ITALIAN FOUNDERS FUND

MANAGED BY
KOINOS CAPITAL SGR

Dear Founders,

When starting your company, you will realize that much of your efforts will often be focused on attracting the best possible talent. Only outlier talent can turn a small startup into an extraordinary outcome.

One way to attract outlier talent is by giving them the right incentives, thus making them owners of a piece of your company.

There are a few tools to make that happen. The most frequently used internationally and the one we suggest is the Employee Stock Option Plan (ESOP).

At Italian Founders Fund, we joined forces with law firm BonelliErede to produce a set of standard investment documents to share with founders in Italy, with one goal: make the Italian startup ecosystem faster, fairer and more accessible.

In this document you will find the legal structure we use with our portfolio companies to set up their stock option plan.

In case you are not super familiar with legal terms and find this document confusing, you can visit our website (italianfoundersfund.com/standard-docs), where you will find a video going over the most important terms, and a guide prepared by BonelliErede specifically for employees when they are granted stock options.

This framework is completely free to use, we hope you will find it useful!

In case you have any questions or comments, feel free to reach out to us at hello@italianfoundersfund.com

ITALIAN FOUNDERS FUND
Managed by Koinos Capital SGR

BonelliErede

[COMPANY'S NAME] [S.R.L.]

RULES GOVERNING THE NEW STOCK OPTION PLAN

This document is strictly confidential and reserved for the Beneficiaries (as defined herein). Each Beneficiary shall be responsible for any disclosure thereof to unauthorised third parties, whether in whole or in part.

1. <u>Subject Matter of the Rules</u>

1.1 These rules (hereinafter the "**Rules**") govern the stock option plan (hereinafter the "**Plan**") for the directors, managers, employees and external collaborators of [•] [S.r.l.] (hereinafter the "**Company**") and its Subsidiaries (if any), as identified from time to time by the Governing Body (as defined below).

1.2 The provisions of the Rules are inseparable from each other.

2. <u>Definitions</u>

2.1 In addition to terms defined in other articles of these Rules, for the purposes herein the terms and expressions listed below, reported with an initial capital letter, shall have the meaning given below.

2.1.1 "**Allocation Date**" shall mean the date on which the Options are allocated to the Beneficiaries. Such date shall coincide with the date the Beneficiaries sign the respective Grant Letter. A copy of the Rules shall be attached to the Grant Letter.

2.1.2 "**Articles of Association**" shall mean the Company's articles of association in force from time to time.

2.1.3 "**Bad Leaver**" shall mean [•]. [note to draft: Bad Leaver scenarios to be negotiated between the parties]

2.1.4 "**Beneficiaries**" shall mean the directors, managers, employees, providers and consultants of the Company as well as such persons which the Governing Body shall nominate, at its sole discretion, pursuant to a resolution, as beneficiaries of the Plan and to whom, consequently, the Options will be allocated; each of them shall be a "**Beneficiary**".

2.1.5 "**Managing Body**" shall mean the Company's (a) board of directors in office or (b) directors, as the case may be, in office from time to time.

2.1.6 "**Cliff Period**" shall have the meaning set forth in paragraph 12.9.

2.1.7 "**Company**" shall mean [•] [S.r.l.].

2.1.8 "**Control**" has the meaning set out in article 2359, paragraph 1, no. 1, of the Italian Civil Code.

2.1.9 "**Exercise Date**" shall have the meaning set forth in paragraph 11.1.

2.1.10 "**Final Term**" shall mean 31 December [•]. [note to draft: insert the Plan expiry year]

2.1.11 "**Good Leaver**" shall mean [•]. [note to draft: Good Leaver scenarios to be negotiated between the parties]

2.1.12 "**Governing Body**" means each of the shareholders' meeting and the managing body, provided that the Governing Body shall always resolve with the favourable vote of Koinos Capital SGR S.p.A. or, as the case may be, the director appointed by Koinos Capital SGR S.p.A., in compliance with the Articles of Association.

2.1.13 "**Grant Letter**" shall mean the notice with which the Company allocates the Options to the Beneficiaries; in the event of discrepancies between the provisions of these Rules and those of the Grant Letter, the latter shall prevail.

2.1.14 "**Just Cause of Resignation**" shall mean: [•]. [note to draft: Just Cause of Resignation hypothesis to be agreed between the parties]

2.1.15 "**Just Cause of Termination**" shall mean: [•]. [note to draft: Just Cause of Termination hypothesis to be agreed between the parties]

2.1.16 "**Law**" shall mean any applicable statute, law, decree, regulation, rule or code.

2.1.17 "**Leaver**" shall mean, with respect to the Beneficiary concerned, the termination of his/her relationship with the Company.

2.1.18 "**Liquidity Event**" shall mean: (i) the sale of a number of Shares involving a change of Control in the Company; (ii) the sale, or the exclusive license, of all (or substantially all) the Company's assets and/or the Company's intellectual property; (iii) the listing of the Company's Shares on any regulated financial market; (iv) any extraordinary transaction identified by the Governing Body, at its exclusive discretion, as a Liquidity Event.

2.1.19 "**Notice of Exercise**" shall have the meaning set forth in paragraph 11.2.

2.1.20 "**Offer Letter**" shall have the meaning set forth in paragraph 11.1.

2.1.21 "**Option**" shall mean the right of the Beneficiaries to subscribe 1 (one) Plan Share under the Plan at the terms and conditions set forth by these Rules.

2.1.22 "**Plan**" shall mean this stock option plan, as set forth in paragraph 1.1 above.

2.1.23 "**Plan Shares**" shall mean the Shares (characterised by the rights and obligations attributed to such class of Shares under the Articles of Association) which will be (or have been) issued to service this Plan, and which shall be subscribed by the Beneficiary following his/her exercising his/her Options.

2.1.24 "**Relationship**" shall mean any relationship (directorship, employment, collaboration, advisory or else) in place between the Company and the Beneficiary from time to time.

2.1.25 "**Shares**" shall mean the shares [("quote")] representing the Company's share capital, from time to time in circulation, regardless of whether they belong to a particular class. For the purposes of these Rules, the Company's corporate capital shall be deemed as divided into Shares each having a nominal value equal to Euro [0.01 (one cent/00)] (regardless of whether the corporate capital is actually divided into Shares and/or the Shares' actual nominal value) and these Rules shall be construed accordingly.

2.1.26 "**Stability Period**" shall mean the fixed time interval specified in the Grant Letter, starting on the Grant Date, during which the Beneficiary must remain continuously employed by, engaged with, or appointed within the Company.

2.1.27 "**Strike Price**" shall mean the price which the Beneficiaries shall pay the Company for subscription to the Plan Shares following exercise of their Options, as indicated in the Grant Letter. The Strike Price shall be determined by the Governing Body for each Beneficiary at its discretion but shall in no case be lower than the nominal value of the Plan Shares.

2.1.28 "**Subsidiary**" shall mean, with respect to the Company, any entity that, directly or indirectly, is controlled by the Company.

2.1.29 "**Unvested Options**" shall mean any Option other than the Vested Options.

2.1.30 "**Vested Options**" shall mean any Option which, based on the applicable Vesting Relevant Date(s) and/or applicable Vesting Conditions, have vested.

2.1.31 "**Vesting**" shall mean when the Options vest based on the applicable Vesting Relevant Date(s) and/or Vesting Conditions.

2.1.32 "**Vesting Conditions**" shall have the meaning set forth in paragraph 9.1.

2.1.33 "**Vesting Relevant Date**" shall have the meaning set forth in paragraph 9.1.

3. Plan Description

3.1 The Plan constitutes an incentive and loyalty tool for the Beneficiaries and is aimed at acknowledging the contribution the Beneficiaries have given to the increase in the Company's value, with due regard to, in particular, the importance of the management functions performed by them in the Company.

3.2 The Plan provides for the allocation to Beneficiaries of Options which, when exercised at the conditions and in the manner specified in the Rules and in the Grant Letter, shall confer upon such Beneficiaries the right to subscribe to the number of Plan Shares allocated to them as specified in following paragraph 4.1 at the Strike Price.

4. Powers of the Governing Body

4.1 The Governing Body shall have sole authority to execute and manage the Plan, including determining Beneficiaries, allocating Options, and setting the number of Plan Shares each Beneficiary may subscribe. Such allocations shall be communicated in the Grant Letter, together with the applicable Strike Price.

4.2 In the event of exceptional or unforeseeable circumstances affecting the Plan, changes in applicable Law, or extraordinary capital transactions (including share capital changes, issuance of shares or convertibles, modifications to Plan Share rights, incentive pool increases, mergers, demergers, or distributions to shareholders), the Governing Body may, at its sole discretion and without requiring Beneficiaries' consent, amend the Rules to preserve the financial aspects of the Plan. This includes adjusting the Strike Price, Plan Share values, or the number of Shares in accordance with standard financial-market practices, so that the financial benefit of the Options remains substantially unchanged. Beneficiaries shall be notified in writing of any such adjustments. The Governing Body may amend the Plan at any time, provided that such amendments do not adversely affect rights relating to Options already granted.

4.3 The Governing Body may at any time take actions or grant benefits in favour of a Beneficiary, including by way of derogation from these Rules, provided such actions do not prejudice rights already vested by other Beneficiaries.

4.4 The Governing Body may, at its sole discretion, grant more favourable treatment to any Beneficiary, including accelerated vesting, reduced Strike Prices, extended Exercise Periods, modified Vesting Conditions, or additional benefits. Such favourable treatment to one Beneficiary shall not entitle others to claim equivalent treatment.

5. Characteristics of the Options

5.1 The Options shall give the Beneficiaries the right, at the terms and conditions set out in these Rules, to subscribe – subject to the occurrence of the Liquidity Event – to the related Plan Shares.

5.2 The Options are granted to the Beneficiaries free of charge. Exercise of the Options and the consequent subscription to the Plan Shares shall, however, be subject to payment of the Strike Price.

5.3 The Options shall be personal, they shall not be transferable nor made available inter vivos, they shall not be pledged nor assigned as surety to the Company or other companies of the parent group or to third parties, nor – in general – shall they be the subject matter of contracts of any kind, including derivative contracts, except with the authorization of the Governing Body. Any transfers or deeds in breach of this paragraph 5.3 shall be ineffective vis-à-vis the Company.

5.4 Allocation of the Options does not confer any right or expectation to receive Options or other incentive instruments approved by the Company in the future, nor to the continuance of the relationship between the Beneficiaries and the Company, the Subsidiaries or other companies of the parent group, which will continue to be governed by the provisions applicable under laws in force.

6. Beneficiaries

6.1 The allocation of the Options is conditional upon the Beneficiary having a Relationship in place with the Company on the Allocation Date.

6.2 Each Beneficiary shall receive a Grant Letter setting out the number of Plan Shares they may subscribe to as a result of exercising their Options, the Vesting Relevant Date(s), the Vesting Condition(s) and the relative terms of exercising the Options, including the Strike Price and a copy of these Rules. The Grant Letter shall indicate whether a Cliff Period and/or a Stability Period apply to the Beneficiary, as well as any special terms applicable to the Beneficiary.

6.3 Each Beneficiary shall return the Grant Letter and the Rules to the Company duly signed.

7. Changes affecting the Beneficiaries

7.1 Until Options are exercised and the relevant Plan Shares are subscribed, Beneficiaries shall have no financial, management, control or information rights in the Company by reason of the grant of Options, and the Plan shall not restrict the shareholders or the Governing Body from resolving upon capital increases or reductions, further stock option plans, share allocations, or the issuance of options, convertible bonds or other instruments convertible into Shares (even if dilutive to the Beneficiary).

7.2 The Governing Body may update the number of Plan Shares from time to time, and each Beneficiary acknowledges that the percentage of corporate capital represented by the Plan Shares may vary over time (including as a result of capital changes or issuances to service convertibles or similar instruments) and waives any related challenges or claims.

8. Plan Shares

8.1 The Company will cause its shareholders to resolve upon the issuance of Plan Shares to service the Plan, so that the Options can be exercised pursuant to the Rules.

8.2 The Plan Shares, where issued, shall grant the Beneficiaries the prerogatives pursuant to the Articles of Association.

8.3 The Governing Body may decide, at its exclusive discretion, which rights the Plan Shares are supposed to attach. Beneficiaries may be granted Plan Shares attaching different rights. In any case, unless the Governing Body decides otherwise, the Plan Shares shall have no voting rights or other governance rights and sit pari passu with the most junior Shares in any liquidation preference waterfall which the Articles of Association may provide for from time to time. No assurance, representation or commitment is made that the Plan Shares will confer any governance or economic rights.

8.4 No increase in the value of the Plan Shares subscribed by exercising the Options and, more generally, no benefit awarded under the Plan:

(i) shall in any way be considered an integral part of the normal remuneration of the Beneficiaries. In particular, any increase in the value of the Plan Shares indicated above shall be construed as already being inclusive of any relative impact on the direct and indirect remuneration provisions governed by the collective and individual employment agreements in force and that may be applicable (such as, for example, the thirteenth and fourteenth month wage or additional indemnity, if due) and by law (such as, for example, the notice allowance and severance indemnity), since the foregoing were taken into account when deciding the number of Options to be allocated to each Beneficiary, and shall therefore have no further effect on such calculation;

(ii) shall constitute the prerequisite for recognition of similar or additional benefits, whether under the Plan or otherwise;

(iii) shall, upon expiry of the Plan, automatically grant the Beneficiaries the right to participate in any additional incentive plans approved by the Company, or any other type of remuneration of any kind.

9. Vesting

9.1 The Options shall vest:

(i) on the date (the "**Vesting Relevant Date**"); and/or

(ii) subject to the applicable vesting conditions (the "**Vesting Conditions**")

as set out in the Grant Letter.

9.2 If the Liquidity Event occurs before the Vesting Relevant Date or the deadline to meet the Vesting Conditions has fully expired, all Unvested Options at the date of the Liquidity Event will automatically expire and cease to have any effect and validity, and the Company shall be released from any obligation or liability to the Beneficiary, without the need to notify the Beneficiary or perform any other formalities to such effect.

9.3 In the event that, on the date of the Final Term, no Liquidity Event has occurred, all the Options (whether Unvested Options or Vested Options), will expire and cease to have any effect and validity, and the Company shall be released from any obligation or liability to the Beneficiary, without the need to notify the Beneficiary or perform any other formalities to such effect.

9.4 In the event assignees lose their Beneficiary status before the Vesting Relevant Date and/or before the Vesting Conditions have been met, the provisions of paragraph 12 hereafter shall apply.

10. Liquidity Event

10.1 Unless specified otherwise in the Grant Letter, the exercise of the Options is subject to:

(i) the occurrence of the Liquidity Event within the Final Term; and

(ii) if the Governing Body so requires in writing, the relevant Beneficiary:

(a) executing all binding agreements relating to the Liquidity Event (the "**Liquidity Event Contracts**"); and

(b) undertaking the non-compete undertakings which the purchaser or the third-party investor may reasonably require, to be agreed in good faith with the Company.

10.2 If the Liquidity Event occurs and the Options are not exercised by the Beneficiary in full and in a single exercise within the terms set out in the Offer Letter (as defined below), the Options allocated under the Plan will automatically expire and cease to have any effect and validity, with the consequent release of the Company from any obligation or liability to the Beneficiary, without the need for any communication or other formalities to such effect.

10.3 Unless the Liquidity Event Contracts provide for otherwise, in the event of partial and staggered sale of the Shares in circulation over time, the Liquidity Event shall be considered to have taken place when the last sale is made.

10.4 Notwithstanding anything to the contrary in these Rules, at any time, upon specific request of the [Founder] [**note to draft: to be defined in accordance with the contractual documentation**], the Governing Body may consent that one or more Beneficiaries, in relation to their Vested Options, have the right to exercise such Vested Options even if a Liquidity Event has not yet occurred.

11. Methods and terms of exercising the Options

11.1 Before the occurrence of the Liquidity Event, the Company shall notify each Beneficiary by means of a letter to be delivered by hand or sent by registered post with acknowledgment of receipt or by certified email (the

“**Offer Letter**”) setting out the following:

(i) the deadline by which the Options shall be exercised, in the context of the Liquidity Event (the “**Exercise Date**”);

(ii) the number of Plan Shares that can be subscribed as a result of exercising the Options, pursuant to these Rules;

(iii) any transaction instructions that the Beneficiaries must comply with in order to exercise the Options (including, for example, the obligation to grant powers of attorney to sell the Plan Shares to a third buyer, to deposit them in a restricted brokerage account, etc.);

(iv) only in the case set out in paragraph 10.1, the terms of the Liquidity Event Contracts.

11.2 Beneficiaries intending to exercise their Options, pursuant to the Offer Letter, shall submit a written and irrevocable notice thereto (the “**Notice of Exercise**”) – addressed to the Governing Body – by 12:00 p.m. on the Exercise Date or the different term indicated in the Offer Letter. The Notice of Exercise shall also set out the details of the payment order made out to the Company, with the value on the same date, for an amount equal to the overall Strike Price for the subscribed Plan Shares.

11.3 Upon receipt of the Notice of Exercise, the Company, at the same time the Liquidity Event occurs and based on the related administrative requirements, shall make the subscribed Plan Shares available to the Beneficiary, subject to the actual receipt of payment of the Strike Price. As an alternative to the provisions of paragraphs 11.2 and 11.3, the Beneficiaries must comply with any different instructions that will be set out in the Offer Letter pursuant to paragraph 11.1.

11.4 Exercise of the Options will be suspended if the Liquidity Event which has been prospected under the Notice of Exercise does not occur.

11.5 The Beneficiaries shall promptly provide the Governing Body with all the information and cooperation reasonably required, within the scope of their competences, duties and/or assignments, to enable and facilitate the occurrence of the Liquidity Event, and shall refrain from carrying out any action or omission that may, directly or indirectly, delay, jeopardise, hinder, prevent or otherwise prejudice the occurrence of the Liquidity Event, under penalty of forfeiture of the right to exercise their Options.

12. Loss of the Beneficiary status

12.1 In the event an assignee loses his/her Beneficiary status, the following provisions shall apply.

12.2 No Option shall vest after the termination of a Beneficiary's Relationship with the Company; any Vesting shall be immediately interrupted on the date of such termination.

12.3 If an assignee loses the Beneficiary status as a Good Leaver before the Vesting Relevant Date and/or before any Vesting Conditions have been met:

(i) such assignee shall retain the right to exercise, within expiry of the Exercise Date and in any case with effect from the date the Liquidity Event occurs, any Vested Options;

(ii) any Unvested Option will automatically expire and cease to have any effect and validity, and the Company shall be free from any obligation or liability to the Beneficiary, without the need to notify the Beneficiary or carry out any other formalities to such effect.

12.4 If an assignee loses the Beneficiary status as a Bad Leaver before the Exercise Date, the Options (whether Unvested Options or Vested Options) will automatically expire and cease to have any effect and validity, and the Company shall be free from any obligation or liability to the Beneficiary, without the need to notify the Beneficiary or carry out any other formalities to such effect.

12.5 A Beneficiary who qualifies as a Good Leaver at any time may subsequently be reclassified as a Bad Leaver if, before the termination, the Beneficiary carried out acts or omissions that would have entitled the Company to terminate the Relationship for reasons resulting in Bad Leaver status.

12.6 Should a Beneficiary die, his/her heirs and legatees shall retain the right to exercise any Vested Options under the terms of the Rules, subject to the fulfilment by such heirs of the obligation to submit a declaration of succession and comply with the tax provisions in force, as applicable. The heirs and legatees shall be bound by these Rules as if they were the original Beneficiary, and the provisions of these Rules shall be construed accordingly.

12.7 Should the Beneficiary hold several roles in the Company (for example, both a director of the Company and a consultant/employee of the same), the occurrence of a Good Leaver or Bad Leaver event in relation to only one of these roles shall be considered an event of Good Leaver or Bad Leaver in relation to all the roles the Beneficiary holds in the Company, with the effects set forth in the preceding provisions of this paragraph 12.

12.8 The Grant Letter may include a Stability Period. In this case, if the Beneficiary resigns before the end of the Stability Period absent a Just Cause of Resignation he/she will forfeit the right to any Option, whether Vested Options or Unvested Options. The treatment applicable to Bad Leavers shall apply mutatis mutandis.

12.9 The Grant Letter may provide for a "**Cliff Period**", i.e. a fixed time interval during which the Beneficiary will not vest any options. In this case, if the Relationship terminates before the end of the Cliff Period, regardless of the reason of termination, he/she will forfeit the right to any Options. The treatment applicable to Bad Leavers shall apply mutatis mutandis.

13. Taxes and contributions

13.1 The participation to the Plan may entail the application of taxes and/or social security contributions payable by the Beneficiaries in the cases and in the manner provided for by the laws in force from time to time and applicable to each Beneficiary.

13.2 By joining the Plan, each Beneficiary represents and warrants to the Company that he/she has independently assessed all tax and social contribution consequences arising out of or in connection with his/her participation in the Plan, the grant, vesting, exercise or transfer of the Options and the holding or disposal of any Shares.

13.3 The tax effects and related timing, any social security and contribution charges related to the Plan shall remain the sole responsibility of the Beneficiaries according to the applicable taxation regime. To this end, each Beneficiary is required to consult his or her advisor regarding the applicable regime and by participating in this Plan declares to have received appropriate professional advice. The Company and any of its affiliates do not provide, and shall not be deemed to have provided, any tax, legal, or financial advice to the Beneficiary in connection with the Plan. No representations, warranties, or undertakings are made regarding the tax treatment or fiscal implications applicable to the Beneficiary.

13.4 The Beneficiaries agree to pay to the Company (in its capacity as withholding agent) any amount in respect of taxes, costs, levies, duties and social security charges, which need to be withheld pursuant to the Plan (including in relation to the granting of Options and/or the exercise thereof). In the absence of such payments, the Company shall have the full right to deduct such amounts from any amounts due to the Beneficiaries for any reason, including any wage, compensation, fee or other payment due to such Beneficiaries.

13.5 If, due to changes in these Rules or in their interpretation and application, implementation of the Plan should involve tax, social security or other charges for the Company, the Company may decide to cancel that part of the Plan that has not yet been implemented.

13.6 By joining the Plan, each Beneficiary (i) acknowledges that he/she was required to inform the Company in writing of any material or specific tax or social contribution consequences applicable to his/her personal situation and that no such disclosure has been made; (ii) accepts full responsibility for compliance with all applicable tax and social contribution laws and related reporting obligations and agrees that any tax or social contribution liability arising in connection with the Plan shall be borne exclusively by him/her; and (iii) agrees to indemnify and hold harmless the Company and its affiliates from and against any claims, liabilities, costs, charges or penalties arising out of or relating to his/her tax or social contribution treatment or any failure to comply with applicable tax or social contribution obligations

14. Miscellanea

14.1 The Company may, at its sole discretion and at any time, (i) adopt a digital platform for the management of the Plan and (ii) change, suspend, replace or discontinue any such platform. The features, functionalities and services made available through any such platform may vary from time to time and may include the ability to verify the status of the Beneficiary's Options, the number of allocated Options, vesting status or any other specific information. To the extent a platform is adopted by the Company and such functionalities are made available, the Beneficiary shall be entitled to access the platform designated by the Company from time to time, and access to such platform shall constitute the primary means of communication with respect to the Beneficiary's Options.

14.2 Any notification in relation to the Plan (including serving of judicial documents) shall be put in writing and sent by registered post with acknowledgment of receipt or delivered by hand, with signature on receipt, or by certified email (i.e. "pec – posta elettronica certificata") to be addressed as follows:

(i) if to the Company:

[•]

for the attention of the Governing Body at the Company's registered office;

(ii) if to a Beneficiary: to the address communicated by the Beneficiary when accepting the Grant Letter.

14.3 No provision of these Rules shall be considered suitable to award the Beneficiaries any rights with respect to the continuation of the employment and/or collaboration relationship with the Company or to limit, reduce or prejudice in any way the Company's right – unless otherwise provided for in the respective labour and/or collaboration contracts – to terminate the Relationship with the Beneficiaries or to amend their remuneration with respect to the amount paid on the Allocation Date.

15. Applicable Law – Jurisdiction

15.1 These Rules shall be governed by Italian Law.

15.2 Any disputes arising out of or in connection with the validity, interpretation and execution of the Rules and the Plan shall be decided by the Courts of [Milan], Italy.