MFE-MEDIAFOREUROPE N.V.:

EXPLANATORY DOCUMENT ON THE MEDIUM/LONG-TERM INCENTIVE AND LOYALTY PLAN FOR THE YEARS 2024, 2025, AND 2026 FOR MFE GROUP DIRECTORS AND MANAGERS

This explanatory document (the "**Document**") provides information on the medium/long-term incentive and loyalty plan for the fiscal years 2024, 2025, and 2026 (the "**Plan**") for directors, key officers, and employees of MFE-MEDIAFOREUROPE N.V. ("**MFE**" or the "**Company**") group in compliance with article 114-*bis* of the Italian consolidated financial act ("**TUF**").

This Document has been prepared by the MFE board of directors ahead of MFE shareholders annual general meeting called for 19 June 2024 to pass, *inter alia*, the proposal to adopt the Plan pursuant to articles 114-*bis* TUF and 2:135, § 5, of the Dutch civil code (the "**General Meeting**").

This Document is made available to the public at MFE Italian office in Cologno Monzese (Milan, Italy), viale Europa No. 46, and it is also published on MFE website («*Governance*» > «*Shareholders' Meeting*» area) at *www.mfemediaforeurope.com/en/* and on the storage system eMarket Storage at *www.emarketstorage.com*.

Definitions

For the purposes of this Document, and in addition to the terms already defined elsewhere in this Document, the terms indicated below have the meaning attributed to them as follows:

"**Adjusted Group Net Result**" means the «*net profit for the year attributable to the equity shareholders of the parent company*» recorded in the consolidated statement of income included in the Group consolidated annual report, as potentially adjusted, on the basis of the application of the "dividend method" (instead of the "equity method") in reporting the accounting value of investee companies over which MFE exercises significant influence. Such adjustment can be made by the Board of Directors for the purposes of this Plan only and to substantially maintain unchanged its economic and incentive content.

"**Application Form**" means the form prepared by the Company transmitted together with the Participation Notice, which shall be accepted by the Recipients to join the Plan.

"**Award Date**" means the date on which the Board of Directors awards, upon the proposal of the Committee, the Basic Rights and the Matching Rights to the Recipients.

"**Award Notice**" means the notice addressed by the Company to the Recipients, notifying that certain Basic Rights and Matching Rights have been awarded.

"**Basic Right**" means the rights awarded to the Recipient at the Award Date. The number of Basic Rights awarded to the Recipient calculating by dividing: *(i)* the Portion of the Short-Term Incentive Carried Over to the Plan; by *(ii)* the Market Price of the Shares as at the Award Date, rounded down to nearest integer.

"**Board of Directors**" means the board of directors of the Company.

"**Committee**" means the nomination and remuneration committee composed by and within the Board of Directors.

"**CO_2 Emissions**" mean the total emissions related to scope 1 as indicated in the non-financial information contained in the Group consolidated annual report.

"**Cycle**" means each of the 3 3-year cycles beginning on the first day of each Reference Year.

"**Delivery Date**" means the date, following to the end of the Vesting Period, on which the Company delivers a number of Shares equal to the number of the Rights vested (upon the proposal of the Committee) after determining to what extent the Performance Objectives have been attained and verifying that the Work Relationship is ongoing as at the end of the Vesting Period.

"**Eligible Recipient**" means: *(i)* any member of the Board of Directors; and *(ii)* any officer or employee of the Company and/or a Subsidiary, provided that such person performs key strategic functions within the Group (as determined by the Board of Directors) and is a beneficiary of the Short-Term Incentive Plan for the Reference Year.

"**Euronext Milan**" means the Italian regulated market Euronext Milan organised and managed by Borsa Italiana S.p.A.

“**Free Cash Flow**” means the «*free cash flow*» recorded in the consolidated condensed cash flow statement included in the Board of Directors report on operations contained in the Group consolidated annual report.

“**Group**” means the Company and its Subsidiaries.

“**Market Price of the Shares**” means the arithmetic average of the official prices of the Shares as recorded on Euronext Milan during the 30 days before the Award Date.

“**Matching Rights**” mean the rights awarded free of charge to the Recipient by the Board of Directors, which are equal to the number of the corresponding Basic Rights comprised in the relevant award of Rights.

“**Participation Notice**” means the written notice addressed by the Company to the Recipients, notifying the participation in a given Cycle. The Participation Notice is transmitted together with the Application Form, the Plan, and the Regulations. By signing the Application Form and sending it back to the Company, Recipients fully and unconditionally accept the Plan. In the Application Form, Recipients shall also notify the Company of the Portion of the Short-Term Incentive Carried Over to the Plan.

“**Performance Objectives**” mean the performance objectives that will be assessed to determine the percentage of Rights vested. These objectives will be set by the Board of Directors upon the proposal of the Committee and will pertain to the Group results as defined in the Regulations.

“**Portion of the Short-Term Incentive Carried Over to the Plan**” means the portion equal to 25% or 50% of the Short-Term Incentive Target Bonus for the Reference Year which a Recipient intends to convert into a Basic Rights award by opting for it in the Application Form.

“**Recipient**” means any Eligible Recipient identified by the Board of Directors upon the proposal of the Committee according to the employment category of each Recipient to be awarded the Rights under the Plan.

“**Reference Year**” means:

(i) for the first Cycle, the year 2024;

(ii) for the second Cycle, the year 2025; and

(iii) for the third Cycle, the year 2026.

“**Regulations**” mean the implementing regulations of the Plan to be adopted by the Board of Directors, governing the terms, conditions, and procedures for the full implementation of the Plan.

“**Rights**” mean the Basic Rights and Matching Rights awarded to Recipients under the terms and conditions set out in this Document, as implemented by the Regulations. Each Right grants the Recipients the right to be delivered one Share. For these Rights to vest and consequently for the underlying Shares to be delivered free of charge, the Board of Directors will first determine to what extent the Performance Objectives have been attained, while the relevant functions of the

Company will verify whether the Work Relationship is ongoing as at the end of the Vesting Period.

"**Share**" means an "A" ordinary share in the share capital of the Company, having a nominal value of EUR 0.06, listed, *inter alia*, on Euronext Milan.

"**Short-Term Incentive Plan**" means the annual short-term incentive plan of the Group.

"**Short-Term Incentive Target Bonus**" means the variable compensation that the Recipient may be awarded under the Short-Term Incentive Plan for each Reference Year.

"**Subsidiaries**" mean the subsidiaries of the Company based on the meaning of article 2:24a of the Dutch civil code. For the purposes of the Plan, this excludes subsidiaries whose shares are listed on regulated markets and their subsidiaries.

"**TSR**" means the total return for the shareholder, calculated according to the following formula:

[(TSR of the Shares x Average volume of the Shares during the period) + (TSR of MFE "B" ordinary shares x Average volume of MFE "B" ordinary shares during the period)] / (Average volume of the Shares + Average Volume of MFE "B" ordinary shares),

where:

(i) the average volume is determined as follows:

(number of shares at the beginning of the period + number of shares at the end of the period) / 2; and

(ii) TSR of shares is determined as follows:

[(closing price of shares - opening price of shares) + dividend] / opening price of shares,

where:

(a) opening price means the arithmetic average of the official prices of the shares calculated during the 30 days before the first day of the 3-year reference period;

(b) closing price means the arithmetic average of the official prices of the Shares calculated during the 30 days before the last day of the 3-year reference period; and

(c) dividends mean the cumulative dividends per share paid out during the 3-year reference period.

"**Vesting Period**" means the period starting on the Award Date and ending on the last day of the 36^{th} month thereafter.

"**Work Relationship**" means the corporate or employment relationship existing between each Recipient and the Company or its Subsidiary.

1 Recipients

1.1 Names of the Recipients who are members of the Board of Directors, of its parent company, and of its Subsidiaries.

The names of the Recipients are unavailable as at the date of this Document, as they will be identified by the Board of Directors after the latter has been authorised to do so by the General Meeting. Therefore, it cannot yet be determined whether these will actually include members of the Board of Directors or boards of directors of any Subsidiaries.

1.2 Categories of the Company employees or other personnel and those of the Company parent company or Subsidiaries.

The Plan is reserved to Eligible Recipients.

1.3 Names of the Recipients under the Plan who fall within the following groups:

(a) **executive directors of the Company:**

Not applicable.

(b) **other key management personnel of the Company (if not "small size" company within the meaning of article 3, § 1, lett. *(f)*, of Regulation No. 17221 of 12 March 2010) who, during the year, received total compensation (cash-based plus share-based compensation) that is higher than the highest total compensation received by any member of the Board of Directors:**

Not applicable.

(c) **natural persons with a controlling interest in the Company, who are employees of, or otherwise work with, the Group:**

Not applicable.

1.4 Description and number (broken down by category) of key management personnel other than those indicated in letter *(b)* above of this Section 1.3 and any other categories of employees or other personnel for whom the Plan provide for differential treatment.

Not applicable, as the Plan does not provide for differential treatments for any categories of management personnel.

2 Reasons for adopting the Plan

2.1 Plan objectives

The Plan aims to add value for shareholders in the medium-to-long term and to incentivize the Eligible Participants.

The Plan main objectives are the following:

(i) to incentivize Recipients to achieve the managerial performance expected by the Group;

(ii) to align the interests of Recipients with those of shareholders so as to create value in the medium-to-long term;

(iii) to build loyalty among key personnel of the Group and to encourage them to remain with the Group;

(iv) to ensure that the Group remains competitive in the labour market; and

(v) to support the Group environmental, social, and governance strategy.

2.2 Key variables (including performance indicators) under the Plan.

After receiving the Participation Notice, the Recipient will be entitled to receive Basic Rights for a portion equal to 25% or 50% of the Short-Term Incentive Target Bonus of that Recipient subject to the procedures and schedules set forth in the Regulations. Should this entitlement arisen, the Recipient shall also be entitled to receive the same number of Matching Rights.

Rights will vest only after the Board of Directors has determined, following consultation with the Committee, to what extent the Performance Objectives have been met, in accordance with the following.

For the purposes of assessing Performance Objectives:

"**3-Year Free Cash Flow Target**" means the Free Cash Flow target for the 3 years of each Cycle in accordance with the 3-year financial forecasts approved by the Board of Directors.

"**3-Year Group Net Result Adjusted Target**" means the Group Net Result Adjusted target for the 3 years of each Cycle in accordance with the 3-year financial forecasts approved by the Board of Directors.

"**Actual 3-Year Free Cash Flow**" means the 3-year Free Cash Flow actually achieved during the 3 years of the relevant Cycle.

"**Actual 3-Year Group Net Result Adjusted**" means the Group Net Result Adjusted actually achieved during the 3 years of the relevant Cycle.

"**Actual CO_2 Emissions**" means the total CO_2 Emissions related to the last Cycle of each 3-year period.

"**Actual Gender Balance**" means the ratio between the number of female managers in the Group and the total number of managers as at the end of the last year of each Cycle.

In particular, the performances related to this indicator will be calculated as shown in the following table:

1st Cycle	Performance
Gender Balance Target +1%	125%

Gender Balance Target +0.5%	115%
Gender Balance Target	100%
Gender Balance Target -0.5%	85%
Gender Balance Target -1%	60%
Gender Balance Target -1.5%	0%

For the Cycles following the first, the target will be established before the relevant starting date.

"**Actual Relative TSR**" means the ranking of the TSR of MFE at the end of the last year of the relevant Cycle, compared to the companies included in a sample comprising MFE and 4 other European media competitors (Metropole Television, TF1, ProSieben, and ITV).

Specifically, the performance of this indicator will be calculated as shown in the following table:

Ranking of MFE	Performance
Best TSR	125%
2nd TSR	100%
3rd TSR	85%
4th TSR	60%
5th TSR	0%

"**CO_2 Emissions Target**" means the total CO_2 Emissions level defined by the Board of Directors for each Cycle.

"**Gender Balance Target**" means the reference ratio between the number of female managers in the Group and the total number of managers as defined by the Board of Directors for each Cycle.

"**Relative TSR Target**" means the ranking of the median TSR of MFE, compared to the companies included in a sample comprising MFE and 4 other European media competitors (Metropole Television, TF1, ProSieben, and ITV).

At the end of each Cycle, the Board of Directors will determine the Actual 3-Year Free Cash Flow, the Actual 3-Year Group Net Result, the Actual Relative TSR (compared to the peers) of MFE across the 3 years of the relevant Cycle, the Actual Gender Balance, and the Actual CO_2 Emissions.

The Rights will vest, in whole or in part, and the Recipients will be entitled to the Share, only if the Performance Objectives are met, in whole or in part, in accordance with the following table:

Objectives	Weight
3-Year Adjusted Group Net Result	40%
3-Year Free Cash Flow	40%
Relative TSR	10%
CO_2 Emissions	5%
Gender Balance	5%

The vesting of Rights is determined by the overall performance. The overall performance, in turn, is calculated as the weighted average of the performance attained in each objective. Rights will then vest as follows:

% Performance	% Rights
≥ 125%	125%
120% to 124.9%	120%
115% to 119.9%	115%
110% to 114.9%	110%
105% to 109.9%	105%
100% to 104.9%	100%
95% to 99.9%	90%
90% to 94.9%	80%
85% to 89.9%	70%
80% to 84.9%	60%
75% to 79.9%	50%
< 75%	0%

In addition, the Recipient will only be entitled to receive the Shares if the Work Relationship is ongoing as at the end of the Vesting Period, in each Cycle, as further specified in the Regulations.

Should the Performance Objectives not be achieved, or should the Work Relationship not be ongoing as at the end of the Vesting Period, the Rights will immediately and automatically cease, and the Recipient shall not be entitled to any compensation or indemnity under the Plan.

2.3 Elements or criteria for calculating share-based compensation

For each Reference Year, the Board of Directors, after consultation with the Committee, shall determine the number of Basic Rights and corresponding Matching Rights to be awarded to each Recipient.

The number of Basic Rights awarded is calculated by dividing the Portion of the Short-Term Incentive Carried Over to the Plan by the Market Price of the Shares as at the Award Date, rounded down to nearest integer. The Board of Directors awards the Recipient, free of charge, a number of Matching Rights equal to the number of Basic Rights, as determined above.

All Rights are awarded to the Recipient on a personal basis, they also are non-disposable and non-transferable, and cannot be pledged or otherwise encumbered.

For all Rights to vest, the Work Relationship must be ongoing as at the end of the Vesting Period and the Performance Objectives must be attained.

No later than 90 days from the completion of the Vesting Period, and after having verified to what extent the Performance Objectives have been attained and that the Work Relationship is ongoing as at the end of the Vesting Period, the Company delivers the Shares to the Recipients based on their Rights vested.

2.4 Reasons for any decision to issue share-based compensation plans that use equity instruments unissued by the Company or equity instruments issued by Subsidiaries, parent company, or third companies; if these instruments are not traded on regulated

markets, the criteria used to measure their value.

Not applicable.

2.5 Assessments of significant tax and accounting implications affecting the definition of the Plan

The structure of the Plan was not influenced by applicable tax legislation or accounting implications.

The Shares delivered to Recipients will be taxed according to the tax and social security regulations in force from time to time.

2.6 Any support for the Plan under the special fund for encouraging worker participation in companies, within the meaning of article 4, § 112, of Italian Law No. 350/2003

Not applicable.

3 Approval procedure and timescale for delivery of the Shares

3.1 Scope of powers and duties granted by the General Meeting to the Board of Directors for the purpose of implementing the Plan

The General Meeting shall resolve upon the following resolutions: *(i)* to adopt the Plan, granting the Board of Directors adequate powers to manage and implement said Plan by adopting the Regulations; *(ii)* to authorize the Board of Directors, limited to 1% of the Company issued share capital as at the date of such General Meeting, to issue new Shares and/or grant subscription rights for those Shares, and to exclude any pre-emption rights in connection therewith; and *(iii)* to authorize the Board of Directors to purchase its own Shares on the market.

3.2 Names of persons in charge of managing the Plan and their roles and responsibilities

The Board of Directors is in charge of the management and implementation of the Plan and oversees the operational management of the Plan.

The Board of Directors may delegate its powers, duties, and responsibilities for the management and implementation of the Plan to one or more of its members, or to one of its committees (including the Committee). In particular, from a strictly operational point of view, the Plan will be managed by the Group human resources department.

3.3 Any procedures in place for revising the Plan, including in relation to changes in the basic objectives

The procedures for revising the Plan shall be defined in the Regulations.

However, generally, the Board of Directors has the power to amend and revise the Plan, among other cases, to make it compliant with the law and regulations from time to time applicable to MFE.

In addition, if extraordinary circumstances occur, having a material impact on the significance and cohesion of the Performance Objectives, the Board of Directors may evaluate whether to make relevant adjustments to the final assessment of the Performance Objectives set, to substantially maintain the economic content of the Plan unchanged. Extraordinary circumstances do not include, however, events that are solely connected to market trends.

3.4 Description of the methods used to determine the availability and delivery of the Shares under the Plan

The Shares to be delivered under the Plan, will: *(i)* be provided from Shares issued by the Company that are, or will be, held by the Company itself (treasury shares); or *(ii)* be issued by the Company for the purposes of the Plan.

As stated under Section 3.1 above, a resolution to grant the Board of Directors adequate powers for the purposes of what has been indicated under points *(i)* and *(ii)* above in this Section 3.4 shall be put to vote.

3.5 Role of each director in determining the Plan characteristics and any conflicts of interest for those directors

The Plan has been defined collectively within the Board of Directors with the proactive and consultative support of the Committee, which shall give its opinion on the Regulations as well.

3.6 Date of the resolution passed by the competent body proposing that the General Meeting approve the Plan and any proposals of the Committee

On 2 May 2024, the Board of Directors adopted this Document, submitting it for approval pursuant to article 114-*bis* TUF to the General Meeting, upon proposal of the Committee, which met on 9 April 2024.

3.7 Date of the decision taken by the competent body for the delivery of Shares and any proposal made to that body by the Committee

The Recipients of the Plan shall be identified by the Board of Directors upon proposal of the Committee as to the categories of those Recipients. This shall occur following the approval of the Plan by the General Meeting pursuant to article 114-*bis* TUF.

For each Reference Year, the Board of Directors awards the Rights in that same Reference Year in accordance with the procedures and schedules set forth in the Regulations.

3.8 Market price

The Shares official market price, recorded on Euronext Milan on the dates specified in Section 3.6 above, were as follows:

(i) on 9 April 2024, EUR 2.5361;

(ii) on 2 May 2024, EUR 2.7870.

3.9 The terms and procedures under which the Company considers, in determining the

Delivery Date, the potential coincidence between such delivery and the disclosure of any inside information (as defined in Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse).

To prevent inside information (as defined in Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse) from being disclosed at the same time as Rights are being awarded or Shares are being delivered to the Recipients, the Board of Directors will be careful not to adopt resolutions to award any Rights at the same time as of corporate transactions or other events that could result in inside information in relation to such transaction or event.

4 Characteristics of Shares

4.1 Description of how the Plan is structured

Under the Plan, rights to a given number of Shares are awarded. Rights are awarded to Recipients on a personal basis, they are non-disposable and non-transferable, and cannot be pledged or otherwise encumbered. For these Rights to vest and consequently for the underlying Shares to be delivered, the Board of Directors shall first verify to what extent the Performance Objectives have been attained, while the relevant functions of the Company shall verify whether the Work Relationship is ongoing as at the end of the Vesting Period, as provided for in the Regulations.

4.2 The period in which the Plan will be implemented and any other cycles envisaged

The Plan is divided into 3 Cycles. The Rights vest, and the Shares shall consequently be delivered, ca. 3 years after the Rights have been awarded (therefore respectively in 2027, 2028, and 2029), as long as the conditions established in all the documents governing the Plan are met.

4.3 Plan duration

If the Plan conditions are met for each Cycle, the Rights will vest, and the Shares will consequently be delivered, within 90 days from the completion of the Vesting Period. The Board of Directors has the right to terminate the Plan at any time.

4.4 The maximum number of Shares delivered each year to the persons named or the categories indicated

The maximum number of Rights and the related Shares to be delivered to each Recipient will be determined by the Board of Directors, upon the proposal of the Committee, under the terms and conditions to be established in the Regulations.

The maximum number of Shares that can be delivered under the Plan is equal to 1% of the Company issued share capital.

4.5 The procedures and clauses for implementing the Plan, specifying whether the awards of Shares are subject to certain conditions or to certain results, including performance; descriptions of the above-mentioned conditions and results

Under the Plan, the Shares are delivered subject to the conditions listed in Section 2.2 above.

4.6 Any restrictions on the disposability of the Shares, with particular reference to the terms within which they may or may not be transferred back to the company or to third parties

Rights are awarded to Recipients on a personal basis, they are entirely non-disposable and non-transferable, and cannot be pledged or otherwise encumbered. 20% of the Shares delivered for each Cycle is non-disposable and non-transferable (and is therefore inalienable) for a period of 24 months beginning the Delivery Date.

4.7 Description of any conditions under which awards under the Plan will be terminated if Recipients carry out hedging transactions to neutralise any prohibitions on the sale of the Shares awarded, including in the form of options, or of the equity instruments deriving from the exercise of those options

Any conditions for termination of the Plan, in the event that Recipients undertake hedging transactions to neutralize any prohibitions on the sale of Rights or inalienable Shares pursuant to Section 4.6 above, shall be determined in the Regulations, as deemed appropriate by the Board of Directors.

4.8 Description of the effects of terminating the Work Relationship

If a Work Relationship terminates before the end of a Vesting Period, the Recipient will be assigned either "good leaver" or "bad leaver" status, as defined below, to which the following provisions apply.

The Recipient will be assigned "good leaver" status and will retain the entitlement to receive the Shares underlying the Rights vested, which will be prorated for the period elapsed as shown in the table below, only where the relationship terminates after the start of the second year of the Cycle and where any of the circumstances listed below applies:

(i) the Recipient takes up a retirement or disability pension benefit;

(ii) the company holding the Work Relationship with the Recipient: *(a)* exits (for any reason whatsoever) the scope of the Group; or (*b*) the business or division holding the Work Relationship with the Recipient is definitively transferred (by any means whatsoever) to one or more third-party purchasers (provided that, for the purpose of the Plan only, the Work Relationship is considered terminated even if continues uninterrupted with the third-party purchaser according to the applicable law);

(iii) the Recipient dies; or

(iv) the Company terminates the Work Relationship with the Recipient with no "just cause" or not based on "justified objective/subjective grounds" based on the applicable law or on the individual agreement with the Recipient.

Termination of the Work Relationship with "good leaver" status	Number of Rights to which "good leaver" is entitled	Applicable Performance Objectives
Between 1 January and 31 December of the second year of the Cycle	1/3 of the Rights awarded (all remaining Rights are extinguished)	Free Cash Flow Target and Group Net Result Target for the first year of the Cycle, and TSR

		measured at the end of the first year of the Cycle (*)
Between 1 January and 31 December of the third year of the Cycle	2/3 of the Rights awarded (all remaining Rights are extinguished)	Free Cash Flow Target and Group Net Result Target for the first and second years of the Cycle, and TSR measured at the end of the second year of the Cycle (*)
Between 1 January of the year after end of the Cycle and the end of the Vesting Period	3/3 of the Rights awarded	3-Year Free Cash Flow Target, 3-Year Group Net Result Target and TSR measured at the end of the third year of the Cycle (*)

(*) The weight of each of the objectives indicated in the table under Section 2.2 above will be reproportioned based of the 3 objectives used for this calculation.

In such cases, the Board of Directors will deliver the Shares underlying the Rights vested, as set forth in the table above, no later than 90 days after evaluating the attainment of the Performance Objectives.

The Recipient will be assigned "bad leaver" status and will lose the entitlement to receive the Rights (and any other right to which such Recipient is entitled under the Plan and/or the Shares connected with any Rights that may have accrued) if the Work Relationship terminates before the start of the second year of the Cycle or for any cause or grounds other than those expressly listed in point *(i)* above, or if the circumstances referred to in point *(i)* above exist but there are disputes (other than the disputes referred to in the Sections below) which end in an unfavourable manner to the Recipient. In this event, the Recipient will cease to be a Recipient with immediate effect.

In case of disputes concerning whether or not the Work Relationship was terminated for "just cause" or based on "justified objective/subjective grounds", the final, unappealable ruling of the courts will be deemed conclusive for determining whether that termination was for "just cause" or based on "justified objective/subjective grounds".

If the role or position of a Recipient changes during the Plan, including as a result of organisational changes, the Recipient will retain the entitlement to the delivery of Shares under the terms and conditions set forth in this Document.

Generally, the effects of terminating the Work Relationship will be further specified in the Regulations.

4.9 Any other grounds for cancelling the Plan

If, due to amendments to tax, social security, or other legislation in force as of the date of approval of the Plan, or in the interpretation and application thereof, the implementation of the Plan should entail tax, social security, or other changes for the Company and/or its Subsidiaries that are substantially more burdensome than those in force as at the date of approval of the Plan the Company may decide to amend or cancel the Plan for the part that has not yet been implemented, by allocating Shares to the Recipients, without the Recipients being entitled to any compensation.

Nevertheless, subject to the terms and conditions to be established in the Regulations, the Board of Directors will be entitled:

(i) not to deliver all or part of the Shares to Recipients if: *(a)* the Board of Directors of the Company ascertains that the equity or financial situation of the Group has declined significantly; *(b)* the Performance Objectives are found to be set based on data that subsequently turned out to be manifestly erroneous; and/or *(c)* if the delivery of such Shares would be unacceptable under the standards of reasonableness and fairness; and

(ii) not to deliver all or part of the Shares to the Recipients, or to request that Recipients return the Shares, no later than 24 months after the Delivery Date, where one or more of the circumstances referred to in the point *(i)* above transpires, or where the Recipient is found to be responsible for fraudulent conduct or other wilful misconduct or gross negligence detrimental to the Company (including, regarding the attainment of the Performance Objectives or regarding the circumstances on which the Rights were subject).

4.10 The grounds on which the Company may redeem the Shares under the Plan pursuant to articles 2357 and ff. of the Italian civil code; the beneficiaries of this redemption, indicating whether it applies only to particular categories of employees; the effects on this redemption if the work relationship is terminated

The Company cannot redeem Rights and/or Shares.

4.11 Any loans or other facilities that are intended to be granted for purchasing Shares within the meaning of article 2358 of the Italian civil code

There are no loans or other facilities within the meaning of article 2358 of the Italian civil code.

4.12 Valuations of the expected cost to the Company as at the date of each delivery, as quantifiable based on the terms and conditions already defined, both in terms of the total amount and the amount per instrument under the Plan

The expected cost to be borne by the Company for the Plan cannot be determined as at the date of this Document, as the total number of Recipients and the amount of Rights to be awarded have not yet been determined.

However, based on the data related to the previous share-based incentive plan, it is expected that ca. No. 4,000,000 Rights will be awarded in each Cycle (i.e., overall No. 12,000,000 Rights).

4.13 Any dilution of share capital due to the Plan

If the Shares to be delivered under the Plan will be newly-issued shares only (and not treasury shares), and based on the hypothetical assumption that the maximum number of Shares deliverable under the Plan will be actually awarded, the extent of the dilutive effect for MFE shareholders will be equal to the number of such newly-issued Shares (i.e., maximum 1% of the Company issued share capital as at the date of such General Meeting).

4.14 Any limitations for the exercise of voting rights and economic rights attached to the Shares

No limitations are envisaged for the exercise of voting rights or economic rights attached to the

Shares.

4.15 If the Shares are not traded on regulated markets, all information useful for assessing their value

Not applicable.

5.16 Number of equity instruments underlying each option

Not applicable.

4.17 Expiry of options

Not applicable.

4.18 Procedures, timescale, and clauses for exercising options

Not applicable.

4.19 Price for exercising options or procedures and criteria for determining the price

Not applicable.

4.20 Reasons for any difference between the exercise price and market price of options

Not applicable.

4.21 Criteria for applying different exercise prices for different Recipients

Not applicable.

4.22 The value attributable to any equity instruments underlying (non-share) options not traded on regulated markets

Not applicable.

4.23 Criteria for adjustments in case of extraordinary transactions and other transactions involving a change in the number of the shares of the Company

The Board of Directors may, within the limits allowed by the applicable laws, amend and supplement the Plan, this Document, and the Regulations as it deems appropriate in light of any events that may affect the Rights, the Shares, the Group, or the Plan (including, but not limited to, extraordinary transactions involving the Group, de-listing of the Shares, regulatory changes, and/or changes to the scope of the Group) to substantially maintain the economic content of the Plan unchanged.

In particular, the Board of Directors, with a view to maintaining the economic content of the awarded Rights unchanged and if the conditions for doing so exist, may: *(i)* adjust the number of Rights awarded; *(ii)* adjust the number of Shares due as a result of the Rights vesting; and/or *(iii)* deliver shares whose issuer or category is different from those of the Shares, if one or more transactions impact on the Rights or Company equity, including but not limited to:

(a) splits or reverse-splits of the Shares;

(b) share capital increases, both with and without new contributions, or reductions;

(c) mergers or demergers of the Company;

(d) assignments of the Company assets to shareholders; and

(e) extraordinary dividend distributions, out of the Company reserves.

In such scenarios, should all the requirements for doing so be met, the Board of Directors may, at its sole discretion, amend the Plan as necessary, maintaining its economic content as unchanged as possible, in accordance with generally accepted financial market principles.

To this purpose, it may resolve to appoint an independent expert to issue an opinion regarding the fairness of the method adopted.

Alternatively, the Board of Directors may, at its sole discretion, terminate the Plan, following the due procedure for its early termination to be set forth in the Regulations.

Recipients will be notified in writing of any such amendments or termination, and on the opinion issued by an independent expert, where applicable.

Also, should any of the transactions mentioned above make it appropriate or necessary to postpone the Delivery Date, the Recipients will be notified on the duration of such postponement.

Generally, the criteria for adjustments in case of extraordinary transactions shall be further specified in the Regulations.