

## **DIRECTORS' REPORT ON THE PROPOSALS ON THE AGENDA OF THE ORDINARY GENERAL MEETING OF THE SHAREHOLDERS (SINGLE CALL)**

### **Report on item third on the agenda of the Ordinary Shareholders' Meeting and the relative resolution submitted.**

#### **Proposal to approve the 2021-2023 Stock Option Plan; relative and consequent resolutions pursuant to article 114-*bis* of the Italian Legislative Decree no. 58/1998.**

Dear Shareholders,

with reference to the item third on the agenda, a Shareholders' Meeting is called to discuss and resolve on the approval, pursuant to article 114-*bis* of the Italian Legislative Decree no. 58/1998, as subsequently amended and integrated (the "**TUF**"), of a stock option plan called "*Stock Option Plan 2021-2023*" (below the "**Plan**") which provides for the granting to the top<sup>1</sup> and middle management of Recordati S.p.A. (hereinafter the "**Company**" or "**Recordati**") or of companies either directly or indirectly controlled by Recordati (hereinafter the "**Subsidiaries**"), of a maximum number of 10.4 million options (below the "**Options**") to purchase an equivalent number of Recordati's ordinary shares, following a proposal formulated by the Board of Directors with a resolution of 18<sup>th</sup> March 2021, taking into account the Remuneration and Nominations Committee's proposal on 11<sup>th</sup> March 2021.

More in details, the Plan is referred (i) to the Chief Executive Officer of Recordati, (ii) to Recordati's Directors who the Board of Directors granted with individual proxies or internal organizational powers (for the sole purpose of this Plan, the 'Executive Directors'), as well as (iii) to employees and to persons with relationships equivalent to those of an employee of Recordati or Subsidiaries.

The reasons underlying the proposal to approve the Plan, in short, are aimed at the reinforcing of the management's loyalty and at its participation in the results of Recordati Group, in compliance with the principles and recommendations of the new Corporate Governance Code adopted on January 2020, maintaining the appropriate substantial continuity with the previous stock option plans adopted by the Company in the past years. More specifically, the Plan submitted for the approval has a recurrent nature (so called "*rolling*") and it is structured with a provision of three annual granting cycle of the Options. The vesting and granting of those Options are subject to a vesting period of three years and to the achievement of one specific performance objective cumulated on such three-years period, identified by reference to the *Adjusted Net Income*. Each granting cycle covers an eight-year period and it is composed of: (i) the aforementioned vesting period of at least three years as from the granting date of the Options; (ii) a subsequent five-year period during which the Options may be exercised; and (iii) with reference to the Beneficiaries which are members of Recordati's top management, a lock-up restriction with a variable duration depending on when the Options are exercised. It is deemed that such vesting period, jointly with the lock-up restriction if applicable, and also the expiry term of the Plan, are appropriate to ensure the achievement of the long-term incentive and loyalty-building objectives of the Beneficiaries, provided by the Plan.

It should be noted that the purposes that the Company wishes to achieve with the adoption of the Plan are also complying with the 2021 Remuneration Policy submitted to a binding vote of the Shareholders' Meeting as item second on the agenda.

The information on the key features of the Plan - and specifically, by way of example, the beneficiaries of the plan, the procedures and clauses for the implementation of the Plan, as well as the methods for

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<sup>1</sup> It is understood that the "top management" category includes (i) the Chief Executive Officer and the Executive Directors as well as (ii) the Group's managers, identified as managers with strategic responsibilities by the Board or by the CEO.

determining the exercise price of the options and the lock-up restriction of the shares - are described below in details in the information memorandum attached to this Report, drawn up in accordance with Art. 84-*bis*, of the Consob Regulation no. 11971/1999 (the “**Issuers’ Regulation**”), as subsequently amended and integrated, in compliance with the provisions set forth in Schedule No. 7 of Annex 3A of the Issuers’ Regulation.

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In the light of the information we have provided, we propose You to approve the following resolution: “The Ordinary Shareholders’ Meeting of Recordati S.p.A.,

- having viewed the illustrative Report of the Board of Directors relating the “*Stock Option Plan 2021-2023*”

#### **Resolves**

- to approve, pursuant to Article 114-*bis* of the TUF, the adoption of a new Stock Option Plan called the “*Stock Option Plan 2021-2023*”, with the features (including conditions and implementation requirements) set out in the Information Memorandum, attached to the Illustrative Report of the Board of Directors, and granting the Board itself to adopt the relevant regulation;
- to grant the Board of Directors, with the authorisation to sub-delegate, all and any needed or appropriate power to implement the “*Stock Option Plan 2021-2023*”, and in particular, by way of example, but not limited to, any and all the powers indicated in the Information Memorandum attached to the Illustrative Report of the Board of Directors, including all powers to appoint the beneficiaries and to determine the amount of options to be granted to each of them, to then grant the options to the Beneficiaries as well as to perform all actions, formalities and communications that may be needed or appropriate for the purposes of managing and/or implementing the Plan, it being understood that any decision concerning and/or pertaining to the granting of Options to beneficiaries who are also directors of Recordati (as well as all other decisions concerning and/or pertaining to the management and/or implementation of the plan in their regard) shall remain the exclusive competence of the Board of Directors. The adoption of the regulation of the “*Stock Option Plan 2021-2023*” and any relevant amendment and/or add shall in any case be competence of the Board of Directors as a whole.

Milan, 18<sup>th</sup> March 2021

On behalf of the Board of Directors

The Chief Executive Officer

Andrea Recordati

**INFORMATION MEMORANDUM OF THE STOCK OPTION PLAN 2021-2023 FOR THE SUBSCRIPTION OF THE SHARES OF RECORDATI'S S.p.A.**

*(drawn up pursuant to art. 84-bis of the Regulation approved by Consob resolution no. 11971 of 14 May 1999, as subsequently amended and integrated)*

**Definition**

For the purpose of this Information Memorandum, the following terms shall be intended as below:

**"Beneficiary/Beneficiaries"** means the person(s) for whom the Plan is designed and who is/are members of the top and middle management of the Company or Subsidiaries, i.e.: (i) the Recordati's Chief Executive Officer, (ii) the Executive Directors and (iii) the employees and persons with relationships equivalent to those of an employee who are permanently assigned to important roles and contribute significantly to the achievement of the Group's results<sup>2</sup>;

**"Board of Directors"** or **"Board"** means the Board of Directors of Recordati;

**"Executive Directors"** means, only for the purposes of this Plan, the Directors of Recordati who are granted individual powers by the Board or internal organisational powers;

**"Committee"** indicates the Remuneration and Nominations Committee of Recordati;

**"Company"** or **"Issuer"** or **"Recordati"** means Recordati S.p.A.;

**"Expiry Date"** means the end of the eighth financial year following that on which the Board granted the Options on the basis of the Plan;

**"Grant Date"** means the date of the Board resolution which approves the granting of the Options on the basis of the Plan;

**"Granting Cycles"** means the three annual granting cycles of the Options provided by the Plan;

**"Information Memorandum"** indicates this information memorandum drawn up pursuant to art. 84-bis of the Issuers' Regulation and in compliance (also in the numeration of the relevant Paragraphs) with the indications contained in Schedule 7 of the Annex 3A of the Issuers' Regulation;

**"Issuers' Regulation"** means the Regulation adopted by Consob with resolution no. 11971/1999 (as subsequently amended) with regard to issuers;

**"Options"** means the financial instruments object of the Plan, which entitle the Beneficiaries to purchase an equal number of Shares;

**"Performance Period"** means the relevant three-annual period, to be intended, in the context of each Granting Cycle, as the financial year in which the Options are granted and the two following financial years;

**"Plan"** means the stock option plan called *"Stock Option Plan 2021-2023"* based on stock option plan reserved to the Recordati's Chief Executive Officer, to the Executive Directors, to the employees and persons with relationships equivalent to those of an employee of Recordati or of companies belonging to the Group, subject to the Shareholders' Meeting on 20<sup>th</sup> April 2021;

**"Recordati Group"** means Recordati, Subsidiaries and connected;

**"Shareholders' Meeting"** means the Shareholders' Meeting of Recordati;

**"Shares"** indicated the Company's ordinary shares, with a nominal value of Euro 0.125 per share;

**"Subsidiaries"** means those companies directly or indirectly controlled by Recordati pursuant to Article 93 of the Italian Legislative Decree 58/1998 (the **"TUF"**) or which qualify as subsidiaries in accordance with the accounting standards applicable from time to time or which are included in the scope of consolidation.

**"TUF"** means the Italian Legislative Decree no. 59/1998, as subsequently amended and integrated.

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<sup>2</sup> The category of "top management" includes (i) the Chief Executive Officer of Recordati and the Executive Directors as well as (ii) Group executives identified by the Board or the Chief Executive Officer of Recordati as executives with strategic responsibilities ("key management personnel").

## Foreword

The subject of this Information Memorandum is the proposal for the adoption of the Plan approved by the Company's Board of Directors on 18<sup>th</sup> March 2021, upon recommendation of the Committee of the 11<sup>th</sup> March 2021.

The abovementioned motion to adopt the Plan will be submitted for approval to the Shareholders' Meeting of the Company, called for 20<sup>th</sup> April 2021 as the third item on the agenda.

At the date of this Memorandum, the proposal to adopt the Plan has not been approved yet by the Shareholders' Meeting.

Therefore:

- (i) this Information Memorandum has been drafted based exclusively on the content of the proposal for the adoption of the Plan approved by the Board on 18<sup>th</sup> March 2021, upon recommendation of the Committee of the 11<sup>th</sup> March 2021;
- (ii) any reference to the Plan contained in this Information Memorandum shall be understood as referring to the proposal to adopt the Plan itself.

## 1. Plan's Recipients

**1.1 Listing by name of the Plan's Recipients who are members of the Board of Directors or the Managing Board of the issuer of financial instruments, companies controlling the issuer and direct or indirect subsidiaries of the issuer.**

**1.2 Categories of employees or associates of the issuer of financial instruments, companies controlling the issuer and subsidiaries of the issuer.**

As the Date of this Information Memorandum, the Plan has not been approved yet by the Shareholders' Meeting.

It should be noted that the Options may be granted by the Board of Directors, upon consulting the Committee, to the Recordati's Chief Executive Officer (at the date of the Information Memorandum, Mr. Andrea Recordati), to the other Executive Directors, as well as to the employees and, in certain rare cases, to persons with relationships equivalent to those of an employee of the Company or the Subsidiaries who are permanently assigned to significant roles and contribute relevantly for the achievement of the Group's results.

It should be noted that the Option may be possibly granted also to Executive Directors who are also Company's employees, by reason of this employment relationship (at the date of the Information Memorandum, Mr Fritz Squindo).

For the sake of clarity, the executive directors Mr Giampiero Mazza, Ms Cathrin Petty and Mr Giorgio De Palma, are not included among the Beneficiaries of the Plan, as they have been identified by the Board of Directors, pursuant to the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A., as executive directors because they hold managerial positions in companies of the controlling shareholder, but no individual operational delegations were assigned to them.

Similarly, the Options may be granted to other employees identified also as other Executives with strategic responsibilities ("Key management personnel") by the Board of Directors or by the Chief Executive Officer of Recordati and/or holding also the office of director in certain Subsidiaries. In this regard, it is specified that

such others employees of the Company or Subsidiaries – even holding also corporate offices in one or more companies of the Group – for the Plan’s purposes, are included in the category of the Plan’s Beneficiaries and therefore potentially recipients of Options, as a result of the organisational office held in the Group itself – and not for the possible corporate offices held – and that these persons do not receive any compensation as directors, but are exclusively remunerated by the company of the Group in which they are employed and by reason of that employment relationship. In certain rare cases, persons with relationship equivalent to those of an employee who held corporate offices in the Subsidiaries, are included in the category of Plan’s Beneficiaries and therefore potentially recipients of Options.

It is specified, also, that the employees and persons with relationships equivalent to those of an employee of the foreign Subsidiaries who held directors’ office in certain Subsidiaries are not treated differently from the employees who do not hold corporate offices: in particular, as specified in paragraph 2.1., in order to determine the number of Options granted to each one, the Board of Directors takes into account the organizational importance of the role held by each Beneficiary in the Group, as well as of the Company’s interest in graduating the long-term incentive in the context of its own strategies, do not taking into account the possibly corporate office held.

It should be noted, therefore, that the Plan qualifies as a plan "of particular relevance" pursuant to Article 114-*bis*, paragraph 3, of the TUF and Article 84-*bis*, paragraph 2, of the Issuers' Regulations, as the Board may grant the Options to the Beneficiaries which include the Recordati’s Chief Executive Officer, the Executive Directors as well as other executives with strategic responsibilities ("key management personnel"), it being understood that those persons (others than the Recordati’s Chief Executive Officer and the Executive Directors) are potential recipients of Options by reason of the employment relationship with the Company or Subsidiaries.

### **1.3 Designation by name of Plan Beneficiaries belonging to the following groups:**

#### **a) general managers of the financial instruments issuer.**

At the Date of this Information Memorandum, the Plan has not been approved yet by the Shareholders’ Meeting. It should be noted that the Beneficiaries to which the Board may grant the Options shall also include Mr. Fritz Squindo, Executive Director who held also the office of General Manager of the Group (not qualifying, however, as a general manager pursuant to article 2396 of the Italian Civil Code).

#### **b) other executives with strategic responsibilities of the financial instrument issuer not classed as “small”, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer;**

Not applicable.

#### **c) natural persons controlling the share issuer, who are employees or who collaborate with the share issuer;**

Not applicable.

### **1.4 Description and numerical listing, broken down by category, as following:**

#### **a) executives with strategic responsibilities other than those specified under letter b) of paragraph 1.3.**

At the Date of this Information Memorandum, the Plan has not been approved yet by the Shareholders' Meeting. It should be noted that the Beneficiaries to which the Board may grant the Options shall also include Executives with strategic responsibilities ("key management personnel") of Recordati or Subsidiaries, designed by the Board of Directors or by the Chief Executive Officer of Recordati. At the Date of this Information Memorandum, the Board of Directors has identified no. six other executives with strategic responsibilities ("key management personnel") of Recordati and no other executive with strategic responsibilities of the Subsidiaries.

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

Not applicable.

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

The Options granted to the Beneficiaries who are members of the top management of Recordati are subject to the lock-up restriction under the terms set forth in paragraph 4.6 below.

## **2. Reasons for adopting the Plan**

### **2.1 Objectives pursued through the adoption of the Plan**

The Company, in line with the international practices, deemed that the Plan, based on the stock option granting and structured with the provision of granting cycles of the Options whose vesting and exercise are subject to a vesting period of three-years and to the achievement of a specific performance objective cumulated on such three-years, constitute an appropriate incentive, attraction and loyalty instrument for an high level personnel, which is able to assess this additional variable component of the total remuneration of the Beneficiaries according to objective and predetermined parameters as the effective achievement of this company results, the creation of a new value for the Group and the appreciation of the price of the Shares in the market.

In particular, the Company, as in previous years, considers that this long-term incentive scheme ensures full and constant alignment between the interests of top and middle management and those of shareholders, since it is naturally linked to the growth in the value of Recordati shares.

The objectives pursued by the Company through the adoption of the Plan are in line with the Remuneration Policy 2021 (as illustrated in the relevant Section I) which approval is submitted to the binding vote of the Shareholders' Meeting as second item on the agenda, and also with the recommendations of the Corporate Governance Code issued by the Corporate Governance Committee of Borsa Italiana S.p.A. with regard to the compensation of executive directors and top management<sup>3</sup>.

The number of Options to be granted to each Beneficiary shall be determined by the Board of Directors, upon proposal of the Committee and the Plan does not provide for a predetermined ratio between the number of Options granted to each Beneficiary and the total compensation received by them.

In identifying the Beneficiaries and the number of Options granted to each of them, the Board of Directors shall take into account the importance of the role performed by each Beneficiary within the Group, the market benchmarks, as well as the Company's interest in graduating the long-term incentive in the context

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<sup>3</sup> Pursuant to the Corporate Governance Code issued by the Corporate Governance Committee of Borsa Italiana S.p.A., "top management" is defined as "senior managers who are not members of the board of directors and have the power and responsibility for planning, directing and controlling the activities of the company and the group it heads".



of its strategies, on the understanding that the maximum number of Options which can be granted on the basis of the Plan to a single Beneficiary is equal to total no. 400,000 Options.

The Plan provides the Options granted as from the date of the approval of the Plan (i.e., as from April 20<sup>th</sup> 2021) and it ends on the December 31<sup>st</sup>, 2023. During the validity of the Plan the Board, after consulting the Committee, shall make three Granting Cycles. More specifically, an annual granting of Options will be made in each of the financial years 2021, 2022, 2023, in any case, without prejudice of the provision set out in paragraph 3.3.

The Plan provides for a vesting period of at least three-years and sets forth that the granted Options will lapse on the Expiry Date, that is the end of the eighth financial years following that in which the Board granted the Options under the Plan. With reference to the Beneficiaries who are members of the Recordati's top management, the Plan provides also that the Options granted to them are subject to a lock-up restriction under the terms set out in paragraph 4.6 below.

It is also considered that the aforementioned vesting period, jointly with the lock-up restriction where applicable, as well as the expiry date of the Plan are appropriate to facilitate the achievement of the long-term incentive and loyalty-building objectives of the Plan.

## **2.2 Key variables, including performance indicators used to determine grants under plans based on financial instruments.**

The exercisability of the Options possibly granted in each Granting Cycle is subject, for all the Beneficiaries, to the achievement of a certain pluriennial cumulated objective determined with reference to the *Adjusted Net Income* by the Board of Directors.

More specifically, the Plan sets forth that the granting of the Options of each Granting Cycle and, therefore, the right to exercise the relevant Options for each Granting Cycle, is conditioned to the achievement of the percentage of the Adjusted Net Income that the Board shall determine, upon consulting the Committee, at the time of or after the granting of the Options.

For the purposes of the Plan, "*Adjusted Net Income*" is intended as the consolidated net income excluding amortization and write-down of intangible assets (except software) and goodwill, and non-recurring items, net of tax effects.

The mere granting of Options under the Plan is not connected to the achievement of certain performance targets, being instead related to the position held by the Beneficiary as specified in paragraph 2.3 below.

## **2.3 Elements used to determine the amount of compensation based on financial instruments, or criteria for its computation.**

The number of Options possibly granted to the Beneficiaries in each Granting Cycle is related to the Company's organisational structure and is determined taking into account, in addition to the importance of the organisational position held by the Beneficiaries concerned, the market benchmarks, as well as the Company's interest in graduating their long-term incentive in the context of its strategies, on the understanding that the maximum number of Options which can be granted on the basis of the Plan to a single Beneficiary is equal to total no. 400,000 Options.

In order to determine the relevance of the various organisational positions held by the managers concerned, remuneration analyses are carried out by primary consulting companies and the "*grading*" they construct and shared with the Company in order to 'weigh' the roles of the company's organisational structure. The term "*grading*" means a classification system of organisational positions related to the responsibilities attributed to each role and to the size and complexity of the structure to which it belongs.

**2.4 Reasons for the decision to offer a compensation plan based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries, controlling companies or companies outside the issuer's group; if the abovementioned instruments are not traded on a regulated market, information about the criteria used to determine the value assigned to them.**

Not applicable.

**2.5 Considerations about significant tax and accounting effects that affected the design of the plans.**

There are no significant tax and accounting effects that affect the design of the Plan.

**2.6 If available, support of the plan by the Special Fund to Incentivize Employee Company Stock Ownership referred to in Article 4, Section 112, of Law No. 350 of December 24, 2003.**

The Plan does not receive support from the Special Fund to Incentivize Employee Company Stock Ownership referred to in Article 4, par. 112, of Law No. 350 of December 24, 2003.

### **3. Approval process and timing of option grants.**

**3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for plan implementation purposes.**

**3.2 Designation of the parties responsible for managing the plan and their functions and competencies.**

The adoption of the Plan is submitted to the approval of the ordinary Shareholders' Meeting of the Company called on 20<sup>th</sup> April 2021 in single call, pursuant to Article 114-*bis* of the TUF.

It is proposed to the Shareholders' Meeting to grant the Board of Directors for the implementation and management of the Plan. The Board may delegate its powers, and shall grant it with any power indicated in this Information Memorandum attached to the Illustrative Report of the Board of Directors, including, by way of example, any needed and appropriate power to execute the Plan, and thus, in particular, by way of example, but not limited to, any and all the powers to appoint the Beneficiaries and determine the number of Options to grant to each of them in each Granting Cycle, to proceed to the granting to the Beneficiaries, as well as to perform any act, requirement, formality or communication needed or appropriate for the management and/or implementation of the Plan, it being understood that any decision concerning and/or pertaining to the grant of Options to beneficiaries who are also directors of Recordati (as well as all other decisions concerning and/or pertaining to the management and/or implementation of the plan in their regard) shall remain the exclusive competence of the Board of Directors. The adoption of the regulation of the Plan and any relevant amendment and/or add shall in any case be competence of the Board of Directors as a whole.

In addition, for the purpose of greater clarity, transparency and timeliness of action regarding the powers delegated by the Shareholders' Meeting to the Board of Directors for the implementation of the Plan, it is proposed to specify the following in the Plan:

- to grant the Board of Directors – and on its behalf its Chairman or the Chief Executive Officer - to provide quantitative restrictions to the number of exercisable Options daily, for a limited period, giving relevant written notice to the Beneficiary;
- to specify that, without prejudice to the power of the Shareholders' Meeting to amend, supplement or terminate the Plan at any time (it being understood that amendments, supplements to or termination of the Plan, as well as amendments to the content of the Options, may not affect the rights that Beneficiaries acquired in the meantime under the Plan) and in any event in the cases established by the



law, the Board of Directors, having consulted the Committee, may at any time make any amendments it deems appropriate to the Plan, in order to: (i) comply the Plan with the applicable law; or (ii) take into account possibly amendments of the law; or (iii) improve the effectiveness of the Plan in accordance with its objectives, without affecting in any case the rights conferred on the Participants as a result of the granting of the Options; or (iv) except one or more provisions of the Plan if extraordinary circumstances occur in accordance with the provisions of the Remuneration and Compensation Policy adopted by the Company; all the above as illustrated in paragraph 3.3 below;

- to grant the Board, after consulting the Committee, the right to adequate the plurennial cumulated objective relevant from time to time (see paragraph 2.2) as described in paragraph 3.3 below;
- to provide an automatic change of the number of shares object of the Options granted in the context of the Plan and the relevant exercise price for Shares (corresponding to the Normal Value of that) aimed at reflecting the variations arising from extraordinary operations as specified in paragraph 4.23.

The Board will be supported by an advisory opinion of the Committee, appointed by the Board from among its members.

It is understood that in the above cases, the Board will resolve in accordance with the provisions on related parties' transactions, where applicable.

The operational management of the Plan is assigned to the Human Resources Department of the Group, with the support of the Group Treasury and the Group Legal and Corporate Affairs Department.

At any time, the Company may entrust, in whole or in part, the management of the administrative fulfilments related to the Plan to an external trust company or a company specialised in the operational management of stock option plans.

### **3.3 Any existing procedures for the revision of plans, including those applicable in connection with changes in the basic objectives.**

The Board of Directors shall submit to the Shareholders' Meeting the substantial amendments which should be needed.

For the purpose of greater clarity, transparency and timeliness of action regarding the powers granted to the Board of Directors relating the amendments of the Plan, it is proposed to specify that, without prejudice of the Shareholders' Meeting right to amend, integrate, or terminate the Plan at any time (being understood that the amendments, integrations to, or the termination of the Plan, as well as the amendments of the Options' content, shall not affect the rights obtained by the Beneficiaries on the basis of the Plan) and in any case provided by the law, the Board of Directors, after consulting the Committee, may amend the Plan as it is deemed appropriate at any time, in order to: (i) comply the Plan with the law in force, (ii) take into account possibly amendments of the law; or (iii) improve the effectiveness of the Plan in line with its objectives, in any case without prejudice of the rights acquired by the Participants as a result of the granting of the Options; or (iv) except one or more provisions set forth in this Plan regulation if extraordinary circumstances occur in compliance with the Remuneration and Compensation Policy adopted by the Company; by way of example but not limited to, the Board of Directors, after consulting the Committee, (i) may resolve the immediate exercisability of the Options granted to the Participants, in whole or in part, in accordance with the principle of equal treatment of Participants, also in others cases from those set out in paragraphs 4.3 and 4.8, if it deemed, in its sole discretion, that particular circumstances occur which make it appropriate, in this case, to proceed in that regard; or (ii) if extraordinary circumstances set out in the Remuneration Policy occur, to not make one or more of the annual granting of Options provided for in paragraph 4.2; (iii) or to make further granting during the Plan's financial years of validity, therein indicated.

The Board, after hearing the Committee, shall have the right to adequate the multi-year cumulated objective relevant from time to time (see paragraph 2.2) in order to ensure, in the interest of the participants of the

Plan, a situation that is substantially equitable in respect to the previous one in force if extraordinary and/or not predictable events or circumstances occur, which may significantly affect the results and/o the perimeter of the Group or, more generally, the parameters at the basis of the objective, in order to preserve the Plan's purpose of constantly aligning company objectives with the objectives underlying the incentive systems of the Plan participants.

It being understood that in the aforementioned cases, the Board shall resolve in compliance with the related parties' transaction regulation, if applicable.

**3.4 Description of the method used to determine the availability and grants of the financial instruments on which the plans are based (i.e., free assignment of shares, capital increases with exclusion of pre-emptive rights, buy back and sale of own shares).**

The Plan provides the granting of maxim no. 10.4 million Options for the purchase of an equal amount of own ordinary shares of the Company, purchased on the marked and/or already held in portfolio. To every Options corresponds the right to purchase one own ordinary share of the Company.

**3.5 Role played by each Director in determining the characteristics of the abovementioned plans; existence of any conflicts of interest affecting interested Directors.**

The main features and guide lines of the Plan have been determined by the Committee – also with the support of certain corporate offices (Human Resources Department of the Group, Finance Department, Legal and Corporate Affairs Department of the Group, Treasury Department of the Group) – which analysed and developed the item at several meetings and most recently at its meeting held on 11<sup>th</sup> March 2021. The Committee has then submitted the Plan to the collegial approval of the Board of Directors met on 18<sup>th</sup> March 2021, that resolved, with the abstention of the two executive Directors in attendance as potential beneficiaries of the Plan, to recommend the adoption of the Plan to the Shareholders' Meeting.

**3.6 For the purposes of complying with the requirements of Article 84-bis, par. 1, the date of the decision adopted by the governance body authorized to recommend the approval of plans to the Shareholders' Meeting and any recommendations submitted to the abovementioned body by the Remuneration Committee.**

On the date 18<sup>th</sup> March 2021, the Board of Directors, with the abstention of the two executive directors in attendance as potential Beneficiaries of the Plan, resolved to recommend the approval of the Plan to the Shareholders' Meeting, on the basis of the Committee's proposal, which met on 11<sup>th</sup> March 2021.

**3.7 For the purposes of complying with the requirements of Article 84-bis, par. 5, letter a), date of the decision adopted by the governance body authorized to award grants of financial instruments and any recommendations submitted to the abovementioned body by the Remuneration Committee.**

As of the date of this Information Memorandum, the Shareholders' Meeting has not yet approved the Plan and has not yet appointed every Beneficiaries of the Plan.

**3.8 Market price on the abovementioned dates of the financial instruments on which the plans are based, if traded on regulated markets.**

The market price of Shares (official price) on 18<sup>th</sup> March 2021 and 11<sup>th</sup> March 2021 (see the previous paragraph 3.6) was respectively € 44.808 and € 45.115.

**3.9 In the case of plans based on financial instruments traded on regulated markets, when deciding the timing of grants of securities in implementation of a plan, on what basis and in which manner does the issuer take into account potential timing overlap of:**

- (i) the abovementioned grant or decisions made in this regard by the Compensation Committee, with**
- (ii) the dissemination of material information, pursuant to Article 17 of EU Regulation no. 596/2014; for example, when such information:**
  - a. is not yet public and could have a positive impact on market prices; or**
  - b. has already been published and could have a negative impact on market prices.**

With reference to the timing of the Options granting, the Plan refers to the date of the Board's resolution by which, in addition to grant the Options to the persons identified as Beneficiaries, shall determine the exercise price of those Options, referring to the arithmetical average of the prices of the Company's ordinary shares recorded on the market in the period between the granting date of the Options and the same day of the previous calendar month; that criteria for determining the exercise price of the Options mitigates the effect of any unpredictable appreciation or depreciation in the price of the Company's shares.

#### **4. Characteristics of the awarded instruments**

**4.1 Description of how compensation plans based on financial instruments are structured; by way of example, to specify whether the plan is based on the granting of: financial instruments (so-called restricted stock grant); the increase in value of such instruments (so-called phantom stock); option rights that provide for the subsequent purchase of the financial instruments (so-called option grant) with regulation by physical transfer (so-called stock option) or in cash on the basis of a spread (so-called stock appreciation right).**

As above mentioned, the Plan is based on the stock option granting, i.e. option right which provided for the following purchase of ordinary own shares of the Company, with regulation by physical transfer, in the ratio of one share per Option.

**4.2 Indication of the plan's actual implementation period, with mention of any different cycles.**

**4.3 Duration of the plan.**

The Plan regulates the granted Options as from the date of approval of the Plan itself (i.e., as from the April 20<sup>th</sup>, 2021) and it ends on December 31<sup>st</sup>, 2023.

During the validity of the Plan, the Board shall make, after consulting the Committee, three Granting Cycles. More specifically, will be carried out an annual granting of Options in each of the financial years 2021, 2022 and 2023, without prejudice, in any case, the provision of paragraph 3.3.

The Plan provides for that the Options granted to the Beneficiaries in each Granting Cycle:

- (i) shall vest subject to the achievement of the cumulated multi-year objective referred to in paragraph 2.2 in the relevant Performance Period;**
- (ii) once vested in accordance with point (i) above, become exercisable on the vesting date, which is understood as the date corresponding to the thirtieth day after the approval of the financial statements related to the last financial year between the relevant Performance Period, by the Shareholders' Meeting or, if subsequent, the date corresponding to the 36<sup>th</sup> month as from the relevant Grant Date;**
- (iii) once the relevant vesting date occurs, the Beneficiary may exercise them, in whole or in portion, at any time during each financial year, it being understood that the same Options shall be exercised within and not later than the Expiry Date.**

The Plan sets forth that each Granting Cycle shall be composed by:

- (i) a vesting period of three years as from the granting date of the Options;**

- (ii) a following five-years period in which the Options may be exercised and in the period between the vesting date of the Options and the Expiry Date; and
- (iii) with reference to the Beneficiaries who are members of Recordati's top management, as from the lock-up restriction sets out in paragraph 4.6 below, if applicable.

Regardless of the time of exercise, the Options are exercisable, relating to each Granting Cycle, for a minimum of no. 250 or its multiples. In case of irregular exercise pursuant to the aforementioned methods, including the failure to pay the full exercise price for the Options, that exercise will be considered as not occurred.

The shares purchased by a Participant as a result of the exercise of the Options, have regular use.

It is specified that the Plan provides for a right of early exercise of the Options for the Beneficiaries if a change of control of the Company occurs, pursuant to article 93 of the TUF, resulting in the delisting of the Company's ordinary shares on a regulated market (the "**Delisting**") and therefore, upon the occurrence of one of the events specified below, conditionally upon that, at such time, the relationship between the Beneficiary and the Company is in force: (i) launch of a takeover bid on the Company's shares pursuant to articles 102 et seq. of the TUF aimed at the Delisting of Company's ordinary shares or that may result in the Delisting of Company's ordinary shares; or (ii) resolution of transactions that may result, even indirectly, in the Delisting of Company's ordinary shares. The terms and conditions of the early exercise of the Options will be determined by Board, after consulting the Committee, and communicated to the Beneficiaries.

#### **4.4 Maximum number of financial instruments, including options, awarded each fiscal year to individuals identified by name or to designated categories.**

The maximum number of Option which may be grant according to the Plan to a single Beneficiary is equal to a total no. 400,000 Options.

The Plan does not call for a maximum number of Options to be awarded to the Beneficiaries in a fiscal year of validity of the Plan.

#### **4.5 Plan's implementation methods and clauses, specifying if the actual award of financial instruments is subject to the fulfilment of conditions precedent or the achievement of predetermined performance objectives; description of these conditions and results.**

With reference to Plan's implementation methods and clauses, please refer to what is provided for in the respective points of this Information Memorandum and, in particular, to paragraphs 4.2 and 4.3 above.

#### **4.6 Indication of any availability restrictions on the granted financial instruments or the financial instrument obtained through the exercise of options, specifically indicating the time periods during which the subsequent transfer to the company or a third party is allowed or forbidden.**

The Plan provides that the Options may not be transferred to third parties, nor may they be made the subject of other acts of disposal. The Options may only be exercised by the Beneficiary or his legal representative, in the event of incapacity, or by his heirs, in the event of death.

The Plan provides that Participants who are members of Recordati's top management shall continuously maintain a number of Shares – equal to the 50% of the Shares resulting after the sale of those necessary to cover the payment of the Exercise Price and the tax, social security and welfare charges connected to the exercise of the Options (the "**Relevant Shares**") – for a period having a variable duration depending on the time on which, once the relevant vesting date occurred, the Options related to each Granting Cycle are exercised, except in the case of termination of the relationship as referred to in paragraph 4.8. More specifically, the Relevant Shares, regardless to the exercise date of Options which are referred to, are subject

to a lock-up restriction until the expiry of the 24<sup>th</sup> month after the relevant granting date<sup>4</sup>. The Relevant Shares, if subject to the lock-up restriction, shall not be sold, conferred, exchanged, transferred or subject to other acts among living parties (*it. atto di disposizione tra vivi*), until the end of the relevant term, unless written authorization of the Board, after consulting the Committee.

It is understood that the abovementioned lock-up restriction is for retention purposes and it is not relevant pursuant to and for the purposes of article 122 of the TUF.

For completeness purposes it is specified that, in order to enable the Company to act effectively in the interest of the Issuer and in the interest of its Shareholders, the Board of Directors and, on its behalf, its Chairman or the Chief Executive Officer of Recordati, is empowered to set quantitative limits on the number of exercisable shares each day, for a determined period of time.

**4.7 Description of any cancellation conditions regarding the establishment of plans, if the recipients execute hedging transactions to bypass any prohibitions to sell awarded financial instruments, including options, or financial instruments obtained through the exercise of options.**

Not applicable. It should be noted however the provisions set forth in paragraph 4.10 relating to the so-called *claw back* and in 4.6 referred to the lock-up restriction.

**4.8 Description of the effects resulting from the end of the relationship with the Company or with a subsidiary.**

The Plan provides for, unless otherwise determined by the Board, having heard the opinion of the Committee - with reference to the Company's Chief Executive Officer and to the Executive Directors - or by the Chairman of the Committee for the other Beneficiaries, termination, as the case may be, of (i) the administrative relationship of the Chief Executive Officer or of the Executive Directors with the Company (the "**Termination of the Administrative Relationship**") or (ii) the employment relationship or other relationship equivalent to an employment relationship between the Beneficiary involved in the Plan with the Company or, as the case may be, with the Subsidiary (the "**Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship**" and, jointly with the Termination of the Administrative Relationship, the "**Termination of the Relationship**"), for any reason, shall result in that Beneficiary's automatic exclusion from the Plan and in the definitive, irreversible loss of efficacy, for the unvested Options already granted and not yet vested, without prejudice of the provisions set forth below with reference to the vested Options, in case of death of the Beneficiary and in the event of the Beneficiary's retirement or in certain special cases. In the event that, on the date of Termination of the Relationship, a Beneficiary holds Options that have already vested, but have not yet been exercised, such Beneficiary may exercise the vested Options within 30 days of the date of Termination of the Relationship, and said Options will lose all efficacy in the event of failure to exercise them by the said date. Nonetheless, in the event of Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship due to retirement of the Beneficiary participating in the Plan, the retiring Beneficiary may, unless otherwise determined by the Committee or by the Board, exercise these vested options that have not yet been exercised by the date of Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship up to the Expiry Date of the Options. The lock-up restriction set forth in paragraph 4.6 will cease on the date of the Termination of the Relationship.

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<sup>4</sup> By way of example, if the Options referred to the Relevant Shares were exercised:

- (i) on the relevant Vesting Date, such Options would be subject to a 24 months lock-up restriction;
- (ii) after 2 months as from the relevant Vesting Date, such Options would be subject to a 22 months lock-up restriction;
- (iii) after 12 months as from the relevant Vesting Date, such Options would be subject to a 12 months lock-up restriction;
- (iv) after 24 months as from the relevant Vesting Date, such Options would not be subject to any restriction.

In addition, in the event of Termination of the Relationship due to the death or permanent disability of a Beneficiary, Options already granted as of the date of Termination of the Relationship will become immediately exercisable by the Beneficiary's heirs, in the event of death, or by the Beneficiary or his or her legally appointed representative, in the event of permanent disability, for a period of one year from the date of Termination of the Relationship. The heirs will not be subject to the lock-up restriction sets forth in paragraph 4.6. After that period of one year has passed, the Options shall permanently and irrevocably lose their validity. In the event of Termination of the Relationship for other causes, the Board, having heard the opinion of the Committee – with reference to the Company's CEO and to the Executive Directors - or by the Chairman of the Committee for other Beneficiaries, may approve the immediate exercisability of the Options granted to the Beneficiary concerned should it be determined, at their sole discretion, that there are special circumstances that make it appropriate to do so.

In any event, Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship of Beneficiary with the Company due to transfers from the Company to another company of the Group shall not be considered Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship as defined above for the purposes herein. However, it does constitute Termination of an Employment Relationship or Other Relationship Equivalent to an Employment Relationship in cases where a change of control occurs, in the sense of a transfer to third parties (i) of the Subsidiary to which the Beneficiary belongs by the Company or (ii) of the company or the part of the company in which the Beneficiary works by the Company or by its Subsidiary.

#### **4.9 Description of any other cause of plan cancellation.**

There are no other causes for the cancellation of the Plan itself, other than what is provided for in paragraph 4.8 above with reference to the effects on the Plan resulting from the Termination of the Relationship.

#### **4.10 Reasons for a provision, if any, concerning the “redemption” by the company of the financial instruments subject of the plans, adopted pursuant to Articles 2357 and following of the Italian Civil Code; beneficiaries of the redemption, specifying whether the redemption applies only to certain employee categories; effect of the end of the employment relationship on the redemption**

The Plan does not provide redemption clauses by the Company.

The Plan provides for so-called *claw back* clauses. In particular, the Company – in accordance with the terms and methods that will be determined by the Board, after consulting the Committee and communicated to the Beneficiaries – reserves the right, within the term of 5 years as from the relevant vesting date of the Options and regardless of whether the relationship with the Beneficiary is still in force or has ceased, to obtain from a Beneficiary: (i) the withdrawal, in whole or in part, of the Options already vested, but not yet exercised, or (ii) the return of all or part of the Shares delivered to such Beneficiary, net of a number of Shares of a value corresponding to the Exercise Price and the tax, social security and welfare charges related to the exercise of the Options actually paid, if one of the following event occurs: (a) fraudulent and/or gross negligent conduct of the Beneficiary to the prejudice of the Group; (b) significant and intentional violations of the law and/or the Ethics Code and/or the company rules; (c) the vesting of the Options or the delivery of the Shares on the basis of data which has been subsequently proved to be manifestly incorrect or intentionally misrepresented. The Plan provides that if the Shares have already been sold, the Company has the right to obtain the repayment of the sale value from the Beneficiary, net of the amount corresponding to the Exercise Price and at the tax, social security and welfare charges related to the exercise of the Options, possibly also by means of compensation with the Beneficiary's remuneration and/or severance pay.

#### **4.11 Any loans or other subsidies that may be granted for the purchase of shares, pursuant to Article 2358, of the Italian Civil Code.**



Upon Beneficiary's application – other than the Recordati's Chief Executive Officer and Executive Directors – the Company may grant the Participant a loan for the payment of the exercise price of the Options. Terms and conditions of the loan shall be specified in a special communication which shall be sent to the Beneficiary, if the application is accepted, it being understood that: i) the loan shall be interest bearing at a rate to be set as the occasion arises by the Company on the basis of the EURIBOR three months rate at the time in question plus a percentage to be decided by the Company, with account taken of the conditions prevailing on financial markets; ii) the amount of the loan must be repaid to the Company, plus interest, in a single instalment by no later than 120 days following the date on which the Shares were made available to the Beneficiary; iii) the granting of loans is at the sole discretion of the Company.

It remains understood that the above does not apply to the Recordati's Chief Executive Officer and to the Executive Directors.

**4.12 Indication of the cost that the company expects to incur on the award date, as determinable based on predefined terms and conditions, in terms both of total amount and amount for each financial instrument in the plan.**

The total cost expected for the Company in relation to the Plan is not currently determinable, as it is related to the number of Options that will be granted on the respective grant dates and the relevant exercise prices.

**4.13 Description of any dilutive effects on the share capital caused by compensation plans.**

The Plan will be served with the Company's own ordinary shares purchased on the market and/or already held in the portfolio and therefore will not have any dilutive effect.

**4.14 Restrictions, if any, on the exercise of voting rights and the attribution of ownership rights.**

Not applicable.

**4.15 If the shares are not traded on regulated markets, any useful information for an informed assessment of the value attributable to them.**

Not applicable.

**4.16 Number of financial instruments underlying each option.**

As specified in paragraphs above, each Options grant the right to purchase one Company's ordinary share.

**4.17 Expiration of the options.**

The Options granted on the basis of the Plan will cease at the Expiry Date, i.e. at the ends of the eighth financial year following that in which the Board granted the Options under the Plan.

**4.18 Exercise mode (American/European), timing (e.g., periods valid for exercising) and exercise clauses (e.g., knock-in and knock-out clauses).**

Please see the provision set out in paragraph 4.5.

**4.19 The price for the exercise of the option or method and criteria for its determination, with specific regards: a) to the formula for calculating the exercise price in relation to a given market price (the "fair market value") (e.g. exercise price equal to 90%, 100% or 110% of market price) and b) to the**

**method used to determine the market price taken as reference for the determination of the exercise price (e.g. last price of the day prior to assignment, day average, average of the last 30 days, etc.).**

The exercise price of each Option, equal for all the Beneficiaries of the Plan, corresponding to the fair market value, is equal to the “normal value” of the Shares, i.e. the arithmetical average of the prices of the Company’s ordinary shares recorded on a stock exchange during the period between the granting date of the Option and the same day of the previous calendar month, set forth in Article 9, par. 4, lett. a) of the Consolidated Text of the Laws on Income Tax. The Board of Directors, after consulting the Committee, may adequate the criteria for determining the exercise price as indicated above, in line with possibly amendments of the tax law in force.

**4.20 If the exercise price is different from the market price determined as explained in Section 4.19 above (fair market value), reasons for the difference.**

Not applicable.

**4.21 Criteria for setting different exercise prices for different beneficiaries or different categories of beneficiaries.**

Not applicable.

**4.22 If the financial instruments underlying the options are not traded on regulated market, indication of the value attributable to the underlying instruments or criteria to determine their value.**

Not applicable.

**4.23 Criteria for the adjustments required as a result of extraordinary share capital transactions and other transactions causing a change in the number of the underlying instruments (capital increases, extraordinary dividends, reverse stock splits and stock splits, mergers and demergers, conversions into other classes of shares, etc.).**

The Plan provides for that, in the event of extraordinary operations that have an impact on the formal structure of the Company’s share capital (merely by way of example: share splits, reverse share splits, increases in Company share capital either free of charge or upon payment, mergers, or spinoffs), the number of Shares attributed to the Options granted under the Plan and the related exercise price per Share shall be understood to be automatically changed to reflect the said changes in share capital structure.

In addition, for the purpose of greater clarity, transparency and timeliness of action regarding the powers conferred to the Board of Directors relating to extraordinary operations that have an impact on the formal structure of the Company’s share capital, it is proposed to provide an automatically amendment of the number of shares object of the Options granted under the Plan and the relevant exercise price per Share (which is the Share’s Normal Value) to reflect the changes arising from the abovementioned extraordinary operations. In this regard, the Company’s Board will, when deemed necessary or appropriate in order to keep the essential contents of the Plan unchanged within the limits allowed by applicable law, after consulting the Committee, regulate the resulting rights and/or amend and/or add to the conditions for granting and vesting the Options in the event of extraordinary operations with an impact on the formal structure of the Company’s share capital, giving written notice to the Beneficiary concerned.

For information relating the right of early exercise of Options, please see paragraphs 4.2 and 4.3.

**4.24 Compensation plans based on financial instruments (table)**

It follows in attachment.

TABLE No. 1 of outline 7 of Annex 3A of Regulation No. 11971/1999

NAME OR CATEGORY	POSITION	FRAME 2							
		Stock Option							
		SECTION ONE							
		Options relating to currently valid plans, approved on the basis of previous shareholders' resolutions							
		Date of the shareholders' resolution	Description of instrument	Options held as at 31 <sup>st</sup> December 2020	Options exercised since beginning of the plan until 31 <sup>st</sup> December 2020 ****	Date of grant by BoD	Exercise price €	Market price of the underlying financial instruments on the grant date (official price) €	Exercise period (from to) ***
Andrea Recordati	Director and Chief Executive Officer	17/04/2014	Options on Recordati S.p.A. shares with physical delivery	90,000	2014-2018 Plan: 90,000 2018-2022 Plan: 0	29/07/2014	12.29	11.917	2018** - 31.12.2022 (3rd tranche) 2019** - 31.12.2022 (4th tranche)
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	108,000		13/04/2016	21.93	22.318	2018** - 31.12.2024 (1st tranche) 2019** - 31.12.2024 (2nd tranche) 2020** - 31.12.2024 (3rd tranche) 2021** - 31.12.2024 (4th tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	200,000		03/08/2018	30.73	31.920	2020** - 31.12.2026 (1st tranche) 2021** - 31.12.2026 (2nd tranche) 2022** - 31.12.2026 (3rd tranche) 2023** - 31.12.2026 (4th tranche)
Fritz Squindo	Director *	17/04/2014	Options on Recordati S.p.A. shares with physical delivery	90,000	2014-2018 Plan: 90,000 2018-2022 Plan: 0	29/07/2014	12.29	11.917	2018** - 31.12.2022 (3rd tranche) 2019** - 31.12.2022 (4th tranche)
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	108,000		13/04/2016	21.93	22.328	2018** - 31.12.2024 (1st tranche) 2019** - 31.12.2024 (2nd tranche) 2020** - 31.12.2024 (3rd tranche) 2021** - 31.12.2024 (4th tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	130,000		03/08/2018	30.73	31.920	2020** - 31.12.2026 (1st tranche) 2021** - 31.12.2026 (2nd tranche) 2022** - 31.12.2026 (3rd tranche) 2023** - 31.12.2026 (4th tranche)

\* Please be informed that Mr. Squindo is a beneficiary of the reported stock option plans not as a member of the Board of Directors of Recordati S.p.A., but as an employee of the Company.

\*\* Thirty days following the shareholders meeting held to approve the annual report of the previous year.

\*\*\* Tranches of options which already vested and not yet exercised subsequent to vesting may be exercised before and not later than the end of the eighth financial year following that in which the Board of Directors granted the options.  
Furthermore, each tranche consists of 25% of the options granted to the participant.

\*\*\*\* Options exercised and expired are excluded.

NAME OR CATEGORY	POSITION	FRAME 2							
		Stock option							
		SECTION ONE							
		Options relating to currently valid plans, approved on the basis of previous shareholders' resolutions							
		Date of the shareholders' resolution	Description of instrument	Options held as at 31 <sup>st</sup> December 2020	Options exercised since beginning of the plan until 31 <sup>st</sup> December 2020 ***	Date of grant by BoD	Exercise price €	Market price of the underlying financial instruments on the grant date (official price) €	Exercise period (from to) *
N. 6 Key Management Personnel as at 18 <sup>th</sup> March 2021		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	58,500	2014-2018 Plan: 296,500 2018-2022 Plan: 32,500	29/07/2014	12.29	11.917	2018** - 31.12.2022 (3rd tranche) 2019** - 31.12.2022 (4th tranche)
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	213,000		13/04/2016	21.93	22.328	2018** - 31.12.2024 (1st tranche) 2019** - 31.12.2024 (2nd tranche) 2020** - 31.12.2024 (3rd tranche) 2021** - 31.12.2024 (4th tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	402,500		03/08/2018	30.73	31.920	2020** - 31.12.2026 (1st tranche) 2021** - 31.12.2026 (2nd tranche) 2022** - 31.12.2026 (3rd tranche) 2023** - 31.12.2026 (4th tranche)
Other Beneficiaries as at 18 <sup>th</sup> March 2021		13/04/2010****	Options on Recordati S.p.A. shares with physical delivery	0	2010-2013 Plan: 515,000 2014-2018 Plan: 5,775,500 2018-2022 Plan: 524,500	17/04/2013	7.16	7.35	Please note that these are fully exercised options, but with expiry date 31.12.2021
		13/04/2010	Options on Recordati S.p.A. shares with physical delivery	0		30/10/2013	8.93	9.4005	Please note that these are fully exercised options, but with expiry date 31.12.2021
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	540,000		29/07/2014	12.29	11.917	2016** - 31.12.2022 (1st tranche) 2017** - 31.12.2022 (2nd tranche) 2018** - 31.12.2022 (3rd tranche) 2019** - 31.12.2022 (4th tranche)
		17/04/2014	Options on Recordati S.p.A. shares with physical delivery	1,158,500		13/04/2016	21.93	22.328	2018** - 31.12.2024 (1st tranche) 2019** - 31.12.2024 (2nd tranche) 2020** - 31.12.2024 (3rd tranche) 2021** - 31.12.2024 (4th tranche)
		18/04/2018	Options on Recordati S.p.A. shares with physical delivery	3,108,500		03/08/2018	30.73	31.920	2020** - 31.12.2026 (1st tranche) 2021** - 31.12.2026 (2nd tranche) 2022** - 31.12.2026 (3rd tranche) 2023** - 31.12.2026 (4th tranche)

\* Tranches of options already vested and not yet exercised subsequent to vesting may be exercised before and not later than the end of the eighth financial year following that in which the Board of Directors granted the options.

Furthermore, each tranche consists of 25% of the options granted to the participant.

\*\* Thirty days following the shareholders meeting held to approve the annual report of the previous year.

\*\*\* Options exercised and expired are excluded.

\*\*\*\* Solely for employees of the American subsidiary Recordati Rare Diseases Inc.