

DIRECTORS' REPORT
ON THE THIRD ITEM OF THE AGENDA FOR THE ORDINARY PART

SHAREHOLDERS' MEETING
CONVENED IN ORDINARY AND EXTRAORDINARY SESSION FOR
22 APRIL 2020

(Report drafted pursuant to Articles 114-bis and 125-ter of the "TUF" - Attached Information Document drafted pursuant to Art. 84-bis of the Issuers' Regulation and in compliance with Scheme 7 of Annex 3A)

*Item 3 on the agenda for the ordinary part - **Proposal of an equity-based incentive Plan concerning the ordinary shares of De' Longhi S.p.A called the "Stock Options Plan 2020-2027" for the Company's Chief Executive Officer and for a limited number of top managers of the De' Longhi Group. Resolutions thereon.***

Dear Shareholders,

This report (the "**Report**") is prepared pursuant to Articles 114-*bis* and 125-*ter* of Legislative Decree No. 58 of 24th February 1998, as subsequently amended (the "**TUF**") and contains the information document drafted pursuant to Art. 84-*bis* of the regulation implementing the TUF regarding the regulation of issuers, adopted by Consob with Resolution No. 11971 of 14th May 1999, as subsequently amended, (the "**Issuers' Regulation**"), in compliance with Scheme 7 of Annex 3A to the same regulation (the "**Information Document**").

The Board of Directors of De' Longhi S.p.A. (the "**Company**" or "**De' Longhi**") submits for your review and for your approval, pursuant to art. 114-*bis* of the TUF, the proposal of an equity-based incentive plan called the "*Stock Options Plan 2020-2027*" (the "**Stock Options Plan**" or the "**Plan**") to be implemented through the scrip issue of a maximum of 3,000,000 options (the "**Options**"), reserved to the Chief Executive Officer of De' Longhi S.p.A. and to a small number of Top Managers of the De' Longhi Group, as defined in the "*Rules for the Stock Options Plan 2020-2027*" (the "**Rules**") annexed to this Report (the Chief Executive Officer jointly with the Top Managers, the "**Beneficiaries**").

The Options will give each Beneficiary the right to:

(i) purchase Shares in the Company's portfolio following purchases made on the market, also to service the Stock Options Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the TUF and the Issuers' Regulations (the "**Treasury Shares**") on the date on which the Beneficiary will exercise the Options,

or, if the Treasury Shares at that date are not sufficient,

(ii) to subscribe newly issued Shares resulting from a share capital increase by payment, in one or more tranches, with the exclusion of pre-emption rights pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8 of the Civil Code and Art. 5-*bis*, paragraph 3 of the Articles of Association, for a maximum nominal amount of €4,500,000.00 by issuing, even on more than one occasion, a maximum of 3,000,000 ordinary shares with a nominal value of €1.50 each, regular dividend rights, reserved for the Beneficiaries (the "**Capital Increase**").

The proposal for the Capital Increase for the Stock Option Plan will be submitted for the review and approval of the Company's Shareholders' Meeting convened also in extraordinary session for 22 April 2020, in a single call and illustrated in a special report drafted by the Board of Directors pursuant to Art. 125-*ter* of the TUF and Art. 72 of the Issuers' Regulation in compliance with Scheme 2 of Annex 3A of the same regulations, which will be filed at the Company's registered office and made available to the public on its website www.delonghigroup.com, ("**Governance**" – "**Corporate**

Bodies” – “*Shareholders’ Meeting 2020*”), and on the authorised storage mechanism accessible www.linfo.it, on **31 March 2020**.

The Stock Options Plan is regulated by the “*Rules for the Stock Options Plan 2020-2027*” annexed to this report (the “**Rules**”) which details the terms, conditions and procedures for implementing the Plan and also given in the Information Document together with all other information required by Art. 114-*bis* of the TUF and by Art. 84-*bis*, paragraph 1 of the Issuers’ Regulation.

The essential terms and conditions of the Plan submitted for approval by the Shareholders’ Meeting are summarised below, and reference should be made to the Information Document and the Rules annexed to this Report for further details.

1. Reasons for adopting the Stock Options Plan 2020-2027

The adoption of the Stock Options Plan is aimed at incentivising and encouraging the loyalty of Beneficiaries by recognising their contribution to the creation of value for the shareholders of the Company.

In view of market practice with regard to incentives, the positioning with regard to the remuneration offered and the current strategic environment, the intention of the Stock Option Plan is, in particular, to involve the people holding positions that are directly responsible for the company results or who are of strategic interest to the Company and for the De’ Longhi Group, in order to strengthen loyalty *(i)* by linking their remuneration with the realisation of the company strategy aimed at creating value for the Company’s shareholders over the medium-long term, *(ii)* incentivising their permanence in the De’ Longhi Group, thus supporting the continuity and sustainability of its success over the medium-long term, and *(iii)* promoting the continued market competitiveness of their remuneration.

2. Beneficiaries of the Stock Options Plan

The Stock Options Plan is reserved, as mentioned, for the CEO of the Company who will be in office at the date the Options are assigned and to a limited number of Top Managers of the De’ Longhi Group who will be identified by name by the Company’s Board of Directors, after the date the Plan is approved by the Shareholders’ Meeting, upon proposal by the CEO, from among those holding positions that are more directly responsible for company results or who are of strategic interest and who, on the date of assignment of the Options, will be employees and/or actively working at the Company and/or one of the companies in the De’ Longhi Group.

The Plan has been designed using best market practices. With regard to the definition of the time horizon, the recommendations of the new “Corporate Governance Code”, published by the Corporate Governance Committee in January 2020.

3. Subject and duration of the Stock Options Plan

The Stock Options Plan involves the scrip issue to Beneficiaries of up to a maximum of 3,000,000 Options valid for the purchase of an equal number of Treasury Shares or, should the treasury shares in the Company's portfolio not be sufficient on the exercise date of the Option, for the subscription of an equal number of newly issued Shares resulting from the Capital Increase.

Each Option will give the right to purchase or subscribe to one Share at the conditions laid down by the Rules annexed to this Report.

The number of Options to be assigned to each Beneficiary on the date of assignment will be defined by the Board of Directors (i) upon the proposal of the Remuneration and Appointments Committee, having heard the opinion of the Board of Statutory Auditors, for those options to be assigned to the Beneficiaries falling within the related competences, or (ii) upon proposal of the Chief Executive Officer, having consulted the Remuneration and Appointments Committee, in the other cases, respecting the maximum number of Options envisaged under the Plan.

Participation in the Stock Options Plan and the assignment of the Options are based on criteria that avoid any discrimination according to age, race, gender, sexual orientation, religious belief, nationality, ethnic origin, physical condition or marital status.

This Plan has a duration of around 7 years and 8 months, and will in any case end on 31 December 2027.

4. *Procedures and clauses for implementing the Stock Options Plan*

Assignment of the Options is free of charge: upon assignment of the Options, the Beneficiaries will not therefore be required to pay any fee to the Company. The exercise of the Options and the consequent purchase or subscription of the Shares will be subject to the payment of a price (the “**Exercise Price**”).

Each Option will give the right to purchase or subscribe to one Share at the conditions laid down by the Plan Rules.

Except for specific situations and cases governed by the Rules, at the end of the vesting period (i.e. the period between the date of approval of the Plan and the day from which the related Options become exercisable), the Options may be exercised by the Beneficiaries - in one or more tranches - only and exclusively in during the exercise period (“**Exercise Period**”), between:

- 15 May 2023 and 31 December 2027, for a maximum of 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules (“**First Exercise Period**”);
- 15 May 2024 and 31 December 2027, for the remaining 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules (“**Second Exercise Period**”).

The Options may be exercised by the Beneficiaries using the so-called “sell to cover” method, which consists in the possibility for the Beneficiary, after the vesting period provided for by the Rules, to exercise the Options assigned (whether all or part of them) by means of the simultaneous sale on the market of a part of the Opted Shares, in order to cover the costs related to the exercise of the Options assigned (i.e. the total price of

the exercise, prepayment of withholding taxes, any capital gains and brokerage fees), thus keeping the remainder of the Shares not sold in their own securities account, in accordance with Article 14 of the Rules.

Options not exercised by the end of the Exercise Period will be considered expired without the Beneficiary being entitled to any kind of indemnity or compensation.

The exercise of the Options is not subject to additional performance conditions with respect to the appreciation of the value of the De' Longhi Share on the Mercato Telematico Azionario. Therefore, the only constraint is inherent to the type of Plan which, by its nature, requires an increase in the value of the share.

Without prejudice to the competences of the Company's Board of Directors and the Remuneration and Appointments Committee with regard to the CEO, the Plan is managed by the latter with the support of the relevant corporate structures. The Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, approves and updates the Plan guidelines.

For more details on the terms and conditions of the Stock Options Plan, please read the Rules and the Information Document, both annexed to this Report.

5. Support for the Stock Options Plan from the Special Fund for encouraging worker participation pursuant to Art. 4(112) of Law No. 350 of 24 December 2003

The Stock Options Plan will not receive any support from the Special Fund for encouraging worker participation pursuant to Art. 4(112) of Law No. 350 of 24 December 2003.

6. Criteria for determining the subscription price of shares under the Stock Options Plan

Under the Stock Options Plan the Exercise Price for each Option is determined as the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 (one hundred and eighty) calendar days before the date for the approval of the plan itself and its Rules by the Company's Shareholders convened in the Meeting for 22 April 2020.

This criterion was approved by the Board of Directors upon the proposal of the Remuneration and Appointments Committee and hearing heard the favourable opinion of the Board of Statutory Auditors, based on the following considerations: (i) in accordance with established practice, listed Italian issuers that launch stock option plans refer, for the purposes of determining the exercise price of the options, to the arithmetic average of the official prices recorded by the company's stock on the Mercato Telematico Azionario, over a timeframe prior to the approval of the plan by the shareholders' meeting deemed appropriate so that the plan can best reflect the value that the market attributes to the company's shares; (ii) under normal market conditions, the period taken as a reference by these issuers is 30 days before the approval of the stock options plan by the shareholders; (iii) given the current situation resulting from the

epidemiological emergency of COVID-19 and taking into account uncertainty which necessitates a cautious approach in the preparation of economic forecasts, the average of the 180 days before the approval of the Plan by the Shareholders' Meeting (which will be convened for 22 April 2020) appears to be an appropriate and adequate period. In the opinion of the Board of Directors this timeframe, although not close to the time when the issue price of the Shares is determined, is sufficiently long to mitigate the trend of De' Longhi stock from the volatility phenomena that have been affecting the financial markets in recent weeks as a result of the effects of the this situation, best reflecting the market value of De' Longhi's stock.

In application of this criterion, the Board of Directors will determine the Exercise Price of the Options when the Options are first assigned to the Beneficiaries.

7. *Limits to the assignment of Options and Shares*

The Options are assigned to Beneficiaries personally and cannot be transferred *inter vivos* in any way nor pledged nor be subject to other manner of disposal, whether free of charge or for a fee, by effect or law or otherwise; they also cannot be subject to enforcement or interim measures by third parties, under penalty of immediate forfeiture by the Beneficiary of all the rights attributed to him under the Stock Options Plan. It is specified that the sale of future Shares resulting from the expected exercise of the Options is permitted only at the Beneficiary's sole risk and responsibility.

Exercise of the Options and the consequent purchase or subscription of the Shares will be subject to the payment of the Exercise Price.

It should also be noted that the Plan provides for certain periods where the right to exercise the Options is suspended, even if they fall within the relative Exercise Period. In particular, the right to exercise the Options is suspended, solely for the Beneficiaries registered in the internal dealing register set up by the Company pursuant to the "*Internal Dealing Procedure*" in force, during the period of 30 calendar days prior to the announcement by the Company of the data contained in the annual financial report, the half-yearly financial report or other periodic financial reports that the Company publishes in compliance with the law, including regulations, applicable from time to time or on its own accord; the exercise of the Options is then permitted again from the day following the publication of the aforementioned announcement. The right to exercise the Options is also suspended in the period between the date of any resolution of the shareholders' meeting to allocate the dividend and the dividend payment date, as well as in any further periods to be defined by the Board of Directors, after consulting the Remuneration and Appointments Committee.

Subject to certain exceptions expressly governed by Articles 17 and 18 of the Rules, the Plan also provides for a so-called holding period (starting from the moment the Option is exercised) equal to 24 months for the Options in the First Exercise Period and 12 months for those in the Second Exercise Period, during which a portion of the Shares purchased and/or subscribed by the Beneficiary through the exercise of the Option right is subject to restrictions on sale and/or transfer (the "**Holding Period**"). In particular, 55% of the remaining unsold Shares are subject to the Holding Period under the Plan for the exercise of the Options using the "sell to cover" method.

With the claw back clause in the Stock Options Plan the Company reserves the unilateral right to obtain the revocation of the Options and/or the restitution, in whole or in part, of the Shares purchased and/or subscribed by the Beneficiary following exercise of the Options assigned to them, without prejudice to the reimbursement of the amount already paid by the Beneficiary upon exercise of the Options, if, within the term of three years from the vesting date of the assigned Options, it is established that the share value has been influenced by the Beneficiary engaging in any one of the following: (i) fraudulent conduct or gross negligence to the Company's detriment; (ii) conduct that is contrary to the law and/or company regulations; (iii) breach of the obligations of loyalty and proper management; (iv) conduct which results in a significant economic or financial loss for the Company. If the Shares have already been sold, the Company reserves the right to obtain a refund of the capital gains earned from the sale of the Shares, if necessary by compensating the Beneficiary's remuneration and/or end of employment commissions.

Shares issued to the Beneficiary under the exercise of the Options will be freely available and therefore freely transferrable by the same.

8. *Proposed resolution*

Dear Shareholders,

For the reasons given above, the Board of Directors proposes that you adopt the following resolution:

"The Meeting of the Shareholders of De' Longhi S.p.A., based on:

- the Report of the Board of Directors, drafted pursuant to Articles 114-bis and 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended; and*
- the "Rules for the Stock Options Plan 2020-2027" and the Information Document prepared pursuant to Art. 84-bis of the regulation adopted by Consob with Resolution No. 11971 of 14 May 1999, as subsequently amended;*

RESOLVES

1. to approve, pursuant to and for the effects of Art. 114-bis of Legislative Decree No. 58 of 24 February 1998, as subsequently amended, the stock option plan called the "Stock Options Plan 2020-2027" for the Company's Chief Executive Officer and for a limited number of the Group's Top Managers (as defined in the Rules for the Stock Options Plan), by a scrip issue of options for the purchase or subscription of a maximum of 3,000,000 (three million) ordinary shares of "De' Longhi S.p.A." of €1.50 (one euro fifty cents) each, resulting from: (i) purchases of treasury shares on the market by the Company, also to service the Plan, based on the authorisations of the shareholders' meeting pursuant to Art. 2357 of the civil code, or, if the treasury shares in portfolio are not sufficient, (ii) a share capital increase for a maximum nominal amount of €4,500,000.00 (four million five hundred thousand euros/00), with exclusion

of the option right pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8, of the civil code, and Art. 5-bis, paragraph 3 of the articles of association, to be allocated as better described in the Rules for the Plan and in the Information Document drafted pursuant to Art. 84-bis of the regulation adopted by Consob with Resolution No. 11971/1999, as subsequently amended;

2. to authorise the Board of Directors to implement the “Stock Options Plan 2020-2027”, to be exercised in accordance with the Rules for the Plan and the Information Document and, in particular, by way of example but not limited to:

- a) identify the beneficiaries and define the number of options to allocate to each, with due regard to the maximum number of options;*
- b) implement the Rules to the Plan in compliance with the terms and conditions described therein and in the Information Document;*
- c) determine the subscription price of the shares, when the options are exercised, according to the methodology described in the Rules to the Plan;*

3. grant the Chairman of the Board of Directors the broadest powers, with the option to delegate them, to fulfil all legal and regulatory requirements resulting from the adoption of the resolutions.

This Report with the annexed Information Document drafted pursuant to Art. 84-bis of the Issuers’ Regulation and in compliance with Scheme 7 of Annex 3A to the same regulation, and the “Rules for the Stock Options Plan 2020-2027” will, on 23 March 2020, be filed at the Company’s registered office and made available to the public on its website www.delonghigroup.com (“Governance” – “Corporate Bodies” – “Shareholders’ Meeting 2020”), and on the IINFO authorised storage mechanism accessible via the website www.linfo.it, at the same time as the publication of the call notice to the Shareholders’ Meeting.

Treviso, 12 March 2020

For the Board of Directors

The Chairman

Giuseppe de’ Longhi

Annexes:

- Information Document regarding the “Stock Options Plan 2020-2027”, drafted pursuant to Art. 84-bis of the Issuers’ Regulation, in compliance with Scheme 7 of Annex 3A of the same regulation.
- “Rules for the Stock Options Plan 2020-2027”.

DēLonghi Group

De' Longhi S.p.A.

Registered office in Treviso – Via Lodovico Seitz 47

Share capital 224,250,000.00 euros fully paid up

Tax Code and Registration in the Company Register of Treviso No. 11570840154

INFORMATION DOCUMENT REGARDING THE EQUITY-BASED INCENTIVE PLAN CALLED THE “STOCK OPTIONS PLAN 2020–2027” RESERVED FOR THE COMPANY’S CHIEF EXECUTIVE OFFICER AND A LIMITED NUMBER OF THE DE’ LONGHI GROUP’S TOP MANAGERS, SUBMITTED TO THE SHAREHOLDERS’ MEETING CONVENED FOR 22 APRIL 2020

Document drafted pursuant to Article 84-*bis* of Consob Regulation No. 11971 of 14 May 1999 and Scheme 7 of Annex 3A of the implementing regulation of Legislative Decree No. 58 of 24 February 1998 concerning the regulation of issuers.

INTRODUCTORY NOTE

This Information Document has been drafted pursuant to Art. 84-*bis*, paragraph 1, of the Issuers' Regulation (Consob Regulation No. 11971/1999 and subsequent amendments) to illustrate the terms and conditions of the Plan, as defined.

The Rules for the Stock Options Plan 2020-2027 have been approved by the Company's Board of Directors with resolution dated 12 March 2020, upon proposal of the Remuneration and Appointments Committee and having heard the favourable opinion of the Board of Statutory Auditors, and have been submitted to the Shareholders' Meeting convened for 22 April 2020.

At the date of this Information Document, adoption of the Plan has not yet been approved by the Meeting of the Company's Shareholders. It should be specified that this document has been drafted solely on the basis of the Rules approved by the Company's Board of Directors on 12 March 2020 and that every reference to the Plan in this document must be understood as referring to the Rules.

The Company is responsible for updating this Information Document where necessary and based on the terms and conditions provided by applicable law, in compliance with the approval of the Plan itself by the Shareholders' Meeting and by the resolutions passed by the same Meeting.

It should be noted that the Plan potentially qualifies as "of particular significance" under Art. 114-*bis*, paragraph 3, of the TUF and Art. 84-*bis*, paragraph 2, of the Issuers' Regulation.

The Information Document, together with the Rules of the Plan, will be filed at the Company's registered office in Treviso, Via L. Seitz 47 and made available to the public in the website www.delonghigroup.com (section "Governance" - "Corporate Bodies" – "Shareholders' Meeting 2020"), and on the IINFO authorised storage mechanism accessible on the website www.iinfo.it, annexed to the "Directors' report on the third item on the agenda for the ordinary part" of the Shareholders' Meeting convened for 22 April 2020 (prepared pursuant to Art. 114-*bis* and Art. 84-*bis* of the Issuers' Regulation) within the term established for publishing the call notice to the Shareholders' Meeting.

DEFINITIONS

- "Purchases of Treasury Shares": purchases of Shares made on the market by the Company, also to service the Stock Options Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the TUF and the Issuers' Regulations.
- "Chief Executive Officer" means the Chief Executive Officer of the Company on the Date of Assignment;
- "Shareholders' Meeting": meeting of the shareholders of De' Longhi on 22 April 2020 convened to approve, in ordinary session, the Plan described in the Rules.

- “Capital Increase”: the share capital increase by payment, in one or more tranches, with the exclusion of pre-emption rights - pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8 of the Civil Code and Art. 5-*bis*, paragraph 3 of the Articles of Association of De’ Longhi, submitted for the approval of the Company’s Shareholders’ Meeting on 22 April 2020 to service the Plan for a maximum nominal amount of €4,500,000.00 and for a maximum of 3,000,000 ordinary shares with a nominal value of €1.50 each.
- “Shares”: the ordinary shares of De’ Longhi S.p.A, each with a nominal value of €1.50, including newly issued shares, the subject of the Options granted to the Beneficiaries.
- “Bad Leaver”: all cases of termination of the Relationship other than Good Leaver cases.
- “Beneficiaries”: the people who will be offered to participate in the “Stock Options Plan 2020-2027”.
- “Change of Control”: if the subject at the top of the ownership chain of the Company at the date of approving this Plan ceases to hold, whether directly or indirectly, control of the Company pursuant to Art. 2359 of the Civil Code.
- “Civil Code”: the Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended.
- “Remuneration and Appointments Committee”: the Committee for Remuneration and Appointments established and appointed by the Board of Directors.
- “Termination Notice”: written notice (unilateral act or bilateral agreement) concerning termination of the Relationship.
- “Board of Directors”: the Board of Directors of De’ Longhi S.p.A.
- “Subsidiaries”: each company pro tempore, without distinction, directly or indirectly controlled, pursuant to Art. 2359 of the Civil Code, by the Company, with which a Relationship exists with one or more Beneficiaries.
- “Date of Approval”: the date of approval of the Plan and of the Rules by the Shareholders’ Meeting.
- “Date of Assignment”: the date on which the Board of Directors resolves on the assignment of Options to Beneficiaries.
- “Date of Subscription”: the date of receipt by the Company, or by the subject appointed by the same, of the Option Exercise Sheet signed by the Beneficiary.

- “Information Document”: this information document prepared pursuant to Art. 84-*bis* of the Issuers’ Regulations and in line, also in the numbering of the relevant paragraphs, with the indications contained in Scheme 7 of Annex 3 of the same Issuers’ Regulations.
- “Working Days”: the days of the week from Monday to Friday, excluding any national public holidays in Italy.
- “Good Leaver”: the following cases of termination of the Relationship:
 - resignation for just cause;
 - voluntary resignation, only on condition that the Beneficiary possesses the legal pension requirements and within the following 30 days has submitted a request to access the related indemnity;
 - dismissal for exceeding the protected period;
 - dismissal for objective just cause.
- “De’ Longhi Group”: the Company and the Subsidiaries.
- “Letter of Assignment”: the letter that must be given to the each Beneficiary containing the number of Options assigned, the Exercise Price and the Exercise Period. It is signed and returned to the Company by the Beneficiaries to represent, for the purposes of the Rules, their full and unconditional participation in the Plan.
- “Option”: right granted to the Beneficiaries for each Option assigned, (i) to purchase one Share in the Company’s portfolio on the Date of Subscription, or (ii) to subscribe one newly issued Share as a result of the Capital Increase, as provided for in the Plan and under these Rules.
- “Exercise Period”: the period during which the Beneficiary can exercise the Option, otherwise the right lapses definitively.
- “Holding Period”: the period, starting from the moment the Option is exercised, during which a portion of the Shares subscribed/purchased by the Beneficiary through the exercise of the Option right is subject to restrictions on sale and/or transfer.
- “Vesting Period”: for each period indicated in section 4.2 of the Information Document, the period between the Date of Approval of the Plan and the day from which the related Options become exercisable.
- “Plan” or “Stock Options Plan”: the incentive plan called the “Stock Options Plan 2020-2027” aimed at the Beneficiaries and regulated by the Rules and the Letter of Assignment.
- “Exercise Price”: the price that the Beneficiary must pay to exercise the Options in order to purchase and/or subscribe the Shares, as defined by Article 10 of the Rules of the Plan.

- “Relationship”: the employment relationship or the “corporate” administration relationship with the delegation of powers existing between the Beneficiaries and one of the companies of the De’ Longhi Group.
- “Rules”: the rules, concerning the definition of criteria, procedures and terms for implementing the Plan.
- “Issuers’ Regulation”: means the Regulation adopted with Consob regulation no. 11971/1999 currently in force.
- “Company” or “De’ Longhi”: De’ Longhi S.p.A, with registered office in Via L. Seitz 47, 31100 Treviso, Italy.
- “Top Manager”: the executive of De’ Longhi or key resource of the Group identified upon the implementation of the Plan from among those holding positions that are more directly responsible for company results or who are of strategic interest and who, on the Date of Assignment, are employees and/or actively working at De’ Longhi and/or its Subsidiaries.
- “TUF”: Italian Legislative Decree no. 58 of 24th February 1998 containing the “Consolidated Finance Law” as currently in force.

1. BENEFICIARIES

The Beneficiaries of the Plan are the Chief Executive Officer of the Company and a limited number of Top Managers of the De' Longhi Group.

1.1 Identification by name of the Beneficiaries who are members of the board of directors of the Company and the companies it directly or indirectly controls.

The Plan applies to the Chief Executive Officer who will be in office on the Date of Assignment.

The name of the Chief Executive Officer will be identified after the Shareholders' Meeting (which will be called, among other things, to vote on the proposal of the Board of Directors to appoint a new director who would then be called by the Board to take on the role of Chief Executive Officer and General Manager of the Company, alongside the current Vice Chairman and Chief Executive Officer who would retain, as Vice Chairman, the same powers as he currently holds).

If there are persons among the Beneficiaries who, in accordance with current regulations, must be identified by name, also in relation to any position held in the Company or in the Subsidiaries, the Company will provide the market with the relevant information in the communications required by Art. 84-*bis*(5) of the Issuers' Regulations.

1.2 Categories of Beneficiaries that are employees or consultants of the Company and of the parent companies or subsidiaries as identified in the Plan

Based on the proposed plan approved by the Board of Directors of De' Longhi on 12 March 2020, the Plan is also aimed at a limited number of the Group's Top Managers who will be identified, upon the implementation of the Plan, from among those holding positions that are more directly responsible for company results or who are of strategic interest and who, on the date of assignment, are employees and/or actively working at De' Longhi and/or the Subsidiaries.

The Beneficiaries will be identified after approval of the Plan by the Shareholders' Meeting.

1.3 Identification by name of the beneficiaries of the Plan belonging to the following groups:

a) general managers of the issuer of financial instruments

The Plan does not apply to the General Manager appointed by the Board of Directors, if any, should he or she simultaneously hold the position of Chief Executive Officer.

b) other managers with strategic responsibilities of the issuer of financial instruments that are not "small-sized", pursuant to Art. 3, paragraph 1, letter f), of Regulation No. 17221 of 12

March 2010, if they have received a total remuneration during the year (obtained by adding up the monetary remuneration and remuneration based on financial instruments) greater than the highest total remuneration including those attributed to the members of the board of directors, namely the management board, and to the general managers of the issuer of financial instruments

At the date of this Information Document, the Plan has not yet been approved by the meeting of the Company's shareholders and therefore it has not been possible to identify the number of Beneficiaries.

- c) individuals controlling the issuer of shares who are employees or people actively working in the issuer of shares*

Not applicable

1.4 Description and number of the Beneficiaries of the Plan, divided by category

- a) executives with strategic responsibilities other than those indicated in letter b) of section 1.3*

At the date of this Information Document, the Plan has not yet been approved by the Shareholders' Meeting and therefore it has not been possible to identify the number of Beneficiaries.

- b) in the case of "smaller" companies, pursuant to Article 3(1)(f) of Regulation No. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the issuer of financial instruments*

At the date of this Information Document, the Plan has not yet been approved by the Shareholders' Meeting and therefore it has not been possible to identify the number of Beneficiaries.

- c) any other categories of employees or collaborators for whom different characteristics of the plan have been envisaged (e.g. managers, middle managers, employees, etc.).*

The Plan's characteristics are the same for all Beneficiaries.

2. REASONS FOR ADOPTING THE PLAN

2.1 Objectives to be achieved by awarding the Plan

The adoption of the Stock Options Plan is designed to: (i) link the Beneficiaries' remuneration to the implementation of the corporate strategy aimed at creating value in the medium-long term for the Company's shareholders; (ii) strengthen the loyalty of Beneficiaries by incentivising their permanence in the Group, thus supporting the continuity and sustainability of its success in the medium-long term; (iii) promote the continued market competitiveness of Beneficiaries' remuneration.

2.1.1 More detailed information

The company has decided to introduce a stock options plan as an appropriate tool for aligning the interests of management and shareholders.

Beneficiaries of the Plan are a limited number of Top Managers, whose performance can have significant impact on the share.

The Stock Options Plan has been designed using best market practices. With regard to the definition of the time horizon, the recommendations of the new "Corporate Governance Code", published by the Corporate Governance Committee in January 2020.

2.2 Key variables, also in the form of performance indicators, considered for the allocation of the Plan

Exercise of the Options is not subject to the achievement of performance objectives by the Beneficiaries. Therefore, the only constraint is inherent to the type of Plan which, by its nature, requires an increase in the value of the share.

2.2.1 More detailed information

Not applicable.

2.3 Elements underlying the determination of the amount of remuneration based on financial instruments, or the criteria for determining it

The number of Options to be assigned to each Beneficiary on the date of assignment will be defined by the Board of Directors (i) upon the proposal of the Remuneration and Appointments Committee, having heard the opinion of the Board of Statutory Auditors, for those options to be assigned to the Beneficiaries falling within the related competences, or (ii) upon proposal of the Chief Executive Officer, having consulted the Remuneration and Appointments Committee, in the other cases, respecting the maximum number of Options envisaged under the Plan.

2.3.1 More detailed information

In line with section 2.3 above, the number of Options to be assigned to each Beneficiary will be determined by also taking into account the following elements:

- impact on the business;
- strategic importance of the resource;
- critical elements in terms of retention.

2.4 Reasons underlying the decision to allocate remuneration plans based on financial instruments not issued by the Issuer

Not applicable.

2.5 Considerations on the significant tax or accounting implications that have affected the definition of the Plan

On the date of this Information Document, the Company has no significant tax or accounting implications that have affected the definition of the Plan.

2.6 Support for the Plan from the Special Fund for encouraging worker participation pursuant to Art. 4(112) of Law No. 350 of 24 December 2003

The Plan will not receive any support from the Special Fund for encouraging worker participation pursuant to Art. 4(112) of Law No. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIMEFRAME FOR ASSIGNING THE INSTRUMENTS

3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Company's Board of Directors for the purpose of implementing the Plan

On 22 April 2020, the Shareholders' Meeting will be called on to vote to authorise the Board of Directors to implement the "Stock Options Plan 2020-2027", to be exercised in accordance with the Rules for the Plan and the Information Document and, in particular, by way of example but not limited to:

- identifying the Beneficiaries and defining the number of Options to allocate to each, with due regard to the maximum number of Options for the purchase/subscription of an equal number of Shares;
- implementing the Rules to the Plan in compliance with the terms and conditions described therein and in the Information Document;
- determining the subscription price of the shares, when the options are exercised, according to the methodology described in the Rules to the Plan;

- granting the Chairman of the Board of Directors the broadest powers, with the option to delegate them, to fulfil all legal and regulatory requirements resulting from the adoption of the resolutions.

3.2 Subjects appointed to manage the Plan

Without prejudice to the competences of the Board of Directors and the Remuneration and Appointments Committee with regard to the Company's CEO, the Plan is operationally managed by the CEO with the support of the relevant corporate structures.

The Board of Directors will use a specialist external company to manage the Plan. This external company, with the support of a financial intermediary, will operate on the basis of a specific appointment granted by the Company and must comply with the Rules.

3.3 Existing procedures for the Plan's revision including with regard to any changes to the underlying objectives

Without prejudice to the competency of the shareholders' meeting in the cases provided for by the laws in force, the Board of Directors is the competent body for making changes to the Plan.

3.4 Description of the methods used to determine the availability and assignment of the financial instruments for the Plan

The Plan involves the scrip issue to Beneficiaries of Options valid for the purchase of Treasury Shares in the Company's portfolio or for the subscription of newly issued Shares in the ratio of 1 (one) Share for each 1 (one) Option exercised.

The maximum number of Options to be assigned to the Beneficiaries is established as 3,000,000.

The exercise of the Options will be subject to payment by the Beneficiary of the Exercise Price, as determined in accordance with section 4.20 below.

The following may be used to service the Plan: (i) treasury shares in the portfolio subject to the Purchases of Treasury Shares made by the Company on the market, to service the Plan, based on the authorisations of the shareholders' meeting, or, if the treasury shares in the Company's portfolio are not sufficient (ii) shares resulting from the Capital Increase.

For more information on the Capital Increase, please refer to the special report drafted by the Board of Directors pursuant to Art. 125-ter of the TUF and Art. 72 of the Issuers' Regulation in compliance with Scheme 2 of Annex 3A of the same regulation, which will be filed at the Company's registered office and made available to the public on its website www.delonghigroup.com, ("*Governance*" – "*Corporate Bodies*" – "*Shareholders' Meeting 2020*"), and on the authorised storage mechanism www.linfo.it, on **31 March 2020**).

3.5 The Role performed by each director in determining the Plan's characteristics; any conflicts of interests of the directors concerned

The characteristics of the Plan have been determined jointly by the Board of Directors, which resolved to submit the Plan to the Shareholders' Meeting for its approval, based on the proposal by the Remuneration and Appointments Committee, having received the favourable opinion of the Board of Statutory Auditors.

Considering that, at the date of the Information Document, it was not possible to establish with certainty who will be the Company's Chief Executive Officer, Beneficiary of the Plan, for the approval of the Plan by the Board of Directors, the Company's current Chief Executive Officer deemed it appropriate to report the potential conflict of interest and, accordingly, abstained from voting.

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

The Remuneration and Appointments Committee has specifically structured the Plan and reported on the activity carried out to the Board of Directors in the meeting held on 12 March 2020.

On this occasion, the Board of Directors approved the Rules for the Plan.

The Company's Shareholders' Meeting has been convened for 22 April 2020 to approve the Plan.

3.7 Date of the decision by the competent body regarding the assignment of the financial instruments and of the proposal to the aforementioned body by the Remuneration and Appointments Committee.

If the Plan is approved by the Shareholder' Meeting on 22 April 2020, the Board of Directors will then meet to make the decisions relevant for implementing the Plan, in accordance with the Rules and applicable regulations.

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

Without prejudice to the fact that at the date of this Information Document the Plan has not yet been approved by the Shareholders' Meeting, the market price of De' Longhi stock was: (i) €13.13 on 10 March 2020 (date of approval of the Plan proposal to be submitted to the Board of Directors by the Remuneration and Appointments Committee); (ii) €11.43 on 12 March 2020 (date of approval of the Plan proposal to be submitted to the Shareholders' Meeting by the Board of Directors).

3.9 In the case of plans based on financial instruments traded on regulated markets, the terms and methods the Issuer uses, with regard to determining the timing for assigning the instruments in implementation of the Plan, to take account of the possible temporal coincidence between: (i) said assignment or any decisions taken on this point by the remuneration committee, and (ii) the disclosure of any relevant information pursuant to Art. 17 of Regulation (EU) No. 596/2014; for example, where such information: a) is not already public and capable of positively influencing market prices, or b) is already published and capable of negatively influencing market prices.

The structure of the Plan, the conditions, the duration and the procedures for the assignment of the Options do not at present suggest that the assignment may be significantly influenced by the possible dissemination of relevant information pursuant to Art. 17 of Regulation (EU) No. 596/2014, it being understood that the procedure for assigning the Options will, in any case, be carried out in full compliance with the information obligations incumbent on the Company, so as to ensure transparency and equality of information to the market, and in compliance with the internal procedures adopted by the Company.

The Plan states that the Beneficiaries cannot exercise the Options during the period of 30 calendar days prior to the announcement by the Company of the data contained in the annual financial report, the half-yearly financial report or other periodic financial reports that the Company publishes in compliance with the law, including regulations, applicable from time to time or on its own accord; the exercise of the Options will then be permitted again from the day following the publication of the aforementioned announcement.

Moreover, the Board of Directors, having consulted the Remuneration and Appointments Committee, provide for further periods blocking the exercising the Options.

Beneficiaries are required to comply with the applicable regulations, particularly with reference to the regulations on market abuse in relation to the exercise of the Options and the disposal of the Shares resulting from the exercise of the Options assigned in connection with participation in the Plan.

4. CHARACTERISTICS OF THE ALLOCATED INSTRUMENTS

4.1 Description of the forms in which the Plan is structured

The Plan provides for the scrip issue of Options to Beneficiaries at a rate of one Option for the purchase or subscription of an equal number of Shares (at the rate of one Share per Option exercised), within the terms and conditions described in these Rules, resulting: (i) from Purchases of Treasury Shares made by the Company to service the Plan, based on the authorisation of the shareholders' meeting, or, if the treasury shares in the Company's portfolio

are not sufficient, (ii) from the Capital Increase reserved under subscription to the Beneficiaries of the Plan.

4.2 Indication of the period of actual implementation of the Plan also with reference to the various cycles envisaged

This Plan envisages a duration of 7 years and 8 months.

Except as specified in Articles 15, 16 and 17 of the Rules, at the end of each Vesting Period, the Options may be exercised by the Beneficiaries - in one or more tranches - only and exclusively in the Exercise Period, between:

- 15 May 2023 and 31 December 2027, for a maximum of 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules;
- 15 May 2024 and 31 December 2027, for the remaining 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of the Rules.

4.3 End of the Plan

This Plan will in any case expire on 31 December 2027.

Options not exercised by the end of the Exercise Period will be considered expired without the Beneficiary being entitled to any kind of indemnity or compensation.

4.4 Maximum number of financial instruments, including in the form of Options, assigned in each financial year to the persons identified by name or to the categories indicated

The maximum number of Options that can be allocated to the Beneficiaries under the Plan is 3,000,000.

The Plan does not provide for a maximum number of Options to be assigned in a fiscal year.

4.5 Methods and clauses for implementing the Plan, specifying whether the effective assignment of the instruments is subject to the occurrence of conditions or the achievement of certain results, including performance results

The Options will become exercisable at the end of each Vesting Period, as specified in section 4.2, without being subject to additional performance conditions with respect to the appreciation of the value of the De' Longhi Share on the Mercato Telematico Azionario, according to "sell to cover" exercise method provided for in the Rules.

Assignment of the Options is free of charge: upon assignment of the Options, the Beneficiaries will not therefore be required to pay any fee to the Company.

With regard to additional methods and clauses for implementing the Plan, reference should be made to the individual sections of this Information Document.

4.6 Indication of any restrictions to the availability of Options or the Shares resulting from exercise thereof

The Plan involves the scrip issue of Options to Beneficiaries. The Options are assigned to Beneficiaries personally and cannot be transferred inter vivos in any way nor pledged nor be subject to other manner of disposal, whether free of charge or for a fee, by effect or law or otherwise.

Exercise of the Options and the consequent purchase or subscription of the Shares will be subject to the payment of the Exercise Price provided for in section 4.19 below.

Shares not subject to the Holding Period available to the Beneficiary when the Options are exercised will be freely available and immediately therefore freely transferrable by the same. Shares subject to the Holding Period will be freely available and therefore freely transferrable by the Beneficiary only at the end of this period.

When Options are exercised using the sell to cover method, 55% of the remaining unsold Shares are subject to a Holding Period, during which the aforesaid Shares cannot be transferred and/or sold.

The Holding Period is 24 months for the Options of the First Exercise Period indicated in section 4.2 above (15 May 2023 - 31 December 2027) and 12 months for those of the Second Exercise Period indicated in the same section (15 May 2024 - 31 December 2027).

4.7 Description of any termination clauses in relation to the allocation of the Plan if the recipients carry out hedging operations to neutralise any restrictions on selling the Options or Shares resulting from the exercise thereof

Not applicable.

4.8 Description of the effects resulting from the termination of employment

In principle, the Beneficiary's right to exercise the Options is linked to maintaining the Relationship with the De' Longhi Group.

Without prejudice to that provided in cases of death and/or permanent disability which do not allow the Beneficiary's Relationship to continue:

- in the event of termination of the Relationship in the case of Bad Leaver, the Beneficiary will definitely and automatically lose the right to exercise all the Options assigned to him and not yet exercised;

- in the event of termination of the Relationship in the case of Good Leaver, the Beneficiary will retain the right to exercise vested options (which may be exercised within the same terms and under the same procedures and conditions set out in sections 10 and 11 of the Rules), while the options not yet vested will lapse definitively on the date that the Relationship is effectively terminated. The Shares subscribed/purchased by the Beneficiary through the exercise of the Options already matured will not be subject to any Holding Period restrictions. It is understood that in the case of the transfer of the Relationship to another company in the De' Longhi Group and/or in the case of termination of the Relationship and simultaneous establishment of a new Relationship within the De' Longhi Group, the Beneficiary will keep any and all rights attributed to him by the Rules;
- in the event of termination of the Relationship, the Board of Directors may allow the Beneficiary to exercise all or part of the assigned Options as an exception to the terms specified in the Rules, setting a deadline for this which is in any case not less than thirty days, or – if the term of 18 months since the date of approval of the Plan has not ended – assigning to other Beneficiaries the Options made available following the termination of the Relationship by one or more Beneficiaries.

In the event of death and/or permanent disability that does not allow the Beneficiary's Relationship to continue, the Options assigned to the Beneficiary, whether they are already exercisable or not at the date of the event (death and/or permanent disability that does not allow the Relationship to continue), may be exercised in full and immediately:

- in the event of death, by the heirs and in any case within the Exercise Period, subject to the persons concerned providing documentation proving, in accordance with the law, their legitimacy as heirs;
- in the case of permanent disability which does not allow the Relationship to continue, by the Beneficiary and in any case within the Exercise Period.

In such cases, the Shares subscribed and/or purchased through the exercise of the Options will not be subject to any Holding Period restrictions.

4.9 Indication of other possible causes for cancelling the Plan

Except as indicated in other paragraphs of this Information Document, there are no other grounds for cancelling the Plan.

4.10 Reasons regarding the possibility of introducing a provision for the company to “redeem” the financial instruments that are subject of the plan, as provided in accordance with Articles 2357 et seq. of the Civil Code

The Plan does not envisage the Company's right of redemption.

4.11 Any loans or other facilities that may be granted for the purchase of the Shares pursuant to Art. 2358, para. 3, of the Civil Code

The Board of Directors will use a specialist external company to manage the plan. This external company, with the support of a financial intermediary, will operate on the basis of a specific appointment granted to it by the Company and must comply with the Rules.

The intervention of a financial intermediary facilitates Beneficiaries in the exercise of their rights in compliance with the applicable regulations. The financial intermediary will provide the Beneficiary with the funds necessary to finalise the transaction, against payment of a contractually defined commission.

4.12 Considerations on the expected burden for the Company at the date of assignment, as determined based on the terms and conditions already defined, for the total amount and with regard to each financial instrument

At the date of this Information Document, it is not possible to indicate the exact amount of the Plan's expected burden for the Issuer.

Pursuant to IFRS 2 (*Share-based payments*), during the vesting period the Company will recognise, for the part under its responsibility, the fair value of the assigned Options.

4.13 Indication of any dilutive effects on capital caused by the Plan

Any dilutive effects resulting from the Plan's implementation depend on the Issuer's choice to procure the shares to service the Plan through Purchases of Treasury Shares or through a Capital Increase. In the case where, following the exercise of all the Options, the full subscription of the Capital Increase for the Plan may be necessary and assuming that no further capital increases are implemented, the maximum dilutive effect for shareholders would be 2% compared the total current share capital.

4.14 Any limits envisaged on the exercise of voting rights or on the attribution of equity rights

No limits on the exercise of voting rights or on the attribution of equity rights inherent to the Shares resulting from the exercise of the Options.

4.15 In the event that the shares are not traded on regulated markets, any useful information for a full assessment of the value attributable to them

Not applicable, since the Shares are listed on the MTA.

4.16 Number of financial instruments underlying each Option

Each Option assigned grants the Beneficiaries, against payment of the Exercise Price, the right to purchase one Share held in the Company's portfolio on the Date of Subscription, or to

subscribe for a newly issued Share resulting from the Capital Increase, under the conditions and terms of the Plan's Rules.

4.17 Expiry of the Options

Please refer to sections 4.2, 4.3, 4.6 and 4.8.

4.18 Methods, timings and clauses for exercising the Options

Please refer to sections 4.2, 4.5, 4.6 and 4.8.

4.19 Exercise price of the Options or the methods and criteria for its determination, particularly with regard to: a) the formula for calculating the exercise price in relation to a certain market price; and b) the methods for determining the market price taken as reference for the determination of the exercise price

Upon the proposal of the Remuneration and Appointments Committee and having received the favourable opinion of the Board of Statutory Auditors, the Board of Directors has established that the Exercise Price of each Option exercised will be the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 calendar days before the Date of Approval.

In application of this criterion, the Board of Directors will determine the Exercise Price of the Options when the Options are first assigned to the Beneficiaries.

4.20 If the exercise price is not equal to the market prices calculated as indicated in section 4.19 letter b) (fair market value), the reasons for this difference

The criterion proposed by the Board of Directors indicated in section 4.19 above was approved by the Board of Directors based on the following considerations: *(i)* in accordance with established practice, listed Italian issuers that launch stock option plans refer, for the purposes of determining the exercise price of the options, to the arithmetic average of the official prices recorded by the company's stock on the Mercato Telematico Azionario, over a timeframe prior to the approval of the plan by the shareholders' meeting deemed appropriate so that the plan can best reflect the value that the market attributes to the company's shares; *(ii)* under normal market conditions, the period taken as a reference by these issuers is 30 days before the approval of the stock options plan by the shareholders; *(iii)* given the current situation resulting from the epidemiological emergency of COVID-19 and taking into account uncertainty which necessitates a cautious approach in the preparation of economic forecasts, the average of the 180 days before the approval of the Plan by the Shareholders' Meeting (which will be convened for 22 April 2020) appears to be an appropriate and adequate period. In the opinion of the Board of Directors this timeframe, although not close to the time when the issue price of the Shares is determined, is sufficiently long to mitigate the trend of De' Longhi stock from the

volatility phenomena that have been affecting the financial markets in recent weeks as a result of the effects of the this situation, best reflecting the market value of De' Longhi's stock.

4.21 Criteria on which different exercise prices are envisaged between different people or various categories of beneficiary

Not applicable

4.22 In the event that the financial instruments underlying the Options are not traded on regulated markets, indication of the value attributable to the underlying financial instruments or the criteria for determining the value

Not applicable.

4.23 Criteria for those adjustments made necessary by the extraordinary operations on the capital and other operations that entail the variation of the number of underlying instruments

In specific situations, which may involve changes to the shareholding structure or the corporate perimeter, the Board of Directors will adjust one or both of the following items for the Options not yet exercised: the ratio between the number of Options and the number of underlying Shares (or underlying Shares of other companies in the event of mergers and demergers) and/or the Exercise Price, if this does not create a general injury for the category of Beneficiaries under current tax regulations.

By way of example, the above mentioned adjustments may be made upon the following events: (i) grouping and splitting of Shares; (ii) free increase of De' Longhi's share capital; (iii) paid increase of De' Longhi's share capital through the issue of Shares; (iv) merger and/or demerger of the Company (except possible intra-group mergers and demergers, at the sole decision of the Board of Directors); (v) distribution of extraordinary dividends to the Shares by withdrawing from De' Longhi's reserves; (vi) reduction of De' Longhi's share capital.

Any rounding that may be necessary due the existence of fractions must be rounded down.

In cases where there is a Change of Control, the Beneficiary will be granted the right to exercise all the Options assigned without having to wait for the Exercise Period provided for in Article 11 of the Rules, without prejudice to the right of the Board of Directors to provide more favourable conditions for the Beneficiaries with respect to that indicated in the Rules. The Board of Directors will establish the term within which it will be possible to exercise the Options. In any case, the established term cannot be less than 30 days or more than 180 days. The Board of Directors does not have the power to cancel the Plan. The Shares subscribed/purchased by the Beneficiary through the exercise of the Options will not be subject to any Holding Period restrictions.

It is the responsibility of the Board of Directors, in relation to each of the above operations, to define the adjustment criteria that will be communicated in writing to the Beneficiaries.

Other information

The Plan involves, in Article 20 of the Rules, the so-called claw back clause, with which the Company reserves the unilateral right to obtain the revocation of the Options and/or the restitution, in whole or in part, of the Shares purchased by the Beneficiary following exercise of the Options assigned to them, without prejudice to the reimbursement of the amount already paid by the Beneficiary upon exercise of the Options, if, within the term of three years from the vesting date of the assigned Options, it is established that the share value has been influenced by the Beneficiary engaging in any one of the following: (i) fraudulent conduct or gross negligence to the Company's detriment; (ii) conduct that is contrary to the law and/or company regulations; (iii) breach of the obligations of loyalty and proper management; (iv) conduct which results in a significant economic or financial loss for the Company. If the Shares have already been sold, the Company reserves the right to obtain a refund of the capital gains earned from the sale of the Shares, if necessary by compensating the Beneficiary's remuneration and/or end of employment commissions.

4.24 Issuers of shares combine the annexed table n. 1 with the information document

Information about the implementation of the Plan and the data given in the summary table referred to in Article 4.24 of Annex 3A to the Issuers' Regulations will be given within the deadlines and in the manner specified in the Rules and in the applicable regulations.

DēLonghi Group

Rules for the Stock Options Plan 2020-2027

**APPROVED BY THE
BOARD OF DIRECTORS
ON 12 MARCH 2020 AND
SUBMITTED FOR THE
APPROVAL OF THE
SHAREHOLDERS'
MEETING CONVENED
FOR 22 APRIL 2020.**

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1. Introduction

These rules (hereinafter the “Rules”) describe and define the regulations and the rules for implementing the “*Stock Options Plan 2020-2027*” aimed at the Company’s Chief Executive Officer and a limited number of Top Managers of the De’ Longhi Group. These Rules have been approved by the Company’s Board of Directors at the meeting held on 12 March 2020, upon proposal of the Remuneration and Appointments Committee and having heard the favourable opinion of the Board of Statutory Auditors, and are submitted for approval to the Shareholders’ Meeting convened for 22 April 2020.

2. Definitions

For the purposes of these Rules: (i) the terms and expressions listed below, underlined and capitalised, will have the meaning indicated alongside each; (ii) the terms and expressions defined in plural are understood as also defined in singular form, and vice versa.

- “Purchases of Treasury Shares”: purchases of Shares made on the market by the Company, also to service the Stock Options Plan, pursuant to Art. 2357 of the Civil Code, the provisions of the TUF and the Issuers’ Regulations.
- “Chief Executive Officer” means the Chief Executive Officer of the Company on the date the Options are assigned;
- “Shareholders’ Meeting”: meeting of the shareholders of De’ Longhi on 22 April 2020 convened to approve, in ordinary session, the Plan described in these Rules.
- “Capital Increase”: the share capital increase by payment, in one or more tranches, with the exclusion of pre-emption rights - pursuant to Art. 2441, paragraphs 4, second subparagraph, and 8 of the Civil Code and Art. 5-*bis*, paragraph 3 of the Articles of Association of De’ Longhi, submitted for the approval of the Company’s Shareholders’ Meeting on 22 April 2020 to service the Plan for a maximum nominal amount of €4,500,000.00 and for a maximum of 3,000,000 ordinary shares with a nominal value of €1.50 each.
- “Shares”: the ordinary shares of De’ Longhi S.p.A, each with a nominal value of €1.50, including newly issued shares, the subject of the Options granted to the Beneficiaries.
- “Bad Leaver”: all cases of termination of the Relationship other than Good Leaver cases.
- “Beneficiaries”: the people who will be offered to participate in the “Stock Options Plan 2020-2027”.

- “Change of Control”: if the subject at the top of the ownership chain of the Company at the date of approving this Plan ceases to hold, whether directly or indirectly, control of the Company pursuant to Art. 2359 of the Civil Code.
- “Civil Code”: the Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended.
- “Remuneration and Appointments Committee”: the Committee for Remuneration and Appointments established and appointed by the Board of Directors.
- “Termination Notice”: written notice (unilateral act or bilateral agreement) concerning termination of the Relationship.
- “Board of Directors”: the Board of Directors of De’ Longhi S.p.A.
- “Subsidiaries”: each company pro tempore, without distinction, directly or indirectly controlled, pursuant to Art. 2359 of the Civil Code, by the Company, with which a Relationship exists with one or more Beneficiaries.
- “Date of Approval”: the date of approval of the Plan and of these Rules by the Shareholders’ Meeting.
- “Date of Assignment”: the date on which the Board of Directors resolves on the assignment of Options to Beneficiaries.
- “Date of Subscription”: the date of receipt by the Company, or by the subject appointed by the same, of the Option Exercise Sheet signed by the Beneficiary.
- “Working Days”: the days of the week from Monday to Friday, excluding any national public holidays in Italy.
- “Good Leaver”: the following cases of termination of the Relationship:
 - a) resignation for just cause;
 - b) voluntary resignation, only on condition that the Beneficiary possesses the legal pension requirements and within the following 30 days has submitted a request to access the related indemnity;
 - c) dismissal for exceeding the protected period;
 - d) dismissal for objective just cause.
- “De’ Longhi Group”: the Company and the Subsidiaries.
- “Letter of Assignment”: the letter that must be given to the each Beneficiary containing the number of Options assigned, the Exercise Price and the Exercise Period. When it is signed and returned to the Company by the Beneficiaries it will be, for the purposes of these Rules, their full and unconditional participation in the Plan.

- “Option”: right granted to the Beneficiaries for each Option assigned, (i) to purchase one Share in the Company’s portfolio on the Date of Subscription, or (ii) to subscribe one newly issued Share as a result of the Capital Increase, as provided for in the Plan and under these Rules.
- “Exercise Period”: the period during which the Beneficiary can exercise the Option, otherwise the right lapses definitively.
- “Holding Period”: the period, starting from the moment the Option is exercised, during which a portion of the Shares purchased/subscribed by the Beneficiary through the exercise of the Option right is subject to restrictions on sale and/or transfer.
- “Vesting Period”: for each period indicated in section 11 of the Rules, the period between the Date of Approval of the Plan and the day from which the related Options become exercisable.
- “Plan” or “Stock Options Plan”: the incentive plan called the “Stock Options Plan 2020-2027” aimed at the Beneficiaries and regulated by these Rules and the Letter of Assignment.
- “Exercise Price”: the price that the Beneficiary must pay to exercise the Options in order to purchase and/or subscribe the Shares, as defined by Article 10 of these Rules.
- “Relationship”: the employment relationship or the “corporate” administration relationship with the delegation of powers existing between the Beneficiaries and one of the companies of the De’ Longhi Group.
- “Rules”: these rules, concerning the definition of criteria, procedures and terms for implementing the Plan.
- “Issuers’ Regulation”: means the Regulation adopted with Consob regulation no. 11971/1999 currently in force.
- “Company” or “De’ Longhi”: De’ Longhi S.p.A, with registered office in Via L. Seitz 47, 31100 Treviso, Italy.
- “Top Manager”: the executive of De’ Longhi or key resource of the Group identified upon the implementation of the Plan from among those holding positions that are more directly responsible for company results or who are of strategic interest and who, on the Date of Assignment, are employees and/or actively working at De’ Longhi and/or its Subsidiaries.
- “TUF”: Italian Legislative Decree no. 58 of 24th February 1998 containing the “Consolidated Finance Law” as currently in force.

3. Purpose of the Plan

In view of market practice with regard to incentives, the positioning with regard to the remuneration offered and the current strategic environment, the Company has decided to introduce this Stock Options Plan 2020-2027 characterised by the following objectives:

- link Beneficiaries' remuneration to the implementation of the corporate strategy aimed at creating value in the medium-long term for the Company's shareholders;
- strengthen the loyalty of Beneficiaries by incentivising their permanence in the Group, thus supporting the continuity and sustainability of its success in the medium-long term;
- promote the continued market competitiveness of Beneficiaries' remuneration.

4. Object of the Rules

These Rules establish the principles and rules for the operation of the "Stock Options Plan 2020-2027" aimed at the Company's Chief Executive Officer and a limited number of Top Managers of the De' Longhi Group.

The Rules have been approved by the Company's Board of Directors with resolution dated 12 March 2020, upon proposal of the Remuneration and Appointments Committee and having heard the favourable opinion of the Board of Statutory Auditors, and are submitted for approval to the Shareholders' Meeting convened for 22 April 2020.

The provisions of these Rules are interrelated and inseparable.

5. Description of the Plan

The Plan is a tool for incentivising and encouraging the loyalty of Beneficiaries which, as part of the De' Longhi remuneration policy, is aimed at recognising their contribution to the Company's increase in value.

The Plan is implemented through the scrip issue to Beneficiaries of up to a maximum of 3,000,000 Options for the purchase and/or subscription of an equal number of Shares (at the rate of one Share per Option exercised), within the terms and conditions described in these Rules, resulting: *(i)* from Purchases of Treasury Shares made by the Company on the market, also to service the Plan, based on the authorisations of the shareholders' meeting, or, if the treasury shares in the Company's portfolio are not sufficient, *(ii)* from the Capital Increase reserved under subscription to the Beneficiaries of the Plan.

Participation in the Plan and the assignment of the number of Options are based on criteria that avoid any discrimination according to age, race, gender, sexual orientation, religious belief, nationality, ethnic origin, physical condition or marital status.

The Plan's characteristics are the same for all Beneficiaries.

6. Beneficiaries

The Beneficiaries of the Plan are the Chief Executive Officer of the Company and a limited number of Top Managers of the De' Longhi Group.

The identification of the individual Beneficiaries is delegated to the Board of Directors on the proposal of the Remuneration and Appointments Committee or the Chief Executive Officer of the Company, having consulted the Board of Statutory Auditors, according to their respective responsibilities.

A necessary condition for eligibility to participate in the Plan is that the Beneficiaries are not serving their notice period due to resignation or dismissal at the moment they are included in the Plan.

If the Beneficiary changes position within the De' Longhi Group, the Company's CEO, with the support of the competent corporate structures, will assess the need for any adjustment in the number of Options assigned to the Beneficiary.

The Board of Directors has the authority to resolve, if the opportunity arises, for new hires, promotions or particular merit, to insert new Beneficiaries after the date the Beneficiaries were designated, provided that this insertion occurs within 18 months from the Date of Approval of the Plan.

7. Duration of the Plan

This Plan has a duration of 7 years and 8 months, and will in any case end on 31 December 2027.

8. Nature and characteristics of the Options

Assignment of the Options is free of charge: upon assignment of the Options, the Beneficiaries will not therefore be required to pay any fee to the Company.

Exercise of the Options and the consequent subscription of the Shares will instead be subject to the payment of the Exercise Price.

Each Option will give the right to purchase or subscribe to one Share at the conditions laid down by these Rules.

The Options are assigned to Beneficiaries personally and cannot be transferred inter vivos in any way nor pledged nor be subject to other manner of disposal, whether free of charge or for a fee, by effect or law or otherwise; they also cannot be subject to enforcement or interim measures by third parties, under penalty of immediate forfeiture by the Beneficiary of all the rights attributed to him under this Plan. It is specified that the sale of future Shares resulting from the expected exercise of the Options is permitted only at the Beneficiary's sole risk and responsibility.

9. Criteria for assigning the Options

The number of Options to be assigned to each Beneficiary is defined by the Board of Directors *(i)* upon the proposal of the Remuneration and Appointments Committee, having heard the opinion of the Board of Statutory Auditors, for those options to be assigned to the Beneficiaries falling within the related competences, or *(ii)* upon proposal of the Chief Executive Officer, having consulted the Remuneration and Appointments Committee, in the other cases, respecting the maximum number of Options envisaged under the Plan.

If the Board of Directors resolves to insert new Beneficiaries, the Board of Directors has the authority to determine (within the maximum number of Options available and upon proposal of the CEO), the number of Options to assign to each new Beneficiary. The rules and conditions laid down by these Rules will be valid for such additional assignments, since they fall under the same Plan.

For the purposes and effects of the Plan, the number of Options assigned can differ from Beneficiary to Beneficiary; therefore, each Beneficiary recognises the indisputability of the Options assigned to them.

10. Exercise Price

Upon the proposal of the Remuneration and Appointments Committee and with the favourable opinion of the Board of Statutory Auditors, the Board of Directors has established that each of the Options, under the conditions of these Rules, will attribute the Beneficiary the right to purchase or subscribe one Share at a unit price, which will be the arithmetical average of the official prices recorded for the Shares on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A. in the 180 calendar days before the Date of Approval.

This criterion described above was approved by the Board of Directors based on the following considerations: (i) in accordance with established practice, listed Italian issuers that launch stock option plans refer, for the purposes of determining the exercise price of the options, to the arithmetic average of the official prices recorded by the company's stock on the Mercato Telematico Azionario, over a timeframe prior to the approval of the plan by the shareholders' meeting deemed appropriate so that the plan can best reflect the value that the market attributes to the company's shares; (ii) under normal market conditions, the period taken as a reference by these issuers is 30 days before the approval of the stock options plan by the shareholders; (iii) given the current situation resulting from the epidemiological emergency of COVID-19 and taking into account uncertainty which necessitates a cautious approach in the preparation of economic forecasts, the average of the 180 days before the approval of the Plan by the Shareholders' Meeting (which will be convened for 22 April 2020) appears to be an appropriate and adequate period. In the opinion of the Board of Directors this timeframe, although not close to the time when the issue price of the Shares is determined, is sufficiently long to mitigate the trend of De' Longhi stock from the volatility phenomena that have been affecting the financial markets in recent weeks as a result of the effects of this situation, best reflecting the market value of De' Longhi's stock.

In application of this criterion, the Board of Directors will determine the Exercise Price of the Options when the Options are first assigned to the Beneficiaries.

11. Exercise of the Options and delivery of the Shares

Exercise of the Options by the Beneficiary will be irrevocable and must take place by signing and delivering the exercise sheet, a sample model of which is annexed to the Rules and constitutes an integral and substantial part of the same.

The Board of Directors will satisfy the rights of the Beneficiaries through the treasury shares in portfolio, subject of the Purchases of Treasury Shares made, and, as far as necessary, implementing the Capital Increase.

The Options may be exercised by the Beneficiaries using the so-called “sell to cover” method, which consists in the possibility for the Beneficiary to exercise the Options assigned (whether all or part of them) by means of the simultaneous sale on the market of a part of the Opted Shares, in order to cover the costs related to the exercise of the Options assigned (i.e. the total price of the exercise, prepayment of withholding taxes, any capital gains and brokerage fees), thus keeping the remainder of the Shares not sold in their own securities account, in accordance with Article 14 of these Rules.

Except as specified in Articles 15, 16 and 17 of these Rules, at the end of each Vesting Period, the Options may be exercised by the Beneficiaries - in one or more tranches - only and exclusively in the Exercise Period, between:

- 15 May 2023 and 31 December 2027, for a maximum of 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of these Rules;
- 15 May 2024 and 31 December 2027, for the remaining 50% of the total Options assigned to each Beneficiary, except for the suspension periods described in Article 12 of these Rules.

Options not exercised by the end of the Exercise Period will be considered expired without the Beneficiary being entitled to any kind of indemnity or compensation.

Exercise of the Options will take effect on the day of receipt of the Exercise Sheet by the Company or by the subject appointed by the same.

The Shares will be delivered to the Beneficiary within three working days from the Date of Subscription of the Shares, provided that the Exercise Price has been paid in full by the Date of Subscription of the Shares. Delivery of the Shares will take place by crediting the securities account indicated by the Beneficiary in the exercise sheet.

12. Periods of Suspension and Market Abuse

The right to exercise the Options is suspended in the following periods, even if they fall within the relative Exercise Period:

- solely for the Beneficiaries registered in the internal dealing register set up by the Company pursuant to the “*Internal Dealing Procedure*” in force, during the period of 30 calendar days prior to the announcement by the Company of the data contained in the annual financial report, the half-yearly financial report or other periodic financial reports that the Company publishes in compliance with the law, including regulations, applicable from time to time or on its own accord; the exercise of the Options will then be permitted again from the day following the publication of the aforementioned announcement;
- in the period between the date of any resolution of the shareholders’ meeting to allocate the dividend and the dividend payment date;
- in any further periods to be defined by the Board of Directors, after consulting the Remuneration and Appointments Committee; in this case, the Company shall promptly inform the Beneficiaries of the occurrence of any such further identified suspension periods.

Beneficiaries are required to comply with the applicable regulations, particularly with reference to the regulations on market abuse in relation to the exercise of the Options and the disposal of the Shares resulting from the exercise of the Options assigned in connection with participation in the Plan.

13. Enjoyment of the Shares

The Shares will provide regular dividend rights and therefore the same as the other Shares in circulation at the date of their issuance.

14. Holding Period and Availability of the Shares

Without prejudice to Articles 17 and 18 of these Rules, when Options are exercised using the sell to cover method, 55% of the remaining unsold Shares will be subject to a Holding Period, during which the aforesaid Shares cannot be transferred and/or sold.

The Holding Period is:

- 24 months for Shares purchased and/or subscribed by the Beneficiary through the exercise of Options belonging to the First Exercise Period (15 May 2023 - 31 December 2027), and
- 12 months for Shares purchased and/or subscribed by the Beneficiary through the exercise of Options belonging to the Second Exercise Period (15 May 2024 - 31 December 2027).

Shares not subject to the Holding Period available to the Beneficiary when the Options are exercised will be freely available and immediately therefore freely transferrable by the same. Shares subject to the Holding Period will be freely available and therefore freely transferrable by the Beneficiary only at the end of the Holding Period.

15. Costs and Expenses

All the costs relating to the issue and transfer of the Shares to the Beneficiaries will be borne by the Company. Any cost relating to the Beneficiaries' securities accounts or the financial intermediary will be borne solely by the same Beneficiaries. Without prejudice to the provisions of Article 20 of these Rules.

16. Rules for specific situations

In specific situations, which may involve changes to the shareholding structure or the corporate perimeter, the Board of Directors will adjust one or both of the following items for the Options not yet exercised: the ratio between the number of Options and the number of underlying Shares (or underlying Shares of other companies in the event of mergers and demergers) and/or the Exercise Price, if this does not create a general injury for the category of Beneficiaries under current tax regulations.

The adjustments referred to above may occur in, for example, but by no means limited to, the following events:

- grouping and splitting of Shares;
- free increase of De' Longhi's share capital;
- increase by payment of De' Longhi's share capital with the issue of Shares;
- merger and/or demerger of the Company (except possible intra-group mergers and demergers, at the sole decision of the Board of Directors);
- distribution of extraordinary dividends by withdrawing from De' Longhi's reserves;
- reduction of De' Longhi's share capital.

Any rounding that may be necessary due the existence of fractions must be rounded down.

In cases where there is a Change of Control, the Beneficiary will be granted the right to exercise all the Options assigned without having to wait for the Exercise Period provided for in Article 11 of these Rules, without prejudice to the right of the Board of Directors to provide more favourable conditions for the

Beneficiaries with respect to that indicated in these Rules. The Board of Directors will establish the term within which it will be possible to exercise the Options. In any case, the established term cannot be less than 30 days or more than 180 days. The Board of Directors does not have the power to cancel the Plan. The Shares purchased and/or subscribed by the Beneficiary through the exercise of the Options upon a Change of Control will not be subject to any Holding Period restrictions.

It is the responsibility of the Board of Directors, in relation to each of the above operations, to define the adjustment criteria that will be communicated in writing to the Beneficiaries.

17. Rules in the event of termination of the employment relationship

In principle, the Beneficiary's right to exercise the Options is linked to maintaining the Relationship with the De' Longhi Group.

Without prejudice to the provisions of Article 18 below, and except for any different terms and conditions defined in the Letter of Assignment:

- in the event of termination of the Relationship in the case of Bad Leaver, the Beneficiary will definitely and automatically lose the right to exercise all the Options assigned to him and not yet exercised;
- in the event of termination of the Relationship in the case of Good Leaver, the Beneficiary will retain the right to exercise vested options (which may be exercised within the same terms and under the same procedures and conditions set out in sections 10 and 11), while the options not yet vested will lapse definitively on the date that the Relationship is effectively terminated. The Shares purchased and/or subscribed by the Beneficiary through the exercise of the Options already matured will not be subject to any Holding Period restrictions;
- In the event of termination of the Relationship, the Board of Directors may allow the Beneficiary to exercise all or part of the assigned Options as an exception to the terms specified in the Rules, setting a deadline for this which is in any case not less than thirty days, or – if the term of eighteen months since the date of approval of the Plan has not ended – assigning to other Beneficiaries the Options made available following the termination of the Relationship by one or more Beneficiaries.

It is understood that in the case of the transfer of the Relationship to another company in the De' Longhi Group and/or in the case of termination of the Relationship and simultaneous establishment of a new

Relationship within the De' Longhi Group, the Beneficiary will keep any and all rights attributed to him by the Rules.

18. Rules in the event of death and/or disability of the Beneficiary

In the event of death and/or permanent disability that does not allow the Beneficiary's Relationship to continue, the Options assigned to the Beneficiary, whether they are already exercisable or not at the date of the event (death and/or permanent disability that does not allow the Relationship to continue), may be exercised in full and immediately:

- in the event of death, by the heirs and in any case within the Exercise Period, subject to the persons concerned providing documentation proving, in accordance with the law, their legitimacy as heirs;
- in the case of permanent disability which does not allow the Relationship to continue, by the Beneficiary and in any case within the Exercise Period.

In such cases, the Shares purchased and/or subscribed through the exercise of the Options will not be subject to any Holding Period restrictions.

19. Attribution of rights with regard to the employment relationship

No provision of these Rule attributes Beneficiaries, who are in an employment Relationship with the Companies of the De' Longhi Group, any right regarding:

- the continuation of the existing Relationship with the De' Longhi Group;
- the limitation, restriction or impairment in any way of the Company's right to terminate the existing Relationship with the Beneficiaries (except as differently provided in the respective employment agreements and/or individual agreements);
- the definition of different levels of incentives compared to those referred to in this Plan.

The Board of Directors, upon the proposal of the Chief Executive Officer, according to the specific competences, may determine from time to time whether any leaves of absence requested by the Beneficiary can be considered as an interruption of the Relationship, only for the sole purpose of revising the number of Options that can be exercised.

Furthermore, having regard to the occasional and extraordinary nature of this Plan, any incentive arising from the individual Beneficiary's participation in this Plan cannot in any way be considered an integral part

of his or her normal remuneration and, therefore, the relative amount shall be excluded from the basis for calculating the severance indemnity pursuant to Art. 2120 of the Civil Code and/or any sum related to the termination of the relationship (including the indemnity in lieu of notice pursuant to Art. 2121 of the Civil Code and the additional indemnity provided for by the applicable national collective labour agreement). In any case, this incentive shall be understood as already including any relative impact on the direct and indirect remuneration institutes governed by applicable collective and individual employment contracts in force and by law, this having been taken into account when determining the number of Options to be allocated to each Beneficiary of the Plan, and therefore has no further effect on the calculation of the same.

20. Management and Participation in the Plan

Without prejudice to the competences of the Board of Directors and the Remuneration and Appointments Committee with regard to the Company's CEO, the Plan is managed by the Company's CEO with the support of the relevant corporate structures. The Board of Directors, upon the proposal of the Remuneration and Appointments Committee and having heard the opinion of the Board of Statutory Auditors, approves and updates the Plan guidelines.

The Board of Directors will use a specialist external company to manage the plan. This external company, with the support of a financial intermediary, will operate on the basis of a specific appointment granted by the Company and must comply with the Rules.

With regard to participation in the Plan, the following is established:

- each Beneficiary is notified in writing by the Company, delivered by hand or sent by registered mail with return receipt (Letter of Assignment), of his insertion in the Plan, in which the number of Options assigned, the Exercise Price and the Exercise Period are specified;
- a copy of the Rules for the Plan are attached to the Letter of Award, together with a copy of the model Exercise Sheet.

Beneficiaries who wish to participate in the Plan must complete, initial each page, sign and return to the Company a copy of the Letter of Assignment, of these Rules and of the Exercise Sheet, within 15 working days after the date of receipt, for the attention of the Head of Human Resources and Organization of the De' Longhi Group.

21. Claw-back Clause

The Company reserves the unilateral right to obtain the revocation of the Options and/or the restitution, in whole or in part, of the Shares purchased and/or subscribed by the Beneficiary following exercise of the Options assigned to them, without prejudice to the reimbursement of the amount already paid by the Beneficiary upon exercise of the Options, if, within the term of three years from the vesting date of the assigned Options, it is established that the share value has been influenced by the Beneficiary engaging in any one of the following:

- fraudulent conduct or gross negligence to the Company's detriment;
- conduct that is contrary to the law and/or company regulations;
- breach of the obligations of loyalty and proper management;
- conduct which results in a significant economic or financial loss for the Company.

If the Shares have already been sold, the Company reserves the right to obtain a refund of the capital gains earned from the sale of the Shares, if necessary by compensating the Beneficiary's remuneration and/or end of employment commissions.

22. Tax treatment

The Beneficiary's income tax and Tobin tax, where applicable, related to exercising the Options, upon delivery of the Shares and upon the subsequent sale of the Shares will be borne by the same Beneficiary. Consequently, if withholding taxes required by law are due, the Beneficiaries will be required to promptly provide the necessary funds to allow the Company to make payments due as substitute tax.

23. Jurisdiction

The Plan, the Rules and their annexes are governed by Italian law.

Any dispute arising from, originating with or dependent on, or in any case related to the Plan, the Rules or their annexes, shall be brought before the Court of Treviso.

24. Confidentiality

Beneficiaries undertake not to disclose to third parties the contents relating to their participation in the Plan, except for that strictly required for the performance of any mandatory legal obligations.

25. Various provisions

Any communication sent in relation to the Plan (including any service of legal documents) must be made in writing and sent by registered letter with return receipt, or delivered by hand, signed for receipt, and addressed as follows:

- to the Company: for the attention of the Head of Human Resources and Organisation of the De' Longhi Group at the Company's registered office;
- to the Beneficiary: at the Beneficiary's address as recorded in the Company's registers.