

DISCLOSURE

(pursuant to Article 114-*bis* of Italian Legislative Decree no 58 of 24 February 1998 and Article 84-*bis*, paragraph 1 of the regulation approved by CONSOB Resolution No. 11971 of 14 May 1999)

RELATING TO THE



"GVS 2023-2025 PERFORMANCE SHARES PLAN"

Approved by the Board of Directors of GVS S.p.A. on 21 March 2023



Forward

This disclosure document (the “**Disclosure**”), prepared in accordance with the provisions of Article 114-*bis* of Legislative Decree No. 58 of 24 February 1998 (the “**CFA**” (TUF)) and article 84-*bis*, paragraph 1, of the Regulation adopted by Consob resolution no. 11971 of 14 May 1999 (the “**Issuers’ Regulation**”), as well as in accordance with Schedule no. 7 of Annex 3A of the Issuers’ Regulation, contains the information relating to the plan for the free assignment of shares of GVS S.p.A. (the “**Issuer**” or the “**Company**”) in favour of the Chief Executive Officer and certain key figures of the Company or its subsidiaries named “*GVS 2023-2025 Performance Shares Plan*” (the “**Plan**”), which will be submitted to the approval of the Ordinary Shareholders’ Meeting of the Company convened for 3 May 2023 in a single call.

This Disclosure is made available to the public at the Company’s registered office in Via Roma 50, 40069 Zola Predosa (BO), on the Company’s website: (www.gvs.com, “*Governance - Shareholders’ Meeting*”) section, as well as at the authorised storage mechanism “eMarket STORAGE”.

The Plan is to be considered of “particular relevance” pursuant to Article 114-*bis*, paragraph 3, of the CFA (TUF) and Article 84-*bis*, paragraph 2, of the Issuers’ Regulation as it is addressed to, inter alia, the Chief Executive Officer and Executives with strategic responsibilities.

The information required by Schedule No. 7 of Annex 3A to the Issuers’ Regulations that is not contained in this Disclosure will be provided, if available, during the implementation of the Plan, pursuant to Article 84-*bis*, paragraph 5, letter a) of the Issuers’ Regulations.

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DEFINITIONS



Below is a list of the main terms used in this Disclosure and terms definitions. The meanings of these terms and definitions, unless otherwise specified, are set out below. Other terms used in this Disclosure have the meanings ascribed to them and indicated in the text.

Adjusted EBITDA Margin	means the ratio of the Group's adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation to Adjusted Turnover, where: (i) Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation of the Group is calculated as the sum of operating income and depreciation and amortisation, net impairment of financial assets, net of extraordinary and/or non-recurring expenses and income, in line with the values reported in the Company's consolidated financial statements report; and (ii) Adjusted Revenue is calculated in line with the values reported in the Company's consolidated financial statements report.
Chief Executive Officer	Designates the managing director of the Company identified as the Chief Executive Officer.
Assignment	means the free assignment to each Beneficiary by the Board of Directors, subject to the opinion of the Nomination and Remuneration Committee, of Rights to Receive Shares.
Shareholders' Meeting	means the shareholders' meeting of GVS, to which the Plan is submitted for approval pursuant to Article 114- <i>bis</i> of the TUF.
Allocation	means the actual allocation of the Shares, free of charge, to each Beneficiary by the Board of Directors, subject to the opinion of the Nomination and Remuneration Committee, after the end of the Vesting Period.
Actions	means the ordinary shares of the Company, without the express indication of nominal value, admitted to trading on Euronext Milan, a market organised and managed by Borsa Italiana S.p.A..
Bad Leaver	means all hypotheses of termination of the Relationship other than Good Leaver hypotheses.
Beneficiaries	means the recipients of the Plan, which may include the Chief Executive Officer, the Executives with Strategic Responsibilities, the Group's Managers and other persons to be identified by name by the Board of Directors from among the executive directors and employees of the Company and the Group, after hearing the opinion of the Appointments and Remuneration Committee, for the importance of the roles in the Company's organisation as well as for the key role played in the pursuit of the Company's sustainable success in the medium-long term.

Change of Control	refers to one of the following circumstances: (a) the acquisition by one or more third-party purchasers of the control of the Company pursuant to Article 93 of the CFA; (b) the acquisition by one or more third-party purchasers of a number of shares or a shareholding of a Subsidiary to which the Beneficiary's Report relates, or of companies directly or indirectly controlling the latter, provided that they are different from the Company, in aggregate greater than 50% of the relevant share capital, unless the Company continues to hold control thereof pursuant to Article 2359 of the Italian Civil Code; or (c) the definitive transfer for any reason to one or more third-party purchasers of the company or business unit to which the Beneficiary's Report relates.
Cash Equivalent	means the amount of money that the Company, at its own discretion, may pay to the Beneficiaries in lieu - in whole or in part - of the Shares that should be allocated to each Beneficiary on the Date of Grant calculated as the arithmetic average of the official prices of the Shares on Euronext Milan, a market organised and managed by Borsa Italiana S.p.A., during the 30 days preceding the Allocation Date.
Appointments and Remuneration Committee	means the committee with advisory and proposing functions regarding remuneration and appointments set up by the Company's Board of Directors in adherence to the recommendations contained in the Corporate Governance Code.
Board of Directors	means the Board of Directors of the Company or persons delegated by it to manage the Plan as indicated in Section 3.2 below.
Corporate Governance Code or Code	means the Corporate Governance Code for listed companies approved in July 2020 by the Corporate Governance Committee and brought into effect by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.
Subsidiaries or Subsidiary Companies	means, indistinctly, each of the companies directly or indirectly controlled from time to time - pursuant to Article 2359, paragraph 1, No. 1 and No. 2, of the Italian Civil Code - by the Company, with which one or more Beneficiaries have a Relationship.
Date of the Disclosure	means the date of approval of this Disclosure by the Board of Directors, i.e., 21 March 2023.

Date of Grant of Right	means, with reference to each Beneficiary, the date of the respective Granting.
Date of Shares Allocation	means, with reference to each Beneficiary, the date of the respective Allocation.
Key Managers	means the managers of the Group who have the power and responsibility, directly or indirectly, for planning, directing and controlling the activities of the Company and/or the Group.
Right to Receive Shares	means each conditional right, free of charge and non-transferable by inter vivos deed, to receive, on the terms and conditions provided for in the Rules, 1 Share free of charge.
Issuer or Company	means GVS S.p.A. with registered office in Via Roma 50, 40069 Zola Predosa (BO).
Managerial Figures	means the employees of the Company and Subsidiaries who occupy positions identified for the growth and sustainability of the Group's business in the medium to long term.
Good Leaver	means the following cases of Relationship termination: (a) voluntary resignation, only on condition that the Beneficiary meets the legal pension requirements and within the following 30 days has applied for the relevant treatment; (b) consensual termination of the Relationship; or; (c) death or permanent disability.
Group	means, jointly, GVS and the Subsidiaries of GVS.
Letter of Assignment	shall mean the letter that the Company shall send to each Beneficiary to notify the same of the assignment of the Rights to Receive Shares and whose signature and delivery to the Company by the Beneficiaries shall constitute full and unconditional acceptance by the same of the Plan.
ESG Metrics	means the indicator designed to monitor the Group's sustainability on the issue identified as material following the outcome of the materiality analysis of the quality and safety of products placed on the market with a direct impact on customer satisfaction and the health and safety of end users. The indicator is represented in terms of the ratio of the number of products recognised as non-compliant to the total number of products placed on the market (parts per million sold).
Target Number of Shares	means the number of Shares that are expected to be allocated to each Beneficiary upon achievement of 100% of the Performance Targets under the terms and conditions set forth in the Rules.
Performance Objectives	means the performance targets identified in Paragraph 2.2 of the Disclosure calculated with reference to the following parameters: (i) Adjusted EBITDA margin (30% relative weight); (ii) Period-end NFP (30% relative weight); (iii) ESG metric (20% relative weight); (iv) Relative TSR (20% relative weight).
Lock-up Period	means the period of time, commencing from the effective Shares Allocation to the Beneficiaries, during which they may not dispose of the securities they hold.
Vesting period	means the period from 1 January 2023 to 31 December 2025 when the Rights to receive Shares reach their maturity date.

Plan	means the "GVS 2023-2025 Performance Shares Plan", addressed to the Beneficiaries and governed by the Rules.
NFP	means the difference between the total value of the company's financial debts and liquid assets as determined in accordance with the CONSOB Communication of 28 July 2006, consistent with the values reported in the Company's consolidated financial statements.
Relationship	means the employment and/or administrative relationship existing between the individual Beneficiary and GVS, or one of its Subsidiaries.
Regulation	means the regulation of the Plan to be approved by the Board of Directors of the Company upon proposal of the Appointments and Remuneration Committee and after hearing the opinion of the Board of Statutory Auditors.
Issuers' Regulation	Means the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999.
Relative TSR	The total return to a shareholder given by the increase in the share price during a reference period and any dividends paid in the same period, relative to the performance of the FTSE Italia Mid Cap Index.
CFA	Refers to Legislative Decree no. 58 of 24 February 1998.

1 THE SUBJECTS TARGETED BY THE PLAN

1.1 Names of the addressees who are members of the Board of Directors of the Issuer, of the Issuer's parent companies and of the Subsidiaries

The Beneficiaries of the Plan may include the Chief Executive Officer of the Company and any additional Executive Directors of the Company, as they will be appointed by the competent bodies following the renewal of the Board of Directors by the Shareholders' Meeting convened in a single call for 03 May 2023.

If among the beneficiaries set forth in paragraph 1.2 below there are persons for whom, pursuant to applicable regulatory provisions, identification by name is required, including in relation to the office of director possibly held in companies controlling the Issuer or Subsidiaries, the Company shall provide the market with the relevant information in accordance with the procedures and terms set forth in Article 84-*bis*, paragraph 5, letter a) of the Issuers' Regulation.

1.2 Categories of employees of the Issuer and the Issuer's parent companies or its Subsidiaries

The Plan is reserved to the Executives with Strategic Responsibilities and to the Managerial Figures as they will be identified - at their sole discretion - by the Board of Directors, after hearing the opinion of the Appointments and Remuneration Committee, following the resolution of the Shareholders' Meeting convened in a single call for 03 May 2023.

The Board of Directors shall have the power to identify, after hearing the opinion of the Appointments and Remuneration Committee, additional Beneficiaries in the event of changes to the Group's organisational structure or the hiring of new Executives with Strategic Responsibilities or Managerial Figures over the Plan period, without prejudice to the maximum number of Shares attributable to the Beneficiaries set forth in the 4.4 Disclosure Paragraph.

These additional Beneficiaries of the Plan will also be identified by the Company's Board of Directors following the resolution of the Shareholders' Meeting convened in a single call for 03 May 2023 in consideration of the importance of their roles in the Company's organisation as well as the key role they play in the pursuit of the Company's sustainable success in the medium to long term.

The names of the Beneficiaries and the other information required by paragraph 1 of Schedule No. 7 of Annex 3A to the Issuers' Regulations, if applicable, shall be provided at the time of the Allocation of the instruments pursuant to Article 84-*bis*, paragraph 5, letter a), of the Issuers' Regulations.

1.3 Names of the persons benefiting from the Plan belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Schedule 7 of the Issuers' Regulation

a) General Managers of the Issuer

Not applicable since as at the Date of the Disclosure the Company has not appointed any general managers. In the event of future appointment of one or more general managers, the Company reserves the right to include him/her among the Beneficiaries.

b) Other Executives with Strategic Responsibilities of the Issuer that is not "smaller in size", pursuant to Article 3, paragraph 1, letter f) of Regulation No. 17221 of 12 March 2010, in the event that they have received, during the financial year, total compensation (obtained by adding monetary compensation and compensation based on financial instruments) greater than the highest total compensation attributed to the members of the Board of directors, or of the management board, and to the general managers of the issuer of financial instruments

Not applicable because, as of the Date of the Disclosure, none of the Executives with Strategic Responsibilities received during the year higher total remuneration than the highest total remuneration (remuneration of the Company's Chief Executive Officer) among those attributed to the members of the Board of Directors.

c) Natural persons controlling the Issuer, who are employees or who perform collaborative activities within the Issuer

The other information required by paragraph 1.3, Schedule 7, Annex 3A to the Issuers' Regulation shall be provided in accordance with the terms and conditions set forth in Article 84-*bis*, paragraph 5, letter a) of the Issuers' Regulation.

1.4 Description and numerical indication of the beneficiaries, separated for the categories indicated in item 1.4, letters a), b) and c) of Annex 3A, Schedule 7 of the Issuers' Regulation

The other information required by paragraph 1.4, Schedule 7, Annex 3 to the Issuers' Regulation will be provided in accordance with the terms and conditions set forth in Article 84-*bis*, paragraph 5, letter a) of the Regulation on Issuers.

2 REASONS FOR ADOPTING THE PLAN

2.1 Objectives to be achieved through Plan allocation and, in particular, the reasons and criteria on the basis of which the Issuer has decided to establish a given ratio between incentive compensation based on financial instruments and other components of total remuneration, the purposes of the long-term incentive schemes and the criteria for defining the time horizon underlying the incentive schemes

The Plan, in compliance with the applicable regulations as well as in line with the best practice on the subject (including the recommendations of the Corporate Governance Code), is a management incentive and retention tool and is aimed at aligning the interests of the Beneficiaries with those of the shareholders in the medium-long term, rewarding the achievement of the targets set out in the Group's industrial plan, retaining the figures considered strategic for the implementation of the business development and growth plan of the Company and the Group, and emphasising GVS's commitment to ESG issues.

The Plan is thus developed over a medium to long-term time horizon with a three-year vesting period and forms of retention and retention of shares for a further time period following the Allocation of Shares. This time horizon was deemed by the Board of Directors to be suitable for the achievement of the aforementioned objectives pursued with the Plan.

The Plan is also consistent with the Remuneration Policy for the year 2023, submitted for approval to the Shareholders' Meeting convened in a single call for 3 May 2023, and with the principles set forth therein in terms of the composition of the overall variable remuneration component and the weight attributed, within it, to the annual monetary bonus and long-term bonus in financial instruments, respectively.

2.2 Key variables and performance indicators considered for the purposes of the allocation of the Plan, with an indication of the factors, also in terms of performance, and the criteria used to identify the particular features relating to the terms of the compensation based on financial instruments of the manner in which such terms were identified in relation to directors, general managers Executives with Strategic Responsibilities, other specific categories of employees or collaborators for whom plans with particular conditions are envisaged, or collaborators both of the Issuer and of the relevant companies in a control relationship, and the reasons underlying the choice of the specific remuneration envisaged in such plans, also in relation to the achievement of the identified long-term objectives

The Allocation of Shares to each Beneficiary, as a result of their respective Right to Receive Shares, is subject to the positive outcome of the Board of Directors' verification, after receiving the opinion of the Nomination and Remuneration Committee, at the end of the Vesting Period, on the assumption of the approval of the Company's consolidated financial statements for the financial year ending 31 December 2025, of the fulfilment of both of the following conditions:

- (i) the achievement by the Company of at least one of the Performance Targets; and
- (ii) as far as each Beneficiary is concerned that, as at the Date of Allocation the Relationship between the Beneficiary and the Company, or the relevant Subsidiary, is still in existence (and is not under a notice period) and that the Beneficiary's status as a Beneficiary has not ceased to be within the Company, the relevant Subsidiary or the Group, with reference to the role held, except in the case of Good Leaver.

The Plan Performance Objectives to be achieved by the Company at the consolidated level at the end of the Vesting Period are independent and contribute to the determination of the award each according to its relative weight, and consist of:

- (i) Adjusted EBITDA Margin (relative weight 30%);
- (ii) NFP at the end of the period (relative weight 30%);
- (iii) ESG metrics (relative weight 20%);
- (iv) Relative TSR (relative weight 20%).

As indicated above, one of the main purposes underlying the Plan is to provide incentives to the top management to achieve the targets envisaged in the Group's industrial plan, so that the Performance

Objectives covered by the Plan must be closely interconnected with those of the aforementioned industrial plan, the drafting of which is currently being completed and is expected to be approved in 2023. Therefore, without prejudice to the so-called KPIs mentioned above, the specific numerical targets associated with each Performance Objective will thus be defined after the final approval of the business plan.

The assessment of the achievement of the Performance Objectives and the possible Allocation of the Shares to each Beneficiary will be carried out by the Board of Directors, based on the indications provided by the Nomination and Remuneration Committee and the competent functions, no later than the 15th calendar day following the date of approval of the Group's consolidated financial statements for the year ending 31 December 2025.

The number of Shares to be allocated to each Beneficiary under the terms and conditions set forth in the Rules shall be determined by the Board of Directors on the basis of the Target Number of Shares, reduced or increased according to the level of achievement of the Performance Objectives, it being understood that in any case, regardless of any over-performance level possibly achieved, the total number of Shares allocated to each Beneficiary shall not exceed 150% of his/her Target Number of Shares.

In particular, given the Target Number of Shares for each Beneficiary, the number of Shares to be allocated to that Beneficiary will depend on:

- (i) for 30% of its amount, by the achievement of the Performance Target based on the Adjusted EBITDA Margin;
- (ii) for 30% of its amount, by the achievement of the Performance Target based on the NFP at the end of the period;
- (iii) for 20% of its amount, by the achievement of the Performance Objective based on the ESG Metrics;
- (iv) for the remaining 20% of its amount, by the achievement of the Performance Target based on the relevant TSR.

For further clarification, this implies that:

- (a) no averaging (not even weighted) of the level of achievement of the Performance Targets will take place;
- (b) the (partial or total) achievement of a Performance Objective may give rise, independently of the (partial or total) achievement of the other Performance Objectives, to the Allocation of Shares.

The methods for calculating the Performance Targets will be set out in detail in the Rules.

2.3 Criteria for the determination of the number of Shares to be granted, with an indication of: the factors taken into account in deciding the remuneration amounts, the elements taken into consideration for amendment with respect to similar previous plans, the way in which any remuneration achievable on the basis of such previous plans influenced such determination, the indications on the consistency between the elements underlying the determination of the remuneration and the objectives established

The Target Number of Shares for each Beneficiary is established by the Board of Directors which will define, following the approval of the Plan by the Shareholders' Meeting, a pre-established Target Number of Shares for each Beneficiary, divided into categories of Beneficiaries that are homogeneous in terms of the strategic nature of the role held, the Beneficiary's responsibilities, the degree of exposure to the market, the impact of the respective activity for the benefit of the entire Group and the remuneration levels. The Target Number of Shares is this notified to each Beneficiary at the start of the Plan in the respective Letter of Assignment. This target number is within certain percentage ranges with respect to the fixed remuneration of the Beneficiaries¹, in accordance with the principles established (as to the proportion between fixed and variable components) in the Company's remuneration policy.

Once the conditions for the Allocation of the Shares have been verified, the Board of Directors, after receiving the opinion of the Nomination and Remuneration Committee, will determine, after the end of the Vesting Period, the actual number of Shares to be allocated to each Beneficiary in a lump sum depending on the level of achievement of the Performance Objectives.

¹ Based on the average value of the Shares in the 30 days preceding the meeting of the Board of Directors called to approve the terms of the Plan.

The total number of shares to be allocated is subject to reaching the threshold value of at least one of the Performance Targets.

The actual number of Shares allocated to each Beneficiary may not exceed 150% of its Target Number of Shares.

It should be noted that, with respect to the "2020-2022 Performance Shares Plan", the Board of Directors resolved to increase the number of Shares servicing the Plan in order to align with market averages in terms of the number of shares serviced in relation to the share capital and to keep the payout opportunity of the Plan unchanged, in consideration of the reduction in the Share value compared to the previous plan.

2.4 Reasons for any decision to award compensation plans based on financial instruments not issued by the Company

Not applicable. The Plan is based solely on Company Shares.

2.5 Consideration of significant tax and accounting implications that affected the design of the plans

Not applicable. There were no significant tax and accounting implications that affected the definition of the Plan.

2.6 Possible support for the Plan by the Special Fund for the encouragement of worker participation in enterprises, referred to in Article 4, paragraph 112, of Law No. 350 of 24 December 2003

Not applicable. The Plan does not receive any support from the Special Fund for the Encouragement of Workers' Participation in Enterprises, referred to in Article 4 (112) of Law 350 of 24 December 2003.

3 APPROVAL PROCESS AND TIMING OF THE PLAN

3.1 Powers and functions delegated by the Shareholders' Meeting to the Board of Directors for Plan implementation

At the Shareholders' Meeting of the Company convened in a single call for 03 May 2023, following the approval of the Plan by the Company, the proposal will be submitted to confer on the Board of Directors, with the right to *sub-delegate*, all the powers necessary to implement and manage the Plan.

3.2 Persons entrusted with the administration of the Plan

The party entrusted with the administration of the Plan is the Board of Directors of the Company, with the right to *sub-delegate* to third parties (including, by way of example, the Chief Executive Officer, the Appointments and Remuneration Committee of the Company, the Chief Financial Officer or the Director of Human Resources and Organisation), within the limits set forth by the legislation in force at the time and taking into account the powers delegated by the Shareholders' Meeting.

3.3 Existing procedures for Plan revision

Without prejudice to the competence of the Shareholders' Meeting in the cases provided for by law, the Board of Directors has the power to make any amendments or additions to the Rules, after consulting the Remuneration Committee, in the most appropriate manner, that it deems useful or necessary for the best pursuit of the purposes of the Plan, taking into account the interests of the Company and the Group and the Beneficiaries.

In the case of events not specifically covered by the Rules, such as:

- a) extraordinary transactions on the Company's capital, including but not limited to, capital reductions due to losses through the cancellation of shares, increases in the Company's capital, whether free or against payment, offered in option to shareholders or without pre-emptive rights, possibly also to be paid for by contribution in kind, regrouping or splitting of Shares that may affect the Shares;
- b) mergers or demergers, purchase or sale of participations, companies or branches of companies;
- c) legislative or regulatory changes or other events likely to affect the Rights to Receive Shares, the Shares, the Company;

the Board of Directors may make to the Rules, autonomously and without the need for further approval by the Shareholders' Meeting of the Company, after hearing the opinion of the Appointments and Remuneration Committee, all the amendments and additions deemed necessary or appropriate to keep the substantial and economic contents of the Plan unchanged, within the limits allowed by the laws applicable from time to time.

In addition, if, during the Vesting Period:

- a) should a Change of Control occur;
- b) a public takeover offer, or a public exchange offer, concerning the Shares is concluded; or
- c) the listing of the Shares on Euronext Milan, a market organised and managed by Borsa Italiana S.p.A., is revoked (delisting) or resolutions and/or commitments were passed that would make the delisting definitive;

the Board of Directors shall have the power to proceed with the early allocation of the Shares to the Beneficiaries, or to provide for the early termination of the Plan. This decision will be binding on the Beneficiaries.

In the event of a significant revision of the targets of the Group's industrial plan (such as, by way of example and not limited to, acquisitions, disposals of companies or business units, which entail a new approval of the industrial plan), the Board of Directors shall have the power, subject to the opinion of the Appointments and Remuneration Committee, to approve any changes to the Performance Targets in order to adjust them to the changes in the industrial plan and keep the substantial and economic contents of the Plan unchanged, while maintaining its main incentive and loyalty-enhancing purposes. This decision will be binding on the Beneficiaries.

Lastly, in the event of major market discontinuity (e.g., the occurrence of material changes in macroeconomic conditions or a worsening of the financial environment), the Board of Directors, again subject to the opinion of the Appointments and Remuneration Committee, may reassess the general consistency and fairness of the Plan, implementing the necessary corrective measures, including and in particular with reference to the reference targets, the relevant metrics and assessment methods, as they are functional to maintaining unchanged - within the limits allowed by the laws applicable from time to time, and without prejudice to compliance with the limits and general principles set forth in the GVS Remuneration Policy - the essential substantive and economic contents of the Plan, preserving its main incentive purposes.

3.4 Arrangements for determining the availability and allocation of Shares

Following the vesting of the allotted Rights to Receive Shares, the Beneficiaries will be entitled to the Free Allocation of no. 1 Share for each allotted Right to Receive Shares.

The Shares attributable to the Beneficiaries pursuant to the Plan will revert in whole or in part (i) from the treasury shares held by the Company or possibly purchased by the Company in execution of the authorisations issued by the Shareholders' Meeting or, if necessary, of further authorisations to be issued by the Shareholders' Meeting pursuant to Articles 2357 and 2357-ter of the Italian Civil Code; (ii) from any capital increase, also pursuant to Article 2349, paragraph 1 of the Italian Civil Code.

3.5 Role played by each director in determining the characteristics of the Plan and the possible onset of conflict of interests for the directors concerned

In accordance with the provisions of the Corporate Governance Code, the Appointments and Remuneration Committee - composed of three non-executive directors, the majority of whom are independent - was involved in the various stages of study and preparation of the Plan, to the extent of its competence.

The Board of Directors, having acknowledged the proposal made by the Appointments and Remuneration Committee and with the favourable opinion of the Issuer's Board of Statutory Auditors pursuant to Article 2389 of the Italian Civil Code, approved the Plan proposal and resolved to submit it to the Shareholders' Meeting for approval pursuant to Article 114-bis of the CFA (TUF).

Given that the possible Beneficiaries of the Plan also include the Chief Executive Officer, in the event of any recurrence of situations of conflict of interest, the Board of Directors' resolution to assign the Rights to Receive Shares will be adopted in compliance with the provisions of Article 2391 of the Italian Civil Code and, insofar as necessary, Article 2389 of the Italian Civil Code.

3.6 Date of the decision taken by the body competent to propose the approval of the Plan to the Shareholders' Meeting and any proposal by the Appointments and Remuneration Committee

At its meeting of 20 March 2023, the Appointments and Remuneration Committee formulated, in accordance with the Corporate Governance Code, its proposal to the Board of Directors regarding the Plan.

The Board of Directors' meeting held on 21 March 2023 resolved to submit the Plan to the approval of the Shareholders' Meeting convened for 3 May 2023 in a single call and approved this Disclosure, taking into account the specifications by the Appointments and Remuneration Committee.

3.7 Date of the decision taken by the competent body on the assignment of the instruments and of the proposal to the aforementioned BoD made by the Appointments and Remuneration Committee, if any

The Shareholders' Meeting for the approval of the Plan is scheduled to be convened on 3 May 2023 in a single call.

After the Shareholders' Meeting, if the Plan is approved by the Shareholders' Meeting, the Board of Directors will meet to take the necessary decisions for the implementation of the Plan and, in particular, for the Assignment to the Beneficiaries of the Rights to Receive Shares.

The number of Shares that will actually be allocated to each Beneficiary on the Share Allocation Date will be determined by the Board of Directors, in accordance with the criteria set forth in the Plan and indicated in this Disclosure, following the end of the Vesting Period and by the 15th calendar day following the date of approval of the Group's consolidated financial statements for the financial year ending 31 December 2025, once it has verified that the conditions have been met for the Share Allocation set forth in paragraph 2.2 above of the Disclosure.

The Shares Allocation Date, as well as the Date of Grant of the Right to Receive Shares, will be announced in the manner and within the terms indicated in Article 84-bis, paragraph 5, letter a), of the Issuers' Regulations and, in any case, by the regulatory provisions in force at the time.

3.8 The market price of the Shares recorded on the dates indicated in points 3.6 and 3.7

The market price of the Shares as of 20 March 2023, the date on which the Appointments and Remuneration Committee met to approve the proposal for approval of the Plan to be submitted to the Board of Directors, was Euro 4.3900.

The market price of the Shares on 21 March 2023, the date on which the Board of Directors met to define the proposal for approval of the Plan to be submitted to the Shareholders' Meeting convened on 03 May 2023, was Euro 4.5840.

Additional information not available as at the Date of the Disclosure will be provided pursuant to Article 84-bis, paragraph 5, letter a) of the Issuers Regulation.

3.9 Safeguards adopted by the Issuer in relation to the timing of the assignment of instruments in implementation of the Plan and possible time overlapping between: (i) said assignment or any decisions taken in this regard by the Appointments and Remuneration Committee; and (ii) the dissemination of any relevant information pursuant to Article 17 of Regulation (EU) No. 596/2014

On the occasion of the Board of Directors' resolution of 21 March 2023 concerning the Plan, notice was given to the market pursuant to and for the purposes of the applicable laws and regulations.

During the execution of the Plan, the market will be informed, where required by the laws and regulations in force from time to time. The entire implementation of the Plan shall, in any case, be carried out in full compliance with the disclosure obligations incumbent on the Company, so as to ensure transparency and equality of information to the market, as well as in compliance with the procedures adopted by the Company, including those concerning market abuse and management of inside information.

The Beneficiaries are bound to comply with the provisions on the abuse of privileged information provided for by the applicable laws and regulations, in particular with reference to the operations of disposition of the Shares, possibly subject to Allocation after the achievement of the Performance Targets has been verified.

4 CHARACTERISTICS OF THE ALLOCATED INSTRUMENTS

4.1 Description of how share-based compensation plans are structured

The Plan envisages that the attribution of the Right to Receive the Shares and the Allocation of the Shares take place free of charge, subject to the prior attainment of the Performance Objectives and permanence in the Company.

The Right to Receive Shares shall be attributed in a personal capacity to each Beneficiary and may not be transferred by deed between living persons (*inter vivos*), nor be subject to a lien or be the object of any other act of disposal for any reason whatsoever. The Shares allocated under the Plan will have regular dividend rights and thus equal to those of the other Shares in circulation on the date of their issue.

4.2 Plan implementation period

The Plan is a three-year closed plan with a single allocation. The Vesting Period runs from 1 January 2023 to 31 December 2025. An additional Lock-Up Period is envisaged as defined in Section 4.6 of the Disclosure.

4.3 Termination of the Plan

The Plan provides for a Vesting Period ending on 31 December 2025, to be followed by the possible Allocation, in 2026, of the Shares, which are then subject to the Lock-up Period provided for in Section 4.6. (after which the Plan will have completed its implementation period).

4.4 Maximum Number of Shares Allocated

The Board of Directors has set at 1,400,000 the maximum number of Shares that may be allocated to the Beneficiaries in execution of the Plan and that may be extended up to a maximum of 2,300,000 Shares in the event of the inclusion of additional Beneficiaries by the Chief Executive Officer in accordance with the provisions of the Paragraph 1.2 of the Disclosure.

4.5 Procedures and clauses for Plan implementation

At the end of the Vesting Period, the free Allocation of Shares to each Beneficiary is subject to the verification by the Board of Directors of the following conditions: (i) the existence of the Beneficiary's relationship with the Company or the Subsidiary; and (ii) the achievement of the Performance Objectives (for further information, please refer to paragraph 2.2 of this Disclosure).

The number of Shares that will actually be allocated to each Beneficiary on the Date of Allocation of the Shares will be determined by the Board of Directors depending on the achievement of the Performance Objectives described in paragraph 2.2 above of this Disclosure, according to the criteria indicated in the Rules.

In place of and in substitution for the allotment of the Shares, according to the terms and conditions of the Plan, on the Date of Grant the Company reserves the right to substitute, in whole or in part, the Shares with the payment of the Cash Equivalent.

With reference to each Beneficiary, the value of the Cash Equivalent will be determined by the Board of Directors of the Company and will be calculated on the arithmetic average of the official prices of the Shares on the Euronext Milan as reported by Borsa Italiana S.p.A. in the 30 days preceding the Date of Grant or, if the Shares are no longer listed, on the basis of their normal value pursuant to Article 9 of Presidential Decree (D.P.R.) no. 917 of 22 December 1986, as determined by an independent expert appointed by the Company.

4.6 Availability constraints on the Issuer's Shares allocated upon conversion of the Shares

Each Right to Receive Shares shall be attributed in a personal capacity to each Beneficiary and may not be transferred by deed between living persons (*inter vivos*), nor be subject to liens, or be the subject of any other act of disposal in any capacity whatsoever.

The Plan also provides that all Beneficiaries, unless otherwise determined by the Board of Directors, must maintain at least 50% of the Shares that may be Allocated, for a Lock-up Period (from the effective date of their Allocation) equal to 2 years, net of the Shares that may be sold to cover the applicable legal charges.

This is without prejudice to the possibility of disposing of Shares in order to fulfil tax obligations, possibly also by means of the "sell to cover" mode.

4.7 Possible termination conditions in relation to the Plan in the event that the recipients carry out hedging transactions to neutralise any prohibitions on the sale of the Shares

Not applicable, as there are no termination conditions if the Beneficiary engages in hedging transactions.

4.8 Effects brought about by the termination of the employment or administrative relationship

Since the Right to Receive the Shares is genetically and functionally linked to the continuation of the Relationship between the Beneficiaries and the Company or its Subsidiaries, in the event of the termination of the Relationship, the provisions as described in this Disclosure shall apply, unless otherwise determined by the Board of Directors, after consulting the Appointments and Remuneration Committee, in a more favourable sense for the Beneficiaries.

In case of Relationship termination after the occurrence of a Bad Leaver event during the vesting period or, in any case, before the delivery of the shares, the beneficiary will definitively and fully lose the right to receive the shares assigned.

In case of Relationship termination due to a Good Leaver hypothesis during the Vesting Period, or in any case before the Awarding of the Shares, the Beneficiary (or his heirs) shall retain the right to receive the Shares in proportion to the duration of the Relationship with respect to the Vesting Period (i.e. *pro rata temporis*), on the basis of the actual level of achievement of the Performance Objectives, as ascertained at the end of the Plan for the generality of the Beneficiaries, and all the further terms and conditions set forth in the Plan (as regards the timing of the allocation, Lock-up Period, *malus* and clawback, etc.).

In the event of transfer of the Relationship to another Group company and/or in the event of termination of the relationship and simultaneous establishment of a new relationship within the Group, on the other hand, the beneficiary will retain, *mutatis mutandis*, all rights assigned by the Rules.

4.9 Indication of other possible causes for cancellation of the Plan

Except as indicated in the preceding paragraphs and in paragraph 3.3 of the Disclosure, there are no other causes for cancellation of the Plan.

4.10 Reasons for the possible provision of a "redemption" of the Shares by the Company

The Plan provides for the adoption of *malus* and claw-back clauses. In particular, if, within the term of 3 years from the Date of Allocation, it transpires that the Performance Objectives have been ascertained by the Board of Directors on the basis of data that have proven to be manifestly erroneous, or it is ascertained that the Beneficiary is liable for:

- (i) fraudulent or grossly negligent conduct to the detriment of the Group;
- (ii) breach of obligations of loyalty to the Group; or
- (iii) conduct that resulted in a significant financial or asset loss for the Group;

the Board of Directors, reserves the right to obtain (a) the restitution of the Shares (in whole or in part), deducting an amount corresponding to the tax, social security and welfare charges related to the Allocation of the Shares, or if the Shares have already been sold, (b) the restitution of the sale value (in whole or in part), deducting the amount corresponding to the tax, social security and welfare charges related to the Allocation of the Shares, possibly also by offsetting the amount with the Beneficiary's wages and/or severance pay. Upon the occurrence of any of the aforementioned events prior to the Shares Allocation, the Company may also not proceed (in whole or in part) with the relevant Allocation (so called *malus*).

4.11 Any loans or other incentives for the purchase of the Shares

Not applicable. There are no loans or other incentives for the purchase of the Shares as they are allocated free of charge.

4.12 Valuation of the expected cost for the Company at the date of the relevant assignment, as it may be assessed based on the terms and conditions already defined, by the total amount and in relation to each instrument of the Plan

The implementation of the Plan provides for the Allocation of the Shares arising from the vested Rights to Receive Shares within 15 calendar days from the date of approval of the Group's consolidated financial statements for the year ended 31 December 2025.

The total cost for the Company may not, therefore, be assessed in advance as it is a function of the actual total number of Shares allocated. The notional cost that may be recognised in the financial statements in the fiscal years covering the duration of the Plan is a function of the probability of the Shares Allocation and the "fair value" attributable to the Rights to Receive Shares granted to the Beneficiaries, as well as the Company's tax and social security bracket of the Plan itself.

Further information on the cost of the Plan for the Company will be provided in the manner and within the terms indicated in Article 84-*bis*, paragraph 5, letter a), of the Issuers' Regulation and, in any case, by the regulatory provisions in force at the time.

4.13 Any dilutive effects brought about by the Plan

If treasury shares are used, no dilutive effects on capital are expected. On the other hand, in the event of the creation of a stock for the Plan exclusively through capital increases, the maximum dilutive effect, if any, is 0.00000002%.

4.14 Possible limits for the exercise of voting rights and the allocation of property rights

Not applicable. There are no limits on the exercise of equity and voting rights in relation to the Shares to be allocated under the terms of the Plan.

4.15

Not applicable. The Shares are traded on Euronext Milan, a market organised and managed by Borsa Italiana S.p.A..

4.16 - 4.23

These sections, as they relate to stock option grants, are not applicable to the Plan.

4.24 Table

As of the Date of the Disclosure, the Plan has not yet been approved by the Shareholders' Meeting of the Company.

The information set forth in Table No. 1 attached to Schedule 7 of Annex 3A of the Regulation on Issuers, where applicable, will be provided, from time to time, pursuant to Article 84-*bis*, paragraph 5, letter a) of the Regulation on Issuers.



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