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ITALIAN FOUNDERS FUND
Managed by Koinos Capital SGR

BonelliErede

YOUR ESOP PLAN

HOW YOU BENEFIT FROM YOUR COMPANY'S GROWTH

A guide for startup employees to understand their ESOP Plan

Designed by BonelliErede for Italian Founders Fund, find the full legal document at italianfoundersfund.com/standard-docs

Italian Founders Fund
managed by Koinos Capital SGR S.p.A.

THE IFF–BONELLIEREDE PARTNERSHIP

A standardized ESOP framework for Italian startups

ITALIAN FOUNDERS FUND

Italy's #1 Founders Fund

Venture Capital fund investing in companies with an Italian DNA: Founded in Italy, Italian Founders abroad, or companies expanding into Italy as a strategic market

Supported by 160+ successful entrepreneurs (Bending Spoons, King.com, Scalapay...)

€100M vehicle investing from pre-seed to Series A with tickets ranging from €300K to €3M

BonelliErede

Italy's Leading Independent Law Firm

500+ professionals, 80+ partners

Offices across Europe, Middle East & Africa

Ranked #1: Private Equity, Corporate/M&A (Chambers, Legal 500)

Legal tech innovation via beLab

We designed this standardized ESOP framework together for Italian startups to attract, retain, and reward key talent.

ESOP = EMPLOYEE STOCK OPTION PLAN

A tool that lets key people share in the company's success

1

PURPOSE

Incentivize and retain the people who drive the company's growth.

2

HOW IT WORKS

Options = the right to buy company shares at a predetermined price (the "Strike Price") when conditions are met.

3

NO UPFRONT COST

Options are granted completely free of charge.

4

YOUR UPSIDE

If the company grows, the difference between the Strike Price and the actual share value is your gain.

WHO CAN PARTICIPATE IN THE ESOP

DIRECTORS

Members of the Board of Directors

MANAGERS

Key management figures driving strategy

EMPLOYEES

Core team members contributing to growth

ON-GOING COLLABORATORS

Strategic external advisors

HOW ARE BENEFICIARIES SELECTED?

The Board of Directors decides who qualifies and how many Options each person receives, based on contribution and strategic relevance.

Each Beneficiary receives a personalized **Grant Letter** specifying their Options, Strike Price, vesting schedule, and other conditions.

THE ESOP LIFECYCLE, GRANT TO PAYOFF

1
GRANT
You receive Options free of charge via a Grant Letter

2
CLIFF
1-year cliff period. No Options vest during this time

3
VESTING
4-year vesting period. Options vest progressively

4
LIQUIDITY EVENT
Company sale, IPO, change of control or merger

5
EXERCISE
Pay the Strike Price for your vested Options

6
PAYOFF
Receive shares & benefit from the company's growth

KEY TAKEAWAY
You don't pay anything upfront. Options vest over time. The real payoff comes when a Liquidity Event occurs and you exercise your Options. The company's growth becomes your personal gain.

YOUR OPTIONS MATURE OVER TIME

The cliff and vesting schedule explained

YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Grant Date	Cliff ends	25%	50%	75%	100%

CLIFF PERIOD

No vesting

VESTING PERIOD (4 YEARS)

Options vest progressively ~25% per year

- Options vest only if the Vesting Period has fully elapsed **AND** any Performance Conditions (KPIs/milestones) are met
- If a Liquidity Event happens before vesting completes, unvested Options are lost
- If no Liquidity Event by the Final Term (e.g., 2035), all Options expire unless the Board decides otherwise

WHAT HAPPENS WHEN YOU LEAVE

GOOD LEAVER

TYPICAL SCENARIOS

Voluntary resignation without cause, mutual termination, death

Keep already vested Options

Can exercise them at Liquidity Event

Unvested Options are lost

BAD LEAVER

TYPICAL SCENARIOS

Fired for cause, breach of non-compete/non-solicitation, director resignation without cause

ALL Options lost (vested AND unvested)

No compensation whatsoever

Includes breach of exclusivity/stability

LUCA (GOOD LEAVER)

Resigns 6 months before Performance Conditions are met. Had 1,000 Options, 600 vested. **Keeps 600 vested**, loses 400 unvested.

CAMILLA (BAD LEAVER)

Terminated for cause 1 month before Vesting Period ends. **Loses ALL Options** - including those already vested.

WHEN CAN YOU CASH IN?

Two conditions must both be met

1 A LIQUIDITY EVENT HAS OCCURRED

BEFORE THE FINAL TERM

Sale of 100% of the company

Sale of all/substantially all assets or IP

Change of control (>50% voting rights)

Merger by incorporation

IPO / listing on a regulated market

2 THE BENEFICIARY MUST BE "CLEAN"

NO DISQUALIFYING CONDUCT

No willful misconduct or fraud against the Company

No criminal conviction

No competitive activity or solicitation harming the Company

ALL Options must be exercised at once, within the Exercise Date deadline. Missing the deadline = losing your Options, even if fully vested.

Example: Giovanni has 10,000 vested Options. The Company is acquired. He must exercise ALL Options within the Exercise Date (e.g., 30 days). If he misses the deadline, ALL Options are lost.
The Founders, subject to the board of directors' approval may allow the exercise of the option ahead of the occurrence of a Liquidity Event.

A PRACTICAL NUMERICAL EXAMPLE

SCENARIO A: FULL VESTING

Options Granted	**10,000**
Strike Price	**EUR 0.01/share**
Vesting	**100% (5 years)**
Share Value at Exit	**EUR 5.00/share**
You pay (Strike Price)	10,000 x EUR 0.01 = EUR 100
You receive (Share Value)	10,000 x EUR 5.00 = EUR 50,000

YOUR NET GAIN **EUR 49,900**

SCENARIO B: GOOD LEAVER (75% VESTED)

Options Granted	**10,000**
Vested (3 of 4 years)	**7,500 (75%)**
Strike Price	**EUR 0.01/share**
Share Value at Exit	**EUR 5.00/share**
You pay (Strike Price)	7,500 x EUR 0.01 = EUR 75
You receive (Share Value)	7,500 x EUR 5.00 = EUR 37,500

YOUR NET GAIN **EUR 37,425**

EARLY EXERCISE & SPECIAL SITUATIONS

ADVANCED EXERCISE

The Board may authorize early exercise before a Liquidity Event to reward key contributors

PLAN ADJUSTMENTS

In case of mergers, capital increases, new share classes, or extraordinary dividends, the Board may adjust the ESOP (Strike Price, number of quotas) to preserve financial fairness

MULTIPLE ROLES

If you hold multiple positions (e.g., director + consultant), a leaver event in one role affects ALL roles

DEATH / HEIRS

Heirs retain the right to exercise the deceased Beneficiary's vested Options

BENEFITS FOR INNOVATIVE STARTUPS AND SMES

FOR INNOVATIVE STARTUPS & SMES

D.L. 179/2012 (innovative startups) and D.L. 3/2015 (innovative SMEs)

Options are **NOT taxable income** at the time of grant

No taxes or social security contributions when Options are granted

CRITICAL TAX MOMENT

The relevant tax moment is when Options are GRANTED, not when exercised

SIGNIFICANT ADVANTAGE

Compared to cash bonuses or traditional compensation, this is a major tax benefit

PERSONAL ADVICE

Each Beneficiary should consult their own tax advisor for their specific situation

WHY IFF'S ESOP IS GOOD FOR YOU

01 Align your interests with the company's success. You grow when the company grows

02 No upfront cost. Options are granted free of charge

03 Favorable tax treatment for innovative startups and SMEs

04 A standardized, professionally designed framework. Transparent, fair, and legally robust

05 Designed specifically for the Italian startup ecosystem by IFF & BonelliErede

QUICK REFERENCE CHECKLIST

1. Options are personal and non-transferable
2. You must exercise ALL Options at once when the time comes
3. Stay committed – Bad Leaver = lose everything
4. Meet your deadlines – missing the Exercise Date means losing your Options
5. No rights over the Company until you exercise (no voting, no dividends)
6. The Board can adjust the plan for extraordinary events

Remember: your ESOP is a powerful tool. Understand it, protect it, and benefit from it.

NEXT STEPS

01 Review your Grant Letter carefully

02 Consult your tax advisor

03 Reach out to Irene Mingozzi or Giulia Bianchi Frangipane for any questions

BUILDING THE FUTURE OF ITALIAN INNOVATION - TOGETHER.

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