

RULES TO THE 2021-2027 MEDIUM-LONG TERM MONETARY INCENTIVES PLAN

These Rules to the Medium-Long Term Monetary Incentives Plan (hereinafter referred to as the “**Rules**”) were adopted by the Board of Directors and approved by the Shareholders’ Meeting (with regard to executive directors) of Digital Bros S.p.A. (hereinafter, “**Digital Bros**” or the “**Company**”) as a tool to incentivize and retain Executive Directors and other Professional Profiles (as defined below) and it is aimed at ensuring, consistently with international best practices, the following objectives:

- reward medium-long term performances that help increase and consolidate the growth and success of the Digital Bros Group creating value for shareholders;
- strengthen the consistency of Executive Directors’ and Professional Profiles’ interests with shareholders’ interests in the medium-long term;
- support the company’s profitability;
- promote the medium-long term sustainability of the company’s profitability;
- develop retention policies to retain the company’s key resources.

Indeed, the Group is experiencing a period of growth and believes it is strategically important to sustain it over time, in order to deal efficiently with competitors internationally, constantly pursuing sustainable success goals. For these reasons, the Group has demonstrated its will to maintain its self-financing level, which marked the latest decade, in order to increase the number and quality of its intellectual property assets. In this context, it is decisive to be able to rely on a stable management structure over time, also in light of the fact that the editorial choices the Group is starting today shall produce effects only after a few years.

The Rules describe the terms and conditions of the Medium-Long Term Incentives Plan for 2021-2027 (the “**Plan**”). The Plan provides for monetary incentives to be disbursed upon achieving predetermined quantitative performance objectives, as further described below. The Plan is not based on financial instruments pursuant to Article 114-*bis* of Legislative Decree No. 58/1998 (“**Consolidated Finance Act - TUF**”).

The Plan implements the recommendations of Listed Companies’ Corporate Governance Code approved by Borsa Italiana’s Corporate Governance Committee in January 2020, as amended from time to time, and it is based on the remuneration policy approved by the Company’s Shareholders’ Meeting of 15 June 2021.

1. DEFINITIONS

For the purposes of these Rules, the capitalized terms and expressions set out below shall have the meaning specified below for each of them:

- **“Executive Directors”**: Digital Bros directors with individual management powers or holding management positions within the Company or in Group companies to be identified upon implementing the Plan.
- **“Beneficiaries”**: the persons who shall be offered Plan participation, comprising Executive Directors and other Professional Profiles in the Group.
- **“Bad Leaver”**: all cases of Employment termination other than cases of Good Leaver.
- **“Remuneration Committee”**: the Remuneration Committee established and appointed by the Board of Directors of Digital Bros.
- **“Termination Notice”**: the written notice (as a unilateral act or bilateral agreement) concerning the termination of Employment.
- **“Board of Directors”**: the Board of Directors of Digital Bros.
- **“Good Leaver”**: the following cases of Employment termination:
 - resignation for cause;
 - termination upon expiration of the protected period guaranteed in case of absence for illnesses;
 - termination for justifiable objective reason, or in any event, for technical, organizational and production reasons;
 - termination of one’s term as director, except if revoked for cause, and lapse of one’s term;
 - consensual termination of employment;
 - the Beneficiary’s access to a seniority or old-age pension scheme;
 - death and/or permanent disability.

Instances of Bad Leaver also include Digital Bros losing control over the subsidiary where the Beneficiary is employed.

- **“Group”**: Digital Bros and the subsidiaries controlled by Digital Bros pursuant to Article 93 of the Consolidated Act.
- **“Individual Incentive”**: cash amount attributed to the Beneficiaries in furtherance of this Plan, and which may be disbursed at the end of each Period based on predetermined performance conditions.
- **“Total Incentive”**: total amount of the cost (i.e., including relevant social security and/or pension scheme contributions) of the Individual Incentives during each Period. The Total Incentive may not exceed 5% of the Operating Margin.
- **“Maximum Incentive”**: gross overall amount of the monetary incentives that may be attributed to the Beneficiaries under the Plan. The Maximum Incentive is determined by the Shareholders’ Meeting, as far as the Executive Directors are concerned, and by the Board of Directors, as far as the other Professional Profiles are concerned.

- **“Acceptance Letter”**: letter with the contents set out under Schedule A, which shall be delivered to each Beneficiary, and the execution and delivery of which to the Group Company relevant to the Beneficiary shall constitute, for all intents and purposes, full and unconditional acceptance of the Plan by the latter.
- **“Professional Profiles”**: management figures who, albeit not qualified as managers with strategic responsibilities, hold in any event a significant position within the organization.
The Professional Profiles shall be identified upon implementing the Plan from among those who, as of the acceptance date, are employees and/or serve within the Group.
- **“Operating Margin”**: operating margin as resulting from the consolidated accounts for each financial year (Line RG 22).
- **“Plan”**: the incentive plan denominated “2021-2027 Medium-Long Term Monetary Incentives Plan” aimed at the Beneficiaries.
- **“Period”**: financial years relevant for the purposes of verifying whether the performance objectives set out under the Plan for disbursement of the Individual Incentives have been met, identified as follows:
 - as for the first Individual Incentive: financial years 2021 and 2022;
 - as for the second Individual Incentive: financial years 2023 and 2024;
 - as for the third Individual Incentive: financial years 2025, 2026, and 2027.
- **“Employment”**: the employment contract or the (so-called “organic”) management relationship existing between the Beneficiaries and the Group. If an employment and a management relationship coexist for the same Beneficiary, for the purposes of the Plan the employment contract shall be taken into account.
- **“Company” or “Digital Bros”**: Digital Bros S.p.A., with registered office in Milan, Via Tortona 37.

2. SCOPE

These Rules, approved by the Board of Directors at the meeting of 10 May 2012 and by the Shareholders (as far as the Executive Directors are concerned) at the Shareholders’ Meeting of 15 June 2021, provides for Individual Incentives to be disbursed over the course of 2021-2027.

The Plan is exclusively reserved to Executive Directors and to other Professional Profiles of the Group who, upon being included in the Plan, meet the following requirements:

- 1) are party to an Employment contract with the Group;
- 2) have not given notice of their intention of withdrawing from Employment;
- 3) have not received notice from the Company for the termination of their Employment due to dismissal, withdrawal, or revocation, or any other cause;
- 4) have not agreed to mutually terminate their Employment.

3. PLAN ACCEPTANCE

The Company shall send the Beneficiaries identified as described in the following paragraphs the Rules and the Acceptance Letter, which shall set out:

- (i) the extent and manner in which any Individual Incentives shall be calculated;
- (ii) the period for accrual of the right and disbursement of the Individual Incentive.

Each Beneficiary may accept to participate in the Plan by filling in and executing the Acceptance Letter and a copy of the Rules within 30 days from receipt thereof, the originals of which shall be delivered to the Human Resources office of the Group entity to which the Beneficiary belongs, and a copy to be sent to the Group's Human Resources office. Execution of the Acceptance Letter implies full and unconditional acceptance of all the provisions, conditions, and terms set forth and governed by the Rules.

If the Group receives no such notice within the term set out above, the Beneficiary's acceptance of the Plan shall be deemed as rejected.

4. NATURE AND FEATURES OF MONETARY DISBURSEMENTS

The amount of Individual Incentives reserved to each Beneficiary is notified by delivery of the Acceptance Letter.

The Shareholders' Meeting, as far as Executive Directors are concerned, decides who shall benefit from the Plan, the Maximum Incentive reserved to the Executive Directors, and the extent of Individual Incentives in relative terms (percentages).

As regards the other Professional Profiles, the Board of Directors shall set the Maximum Incentive and identify individual Beneficiaries and the extent of Individual Incentives in relative terms (percentages).

The Individual Incentives awarded through the Plan:

- shall constitute an extraordinary pay-out and may not for any reason be considered as an integral part of the Beneficiaries' ordinary salary and/or fees/remunerations. In particular, the Individual Incentive shall be deemed to include any relevant impact on direct and indirect salary components governed by existing collective bargaining and individual agreements (such as, for example, thirteenth and fourteenth month's pay and supplementary indemnity, if due) and under the law (such as, for example, notice compensation), except for employee severance indemnity, if applicable, since that has been taken into account when setting the Individual Incentive, and therefore it shall have no effect on the calculation of such components. Of course, for any Beneficiaries that are not residents of Italy, the foregoing shall not prejudice application of legislation applicable to them;
- they may not constitute prerequisites for the award of any similar or further benefits, both as part of the Plan and unrelated to it;
- they shall not attribute the Beneficiaries the right, upon expiration of the Plan, to participate in any further incentive systems, however implemented, or any remunerations;
- they shall not attribute to the Beneficiaries the right to continue Employment until expiration of the Plan.

5. PLAN DURATION

The Plan shall have a 7-year term, from 1 July 2020 to 30 June 2027.

6. CRITERIA AND MANNER IN WHICH INCENTIVES ARE ATTRIBUTED

The amount of Individual Incentive is set by the Board of Directors of the Company based on the Operating Margin value actually recorded during the Period, which constitutes the performance objective under this Plan.

For each Period, all Executive Directors and Professional Profiles shall be paid a percentage monetary value based on the Operating Margin achieved in the Period, on the portion exceeding 35 million Euro for the first two Periods and 52.5 million Euro for the last Period (equal to an average operating revenue per financial year of 17.5 million Euro, the so-called Floor).

The percentages to be applied to the Operating Margin on the portion exceeding the Floor increase over time and shall be 6% in the first Period, 9% in the second, 12% in the last Period (the so-called Maximum Incentive).

Such percentage will correspond to a total amount to be individually allocated during the Period based on criteria set by the Shareholders' Meeting and/or by the Board of Directors, as the case may be.

The total cost of Individual Incentives (i.e., the Total Incentive) may not exceed 5% of the aggregate Operating Margin recorded in the respective Periods (the so-called Cap). If the Total Incentive exceeds the 5% threshold, the same shall be reduced accordingly and allocated based on the same individual allocation percentages.

Therefore, the following rules apply to quantify the Individual Incentives to be paid out under the Plan:

- no Individual Incentive shall be disbursed for results below the Floor;
- no Individual Incentive shall in any event be disbursed if financial years during the Period do not show aggregate net profits, after deducting the Total Incentive to be paid out (the so-called Adjustment) and any portion to be allocated to legal reserves pursuant to Articles 2430 and 2432 of the Italian Civil Code;
- the Total Incentive may under no circumstances exceed the Cap;
- the amount of Individual Incentives shall be set in direct proportion (or as a percentage of) the results achieved.

Calculation simulation of the Individual Incentive for an Executive Director:

Operating Margin for the first Period: 50,000,000.00 Euro

Operating Margin for the first Period net of the Floor: $50,000,000.00 - 35,000,000.00 = 15,000,000.00$ Euro

Maximum Incentive Calculation (6% for the first Period): $15,000,000.00 * 6\% = 900,000.00$ Euro

Check that the Cap (5%) has been exceeded:

- Cap: $50,000,000.00 * 5\% = 2,500,000.00$ Euro
- Total Incentive: $900,000.00 + \text{social security contribution and workers' insurance at the company's expense}$

Individual Incentive Calculation (% specified in the Allocation Letter): $900,000.00 * __\% = \text{Individual Incentive}$

The Plan provides for 3 categories of Individual Incentives to be allocated monetarily.

The achievement of the performances provided under the Plan is assessed in each Period.

Individual Incentives shall be disbursed by the Company to the Beneficiaries to the extent associated with the performances achieved by the Group, based on the predetermined criteria and parameters and the other conditions provided, within 45 days from the date of the Company's Shareholders' Meeting of the financial statements for the latest financial year in the Period.

If the Company decides to change the financial year-end date, and therefore, if it were to approve financial statements for a period under twelve months, the Period in which the change occurs shall include a higher number of financial years, and therefore the relevant Period shall be extended by a number of months equal to the length of the shortened financial year. Any subsequent Periods shall remain unchanged in duration, but deferred by a number of months equal to the duration of the shortened financial year.

The Beneficiaries shall be entitled to receive Individual Incentives to the extent and in the manner set forth in these Rules, on the checking account disclosed to the Group in the Acceptance Letter or in any subsequent notice to the Group company the Beneficiary refers to.

The final balance of the recorded Operating Margin falls within the exclusive purview of the Board of Directors.

If corporate interests require it, the Board of Directors may unilaterally and in good faith amend the values of performance objectives - already accepted by Beneficiaries - from the Period following the current one as of the relevant approval, if any changes in the Company's and/or the Group's and/or the business's structural conditions occur, or if any extraordinary and/or unforeseeable events occur which may affect the markets in which the Company and/or the Group operate. In the above-mentioned cases, the Board of Directors shall be required to promptly notify the Beneficiaries of any changes made to the performance objectives.

It is understood that the Board of Directors, in managing the Plan, shall base its actions on “*fairness and favour*” principles, also with a view to preserving over time the Plan’s value as an incentive.

With regard to the foregoing, in the event of extraordinary transactions, including but not limited to mergers, spin-offs, capital decreases, etc., the Board of Directors may amend and supplement the Rules as deemed appropriate or necessary to preserve as unchanged, to the extent permitted under existing legislation from time to time, the substantive and economic purview of the Plan.

7. CLAW-BACK CLAUSE

Notwithstanding the right to compensation of any higher damages, the Group, within a three-year term from the pay-out date of the Individual Incentive, may claw back the overall Individual Incentive (with subsequent restitution obligation by the Beneficiary) already paid out, if any of the following circumstances (the so-called trigger events) can be verified through any means and with prior approval of the Board of Directors: (i) achievement of the Operating Margin in the relevant Period can be attributed to the Beneficiary’s fraudulent or grossly negligent conduct; (ii) the Operating Margin in the relevant Period was achieved by the Company based on data that was subsequently proven erroneous or intentionally falsified, and must therefore be adjusted in furtherance of international accounting standards existing from time to time.

The restitution obligation shall remain effective even if the Beneficiary’s Employment with the Group is terminated.

8. NO ASSIGNMENT

The right to the Individual Incentive is personal and may not be transferred, assigned, pledged, or be subject to any other disposal in any other manner.

It is understood that in the event of the Beneficiary’s decease, its assigns shall be entitled to receive the Individual Incentive accrued in the Period as governed under article 9 below in the case of a Good Leaver.

9. EMPLOYMENT TERMINATION

The right to receive the Individual Incentive is genetically and functionally associated with and subject to, *inter alia*, survival of Employment between the Beneficiaries and the Group. Accordingly, the rights of each Beneficiary arising from the Rules shall be automatically forfeit, as described below, if the Beneficiaries have terminated their Employment with the Company or with the Group for any reason.

Without prejudice to the foregoing:

- if Employment is terminated prior to the disbursement date of the Incentive in the case of a Bad Leaver, the Beneficiary shall definitively and automatically forfeit the right to collect the Individual Incentive accrued in the Period and yet undisbursed, even *pro quota*. In any event, accrual of rights under the Rules

shall be expressly excluded even *pro quota*, if upon the disbursement date of the Individual Incentive the relevant Beneficiary is in their notice period, or in any case has the right to collect, for the corresponding period, indemnity in lieu of notice or other salary components that might be applicable under the law or by contract. The Individual Incentives already disbursed upon the termination date of Employment shall be preserved;

- if Employment is terminated prior to the disbursement date of the Incentive in the case of a Good Leaver, the Beneficiary shall preserve the right to collect the Individual Incentive accrued in the current Period subject to the following conditions:

A. in the two-year period:

- 50% if Employment termination occurred during the first financial year;
- 100% if Employment termination occurred during the second financial year;

B. in the three-year period:

- 33% if Employment termination occurred during the first financial year;
- 66% if Employment termination occurred during the second financial year;
- 10% if Employment termination occurred during the third financial year.

In the cases set out under paragraphs A. and B. above, the Beneficiary shall collect the Individual Incentive as and when already defined under paragraph 6 above.

Upon Employment termination, the Beneficiary shall be definitively forfeit from accruing Individual Incentives for the remaining duration of the Plan.

In the event of transfer and/or termination and concomitant start of Employment within the Group, the Beneficiary shall preserve any rights attributed to them under the Plan.

10. TAX REGIME OF THE INCENTIVE

In accordance with existing provisions of Italian tax legislation, the Individual Incentive shall be considered liable to taxation for the purposes of income taxes.

In the case of Beneficiaries that are not residents of Italy, taxation on the Individual Incentive shall be determined upon the Beneficiary based on tax legislation of the country of residence.

11. JURISDICTION - GOVERNING LAW

Any disputes between one or more Group companies and one or more Beneficiaries arising from, originated by, or depending on, or any event related to the Rules, the Plan, and the Acceptance Letter, shall be deferred to the exclusive jurisdiction of the Court of Milan. This Plan shall be governed by Italian law.

Milan (MI), 10 May 2021

Digital Bros S.p.A.

Signed Abramo Galante

Schedule A
Acceptance Letter