ARISTON HOLDING N.V.

EXPLANATORY REPORT OF THE BOARD OF DIRECTORS

PURSUANT TO ARTICLES 114-*BIS* AND 125-*TER* ITALIAN CONSOLIDATED LAW ON FINANCIAL INTERMEDIATION AND ARTICLE 2:135, PARAGRAPH 5 DUTCH CIVIL CODE

General Meeting of 3 June 2025

2025 ARISTON SHARE UNITS PLAN

Dear Shareholders,

The proposed Group's Remuneration Policy includes the grant of share units as part of variable remuneration to incentivize key executives and employees. The goal is to drive medium- and long-term growth and align leadership efforts with the sustainable creation of value for shareholders.

More, under the proposed Group's Remuneration Policy, the long-term incentive plan for Beneficiaries (excluding the Executive Chair) consists of a combination of performance share units (PSUs) and restricted stock units (RSUs), with a greater focus on PSUs. For the Executive Chair, incentives continue to be granted exclusively in the form of PSUs.

In addition, the Group's Remuneration Policy envisages the possibility of granting exceptional one-off retention and performance bonuses, as needed, to attract and retain highly qualified key managerial competences, maintaining market share in a highly competitive environment, serving the long-term interest and sustainability of the Company and ensuring its viability.

Therefore, the board of directors, following the proposal of the Compensation and Talent Development Committee, and with the abstention of the executive members of the board of directors of the company, resolved to submit for approval this 2025 share units plan, for selected key executives and employees of the Group's companies. Such plan targets selected beneficiaries in managerial roles within the Company and its subsidiaries, aiming to support corporate growth objectives while fostering retention of critical talent.

This 2025 Share Units Plan includes two plans, namely:

- **Long-Term Incentive Plan (LTI)**

  The Long-Term Incentive Plan is aimed at achieving growth results over the medium and long term and aligning Executive Directors' interests with the pursuit of the priority objective of sustainable creation of value for shareholders. It consists of a share-based payment, achieved by a combination of performance share units and restricted stock units grant. The units will be granted to Beneficiaries free of charge and on a personal basis, and cannot be transferred, except as otherwise indicated. The number of shares that will vest with respect to the PSUs will be determined, by weighing together the degree to which the following Performance Objectives have been achieved by the end of the Performance Period:

  (i) Group Adjusted EBIT (weighing 40% of the total performance scorecard);

  (ii) Group Net Turnover (weighing 30% of the total performance scorecard);

  (iii) relative total shareholders return (TSR), measuring the performance of the ordinary shares *vis-à-vis* the shares of selected competitors (weighing 15% of the total performance scorecard); and

  (iv) a Sustainability (ESG) objective, measured as Scope 4 $CO2$ emissions avoided at the end of the Performance Period, from a 2020 baseline, thanks to the renewable and high efficiency products the Group sells with respect to the efficiency of the installed park in the regions it operates (weighing 15% of the total performance scorecard).

  The period for assessing performance foresees a three-year vesting period and, only for beneficiaries who are executive members of the board of directors of the company, a lock-up provision of two years on an amount equal to 30% of the ordinary shares delivered (i.e. net of sell to cover).

- **Extraordinary Award Plan (EAP)**

  The Extraordinary Award Plan is aimed at rewarding the achievement of specific projects and/or extraordinary performances and strengthening retention of key people, especially during periods of economic uncertainty or transition, thereby contributing to stability and continuity in management. The plan consists of a share-based payment, achieved by a restricted stock units grant only. The units will be granted to Beneficiaries free of charge and on a personal basis, and cannot be transferred, except as otherwise indicated.

This 2025 share units plan provides for the adoption of claw back mechanism, including in the event that the achievement of the performance objectives is the result of wilful misconduct or if the applicable regulations (whether corporate or legal) are breached by the beneficiaries.

The maximum number of units to be granted under this plan will be equal to a maximum amount of € 14.000.000, of which in particular € 3.675.000 for the executive members of the board of the company.

Should the target on PSUs be achieved at 100%, and presuming that the grant price will be equal to the stock price upon units conversion into ordinary shares, the maximum disbursement of the company for this 2025 share units plan will be equal to € 14.000.000 million.

In the following section of this report, the board of directors of the company sets out all the details regarding the plan (the key feature of which have just been explained), in accordance with Article 84-*bis* of the CONSOB regulation no. 11971/1999 (**Issuer's Regulation**) and in line with the indications given in the related Annex 3A – Scheme 7, with the aim of informing our shareholders and the market about the proposed adoption of this plan.

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GLOSSARY

For the purpose of this plan the capitalized terms and expressions listed in the table below have the meanings ascribed to them in the adjacent column.

Acceptance Task	The task that the beneficiary needs to complete on the Global Shares platform as a sign of their full and unconditional acceptance of the Plan and the related Rules.
Ariston Group	The Company and the Subsidiaries, jointly.
Beneficiaries	The Executive Directors, and/or the Directors of Subsidiaries, and/or Employees, and/or Collaborators of the Ariston Group identified as Beneficiaries and to whom Units will be granted.
Board of Directors	The board of directors of the Company.
Borsa Italiana	Borsa Italiana S.p.A. with head office in Milan, Piazza degli Affari no. 6.

Company or Issuer	Ariston Holding N.V.
Compensation and Talent Development Committee	The Compensation and Talent Development Committee of the Company.
Collaborator	An individual who regularly works for one or more Ariston Group companies under a contractual relationship, other than an Employee, an Executive Director, and a Director of a Subsidiary.
Director(s) of Subsidiaries	The member(s) of the board of directors of any company of the Ariston Group other than the Issuer.
Employee	An individual who has an employment relationship with the Issuer or any other company of the Ariston Group.
Executive Chair	The Executive Director designated as executive chair of the Company in accordance with article 18.5 of the Company's articles of association.
Executive Directors	The executive member of the Board of Directors.
Extraordinary Award	An extraordinary award of RSUs to the Beneficiary under the Extraordinary Award Plan, aiming at (i) rewarding the Beneficiary for achievements of particularly positive results and/or (ii) retaining the Beneficiary.
Extraordinary Units	All RSUs granted under Extraordinary Award to Beneficiaries pursuant to the Extraordinary Award Plan.
Grant Price (FMV)	The value equal to the arithmetic average of the official stock exchange closing price of the Ordinary Share during the 30 trading days preceding the grant of the Units.
Group Adjusted EBIT Objective	The Ariston Group's cumulative Adjusted EBIT at the end of the Performance Period, as reflected in the Company's financial statements as of 31 December 2025, 2026 and 2027. This value is calculated excluding the Adjusted EBIT, valued at the time of acquisition, of companies that entered the Ariston Group's perimeter during the Performance Period, unless differently specified. In the above case of exclusion, the value will include the change (increase or decrease) in the Adjusted EBIT of said companies calculated between the time of acquisition and the end of the Performance Period.
Group Net Turnover Objective	Ariston Group's cumulative net turnover at the end of the Performance Period, *i.e.*, the sum of revenues net of value added tax, minus any returns of goods or discounts. This value

	is calculated excluding the revenues, measured at the time of acquisition, of companies which entered Ariston Group's perimeter during the Performance Period, but including the change (increase or decrease) in the revenues of these companies, measured between the time of acquisition and the end of the Performance Period.
Group’s Remuneration Policy	The group’s remuneration policy, available on the Company website, www.aristongroup.com Governance/Corporate-Regulation’s section.
Information Document	This information document drawn up pursuant to Art. 84-*bis* of the Issuers’ Regulation and consistently with the instructions contained in the Annex 3A, Scheme 7 of the Issuers’ Regulation.
Ordinary Shares	Ariston ordinary shares, which are listed on Euronext Milan, a regulated market organized and managed by Borsa Italiana.
Ordinary Units	All PSUs and RSUs granted to Beneficiaries under the Long-Term Incentive Plan.
Performance Objectives	The Group Adjusted EBIT Objective, the Group Net Turnover Objective, the TSR Objective and the Sustainability (ESG) Objective.
Performance Period	The period between 1 January 2025 and 31 December 2027, in relation to which the Performance Objectives are set.
PSU or Performance Share Unit	The right to receive a certain number of Ordinary Shares, after the Performance Period, on the basis of the Performance Objectives achieved and subject to the conditions set out under this Plan.
Plan	This 2025 share units plan approved by the Board of Directors on 9 April 2025, after consultation with the Compensation and Talent Development Committee.
Relationship	The employment and/or directorship relationship and/or contractual relationship between a Beneficiary and the Company or one of its Subsidiaries. If the same Beneficiary has an employment relationship and a directorship relationship, only the directorship relationship will be taken into account for the purposes of this Plan.
RSU or Restricted Share Unit	The right to receive for free one Ordinary Shares, subject to the vesting conditions set out under this Plan.
Rules	The Plan’s criteria, methods and implementation terms which were approved by the Board of Directors in accordance with this Plan, as subsequently amended and supplemented.

Shareholders' Meeting	The Company's shareholders' meeting called on 3 June 2025 to resolve, *inter alia*, on the approval of this Plan pursuant to Art. 114-*bis* of the Italian Consolidated Finance Act.
Subsidiaries	The Company subsidiaries pursuant to Art. 2359, Paragraph 1 of the Italian Civil Code.
Sustainability (ESG) Objective	The Company's performance regarding the environmental sustainability of Ariston Group's products in the Performance Period, measured as Scope 4 CO2 emissions avoided at the end of the Performance Period, from a 2020 baseline, thanks to the renewable and high efficiency products the Group sells with respect to the efficiency of the installed park in the regions it operates. This value is calculated on a fixed perimeter (*i.e.* excluding any new acquisitions during the performance period).
TSR Objective	The Company's total shareholder return compared to that of the companies in the peer group, with the comparison presented as a ranking from 1st to 11th place. *Relative Total shareholder return* is calculated as the percentage change in the total value of Ordinary Shares between (*x*) the average closing price of the share in the three months preceding the beginning of the performance period and (y) the average closing price of the share in the three months preceding the end of the performance period plus the dividends distributed to the Company's shareholders in the Performance Period.
Unit	All RSUs and PSUs granted to Beneficiaries free of charge under the Long-Term Incentive Plan and/or under the Extraordinary Award Plan. Each Unit is not transferable *inter vivos* and will give Beneficiaries the right to receive one Ordinary Share subject to the terms and conditions set out in this Plan, and in accordance with the Rules.

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SECTION A – LONG-TERM INCENTIVE PLAN

1. THE BENEFICIARIES OF THE LONG-TERM INCENTIVE PLAN

The Beneficiaries and the number of Ordinary Units to be granted to each of them have not been finalised yet. In all likelihood, however, the beneficiaries will include the company's Executive Directors: the Executive Chair, Paolo Merloni and the chief executive officer, Maurizio Brusadelli.

Indeed, the final identification of the Beneficiaries will be performed by the following competent corporate bodies authorised to implement the Plan, as approved by the Issuer's general meeting:

a. the Board of Directors, following consultation with the Compensation and Talent Development Committee, if the Beneficiary is an Executive Director or carries out general management duties at the Issuer; or

b. the Executive Directors of the Issuer, if the Beneficiary is an individual other than those referred to in paragraph a) above.

For the purposes of identifying the Beneficiaries, the competent corporate bodies shall take into account the importance of the position held by each Beneficiary in the Group as well as selected talent, and the Issuer's interest in scaling long-term incentives as part of its strategy.

The competent corporate bodies shall, in any case, abide by the quantitative limits approved by the Issuer's general meeting.

Please note that the Grant Price of the Ordinary Units is based on the arithmetic average of the official stock market closing prices in the 30 trading days preceding the grant of the Ordinary Units. By using this methodology of determination of the Grant Price, the effect of any sudden increases or decreases in the price of the Ordinary Shares close to the grant date is neutralized. Moreover, the Ordinary Units have a medium to long term Performance Period, which makes short-term fluctuations in the price of the Ordinary Shares less relevant.

Beneficiaries may belong to one of four categories in the Ariston Group: Executive Directors, Directors of Subsidiaries, Employees, and Collaborators.

The competent corporate bodies may assign Ordinary Units under this Plan until 31 December 2025.

For each Beneficiary, with the exception of the Executive Chair, the Ordinary Units will be granted as follows: (i) 60% in the form of PSUs and (ii) the remaining 40% in the form of RSUs. Conversely, the Ordinary Units assigned to the Executive Chair will be granted entirely in the form of PSUs.

The Ordinary Units granted are governed by the same rules regardless of the category to which each Beneficiary belongs.

The information relating to the effective recipients of the Ordinary Units will be disclosed to the public upon implementation of the Plan in accordance with applicable law and regulations.

2. REASONS JUSTIFYING THE ADOPTION OF THE LONG-TERM INCENTIVE PLAN

The Long-Term Incentive Plan is a tool for achieving growth results in the medium and long term and aligning Beneficiaries' interests with the pursuit of the priority objective of sustainable creation of value for shareholders and stakeholders.

For the purposes of determining the number of Ordinary Units that can be granted to each Beneficiary, the competent corporate body considers the importance of the position held by each Beneficiary in Ariston Group, and the Issuer's interest in scaling long-term incentives as part of its strategy.

The established timeframe – a three-year period – was determined to prevent short-term strategy from compromising the effectiveness of the management incentive scheme, such as effects on the achievement of certain targets.

The Long-Term Incentive Plan is developed over a period of time deemed appropriate for the achievement of the objectives of incentive and retention and is prepared in accordance with the Group's Remuneration Policy.

3. PERFORMANCE INDICATORS OF THE LONG-TERM INCENTIVE PLAN AND VESTING OF THE ORDINARY UNITS GRANTED.

The Long-Term Incentive Plan provides for the grant to the Beneficiaries, free of charge, of Ordinary Units that subsequently convert into Ordinary Shares under the conditions established in this Plan and in accordance with the Rules.

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3.1 PSUs

The vesting of the PSUs and the corresponding conversion into Ordinary Shares are subject to verification by the Board of Directors of the degree to which one or more Performance Objectives have been achieved by the end of the Performance Period.

The Performance Objectives are: (*i*) the Group Adjusted EBIT Objective; (*ii*) the Group Net Turnover Objective; (*iii*) the TSR Objective; and (*iv*) the Sustainability (ESG) Objective. These Performance Objectives are communicated to the Beneficiaries in the Rules and are disclosed to the market by publication of the Company's remuneration report and/or the annual report.

Each Performance Objective has an incentive payout curve that links the conversion *ratio* into Ordinary Shares with the degree of achievement of the Performance Objective, based on the following performance levels:

(i) a minimum performance threshold, below which each PSU convert into no Ordinary Share;

(ii) a target performance level, the reaching of which will result in a 1:1 conversion ratio of PSUs into Ordinary Shares; and

(iii) a maximum performance level, the reaching or exceeding of which will result in a 1:1.5 conversion ratio of PSUs into Ordinary Shares.

The actual performance level – and thus the number of Ordinary Shares which the PSUs will convert into – will be the number resulting from the weighted average of the results pertaining to the Group Adjusted EBIT Objective (40% weight), the Group Net Turnover Objective (30% weight), the TSR Objective (15% weight) and the Sustainability (ESG) Objective (15% weight), each calculated in accordance with the respective performance level and shall be determined by the Board of Directors, having obtained the opinion of the Compensation and Talent Development Committee, based on the level of achievement of the Performance Objectives as resulting from the consolidated financial statements of the Group, approved by the Shareholders' Meeting of the Company and, as to the results relating to the TSR Objective, having regard to the calculations provided by the financial management of the Company, in any event taking into account that in the pursuit of the Performance Objectives the Group shall avoid excessive debt.

Each Performance Objective will be relevant for PSU conversion purposes as shown in the following tables:

a. Group Adjusted EBIT Objective (40% weight) – calculated on a continuous, non-discretionary basis and expressed as a percentage of achievement of the underlying target:

	Minimum	Target	Maximum
Group Adjusted EBIT	-10% *(vs Business Plan)*	Business Plan	+10% *(vs Business Plan)*

b. Group Net Turnover Objective (30% weight) – calculated on a continuous, non-discretionary basis and expressed as a percentage of achievement of the underlying target:

	Minimum	Target	Maximum
Group Net Turnover	-8% *(vs Business Plan)*	Business Plan	+8% *(vs Business Plan)*

c. TSR Objective (15% weight)

Rank	Achievement	% of Units vesting
1st - 2nd	**Maximum**	**150%**
3rd - 4th	Over performance	125%
5th - 6th	**Target**	**100%**
7th - 8th	Under Performance	75%
9th - 10th	**Minimum**	**50%**
11th	***No pay-out***	

2025 Peer Group
A.O.Smith Corporation
Carel Industries
Carrier
Daikin
Lennox
Munters Group
Nibe
Systemair
Trane
Zehnder

d. Sustainability (ESG) Objective (15% weight) – calculated on a continuous, non-discrete basis

	Minimum	Target	Maximum
Sustainability (Mtons CO2 avoided)	46,2	50,2	54,2

3.2 RSUs

The number of Ordinary Shares to be allocated to the relevant Beneficiary shall be equal to the number of RSUs granted to him/her under the Long-Term Incentive Plan.

The RSUs granted under the Long-Term Incentive Plan shall vest at the end of the Performance Period.

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The Ordinary Units vested will convert into an equal number of Ordinary Shares which will be transferred to each Beneficiary following a special notice from the Company by the end of the month in which the Shareholders meeting of 2028 takes place or at the soonest possible date. The Ordinary Shares will be awarded free of charge; Beneficiaries will thus not have to pay any consideration to the Company for them.

With reference to this Information Document, please note that:

- this Long-Term Incentive Plan is subject to the *malus* and clawback provisions laid down in Article 2:135 (6) and (8) of the Dutch Civil Code;
- the approval of this Long-Term Incentive Plan was not influenced by tax or accounting considerations and will be implemented, in the Issuer's interests, in compliance with tax and accounting provisions in force from time to time; and that
- this Plan will not benefit from the support of the *Fondo speciale per l'incentivazione della partecipazione di lavoratori nelle imprese* (the Italian fund to promote employee shareholding).

SECTION B – EXTRAORDINARY AWARD PLAN

4. THE BENEFICIARIES OF THE EXTRAORDINARY AWARD PLAN

The Beneficiaries and the number of Extraordinary Units to be granted to them have not been finalised yet. The final identification of the Beneficiaries will be performed by the following competent corporate bodies authorised to implement the Plan, as approved by the Issuer's general meeting:

a. the Board of Directors, following consultation with the Compensation and Talent Development Committee, if the Beneficiary is an Executive Director or carries out general management duties at the Issuer, and without prejudice to the provisions of the Group's Remuneration Policy; or

b. the Executive Directors of the Issuer, if the Beneficiary is an individual other than those referred to in paragraph a) above.

The Beneficiaries will not include the Company's Executive Chair, Paolo Merloni.

For the purposes of identifying the Beneficiaries, the competent corporate bodies shall take into account the importance of the position held by each Beneficiary within the Group, as well as retention, promotability, and extraordinary recognition criteria, and the Issuer's interest in scaling long-term incentives as part of its strategy.

The competent corporate bodies shall, in any case, abide by the quantitative limits approved by the Issuer's general meeting.

It is understood that any Extraordinary Unit granted to an Executive Director under this Extraordinary Award Plan represents an exceptional one-off bonus granted under exceptional circumstances and aimed at (i) attracting and retaining highly qualified key managerial competences and/or (ii) rewarding Beneficiaries that have achieved extraordinary performance results, thus contributing to the long-term prospects and sustainability of the Company. Consequently, such Extraordinary Units shall be granted in compliance with paragraph 7 of the Group's Remuneration Policy, as an exception to the variable incentive schemes set forth therein.

Please note that the Grant Price of the Extraordinary Units is based on the arithmetic average of the official stock market closing prices in the 30 trading days preceding the grant of the Extraordinary Units. By using this methodology of determination of the Grant Price, the effect of any sudden increases or decreases in the price of the Ordinary Shares close to the grant date is neutralized. Moreover, the Extraordinary Units have a medium to long term performance period, which makes short-term fluctuations in the price of the Ordinary Shares less relevant.

Beneficiaries may belong to one of four categories in the Ariston Group: Executive Directors, Directors of Subsidiaries, Employees, and Collaborators.

The competent corporate bodies may assign Extraordinary Units under this Plan until the day prior to the annual general meeting to be held in 2026.

The Extraordinary Units granted are governed by the same rules regardless of the category to which each Beneficiary belongs.

The information relating to the effective recipients of the Extraordinary Units will be disclosed to the public upon implementation of the Plan in accordance with applicable law and regulations.

5. REASONS JUSTIFYING THE ADOPTION OF THE EXTRAORDINARY AWARD PLAN

The Extraordinary Award Plan is an extraordinary tool designed to reward the achievement of specific projects and/or extraordinary performances and strengthen retention of key people, especially during periods of economic uncertainty or transition, thereby contributing to stability and continuity in management.

For the purposes of determining the number of Extraordinary Units that can be assigned to each Beneficiary, the competent corporate bodies shall take into account the importance of the position held by each Beneficiary within the Group, as well as retention, promotability, and extraordinary recognition criteria, and the Issuer's interest in scaling long-term incentives as part of its strategy.

The established timeframe was determined to prevent short-term strategy from compromising the effectiveness of the management incentive scheme, such as effects on the achievement of certain targets.

The Extraordinary Award Plan features are deemed appropriate for the achievement of the pursued objectives, in accordance with the Group's Remuneration Policy.

6. PERFORMANCE INDICATORS OF THE EXTRAORDINARY AWARD PLAN AND VESTING OF THE EXTRAORDINARY AWARDS GRANTED.

The Extraordinary Award Plan provides for the grant to the Beneficiaries, free of charge, of Extraordinary Units that subsequently convert into Ordinary Shares under the conditions established in this Plan and in accordance with the Rules.

The number of Ordinary Shares to be allocated to the relevant Beneficiary shall be equal to the number of RSUs granted to him/her as Extraordinary Award.

The RSUs granted as an Extraordinary Award shall vest over a period which:

a. shall be determined by the competent corporate bodies entrusted with the implementation of the Plan, considering retention, promotability and extraordinary recognition criteria; and

b. shall be notified to the Beneficiary at the time of grant of the relevant Extraordinary Units.

For the avoidance of doubt, such vesting period shall not be shorter than 18 months nor longer than 36 months from the relevant granting date.

The Company shall transfer the Ordinary Shares within two designated time windows each year, falling in June and December.

The Extraordinary Units vested will convert into an equal number of Ordinary Shares which will be transferred to each Beneficiary following a special notice from the Company within the time window immediately following the relevant vesting date (e.g., if the vesting date falls on 28 February, the Ordinary Shares shall be awarded in June; if the vesting date falls on 31 August, the awarding shall take place in December).

With reference to this Information Document, please note that:

- This Extraordinary Award Plan is subject to the *malus* and clawback provisions laid down in Article 2:135 (6) and (8) of the Dutch Civil Code;
- the approval of this Extraordinary Award Plan was not influenced by tax or accounting considerations and will be implemented, in the Issuer's interests, in compliance with tax and accounting provisions in force from time to time; and that

- this Extraordinary Award Plan will not benefit from the support of the *Fondo speciale per l'incentivazione della partecipazione di lavoratori nelle imprese* (the Italian fund to promote employee shareholding).

SECTION C – OTHER GENERAL PROVISIONS GOVERNING THE LONG-TERM INCENTIVE PLAN AND THE EXTRAORDINARY AWARD PLAN

7. METHODS AND IMPLEMENTATION CLAUSES OF THE PLAN, DURATION AND CONDITION FOR THE GRANT OF ORDINARY SHARES

On proposal of the extraordinary Compensation and Talent Development Committee of 2 April 2025, the Board of Directors on 9 April 2025 resolved, with the abstention of the interested Executive Directors, to submit the Plan to the approval of the Shareholders' Meeting.

The Shareholders' Meeting will be called to resolve not only the approval of this Plan, but also to grant the Board of Directors all powers necessary or advisable to execute such Plan, in particular (merely by way of example but not limited to) all powers for identifying the Beneficiaries and for determining the number of Units to be granted to each one of them, for making the grants to the Beneficiaries, and for carrying out every action, fulfilment, formality and communication necessary or expedient for the management and/or implementation of this Plan.

It is proposed to grant the Board of Directors with all powers necessary or expedient to execute the Plan, in particular all powers for identifying the Beneficiaries and for determining the number of Units to be granted to each one of them, for making the grants to the Beneficiaries, and for carrying out every action, fulfilment, formality and communication necessary or expedient for the management and/or implementation of the this Plan, with powers to delegate its own powers, duties and responsibilities regarding the execution and application of the such Plan to the Executive Directors, also separately from each other, it being understood that every decision regarding and/or pertaining to the grant of the Units to the Beneficiaries, who are also Executive Directors, shall remain the sole responsibility of the Board of Directors. The Compensation and Talent Development Committee will perform advisory and proposal-making functions for implementing the Plan pursuant to the Group Remuneration Policies.

It is also proposed to grant the Board of Directors with the power to introduce any amendment or supplement to the Plan it deems useful or necessary to better pursue the objectives of the same Plan regarding the interests of the Issuer, adopting the most expedient methods. Within such power, the Board (with the abstention of the Executive Directors), having obtained the opinion of the Compensation and Talent Development Committee, may, in its sole discretion, adjust, downwards or upwards, the amount of PSUs that will be converted if, in the reasonable opinion of the Board, the conversion *ratio* of the PSUs into Ordinary Shares insufficiently reflects the Group's overall performance during the Performance Period considering the external context.

The Plan includes the grant to the Beneficiaries, free of charge, of Units that give the right to receive, again for nil consideration, the Ordinary Shares in the *ratio* of 1 Ordinary Share every 1 Unit accrued. The Issuer's competent corporate bodies may acquire and/or issue the Ordinary Shares to serve the Plan in accordance with applicable legislation and regulations. It is within the discretionary powers of the Board of Directors to decide whether to acquire the

Ordinary Shares on the market when the Units are assigned or to enter into derivatives contracts to hedge the risk of price fluctuations, or to raise the capital to serve the Units by another means (*e.g.*, a capital increase).

In the absence of specific delegation of powers and notwithstanding the ordinary administration of the Plan, each director of the Company who is not a member of the Compensation and Talent Development Committee contributes to the implementation of the Plan only in his capacity as a member of the Issuer's management body. If a conflict of interest arises, the general provisions and procedures governing transactions in the event of conflicts of interest shall apply. None of the non-executive members of Board of Directors will be a Beneficiary of Units under this Plan; thus none of the members of the Issuer's Compensation and Talent Development Committee will be a Beneficiary of Units under this Plan.

8. LIMITS TO THE TRANSFER OF THE UNITS AND THE ORDINARY SHARES GRANTED

The Units are personal, non-transferable, and they cannot be pledged or given as a guarantee to the Company, to the Subsidiaries or to third parties. In general, the Units cannot be the subject matter of any type of contract, including derivative contracts.

The grant of the Units during the validity of the Plan shall give no right or expectation to the grant of Units over the years to come, nor to maintaining the existing relationship between the Beneficiaries and the Issuer, or the Subsidiaries, which will continue to be regulated following the applicable rules in effect of the current laws.

The Units can be converted into Ordinary Shares only by the Beneficiaries, unless otherwise provided for in the case of death or disability of the Beneficiary.

No restrictions apply to Beneficiaries in transferring the Ordinary Shares delivered after the accrued Units are converted, except for Executive Directors who will be required to continuously hold, for a period of two years following the Performance Period a number of Ordinary Shares equal to 30% of those delivered (net of sell to cover) under the Long Term Incentive Plan.

Any attempt to sell, assign, encumber or transfer the Units, and any hedging operations on the Units by a Beneficiary before the transfer of the Ordinary Shares, will be invalid and in any case ineffective against the Issuer and will automatically lead to that Beneficiary's loss of his/her Units.

Beneficiary's right to Ordinary Shares is intrinsically and functionally linked to the continuation of the Beneficiary's Relationship with the Company or its Subsidiaries. Therefore, if the Beneficiary's Relationship terminates before the conversion of the Units into Ordinary Shares, all Units granted to the Beneficiary will be permanently cancelled, with the Beneficiary's consequent loss of the right to Ordinary Shares. This unless the Board of Directors decides otherwise in a more favorable way for the Beneficiary.

If a Beneficiary's Relationship terminates after the termination of the Performance Period (or, with respect of the RSUs granted pursuant the Extraordinary Award Plan, following the vesting of the Extraordinary Units) but before the conversion of the Units into Ordinary Shares, because of dismissal, revocation or non-renewal by the Company for just cause, disciplinary reasons, or any other serious reasons foreseen in the local legislation as cause or disciplinary reason, all Units granted to that Beneficiary will be permanently cancelled, with the

Beneficiary's consequent loss of the right to Shares. This unless the Board of Directors decides otherwise in a more favorable way for the Beneficiary.

In all cases of termination of the Relationship other than those referred to the paragraph above, the Beneficiary concerned (or his/her heirs) will retain the right to the Ordinary Shares.

It is understood that: (i) the natural expiry of an Executive Director and/or Director of Subsidiary's term of office followed by the immediate and uninterrupted renewal of the directorship will not be considered termination of the Relationship; and (ii) a Beneficiary subject to disciplinary action will have his/her right to the Ordinary Shares suspended from the moment a disciplinary letter is sent/delivered to him/her until he/she receives a notice from the Company or Subsidiary whereby the disciplinary penalty is applied or that states that it does not intend to apply any disciplinary penalties.

If a Relationship is transferred from the Company or a Subsidiary to another Ariston Group company, or if a Relationship is terminated and a new Relationship is simultaneously entered into within the Ariston Group, the Beneficiary will retain, *mutatis mutandis*, all Units granted to him/her under these Rules.

With reference to this Information Document, please note that:

- except for what is stated in the paragraphs above, there are no other causes for cancellation of the Plan;
- no "redemption" clauses are provided by the Company for the Units covered by the Plan and for the Ordinary Shares stemming from their conversion, without prejudice to what is provided above with reference to the clawback;
- the Issuer's expected liability shall be calculated with reference to the actual dates on which the Units are assigned, according to the Black-Scholes method; and
- any dilutive effects from the implementation of the Plan will depend on whether the Issuer has chosen to raise capital through purchases on the market or through a capital increase. Notwithstanding the Regulation authorising the Issuer to implement the Plan through either the purchase of Ordinary Shares that have already been issued or via a capital increase; in the event of a capital increase, the Issuer expects a *de minimis* dilution.

9. EXTRAORDINARY TRANSACTIONS

In any of the cases listed below, the Board of Directors may amend or supplement the Plan, independently and without the Company shareholders' approval, in any way it considers necessary or appropriate to avoid changing, within the limits allowed in accordance with applicable law and regulations from time to time, the Plan's substantive and economic content and in the spirit of maintaining alignment between the Beneficiaries' interests and Shareholders' interests, with the common aim of creating sustainable value, including in consideration of other stakeholders' interests: (*i*) extraordinary transactions that involve the Company's share capital and that are not expressly governed by the Rules such as: mergers; spin-offs; reductions in share capital due to losses through the cancellation of shares; reductions in the nominal value of shares due to losses; increases in the Company's share capital, whether free of charge or for cash, offered with or without pre-emption rights to shareholders, and which may also be paid for through contributions in kind; distribution of extraordinary dividends to shareholders; and reverse stock splits or share splits; (*ii*) events that are of an extraordinary or non-recurring nature or unrelated to the typical activity of the

Company or Ariston Group such as those events that (*x*) are considered particularly significant, or (y) are not currently envisaged in the business plans, and (*z*) entail a significant change to the Group's composition; (*iii*) significant changes in the macroeconomic or competitive landscape due to extraordinary events of significant impact that fall outside the scope of management's action; and (*iv*) any legislative or regulatory changes or other events that could affect the Units, Ordinary Shares, Ariston Group or Plan.

For example, the Board of Directors may amend – by supplementing or reducing, as the case may be – the following: (i) the definition, maximum number and/or features of the Units granted to Beneficiaries and/or Ordinary Shares governed by the Plan, with account taken of the number of Company treasury shares from time to time and/or the number of new Ordinary Shares resulting from any capital increases approved to service the Plan or any further incentive plans and Units granted under the Plan or under any further incentive plans, including share-based plans; (ii) the conditions for granting of the Ordinary Shares; and (iii) the Performance Objectives, including the companies in the peer group.

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COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS

Table 1, Schedule 7, Annex 3A of Regulation 11971/1999

Name or category	Position	Box 1						
		Financial instruments other than stock options (Performance Share Unit)						
		Section 1 Financial Instrument relating to plans currently being validated, approved on the basis of previous resolutions by shareholders' meeting						
		Date of general meeting resolution	Type of financial instruments	No. of financial instrument	Date of assignment	Instrument purchase price (if applicable)	Market price of the underlying shares on the assignment date (1)	Performance period
Paolo Merloni	**Executive Chair**	06.05.2024	PSU	218,124	06.05.2024	5.043	5.1	01.01.2024 – 31.12.2026
		04.05.2023	PSU	110,741	04.05.2023	9.9331	10.04	01.01.2023 – 31.12.2025
		28.04.2022	PSU	104,948	28.04.2022	9.5285	9.65	01.01.2022 – 31.12.2024
		26.11.2021	PSU	112,000	26.11.2021	10.25	10.25	01.01.2021 – 31.12.2023
Maurizio Brusadelli	**Chief Executive Officer**	06.05.2024	PSU	376,760	06.05.2024	5.043	5.1	01.01.2024 – 31.12.2026
		04.05.2023	PSU	208,776	03.08.2023	9.1007	8.43	01.01.2023 – 31.12.2025
Other beneficiaries	**Employees**	06.05.2024	PSU	1,191,297	06.05.2024	5.043	5.1	01.01.2024 – 31.12.2026
		04.05.2023	PSU	497,200	04.05.2023	9.9331	10.04	01.01.2023 – 31.12.2025
		28.04.2022	PSU	424,200	28.04.2022	9.5285	9.65	01.01.2022 – 31.12.2024

(1) Closing price of the underlying shares on the assignment date