuneration policy and on the remuneration paid, pursuant to art. 123-ter of the Consolidated Law on Finance:
 - 2.1 remuneration policy for the year 2020;
 - 2.2 consultation on the remuneration paid in 2019.
3. Appointment of the Board of Directors:
 - 3.1 determination of the number of members;
 - 3.2 determination of the term of office;
 - 3.3 appointment of members;
 - 3.4 determination of the directors' remuneration.
4. Appointment of the Board of Statutory Auditors for the three-year period 2020-2022:
 - 4.1 appointment of the members and Chairman of the Board of Statutory Auditors;
 - 4.2 remuneration of the Board of Statutory Auditors.
5. Authorisation to buy and sell treasury shares, following the revocation of the authorisation given by the Shareholders' Meeting held on April 17, 2019.
6. Incentive plan based on financial instruments pursuant to art. 114-bis of the Consolidated Law on Finance.

1. 2019 Annual Report, dividend distribution and extraordinary dividend distribution, also out of reserves.

Dear Shareholders,

We submit for your approval the financial statements for the year ended December 31, 2019, which closed with a profit of Euro 19,730,026. Reference is made to the Annual Report and the draft financial statements contained herein for all information in this regard, specifying that the same shall be published within the deadlines set by law.

The profit for the year and the financial situation of the company enable us to propose the distribution, for each share entitled, of a dividend of Euro 0.60, gross of the withholdings required by law, and of an extraordinary dividend of Euro 1.20, gross of the withholdings required by law.

Therefore, subject to the Shareholders' Meeting approval, a per share gross amount of Euro 1.80 will be distributed.

We would like to propose that the dividend and the extraordinary dividend should be paid in one tranche on May 6, 2020 (going ex-coupon on May 4, 2020 and with a record date of May 5, 2020).

Taking into account the 278,470 treasury shares in the portfolio at the date of this report, whose right to earnings is attributed proportionately to the other shares in accordance with art. 2357-ter of the Italian Civil Code, the distribution will take place out of the entire profit of Euro 19,730,026 and out of retained earnings for the balance of Euro 56,268,728. Note that this amount could differ if there is a change in the number of treasury shares in the Company's portfolio on the record date.

We therefore invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

having noted the report of the Board of Directors on operations and the report of the Board of Statutory Auditors, and after having examined the financial statements as at December 31, 2019,

considering that the legal reserve has reached one fifth of the share capital and consequently no further provision to such reserves need be made pursuant to article 2430 of the Italian Civil Code and article 30 of the company By-laws,

resolved

1) to approve the report of the Board of Directors on operations and the 2019 financial statements, consisting of the statement on the financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and explanatory notes, which reflect a profit of Euro 19,730,026 as presented by the Board of Directors in its entirety, in the individual postings and with the proposed allocations;

2) to distribute a per-share gross dividend of Euro 0.60 and a per share gross extraordinary dividend of Euro 1.20 to each of the shares with rights, therefore excluding the treasury shares in the Company's portfolio on the record date, using the entire profit equal to Euro 19,730,026 and the retained earnings for the amount of Euro 56,268,728;

3) to establish that the dividend and the extraordinary dividend shall be paid on May 6, 2020 with a coupon date of May 4, 2020 and record date of May 5, 2020;

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4) to authorise the current Chairman and the current Chief Executive Officer, separately, if the number of treasury shares in portfolio changes before the record date, to increase the amount to be taken from retained earnings by the amount of the dividend pertaining to any shares purchased or to reduce it for the amount of the dividend pertaining to any treasury shares sold."

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2. Report on the remuneration policy and on the remuneration paid, pursuant to art. 123-ter of the Consolidated Law on Finance:

2.1 remuneration policy for the year 2020;

2.2 consultation on the remuneration paid in 2019.

Dear Shareholders,

We submit the "Report on the Remuneration Policy and on the remuneration paid" (the "Report") pursuant to art. 123-ter of the Consolidated Law on Finance, as amended by Legislative Decree 49/2019.

The Report is made up of two sections:

The first section explains the policy that the Company intends to adopt regarding the remuneration of directors, general managers/chief operating officers, key management personnel and members of the Board of Statutory Auditors for the year 2020 and is subject to the binding vote of the Shareholders' Meeting, in accordance with recent legislative changes (see article 123-ter, paragraph 3-ter, of the CLF);

The second section explains the remuneration paid to the persons concerned during 2019 and is subject to the advisory vote of the Shareholders' Meeting.

The remuneration policy for 2020 envisages that the components of remuneration of the persons concerned are as follows:

- a) a fixed annual component;
- b) an annual variable component linked to the achievement of specific corporate objectives (Management By Objectives);
- c) a long-term variable component (Long-Term Incentive) linked to the achievement of specific corporate objectives and the performance of "Italmobiliare" stock.

As regards the annual variable component, the Company has had an annual variable incentive plan in place for some time, which provides for the attribution of a cash bonus to the beneficiaries in proportion to the responsibilities assigned to each beneficiary and payable subject to the achievement of predetermined performance objectives ("MBO"). On the proposal of the Remuneration and Nominations Committee and with the favourable opinion of the Board of Statutory Auditors, the Board of Directors' meeting on March 4, 2020 examined the results and ascertained the performance levels achieved by beneficiaries of the 2019 MBO (needed to calculate their score and amount of the bonus) and approved the structure of the 2020 MBO.

As regards the long-term variable component, please note that closure of the 2019 financial year marked the expiry of the "2017-2019 Cash Incentive Plan linked to the performance of Italmobiliare S.p.A. shares", approved by the Shareholders' Meeting on April 19, 2017; the Board of Directors therefore submits for your approval at this meeting a long-term incentive plan which is structured as a phantom stock grant linked to a specific corporate objective (NAV - net asset value) on a three-year basis and to the performance of the "Italmobiliare" stock. Please refer to the Information Document prepared under art. 114-bis of the CLF and art. 84-bis of the Issuers Regulation, which is attached to this Report.

The compensation paid in 2019 to the persons concerned is shown in the second section of the Report and is consistent with the remuneration policy presented at the last Shareholders' Meeting on April 17, 2019, when 92.8% of the capital represented voted in favour.

For further details, please refer to the "Report on the remuneration policy 2020 and on the remuneration paid in 2019" prepared by the Board of Directors, which will be made available to the public as required by law at least twenty one days before the date of the meeting.

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With reference to first section of the Report (remuneration policy) we would invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

resolved

to approve the first section of the Company's Report on the Remuneration Policy for the year 2020 which explains the remuneration of the directors, general managers/chief operating officers and key management personnel, of the members of the board of statutory auditors of Italmobiliare S.p.A., as well as the procedures used for adoption and implementation of this policy".

With reference to second section of the Report, which includes the remuneration paid in 2019, we would invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

resolved

in favour of the second section of the Report on the Remuneration Policy, which explains the remuneration paid in 2019 to directors, general managers/chief operating officers, key management personnel, members of the board of statutory auditors."

3. Appointment of the Board of Directors

3.1 determination of the number of members;

3.2 determination of the term of office;

3.3 appointment of members;

3.4 determination of directors' remuneration.

Dear Shareholders,

With the approval of the financial statements at 31 December 2019, the mandate of the Board of Directors has expired.

We therefore invite you to appoint the new administrative body, after determining the number of members, term of office and remuneration.

We would remind you that, according to the By-laws, the Board of Directors is made up of a minimum of five and a maximum of fifteen members who hold office for a period - determined at the time of appointment by the Shareholders' Meeting - of not more than three years; the term of office of directors appointed in this way expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of their time in office.

A number of directors that is not less than the minimum required by law have to meet the independence requirements laid down in current legislation. Furthermore, the additional requirements of law must be met.

The appointment takes place on the basis of slates designed to ensure that minority shareholders are also represented on the Board.

Slates may be presented by shareholders who, alone or together with other shareholders, can document on the day the slates are filed with the Company that, overall, they hold an interest in the share capital with voting rights of not less than 1%, as established by CONSOB Resolution no. 28 of January 30, 2020. No shareholder may file or participate in the filing of more than one slate, directly or through a nominee or trust company. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted. The names of the candidates listed on each slate have to be numbered progressively. Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance, which now provide that 2/5 of the members are to go to the less represented gender.

Each slate must include a number of candidates who meet the independence requirements established by the applicable legal and regulatory provisions, as well as by the Code of Conduct adopted by Borsa Italiana S.p.A. Each candidate may be on one slate only, under penalty of ineligibility.

The slates must be filed at the Company's registered offices (via Borgonuovo 20, 20121 Milan - Corporate Affairs Department) or sent to the certified email address affarisocietari.italmobiliare@legalmail.it, at least 25 days prior to the date set for the Shareholders' Meeting (i.e. by March 27, 2020), together with the following documentation:

- a) the statements in which the individual candidates accept their candidacy and declare, under their own responsibility, that there are no grounds for ineligibility and that they meet the integrity requirements established by law;
- b) a brief curriculum on the personal and professional skills of each candidate with an indication of their position as director and statutory auditor in other companies;

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- c) the statements in which the individual candidates declare whether they meet the independence requirements laid down by law and the Code of Conduct;
- d) information on the identity of the shareholders who have presented slates;
- e) a statement by shareholders - other than those who have a controlling or majority stake, jointly or severally - acknowledging that they do not have any joint shareholdings, as defined by law.

The documentation issued by the authorised intermediary, proving that shareholders have a right to vote on the day the slates are filed, can also be submitted later, providing it is done during the 21 days prior to the date of the Shareholders' Meeting (i.e. by March 31, 2020).

If a slate does not comply with these provisions, it will be considered as though not presented.

As regards the methods of appointment, in the event of more than one slate being filed:

- all the Directors are elected from the slate that obtains the highest number of votes at the Shareholders' Meeting, in the order in which they are listed, except for the minimum number reserved by law for the minority shareholders' slate;
- the minimum number of Directors reserved by law for the minority shareholders are elected from the minority shareholders' slate that obtains the highest number of votes and is not connected in any way, directly or indirectly, with the majority shareholders;
- should more than one slate obtain the same number of votes, a run-off is held between these slates by all the shareholders entitled to vote present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a majority of the share capital represented at the Shareholders' Meeting.

For the purposes of the apportioning of the Directors to be elected, the slates that have not achieved a percentage of votes at least equal to half of the percentage required for the presentation of slates will not be considered.

Should a party connected to a majority shareholder vote for a slate of the minority shareholders, the connection is only considered significant for the purpose of excluding the minority shareholders' elected Director if this vote was crucial for the election of the Director in question.

Should a single slate be filed, all the candidates included in that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If as a result of the voting based on slates or the voting on the only slate presented, the composition of the Board of Directors does not meet the current regulations on gender balance, the necessary replacements will be carried out within the slate that has obtained the highest number of votes or within the only slate presented, starting from the candidate in the last place of the slate in question. Subsequently, if compliance with the requirement concerning the balance between genders is not ensured in the minimum number required by law, there will be similar replacements, again within the slate that has obtained the highest number of votes, or within the only slate presented.

In the absence of slates, and whenever by means of the slate voting mechanism, the number of candidates elected is lower than the minimum number envisaged by the By-laws for its composition, the Board of Directors is respectively appointed or supplemented by the Shareholders at their meeting with the legal majority, providing that the gender balance required under current legislation is ensured and at least the minimum number of Directors meeting the legal independence requirement is ensured.

We would inform you that, as recommended by the Code of Conduct for Listed Companies promoted by the Committee for Corporate Governance, the Board of Directors has set the maximum number of offices that a Director can hold at four companies listed on regulated markets, in Italy or abroad, including their office in

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Italmobiliare S.p.A., with the exclusion of companies of the Italmobiliare Group, which can be considered compatible with an effective performance of the office of Director of Italmobiliare.

Lastly, please note that the outgoing Board of Directors has provided the shareholders with guidelines on renewal of the Board of Directors, explaining the ideal composition and size of the next Board, taking into account the results of the self-assessment process and also expressing its opinion on the remuneration of the members of the Board and of the Board Committees. The guidelines are available on the Company's website in the "Governance/Shareholders' Meeting" section.

Shareholders wishing to submit slates are invited to read the recommendations contained in CONSOB Communication DEM/9017893 of February 26, 2009.

That said, the Board of Directors, having taken note of the provisions of the law and the By-laws regarding the composition, duration, methods of appointment and remuneration of the members of the Board of Directors, invites the Shareholders' Meeting, on the basis of the slates that will be presented or, in the absence of slates, based on the proposals that may be formulated during the Shareholders' Meeting, to:

- decide the number of members of the Board of Directors;
- decide the term of office of the Board of Directors;
- appoint a new Board of Directors on the basis of the slates presented and published in the manner and within the terms set out in the By-laws and in accordance with current legislation;
- decide the remuneration to be paid to the Directors.

4. Appointment of the Board of Statutory Auditors for the three-year period 2020-2022:
 - 4.1 appointment of the members and Chairman of the Board of Statutory Auditors;
 - 4.2 remuneration of the Board of Statutory Auditors.

Dear Shareholders,

With the approval of the financial statements at December 31, 2019, the mandate of the Board of Statutory Auditors has expired.

We invite you to appoint three Standing Auditors and three Alternate Auditors for the three-year period 2020-2022 and to decide the annual remuneration to be paid to them, without affecting the reimbursement of expenses incurred for the performance of their duties, which is expressly recognised in the By-laws.

In accordance with the By-laws, the appointment of the Board of Statutory Auditors takes place on the basis of slates designed to ensure that the minority shareholders are able to appoint a Standing Auditor and an Alternate Auditor.

Slates may be presented by shareholders who, alone or together with other shareholders, can document on the day the slates are filed with the Company that, overall, they hold an interest in the share capital with voting rights of not less than 1%, as established by CONSOB Resolution no. 28 of January 30, 2020. No shareholder may file or participate in the filing of more than one slate, directly or through a nominee or trust company. Shareholders belonging to the same group and shareholders who join a shareholders' agreement involving the Company's shares may not file more than one slate, not even through a nominee or trust companies. Slates filed in violation of these restrictions will not be accepted.

Each slate is made up of two sections: one for candidates for the office of Standing Auditor and the other for candidates for the office of Alternate Auditor.

In each section, the names of not more than three candidates for the office of Standing Auditor and not more than three candidates for the office of Alternate Auditor have to be listed and numbered progressively. Slates that have a total number of candidates equal to or greater than three must be composed of candidates belonging to both genders, to an extent that complies with current regulations on gender balance. This applies to candidates for the office of Standing Auditor, as well as to candidates for the office of Alternate Auditor. It should be borne in mind that current legislation provides that at least 2/5 of the standing members of the Board of Statutory Auditors (rounding down in the case of Boards of Statutory Auditors made up of three standing auditors) are to go to the least represented gender.

Each candidate may be on one slate only, under penalty of ineligibility.

The slates have to be filed at the registered office (via Borgonuovo 20, 20121 Milan - Corporate Affairs Department) or sent to the certified e-mail address affarisocietari.italmobiliare@legalmail.it, by the twenty-fifth day prior to the date of the Shareholders' Meeting (i.e. by March 27, 2020), together with the following documentation:

- a) declarations by which the individual candidates accept their candidacy and certify, under their own responsibility, that they have no reasons for ineligibility or incompatibility, and that they meet the additional requirements of law, the By-laws and the Code of Conduct;

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b) a brief curriculum on the personal and professional skills of each candidate with an indication of positions they hold as director or statutory auditor in other companies;

c) information on the identity of the shareholders who have presented slates;

d) a statement by shareholders - other than those who have a controlling or majority stake, jointly or severally - acknowledging that they do not have any joint shareholdings, as defined by law.

The documentation issued by the authorised intermediary, proving that shareholders have a right to vote on the day the slates are filed, can also be submitted later, providing it is done during the 21 days prior to the date of the Shareholders' Meeting (i.e. by March 31, 2020).

If a slate does not comply with the above provisions, it will be considered as though not presented.

In the event that, by the deadline of 25 days prior to the date of the Shareholders' Meeting, only one slate has been filed, or only slates presented by shareholders who are connected to each other pursuant to current regulations, further slates can be presented up to the third day subsequent to that date (i.e. March 30, 2020) and the threshold of 1% indicated above is halved (i.e. 0.5%).

In the event of more than one slate being filed:

- the slate that obtains the highest number of votes at the Shareholders' Meeting elects two Standing Auditors and two Alternate Auditors, in the order in which they are listed in the sections of the slate;

- the minority shareholders' slate that obtains the highest number of votes among the slates presented and voted by shareholders who are not connected in any way, directly or indirectly, with the majority shareholders, elects the third Standing Auditor and the third Alternate Auditor, in the order in which they are listed in the sections of the slate;

- should more than one slate obtain the same number of votes, a run-off is held between these slates by all the shareholders present at the Shareholders' Meeting, and the candidates are elected from the slate that obtains a majority of the share capital represented at the Shareholders' Meeting.

Should a party connected to a majority shareholder vote for a slate of the minority shareholders, the connection is only considered significant for the purposes of excluding the minority shareholders' elected Auditor if this vote was crucial for the election of the auditor in question.

Should a single slate be filed, all the candidates included in that slate are elected with a simple majority vote of the share capital represented at the Shareholders' Meeting.

If, as a result of voting several slates or voting the only slate presented, the composition of the Board of Statutory Auditors, as regards its standing members, does not meet the current regulations on gender balance, the necessary replacements will be made choosing from among candidates to the office of standing auditor on the slate that has obtained the highest number of votes or from within the only slate presented, starting from the last candidate on that slate.

Should no slates be filed, the Shareholders' Meeting appoints the Board of Statutory Auditors with a simple majority vote of the share capital represented at the Shareholders' Meeting, providing gender balance is ensured in accordance with current legislation.

The Chairmanship of the Board of Statutory Auditors lies with the person indicated in first place on the slate presented and voted by the minority shareholders, or with the first person listed if only one slate is presented, or with the person appointed as such by the Shareholders' Meeting should no slates be presented.

Those who find themselves in an incompatible situation as defined by law, or those who have exceeded the limit on the accumulation of appointments established by current regulations may not be elected as Statutory Auditors, and if they have been elected shall fall from office.

At least one of the Standing Auditors and at least one of the Alternate Auditors are taken from among those recorded in the Register of External Auditors established pursuant to the law, who have been auditing accounts for not less than three years.

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Statutory Auditors who do not meet this requirement are taken from among those who have gained at least three years' overall experience in:

- a) administration and control activities or managerial duties in joint-stock companies with a share capital of not less than two million euro; or
 - b) professional activities or tenured university teaching in legal, economic, financial and technical-scientific subjects, in the industrial, commercial, banking, technological services and IT sectors; or
 - c) management functions with public bodies or public administrations operating in the credit, financial and insurance sectors or in any case in the industrial, commercial, banking, technological services and IT sectors.
- Shareholders wishing to submit slates are invited to read the recommendations contained in CONSOB Communication DEM/9017893 of February 26, 2009.

That said, the Board of Directors invites the Shareholders' Meeting to proceed with the appointment of the Board of Statutory Auditors and its Chairman on the basis of the slates that will be presented or, in the absence of slates, based on the proposals made during the Shareholders' Meeting, as well as to decide the remuneration of the members of the Board of Statutory Auditors.

5. Authorisation to buy and sell treasury shares, following revocation of the authorisation given by the Shareholders' Meeting held on April 17, 2019

Dear Shareholders,

The Ordinary Shareholders' Meeting held on April 17, 2019 approved the authorisation to buy and sell treasury shares, which was valid for a period of eighteen months from the date of the resolution.

The Company did not buy any treasury shares based on this authorisation. At the date of this report, the Company holds 278,470 no-par ordinary shares.

As the authorisation expires on October 17, 2020, to allow the Company to retain the right to buy and sell treasury shares, we propose that you renew: (i) the authorisation to buy treasury shares, pursuant to article 2357 of the Italian Civil Code and article 132 of the CLF and related implementing provisions, and (ii) the authorisation to sell treasury shares pursuant to article 2357-ter of the Italian Civil Code, according to the terms and methods described below, following revocation of the authorisation granted by the Ordinary Shareholders' Meeting held on April 17, 2019.

5.1 *The reasons why authorisation to buy and sell treasury shares is required*

The purchase of treasury shares, for which authorisation is requested here, will have the usual purposes as also governed by law, and may therefore be oriented:

- (a) to setting up a portfolio of securities that could be used:
 - (i) in place of financial resources, to carry out extraordinary corporate finance transactions; or
 - (ii) to implement compensation plans based on financial instruments that could be approved in the future (hereinafter the "Plans"); and
- (b) to carry out activities to stabilise and support the liquidity of the Italmobiliare stock, favouring regular trading, including securities lending to support third-party liquidity providers, market makers and specialists.

Bearing this in mind, the treasury shares bought may be, *inter alia*:

- 1. used as consideration or in exchange for, or in any case for the purpose of executing, extraordinary transactions, such as the acquisition of shareholdings or other capital or financing transactions;
- 2. sold (through the sale, exchange, assignment or any other deed or trade) on the market or in blocks, for the purposes, with the methods and conditions that - in accordance with the authorisation granted by the Shareholders' Meeting - may from time to time be established by the Board of Directors;
- 3. assigned or transferred to Company employees who are beneficiaries of Plans that may be approved in the future.

Note that the request for authorisation to buy treasury shares is not aimed at the automatic reduction of the share capital by cancelling treasury shares.

5.2 *Maximum number, category and par value of the shares to which the authorisation to buy refers. Information for a complete assessment of compliance with article 2357, paragraph 3, of the Italian Civil Code.*

At the date of this report, (i) the subscribed and paid-up share capital of Italmobiliare is Euro 100,166,937, represented by 42,500,000 no-par ordinary shares; (ii) the Company holds 278,470 treasury shares directly, which represent 0.655% of the shares making up the share capital and which were purchased on the basis of the previous authorisations given by the Ordinary Shareholders' Meeting; and (iii) no subsidiary company holds Italmobiliare shares.

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This proposed authorisation concerns the purchase of a maximum of 1,000,000 of the Company's no-par ordinary shares, representing 2.353% of the shares currently making up the share capital.

The proposal is therefore to grant a mandate to the Board of Directors and, on its behalf, to the Chairman and the Chief Executive Officer, separately from each other, to identify the amount of ordinary shares to be bought in relation to each of the purposes indicated in Paragraph 5.1 above, prior to the start of each individual purchase programme, in accordance with the maximum limit indicated above.

In any case, the number of Italmobiliare ordinary shares held from time to time in the portfolio of Italmobiliare and its subsidiaries will be within the maximum limit established by current law.

To ensure compliance with the legal limits, suitable procedures will in any case be prepared to guarantee timely and complete disclosure of the shares held by the subsidiaries.

The purchase of treasury shares has to take place within the limits of the distributable profits and available reserves resulting from the latest (annual or interim) financial statements approved at the time of the purchase. The proposal is therefore to authorise the purchase of treasury shares up to a maximum outlay of Euro 30,000,000 which is covered by net reserves currently available.

When treasury shares are bought, the necessary accounting entries will be made in compliance with the law and applicable accounting standards.

5.3 Period for which the authorisation to buy is requested

The authorisation to buy treasury shares is requested for the maximum period established by the applicable regulations, currently set by article 2357, paragraph 2, of the Italian Civil Code at 18 (eighteen) months from the date of the shareholders' resolution granting authorisation.

5.4 Minimum and maximum consideration for the purchase of treasury shares and market valuations on the basis of which it was calculated

The proposal is that purchases may take place - in compliance with the conditions established in article 3 of the (EU) Delegated Regulation 2016/1052 of the Commission dated March 8, 2016 and the additional applicable rules - at a unit price not exceeding the highest price between the price of the last independent transaction and the price of the current highest independent purchase offer on the electronic stock exchange organised and managed by Borsa Italiana ("MTA"), it being understood that the consideration cannot in any case be lower in the minimum and higher in the maximum by 15% (fifteen percent) with respect to the reference price that the Italmobiliare stock recorded in the stock market session of the day preceding each transaction.

5.5 Methods through which purchases will be made

If authorised by the Ordinary Shareholders' Meeting, the Company will be able to buy treasury shares in one or more tranches.

Purchases will be made on the MTA in compliance with article 144-*bis*, paragraph 1, letters b) and d-*ter*) of the regulation adopted by CONSOB with resolution 11971 of May 14, 1999, as subsequently amended and integrated (the "Issuers Regulation") and of the provisions that are in any case applicable, so as to comply with the principle of equal treatment of Shareholders, as required by article 132 of the CLF, and therefore (i) on regulated markets, according to the operating procedures established in the organisation and management regulations of Borsa Italiana, which do not allow direct matching of purchase proposals with predetermined sale proposals, or (ii) with the methods established by market practices allowed by CONSOB pursuant to article 13 of (EU) Regulation no. 596/2014 in force from time to time. In any case, purchases will be made in compliance with the guidelines issued by CONSOB and further provisions of the law and regulations applicable to this type of transaction.

If deemed appropriate by the Board of Directors, and on its behalf by the Chairman or the Chief Executive Officer, separately from each other, the purchase of treasury shares can take place in ways that are different from those indicated above, providing this is permitted and/or in compliance with the legislative and regulatory provisions in force from time to time, taking into account the need to comply in any case with the principle of equal treatment of Shareholders.

5.6 Authorisation to sell treasury shares

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Pursuant to article 2357-*ter* of the Italian Civil Code, the Board of Directors also proposes to the Ordinary Shareholders' Meeting to authorise the use, at any time, in whole or in part, in one or more tranches, of the treasury shares that will be purchased in execution of the Shareholders' authorisation requested herein, as well as the treasury shares previously acquired in execution of previous resolutions, according to the terms and conditions that will be established from time to time by the Board of Directors, and on its behalf by the Chairman and the Chief Executive Officer, in accordance with the purposes and criteria illustrated above, it being understood that the unit selling price (or in any case, the unit value set for the sale) cannot in any case be lower than the average carrying price of the shares bought under the authorisation.

The Board of Directors proposes that the authorisation of sales should allow the adoption of any method that is appropriate for the purposes pursued, to be carried out both directly and through intermediaries, in compliance with the provisions of the law and national and European regulations in force in the matter.

Sales of treasury shares for which authorisation is requested will be carried out in compliance with the applicable legislation and, in particular, in compliance with national and EU laws and regulations, also in relation to market abuse.

Adequate communication will be provided on the sale of treasury shares in compliance with the applicable disclosure obligations.

On the occasion of disposals of treasury shares, the necessary accounting entries will be made in compliance with the provisions of law and applicable accounting standards.

5.7 *Period for which authorisation for the sale of treasury shares is requested*

Authorisation for the sale of treasury shares is requested without any time limit.

* * *

We therefore invite you to pass the following resolution:

"The Shareholders' Meeting of Italmobiliare S.p.A.,

resolved

1. to revoke the shareholders' resolution authorising the purchase and sale of treasury shares passed on April 17, 2019;
2. to authorise, pursuant to articles 2357 et seq. of the Italian Civil Code and article 132 of the CLF, the purchase of maximum 1,000,000 Italmobiliare ordinary shares, without prejudice in any case to compliance with the maximum limit of Italmobiliare shares held from time to time in the portfolio of Italmobiliare and its subsidiaries established by current applicable law, also to be carried out fractionally within the term of 18 (eighteen) months following the date of passing this shareholders' resolution, with the specification that: (a) purchases will be made - in compliance with the conditions established in article 3 of the (EU) Delegated Regulation 2016/1052 of the Commission dated March 8, 2016 and other applicable rules - at a unit price not exceeding the highest price between the price of the last independent transaction and the price of the current highest independent purchase offer on the electronic stock exchange organised and managed by Borsa Italiana, it being understood that this consideration may not in any case be lower in the minimum and higher in the maximum by 15% (fifteen percent) with respect to the reference price that the Italmobiliare share recorded in the stock market session of the day preceding each transaction; (b) the Company can use up to a maximum of Euro 30,000,000 to purchase treasury shares, to be withdrawn from net available reserves as shown in the financial statements; (c) purchases will be made on the electronic stock exchange in compliance with art. 144-*bis*, paragraph 1, letters b), and d-*ter*) of the Issuers Regulation, so as to allow compliance with the principle of equal treatment of shareholders, as required by article 132 of the CLF, and therefore (i) on regulated markets, according to the operating procedures established in the organisation and management regulations of Borsa Italiana, which do not allow direct matching of purchase proposals with predetermined sale proposals, or (ii) with the methods established by market

practices allowed by CONSOB pursuant to article 13 of (EU) regulation no. 596/2014 from time to time in force, and in any case in accordance with the further provisions of the law and regulations applicable to this type of transaction;

3. to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer separately from each other, any wider power, including the power of sub-delegation, to implement the resolution *sub 2*, including - by way of example - the power to determine the operating procedures for the purchase of the shares and their price in accordance with the above resolution, as well as the power to grant, suspend and revoke mandates to intermediaries and other operators for the completion of purchases of treasury shares referred to in the previous point and to carry out any necessary disclosure obligation in compliance with the law;
4. to authorise, pursuant to article 2357-*ter* of the Italian Civil Code, the completion of disposals, also fractionally and without time limitations, of the Italmobiliare shares to be purchased on the basis of resolutions *sub 2* and 3, or purchased under previous shareholders' authorisations, according to the purposes and methods indicated in the Directors' Report, providing the unit selling price (or in any case the unit value established in the context of the sale) is not lower than the average carrying price of the shares bought on the basis of the authorisation;
5. to grant the Board of Directors, and on its behalf the Chairman and the Chief Executive Officer, separately from each other, any wider power, including the power of sub-delegation, to implement resolution *sub 4*, including - by way of example - the power to determine the operating procedures for the sale of the shares and their price in accordance with the previous resolution, as well as the power to grant, suspend and revoke mandates to intermediaries and other operators for the completion of the disposals of treasury shares referred to in the previous point and to comply with all legal disclosure requirements;
6. to arrange that the purchases referred to in points 2 and 3 above are contained within the available reserves and distributable profits shown in the latest approved financial statements at the time of the transaction and that the necessary accounting entries are made at the time of purchase and sale."

6. Incentive plan based on financial instruments pursuant to art. 114 bis of the Consolidated Law on Finance.

Dear Shareholders,

Closure of the 2019 financial year marked the expiry of the 2017-2019 Cash Incentive Plan linked to the performance of Italmobiliare S.p.A. shares, approved by the Shareholders' Meeting on April 19, 2017. Therefore, in accordance with the remuneration policy submitted to you at this meeting, the Board of Directors has decided to propose the adoption of a new long-term incentive plan called "Italmobiliare 2020-2022 phantom stock grant plan" (the "Plan"), prepared on the proposal of the Remuneration and Nominations Committee, made up entirely of non-executive and independent directors, as an incentive and loyalty tool for management.

The Plan is designed to: to focus the attention of management and key resources on medium to long-term strategic success factors to ensure that management's interests are fully aligned with those of the shareholders; ensure a high level of attraction and retention of key resources, offering remuneration packages aligned with market practices. It is reserved for the Chief Executive Officer–Chief Operating Officer, key management personnel of the Company and other managers selected by the Chief Executive Officer–Chief Operating Officer, upon authorization of the Board of Directors.

The Plan provides for the assignment of a certain number of rights to receive "Phantom Stock" linked to the value of the Italmobiliare stock at the end of the three-year vesting period 2020 - 2022 based on the achievement of a specific performance target to which the plan is connected, the Net Asset Value per share.

The payout of the plan will be in cash and will therefore depend on the number of "Phantom Stock" accrued (based on the performance indicator) and the value of the Italmobiliare stock, based on the stock market performance.

A detailed description of the purposes and characteristics of the Plan is contained in the Information Document (the "Information Document"), prepared pursuant to art. 114-bis of the CLF and art. 84-bis of the Issuers Regulation, made available in an attachment to this report and to which reference is made.

Dear Shareholders,

We invite you to pass the following resolutions:

"The Shareholders' Meeting of Italmobiliare S.p.A.

resolved

- to approve, pursuant to and for the purposes of art. 114-bis of the CLF, the adoption of the incentive plan called "Italmobiliare 2020-2022 Phantom Stock Grant Plan", having the characteristics indicated in the Information Document on the Plan;
- to grant the Board of Directors, with the power to sub-delegate, any power necessary or appropriate to execute the Plan, in particular by way of example and not limited to, any power to prepare and adopt the Plan implementation regulation, as well as modify it and/or integrate it, identify the Beneficiaries and determine the conditions for participation in it, as well as perform any act, fulfilment, formality, communication that is necessary or appropriate for the management and/or implementation of the Plan, with the right to delegate powers, duties and responsibilities regarding the execution and application of the Plan to the Chairman, the Deputy Chairman and the current Chief Executive Officer, separately, it being understood that any decision relating to the participation in the Plan of the Chief Executive Officer (like any other decision relating to the management and/or implementation of the Plan granted to the CEO) will remain the exclusive competence of the Board of Directors;

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-
- to grant the Chairman, the Deputy Chairman and the current Chief Executive Officer, separately, each power, with the power to sub-delegate, to carry out the legislative and regulatory obligations consequent to the resolutions adopted."

March 11, 2020

For the Board of Directors

The Chairman

Laura Zanetti

ANNEX

INFORMATION DOCUMENT

"Italmobiliare 2020-2022 Phantom Stock Grant Plan"

Prepared pursuant to art. 114 bis 5 of Legislative Decree 58 dated February 24, 1998 ("CLF") and art. 84 bis of the Regulation adopted by CONSOB with resolution 11971 of May 14, 1999 as subsequently integrated and amended ("Issuers Regulation")

Introduction

Italmobiliare has for some time been using variable remuneration tools linked to the Company's long-term performance in order to link a share of managers' remuneration to the creation of sustainable value over time. On the occasion of the closure of the previous incentive plan (2017-2019 Long-term Incentive Plan), the Company intends to introduce a tool that will bring it into line with current best practice, the recommendations of the Corporate Governance Code and the Company's long-term strategic objectives, while meeting the expectations of institutional investors and shareholders.

The Board of Directors of Italmobiliare, after hearing the opinion of the Remuneration and Nominations Committee, decided to submit to the Shareholders' Meeting a proposal to launch a three-year Phantom Stock Grant Plan (2020-2022).

This Information Document has been drawn up pursuant to art. 84-*bis* of the Issuers' Regulation and in line with the instructions contained in Schedule 7 of Annex 3A of the Issuers Regulation, also in the numbering of the paragraphs, in order to provide the Shareholders' Meeting with the information needed to approve the incentive plan based on financial instruments entitled "**Italmobiliare 2020-2022 Phantom Stock Grant Plan**".

The Ordinary Shareholders' Meeting called to resolve on the Plan has been convened (at single calling) on April 21, 2020.

Note that the Plan is to be considered "particularly important" pursuant to art. 114-*bis*, paragraph 3 of the CLF and art. 84-*bis*, paragraph 2, letters a) and b) of CONSOB's Issuers Regulations.

This Information Document is made available to the public at the registered office of ITALMOBILIARE S.p.A. (Via Borgonuovo 20, Milan), on its website (www.italmobiliare.it), as well as on the authorised storage system eMarket Storage (www.emarketstorage.com).

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DEFINITIONS

Unless otherwise specified, the following terms will have the meaning indicated below, it being understood that the terms and expressions defined in the masculine will be understood as defined also in the feminine and that the terms and expressions defined in the singular will also be understood as defined in the plural.

"Assignment"	indicates the assignment to each Beneficiary of the Rights to receive a pre-determined number of Phantom Stocks at the end of the Performance Period having achieved specific Performance Objectives;
"Shareholders' Meeting"	indicates the Ordinary Shareholders' Meeting of the Company;
"Shares"	indicates the ordinary shares of the Company;
"Beneficiaries"	Indicates the Company's managerial resources to whom the Plan is addressed;
"Remuneration and Nominations Committee"	indicates the Remuneration and Nominations Committee set up as part of Italmobiliare's Board of Directors in office from time to time.
"Board" or "BoD"	indicates the Company's Board of Directors in office from time to time;
"Date of Assignment of Rights"	indicates the date of the Board resolution in which the Rights are assigned to each Beneficiary;
"Date of Attribution of Phantom Stocks"	indicates the date of the Board resolution which determines the number of Phantom Stocks to be attributed to each Beneficiary and the consequent amount of the Bonus;
"Right"	indicates the right assigned to the Beneficiaries to receive one Phantom Stock in accordance with the Regulation and the Letter of Assignment;
"Italmobiliare Group"	indicates: (i) the Company; and (ii) the Company's subsidiaries;
"Letter of Assignment"	indicates the letter in which the Company notifies each Beneficiary of their participation in the Plan, indicating the number of Rights

	assigned, as well as the Performance Objectives and related Target;
"Letter of Attribution of the Bonus"	indicates the letter that will be delivered to each Beneficiary following the attribution of the Phantom Stocks and the related Bonus approved by the Board of Directors at the end of the Performance Period;
"Net Asset Value per share"	indicates the Net Asset Value per Share, gross of any dividends distributed, whose growth value is determined by CAGR and whose method of calculation is the same as the one used by the Company when preparing the annual financial report published by Italmobiliare.
"Performance Objective"	indicates the objective identified by the Board of Directors for the specific Performance Period, on the proposal of the Remuneration and Nominations Committee, achievement of which allows the Rights of Attribution of the Phantom Stocks and the related Bonus to mature;
"Phantom Stock"	indicates a unit that represents the value of a Share which will be converted into a Cash Bonus according to the price conventionally determined as the average price of the share in the sixty calendar days preceding closure of the last financial year of the Performance Period under the terms and conditions laid down in the Regulation;
"Performance Period"	indicates the three-year vesting period, from January 1, 2020 to December 31, 2022, based on which the Performance Objectives are calculated;
"Plan"	indicates the Plan entitled "2020-2022 Italmobiliare S.p.A. Phantom Stock Grant Plan", consisting of this document and its implementing documentation;
"Bonus"	indicates the gross amount of cash payable to each Beneficiary based on the number of Phantom Stocks attributed to the Beneficiary and in accordance with the Plan Regulation;

"Relationship"	indicates the administration or work relationship between the Beneficiary and the Group company;
"Regulation"	indicates the document approved by the Board of Directors on the proposal of the Remuneration and Nominations Committee, which governs the terms and conditions for implementing the Plan;
"Total Remuneration"	indicates the maximum gross remuneration paid to each Beneficiary, including (i) the fixed elements of the gross annual remuneration or gross annual fee at December 31 of the last financial year of the Performance Period (excluding the benefits recognised in relation to the employment and/or collaboration relationship) (ii) the maximum value of the annual variable component that can be earned on achieving predefined corporate objectives according to the MBO methodology applied by the Company at December 31 of the last financial year of the Performance Period (iii) the maximum value of the long-term variable component that can be earned on achieving predefined corporate objectives as defined in the Report on the remuneration policy and compensation paid.
"Company"	indicates ITALMOBILIARE Società per Azioni (in abbreviated form "ITALMOBILIARE S.p.A."), with registered office in via Borgonuovo, 20, Milan, Companies Register, Tax Code and VAT no. 00796400158;

1. RECIPIENTS

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

The Beneficiaries of this Plan include the Chief Executive Officer-Chief Operating Officer of the Company, currently identified in the person of Carlo Pesenti.

1.2. Categories of employees or collaborators of the issuer of financial instruments and of the parent or subsidiary companies of the issuer

The potential Beneficiaries of the Plan will include the Company's key management personnel and other managers selected by the Chief Executive Officer, who perform key functions for the achievement of the Group's strategic results.

The Rights envisaged in the Plan will be assigned to the Beneficiaries by the Board of Directors after hearing the opinion of the Remuneration and Nominations Committee, and, for Managers other than the Executive Directors and Key Management Personnel, by the person delegated for this purpose by the Board of Directors, following approval of the Plan by the Ordinary Shareholders' Meeting of the Company convened at single calling on April 21.

Note that managers' participation in the Plan is determined exclusively on the basis of their role and, therefore, regardless of any positions held by them on the Boards of Directors of subsidiaries. For this reason, such persons are not mentioned by name.

1.3. Names of persons belonging to the following groups who will benefit from the Plan:

a) *General Managers/Chief Operating Officers of the issuer of financial instruments;*

The Plan applies to the Chief Executive Officer-Chief Operating Officer of the Company, currently identified in the person of Carlo Pesenti.

b) *other key management personnel of the issuer of financial instruments which is not of a "lower size", pursuant to article 3, paragraph 1, letter f), of Regulation 17221 of March 12, 2010, in the event that during the year they received overall compensation (obtained by adding the cash compensation to the remuneration based on financial instruments) higher than the highest total compensation among those attributed to the members of the Board of Directors, or of the management board, and to the general managers of the issuer of financial instruments;*

The names of the additional Beneficiaries who fall into the groups indicated in point 1.3, letters a), b), c) of Annex 3A, Scheme 7, of the Issuers Regulation will be provided subsequently according to the methods set out in art. 84-bis, paragraph 5, letter a) of the Issuers Regulation.

c) *individuals controlling the issuer of shares, who are employees of it or who collaborate with the issuer;*

Not applicable.

1.4. Description and numerical indication, separated by category:

The Plan is intended for a maximum of 20 Beneficiaries and can also include persons identified as key management personnel and other managers chosen by the Chief Executive Officer.

The information provided in paragraphs 1.2, 1.3. and 1.4 above will be provided, where applicable, during implementation of the Plan, pursuant to art. 84-bis, paragraph 5, letter a) of the Issuers Regulation.

Note that the incentive scheme envisaged by the Plan is the same for all Beneficiaries, differing only in the amount of the Assignment, which rises according to the position held by the person and the responsibilities assigned to them.

2. REASONS FOR ADOPTING THE PLAN

2.1. Objectives to be achieved by attributing the plans

The Plan is designed to promote loyalty on the part of management by linking the bonus provided by the Plan to continuation of the working relationship with the Company (or with a company within the Group), as well as to guarantee a correlation between the creation of value for the shareholders and for the managers who perform key functions for achieving the Group's strategic results.

In particular, the Plan intends to pursue the following objectives:

- to focus the attention of management and key resources on medium to long-term strategic success factors to ensure that management's interests are fully aligned with those of the shareholders;
- to ensure a high level of attraction and retention of key resources;
- to implement a long-term incentive system able to create a strong link between remuneration, results and shareholder value.

The Plan has a medium to long-term time horizon as it lasts for three years. This period was deemed the most suitable to pursue the incentive objectives set and, in particular, to focus the Beneficiaries' attention on the Group's medium to long-term strategic success factors.

2.2. Key variables, also in the form of performance indicators for the attribution of plans based on financial instruments

The Plan provides for the assignment of a specific number of Rights to receive Phantom Stocks linked to the value of the Company's shares at the end of the Performance Period, providing the Performance Objective to which the plan is linked is achieved.

The final Bonus therefore depends on:

- the number of accrued Phantom Stocks (based on Group performance);
- the value of the Shares, based on stock market performance.

Each Beneficiary will be assigned a certain number of Phantom Stocks as communicated in the Letter of Assignment.

At the end of the Performance Period, a certain number of Phantom Stocks assigned will be attributed to the Beneficiaries on the basis of the results achieved in the previous three years and in relation to the following Performance Objective:

- Net Asset Value per share recorded at the end of the Performance Period compared with the Net Asset Value per Target share as approved by the Board of Directors.

The "Phantom Stocks" assigned will therefore be "converted" immediately into a Cash Bonus. The cash value will be determined by taking as a point of reference the average closing price of the ordinary shares of Italmobiliare S.p.A. in the last sixty days starting from the closing date of the last financial year of the Performance Period.

2.3. Elements underlying the amount of remuneration based on financial instruments, i.e. the criteria for its determination

The target value of the Assignment is represented by a percentage of the Beneficiary's fixed remuneration defined in relation to the responsibilities assigned to the position and on the basis of market practice. The extent of the incentives assigned by target to each Beneficiary differs according to the level of responsibility and criticality of the position.

After the end of the Performance Period and backed by the opinion of the Remuneration and Nominations Committee, the Board of Directors will verify the level of achievement of the Performance Objective, thereby determining the number of Phantom Stocks and the Bonus to be attributed to each Beneficiary.

Overall performance is measured according to the following incentive curve:

- on reaching a minimum level of performance, a number of Phantom Stocks equal to 66% of the Phantom Stocks assigned will be attributed. No Phantom Stock will be attributed below this minimum level;
- on reaching the target performance level (100%), a number of Phantom Stocks equivalent to the number of Phantom Stocks assigned (100%) will be attributed;
- on reaching a maximum level of performance, a number of Phantom Stocks equal to 167% of the assigned Phantom Stocks will be attributed. No additional Phantom Stock will be attributed on reaching a performance level above this cap.

For intermediate performances between the minimum level and the target, and between the target and the maximum, a calculation by linear interpolation will be applied.

Achievement of the Performance Objective of the Plan to calculate the number of Phantom Stocks to be attributed will be ascertained by the Board of Directors on the basis of indications provided by the Remuneration and Nominations Committee. This will take place at the meeting called to approve the draft financial statements at December 31, 2022.

The amount of the Bonus as determined above cannot in any way exceed a maximum amount equal to three times the Total Remuneration of each Beneficiary.

2.4. Reasons underlying any decision to attribute compensation plans based on financial instruments not issued by the issuer, such as financial instruments issued by subsidiaries or parent companies of third parties with respect to the group to which they

belong; if these instruments are not traded on regulated markets, information on the criteria used to determine the value attributable to them.

Not applicable.

2.5. Assessments regarding significant accounting and tax implications that have affected definition of the plan

No significant tax or accounting assessments affected preparation of the Plan. In particular, in relation to disbursement of the Bonus, the current tax system applicable in the country of fiscal residence of each Beneficiary will be taken into consideration.

2.6. Possible support of the plan by the Special Fund to encourage worker participation in companies, as per art. 4, paragraph 112, of Law 350 dated December 24, 2003

The Plan does not receive support from the Special Fund to encourage worker participation in companies, pursuant to art. 4, paragraph 112, of Law 350 dated December 24, 2003.

3. APPROVAL PROCESS AND TIMING FOR THE ASSIGNMENT OF THE INSTRUMENTS

3.1. Scope of powers and functions delegated by the shareholders' meeting to the board of directors for the purpose of implementing the plan

On March 4, 2020, on the proposal of the Remuneration and Nominations Committee, the Board resolved to submit approval of the Plan to the Shareholders' Meeting convened for April 21, 2020.

The Shareholders' Meeting called to resolve on the Phantom Stock Plan of Italmobiliare S.p.A. will be asked to assign to the Board (on the proposal of the Remuneration and Nominations Committee), with the faculty of sub-delegation, the widest possible powers that may be necessary or appropriate for implementation of the Plan, to be exercised in compliance with the principles established by the Shareholders' Meeting and explained in this Information Document and, in particular, purely by way of example and without limitation, to provide - where envisaged, also having heard the Remuneration and Nominations Committee - for: (i) approval and/or amendment and/or integration of the Plan Regulation; (ii) identification of the Beneficiaries by name; (iii) determination of the amount of the Incentive to be attributed to each Beneficiary; (iv) any act, fulfilment, formality or communication that may be necessary or appropriate for the management and/or implementation of the Plan.

3.2. Persons in charge of administrating the plan

The bodies responsible for managing the Plan are the Board of Directors and the Remuneration and Nominations Committee, which will make use of the Human Resources Department at a technical and operational level.

3.3. Any procedures that already exist for revision of the plans, also in relation to any changes in the basic objectives

In order to keep the essential contents of the Plan as unchanged as possible, after hearing the opinion of the Remuneration and Nominations Committee, it is up to the Board of

Directors to regulate any rights that emerge and/or to modify and/or supplement the conditions for the Attribution of Phantom Stocks when certain transactions take place, including, for example, splitting and regrouping the Shares.

In case of a Change of Control or discontinuity in the market price of the Company's shares (e.g. following an increase in capital or a delisting), the Rights assigned by the Beneficiaries will not be affected.

Having heard the opinion of the Remuneration and Nominations Committee, the Board will also, at its sole discretion, have the right to adjust the Performance Objective in such a way as to guarantee, in the interest of the Beneficiaries, a situation that is substantially fair compared with the one that existed previously in the event that extraordinary and/or unforeseeable events or circumstances take place that could significantly affect the results and/or the scope of the Group or, more generally, on the parameters underlying the Performance Objective; this for the sole purpose of preserving the Plan's intention of maintaining constant alignment between the corporate objectives and the objectives underlying the Beneficiaries' incentive schemes.

The Board can make any changes it deems appropriate to the Plan, at its sole discretion, in order to align the Plan with laws and regulations, correct any inconsistencies, defects or omissions in the Regulation and/or the Plan.

3.4. Description of the methods by which the availability and assignment of the financial instruments on which the plans are based are determined (e.g. free assignment of shares, capital increases with exclusion of option rights, purchase and sale of treasury shares).

Being a Phantom Stock plan, the Plan does not provide for the assignment or purchase of Shares by the Company. On the other hand, implementation of the Plan provides for the attribution to the Beneficiaries of Rights which, under the terms and conditions provided for in the Regulation, determine the right for the Beneficiary to receive the Bonus.

3.5. Role played by each director in determining the characteristics of the plans; any situations of conflicts of interest for the directors concerned

The Remuneration and Nominations Committee, consisting of non-executive and independent directors pursuant to the combined provisions of articles 147-ter, paragraph 4 and 148, paragraph 3, of the CLF and pursuant to article 3 of the Corporate Governance Code, was involved in identifying the essential elements of the Plan at the various stages of preparation.

3.6. For the purposes of art. 84-bis, paragraph 1, the date of the decision taken by the body with the right to propose approval of the plans by the shareholders' meeting and of any proposal by the remuneration committee, if any

The Remuneration and Nominations Committee expressed a favourable opinion on the proposal for approval of the Plan by the Company's Board of Directors at the meeting held on February 27, 2020.

The Board of Directors approved the Plan, with the favourable opinion of the Remuneration and Nominations Committee, at the meeting held on March 4, 2020, and proposed to submit it for approval by the Shareholders' Meeting convened at a single calling on April 21, 2020.

3.7. For the purposes of art. 84-bis, paragraph 5, letter a), the date of the decision taken by the body in charge of assigning the instruments and of any proposal to the above-mentioned body formulated by the remuneration committee, if any

The Rights envisaged in the Plan will be assigned to the Beneficiaries by the Board of Directors after hearing the opinion of the Remuneration and Nominations Committee and, for Managers other than the Executive Directors and Key Management Personnel, by the person delegated for this purpose by the Board of Directors, following approval of the Plan by the Ordinary Shareholders' Meeting of the Company convened at single calling on April 21.

The date of the decision taken by the Board of Directors regarding Assignment of the Phantom Stocks and the date of any proposal to the Board of Directors by the Remuneration Committee are not available at the time of drafting this Information Document; they will therefore be communicated subsequently pursuant to art. 84-bis, paragraph 5, letter a) of CONSOB's Issuers Regulations.

3.8. Market price, recorded on the aforementioned dates, for the financial instruments on which the plan is based, if traded on regulated markets

The price of the shares at the time of Assignment of the Rights by the Board of Directors will be communicated pursuant to art. 84-bis, paragraph 5, of CONSOB's Issuers Regulations.

On March 4, 2020, the Board of Directors met to define the proposal regarding the Plan to be submitted to the Shareholders' Meeting and the closing market price of Italmobiliare's shares was Euro 26.50.

3.9. In the case of plans based on regulated financial instruments, in what terms and in what ways does the issuer take into account, in the context of identifying the timing of assignment of the instruments in implementation of the plans, the possibility that there could be a coincidence between:

- i. the said assignment or any decisions made in this regard by the remuneration committee, and
- ii. the dissemination of any important information pursuant to art. 114, paragraph 1. For example, if the information is:
 - a. not already public and likely to influence market prices in a positive way, or
 - b. already published and likely to influence market prices in a negative way.

Any disclosure of insider information at the time of Assignment of the Rights would be irrelevant to the Beneficiaries who, on the basis of the mechanism of the Plan which envisages the assignment of Phantom Stocks, cannot carry out any transaction in the shares as there is no material attribution of them.

4. THE CHARACTERISTICS OF THE INSTRUMENTS ATTRIBUTED

4.1. The way in which the compensation plans based on financial instruments are structured.

The Plan involves the assignment to each of the Beneficiaries of Rights to receive Phantom Stocks at the terms and conditions laid down in the Regulation and Letter of Assignment.

The number of Phantom Stocks to be attributed to the Beneficiaries is subject to achieving the Performance Objective, based on the criteria explained in paragraph 2.2 above.

Phantom Stocks are attributed at the end of the Performance Period and then converted into a Cash Bonus based on the criteria explained in paragraph 2.2 above.

Given the direct connection between the Bonus and the value of the shares, at the end of the vesting period Management will be assigned an additional number of Phantom Stocks, equal to the value of the dividends paid out during the performance period (so-called "Dividend Equivalent"), in order to mitigate the negative impact on the right assigned to Management.

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

The Plan provides for a single Assignment Cycle.

Phantom Stocks will be attributed to the Beneficiaries in the year following the end of the Performance Period and immediately converted into cash according to the provisions of paragraph 2.32 above.

4.3. Termination of the plan

The Plan will terminate with the payment of the Bonus, i.e. after approval of the 2022 financial statements by the Shareholders' Meeting.

4.4. The maximum number of financial instruments, also in the form of options, assigned in each fiscal year to the individuals identified by name or to the categories indicated

The maximum allocation of 550,000 Phantom Stocks is expected. The number of Rights assigned is determined on the basis of the mechanisms explained in paragraph 2.3.

4.5. Methods and clauses for implementing the plan, specifying whether effective attribution of the instruments is subject to the occurrence of certain conditions or to the achievement of certain results, including those based on performance; description of these conditions and results

The Attribution of Phantom Stocks and their conversion into the Cash Bonus are subject to:

- the Beneficiaries must still have Work Relationship with the Company or with one of the Group companies at the time the Bonus is to be paid;
- the Beneficiaries must not be in a period of notice for resignation or dismissal at the end of the Performance Period; if the Beneficiary is an executive Director, they must not have renounced office or been revoked at the time the Bonus is to be paid;
- achievement of the specific Performance Objective as mentioned in paragraph 2.2.

Without prejudice to the right to compensation for any other damages, after payment of the Bonus, the Company reserves the right, within the limitation periods provided for under current legislation and regardless of whether the work relationship still exists or has been terminated, to ask the Beneficiary to refund the bonus already paid (so-called "clawback"), if one of the following cases should occur:

- fraudulent or grossly negligent behaviour on the part of the beneficiary to the detriment of the Group;

-
- serious and intentional violations of laws, the Code of Ethics and company rules,
 - payment of the Bonus on the basis of data which subsequently turn out to be manifestly incorrect or intentionally altered.

4.6. Indication of any restrictions on the availability of the instruments attributed or the instruments that derive from exercising the options, with particular reference to the terms within which subsequent transfer to the company or to third parties is allowed or prohibited

Being Phantom Stock Plan, no allocation of Shares or options is envisaged, so this section is not applicable.

4.7. Description of any termination conditions in relation to the attribution of plans in the event that the recipients carry out hedging transactions that allow them to neutralise any prohibitions on the sale of the financial instruments assigned, also in the form of options, or of the financial instruments derived from exercising such options

As this is a Phantom Stock Plan, on the basis of which no shares or options are attributed, no hedging transactions to neutralise the ban on selling the assigned Rights are possible, so this section is not applicable.

In any case, Beneficiaries are prohibited from carrying out hedging transactions which allow the risk alignment inherent in the incentive mechanisms based on financial instruments to be altered or invalidated. Failure to comply with this prohibition entails forfeiture of the right to receive the Bonus.

4.8. Description of the effects caused by termination of the work relationship

Beneficiaries are entitled to payment of the Bonus if at the time it is due to be paid they still have a Relationship without there being any period of notice in progress or in any case without them having been given notice of dismissal; directors must not have waived the position or been revoked. In the event of termination of the Relationship before payment of the Bonus, the Beneficiary will automatically lose all of their Rights (or the Phantom Stocks already attributed) which will become ineffective, nor will the Beneficiary be entitled to receive any compensation or indemnity from the Company for whatever reason.

In the event of termination of the Relationship before payment of the Bonus for reasons other than:

- disciplinary dismissal;
- resignation not for just cause;
- revocation of a director for just cause;
- resignation of a director not for just cause;

the right (for the beneficiary or for their heirs or assignees) to receive a portion of the bonus will be maintained by applying the "pro-rata temporis" criterion and on the basis of an assessment of the performance results as of the date of termination.

In the event of:

transfer of the work relationship, collaboration or mandate by the Company to another Group company

termination with simultaneous establishment of a new work relationship, collaboration or mandate within the Group

the beneficiary will retain ownership of the Rights at the same terms and conditions.

4.9. Other possible reasons for cancellation of the plans

Except as envisaged in the previous paragraphs, there are no other reasons for cancellation of the Plan.

4.10. Reasons for any redemption by the company of the financial instruments involved in the plans pursuant to art. 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption, indicating whether the redemption is intended only for particular categories of employees; the effects of termination of the work relationship

Not applicable.

4.11. Any loans or other facilities that are intended to be granted for the purchase of the shares pursuant to art. 2358, paragraph 3 of the Italian Civil Code.

Not applicable.

4.12. Assessments of the expected burden for the company on the date of the assignment, as determined on the basis of terms and conditions already defined, by total amount and in relation to each instrument of the plan.

This figure cannot be determined at present as it will depend on the value of the Shares at the time of attribution of the Phantom Stock or payment of the Bonus. The estimated cost over the entire period of the Plan, as explained in this document, in the event of achievement of maximum performance and assuming that the price of Italmobiliare Shares remains stable during the performance period (compared with an average price during the last quarter of 2019 of € 23.78) is approximately Euro 18.5 million.

4.13. Any dilutive effects on capital brought about by compensation plans

Not applicable.

4.14-4.23

The sections relating to the assignment of shares and stock options are not applicable.

Table no. 1 required by paragraph 4.24 of Scheme 7 of Annex 3A to the Issuers Regulation will be provided subsequently according to the procedures set out in art. 84-bis, paragraph 5, letter a) of the Issuers Regulation.