

ITALMOBILIARE

INFORMATION MEMORANDUM

MONETARY LONG-TERM INCENTIVE PLAN, LINKED TO THE APPRECIATION OF ITALMOBILIARE SHARES, FOR MANAGERS

Foreword

The monetary long-term incentive Plan set forth in this information document does not fall under the scope of a “Significant plan” under and by operation of Art. 84-bis, Para. 2, of the Consob Regulation No. 11971/99, as amended.

Therefore, only the sections of document under the heading “for all plans” have been completed.

Definitions

For the purposes of this information memorandum the terms and expressions listed below shall have the following meaning.

“Recipients”: managers of the Company beneficiaries of the Plan under this Regulation;

“Shares”: Italmobiliare S.p.A. ordinary shares;

“Cycle”: each three-year period, as of 2011, into which the period of the plan (2011-2019) is broken down;

“Committee”: the Remuneration Committee of the Company;

“Director”: the Chief executive officer of the Company;

“Board”: the Board of Directors of the Company;

“Allotment date”: the date whereon the admission of Recipients to the plan is formally resolved upon;

“Date of settlement”: the date in any case subsequent to the end of the performance monitoring period and to the beginning of the period of availability, whereon the Company pays out the rights accrued to Recipients;

“Rights”: the Rights, the number whereof is equal to the MBO payout divided by the fair value of shares and later proportioned to the weight of position, that enable recipients thereof to obtain, during the period of availability, a cash bonus the amount whereof is equal to the number of rights multiplied by the value of shares on the date of settlement;

“Financial years of reference”: financial years in which, during each of the Cycles included in the Plan, the achievement of the MBO payout is pursued;

“Letter of admission to the Plan”: the letter that must be exchanged between the Company and each Recipient attesting, when duly signed by the latter, their agreement with the Plan;

“MBO payout”: the total amount received on a three-year basis as the sum of the amounts received as yearly MBO by each Recipient in the financial years of reference, according to the MBO system applied within the Group, upon achievement of individual performance targets;

“Period of availability”: the period, starting on a date to be defined by Director within the financial year subsequent to the closing date of the latest financial year of reference of each Cycle and that lasts for three months, whereon Recipient will receive any amount actually accrued;

“Performance monitoring period”: the period that includes the financial years of reference during which Recipients pursue the achievement of MBO payout which the actual accrual of rights is dependent on;

“Plan”: the Plan under this Regulation;

“Regulation”: this Regulation governing the Plan;

“Company”: Italmobiliare S.p.A., with registered office in Milan, via Borgonuovo 20;

“Fair value of shares on the allotment date”: the value of shares of the Company as resulting from the arithmetic mean of official listings of same on the market managed by Borsa Italiana in

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the thirty calendar days preceding the allotment date;

“Value of shares on the date of settlement”: the value of shares of the Company as resulting from the arithmetic mean of official listings of same on the market managed by Borsa Italiana in the months of October, November and December of the last year of each cycle (for the first cycle, the period is 1 October 2013 to 31 December 2013).

1. Receivers

1.1 Names of receivers who are members of the Board of Directors or of the Management Board of issuers of financial instruments, of companies controlling the issuer and of companies directly or indirectly controlled by the latter

There are no receivers who are members of the Board of Directors or of the Board governing issuers of financial instruments, of companies that control the issuer and of companies directly or indirectly controlled by the latter.

1.2 Categories of employees or assistants of the issuer of financial instruments and of the Companies controlling or controlled by any such issuer

The managers of the company indicated by Director for this purpose.

2. Reasons underlying the adoption of the Plan

2.1 Targets

The purposes of the Plan can be summarised as follows:

- link the aggregate remuneration of Recipients to the medium/long-term performance of the company and to the value creation for shareholders;
- reward the results achieved by each Recipient, creating the conditions necessary to assure a greater involvement of the top management in the future of the Company and strengthening the sense of belonging of Recipients, incentivising their stay with the company.

2.2 Key variables, also in the form of performance indicators considered for the purpose of assigning plans based on financial instruments

The accrual of Rights to participate in the monetary long-term incentive Plan linked to the appreciation of shares assigned to the Recipients of Plan and that form the subject of same depends on achieving the objectives connected with the economic-financial and operating results of the Company and to other specific objectives assigned to Recipient, approved by Director on commencement of Cycle or thereafter in the stipulated cases of change in the appointment entrusted with beneficiary.

2.3 Basic elements in determining the amount of remuneration based on financial instruments, or criteria applicable to calculation thereof

The Director shall define, as part of the Plan, upon proposal of the Committee and, where necessary, with the favourable opinion of the Committee for transactions with related parties, the amounts that can be received by each recipient as an incentive based on an overall assessment which, considering the general company performance as an essential condition of the Plan, and the strategic position of each Recipient's role for the purpose of pursuing long-term objectives of the Company, will be related to:

- i) the weight of Recipient's position within the organisation;
- ii) the consistency with the “total rewarding” principles from which the remuneration policy of the Company is based upon;
- iii) the aggregate yearly MBO plans' payout in the period concerned with the Plan

2.4 Basic reasons for making the decision underlying the decision to assign plans based on financial instruments not issued by the issuer of financial instruments, such as financial instruments issued by subsidiaries or parent companies or companies unrelated to the group; whenever the above instruments are not traded on regulated markets, information on the criteria adopted in

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determining the value assignable thereto

This case is not provided in this Plan.

2.5 Considerations on significant tax and accounting implications that influenced the definition of plans

This case is not envisaged here.

2.6 Any support to the plan by the Special Fund incentivising the participation of workers in businesses, under Art. 4, Para. 112, of Law No. 350 dated 24 December 2003

This case is not envisaged here.

3. Approval procedure and instrument assignment timing

3.1 Scope of powers and functions granted to the Board of Directors by the shareholders' meeting for Plan implementation purposes

The corporate body in charge of making any decisions related to the Plan is the Board that entrusts the Director with the operating management of the Plan, with the support of the Committee and, where necessary, with the consent of the Committee for transactions with related parties, and with the technical support of the Human Resource and Organisation Development Manager.

In particular, the Director shall be responsible for:

- i) identifying individual Recipients for each Cycle;
- ii) determining any obtainable amounts;
- iii) ascertaining the percentage of achievement of the MBO payout by each Recipient for each Cycle;
- iv) determining the commencement date of the Period of availability.

The Director shall periodically report to Shareholders any progress of the Plan on the occasion of the Ordinary Shareholders' Meeting convened to approve the financial statements.

3.2 Indication of the individuals in charge of managing the Plan, their functions and competence

The Plan is administered by the Human Resource and Organisation Development Department of the Company consistent with the provisions of Regulation.

3.3 Any procedures in place regarding review of plans also with respect to any variation in basic targets

Considering the advisability of reviewing the Plan is referred to the prudent valuation of Director who, with the consent of the Committee, reports to the Board.

3.4 Description of the method whereby the availability and assignment of financial instruments whereon plans are based should be determined (for example: free assignment of Shares, capital increase with the exclusion of option rights, purchase and sale of treasury shares)

The Plan provides for the assignment to Recipients of a number of Rights, determined by dividing the MBO payout by the Fair value of shares on the allotment date and by later proportioning the value resulting therefrom to the weight of each position according with the provisions of Art. 7.1 which, multiplied by the Value of shares on the date of settlement, will enable Recipients to obtain the payment of an incentive.

4. Characteristics of assigned instruments

4.1 Description of the forms in which remuneration plans based on financial instruments are organised; for example, indicate whether the Plan is based on the assignment of: financial instruments (the so-called assignment of restricted stock); the value appreciation of any such instruments (the so-called phantom stock); option grants allowing the repurchase of financial instruments at a later time (the so-called option

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grant) requiring physical delivery (the so-called stock option) or in cash on the basis of a variance (the so-called stock appreciation right)

Rights assigned to Recipients, when accrued on the terms, in the manners and on the conditions of Regulation, enable Recipients to receive the outpayment of the incentive agreed upon.

4.2 Indication of the period of actual implementation of plan also with reference to any anticipated cycles

The term of the Plan is 3 (three) three-annual Cycles in the period 2011 through 2019. The term of the first Cycle is the 2011-2013 three-year period.

4.3 Expiry of Plan

The Plan expiry date is set at the end of the ninth year of the one in which the Rights were assigned first (2011).

4.4 Maximum number of financial instruments, including options, assigned in each fiscal year to individuals identified by name or to the categories indicated

No more than 35,000 Rights for the 2011-2013 Cycle.

4.5 Plan procedure and implementation provisions, indicating whether the actual assignment of instruments is subject to certain conditions to be met or to certain results also related to performance to be achieved; description of any such conditions and results

Incentive accrual depends on achieving the MBO payout in the Performance monitoring period.

Director shall, with the consent of the Committee and, where necessary, with the consent of the Committee to transactions with related parties, with the support of the Human Resource and Organisation Development Department, check and assess the extent to which the MBO payout has been achieved in the Performance Monitoring Period, and therefore determine the number of rights actually accrued to each Recipient.

4.6 Indication of any availability restrictions incumbent on instruments assigned or on instruments resulting from the exercise of options, in particular the terms within which any later transfer to the Company itself or to third parties is allowed or prohibited

Rights accrued under above Art. 9.2 are registered and non-transferable, save for the provisions of this Regulation in case of death of Recipient.

4.7 Description of any termination conditions related to the assignment of Plans whenever receivers perform hedging transactions that enable the nullification of any prohibition to sell the financial instruments assigned, including options, or the financial instruments resulting from the exercise of any such options

This case is not envisaged in the Plan at issue.

4.8 Description of the effects caused by termination of employment

Except for the specific cases envisaged below in this article, and without prejudice to the right of the Director to decide otherwise being understood, the Rights resulting for Recipients with respect to any Rights accrued under this Regulation are intrinsically and functionally connected to and subject to the existence, at the beginning of the period of availability, of the employment agreement between Recipient and the Company.

Save for any exceptions in particular cases as Director may determine, the following provisions shall be applied to the instances listed below:

- a) in case of termination of the employment agreement for dismissal or resignation, occurring after termination of the Performance monitoring period but before commencement of the Period of availability, the general principle shall apply and therefore Recipient will definitively and automatically lose entitlement to incentive;
- b) in case of mutually agreed termination of the employment agreement or dismissal for

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retirement or following supervened disability, however occurring after the end of the Performance monitoring period, or whenever Recipient has otherwise achieved the MBO payout, then Recipient shall be still entitled to the incentive if, after the employment termination date, Rights actually accrue;

- c) in the case of death of Recipient after the end of the Performance monitoring period, or whenever Recipient has otherwise achieved the MBO payout, any Rights accruing to the latter under this Plan shall be assigned to the heirs of Recipient subject to production by any such heirs, of the documentation suited to supply evidence of their condition as heirs.

Lapse of Rights, where provided, shall occur automatically, with no need for any notification or other formalities as from the actual termination of the employment agreement.

Where, during the Performance monitoring period, the employment agreement of Recipient is transferred by and between the Company and its subsidiaries, regardless of any manners in which any such transfer takes place, or the position of Recipient within the organisation has changed and so have the responsibilities of the latter, then the MBO payout of reference will be reviewed accordingly.

Under all circumstances, Director may determine in equity the amount to be paid out to Recipient dependent on the activity carried out.

The above provisions can be amended by Director to assure that Recipients receive a treatment equivalent to that initially offered.

4.9 Indication of any other reasons for cancellation of plans

Director, with the consent of the Committee, may temporarily suspend the effects resulting from the accrual of rights to recipients should specific and particular needs so require, such as, for example, changes in law and regulatory provisions, except for tax rules and regulations, applicable to any legal relationships arising out of the Plan.

The effects of accrual of Rights to Recipients will also be suspended on the occurrence of events such as, for example, corporate merger and demerger transactions affecting the share capital of the Company, share capital increase and decrease, amendments to the bylaws regarding Shares, that might affect the conditions regulating the application of Plan, and even alter its economic-financial prerequisites and prejudice the purposes thereof as defined at above Art. 3.

At all events, any suspension shall with no delay be notified to Recipients.

Director may, under all of the above circumstances and with the consent of the Committee, implement any amendments and supplements to the Plan, to the Cycle and to this Regulation, and order termination of the latter should it prove to be no longer consistent with the company circumstances, without prejudice of acquired rights in the meantime as a consequence of lapse of the three-year period of reference and of meeting the other requirements and conditions set forth in this Regulation.

At all events, any suspension shall with no delay be notified to Recipients.

Director may, in all of the above cases, implement any amendments and supplements to the Plan, to the Cycle and to the Regulation, and order termination of the latter should it prove to be no longer consistent with the company circumstances.

4.10 Reasons for providing for any “redemption”, by the Company, of financial instruments covered by the plans, pursuant to Arts. 2357 et seq. of the Civil Code; the beneficiaries of any such redemption if the latter is intended for special categories of employees only; the effects of employment termination on the above redemption

This case is not provided in this Plan.

4.11 Any loans or other facilities to be possibly granted for the purchase of Shares under Art. 2358, Para. 3 of the Civil Code

This case is not provided in this Plan.

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4.12 Considerations on the expected charge for the Company on the assignment date, as inferable from terms and conditions already defined, by total amount and with respect to each instrument covered by the Plan

The expected total charge for the Company shall be equal to the sum of the value of share on the settlement date multiplied by the number of rights actually accrued to Recipients.

4.13 Indication of any dilution effects on capital caused by remuneration plans

This case is not provided in this Plan.

4.23 Criteria adopted to make the necessary adjustments resulting from extraordinary operations on capital and other transactions involving changes in the number of underlying instruments (capital increase, extraordinary dividends, underlying stock grouping and split, merger and demerger, conversion into other categories of Shares, etc.)

Should the Company merge with or demerge from another company, any Rights accrued shall result in entitlement to a bonus, proportional to the value of shares of the Company arising out of merger or demerger, proportionally to the exchange rate adopted.

Should the Company be delisted, the term within which the achievement of the MBO payout which the accrual of Rights is dependent on will be assessed, will be brought forward accordingly, to enable the completion of any such accrual and therefore the commencement of the Period of availability well in advance as compared to the stipulated share trading termination date on the regulated market.

Should the ownership of the Company change, or a tender or swap offer be made concerning the Shares, then the Rights accrued shall be maintained according with the provisions of this Regulation.