

ORDINARY SHAREHOLDERS' MEETING OF APRIL 27, 2023

REPORT OF THE BOARD OF DIRECTORS OF WEBUILD S.P.A. ON THE SIXTH ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING. I.E.:

"6. PROPOSAL OF AMENDING THE METHODS FOR ALLOCATING THE "PERFORMANCE SHARE 2020-2022" PLAN. INHERENT AND CONSEQUENT RESOLUTIONS."

Dear Shareholders,

we are hereby submitting for your approval, pursuant to Article 114-bis of the TUF, the proposal to adopt some amendments to the Performance Share Plan 2020-2022 (the "**Plan**") of Webuild S.p.A. ("**Webuild**"), approved by the Shareholders' Meeting on May 4, 2020, reserved in favour of some employees and/or collaborators and/or directors vested by particular roles (the "**Beneficiaries**") of Webuild and of the companies controlled by it ("**Group Companies**" and, together with the Company, the "**Group**").

The main points of the Plan are shown hereunder, as they are useful for placing the proposed modifications in context and, consequently, to better assess both the impact and the importance of it.

1. BENEFICIARIES OF THE PLAN

The Plan is intended for: (i) directors vested with specific duties of Group companies, identified from those individuals who hold or perform relevant roles or functions in, or for, the Group which justify an initiative that reinforces their loyalty, with a view to creating value; (ii) employees and/or collaborators of the Group, identified from among the individuals who hold or perform relevant roles or functions in, or for, the Group which justify an initiative that reinforces their loyalty and motivates them, through the creation of long-term bonus mechanisms, with a view to creating value and sustainability (the "**Beneficiaries**").

Beneficiaries also include the individuals belonging to the groups listed in point 1.3 letter a), b), and c) of Schedule 7 set out in Annex 3A of the Issuers' Regulations.

The Beneficiaries of the Plan have been identified as the Chief Executive Officer, the General Managers and the Managers with Strategic Responsibilities, for a total of 43 Beneficiaries.

2. PROCEDURES AND CLAUSES FOR THE IMPLEMENTATION OF THE PLAN.

The Plan provides for:

(a) the assignment, free of charge to the Beneficiaries, upon achieving the performance Targets defined by the Board of Directors and in compliance with the other provisions of the Plan, of ordinary shares of the Company ("**Shares**") already in circulation and in the Company's portfolio (or subsequently purchased), or, if the Company chooses, newly issued Shares pursuant to article 2349 of the Italian Civil Code; and

(b) payment to Beneficiaries, upon reaching the performance targets defined by the Board of Directors and in accordance with the other provisions of the Plan, a gross amount in cash (the "**Bonus**").

The exercise of the Plan is subject to the achievement of specific performance Targets during the 2020-2022 three-year period, coinciding with the Vesting Period.

The number of Shares and the Bonus amount that each of the Beneficiaries has the right to receive is determined by the Board of Directors according to the level attainment of the *performance* goals defined by the Board of Directors.

Provided the reference Targets are met, the Plan awards a bonus consisting of a monetary component, or 50%, and performance shares for the remaining 50%.

In particular, the method of payment of the long-term variable remuneration provides for:

- a first tranche equal to 50% up front after the aforementioned Vesting Period;

- a second tranche, again equal to 50%, deferred to the second year following the three-year performance period.

The Share component assigned to each tranche is in turn also subject to a **lock up of 12 months**.

In particular, the Plan is based on two types of indicators, measured independently, with respect to the values in the Budget/Business Plan, which are as follows:

(i) economic/financial indicators defined as Gross Debt on EBITDA (with a weight of 25% and measurement of the % ratio as a result of the Italy Project effect), TSR (Total Shareholder Return) with a weight of 25% (improvement of the TSR index in the performance period) and overheads on revenues

(with a 30% weight and percentage measurement determined by the implementation status of the Italy Project);

(ii) indicators related to risk and sustainability, defined as Lost Time Injury Frequency Rate (with a weight of 10% and measurement of the average % reduction in the performance period of the LTIFR index) and reduction of the intensity of “greenhouse gas emissions” (with 10% weight and quantitative measurement of the reduction of GHG gas emissions - Scope 1-2 - as compared to revenues).

The Accrued Bonus was determined by the Board of Directors on March 16, 2023, according to the attainment levels of the indicators. For further details regarding the final closing of the LTI 2020-2022 Plan, please refer to Section 2 of the Remuneration Policy and Compensation Report - 2023, published on the institutional website and on the authorized storage mechanism www.1info.it, according to the legal terms.

3. DEFINITION AND ANALYSIS OF THE AMENDMENTS

Considering the structure and functioning of the Plan, as described above, it is evident that said Plan **completely stops producing its effects in 2025**, after a period of approximately **6 years**, in which the evolution of the reference context, in socio-economic terms, and share volatility and the increased Group complexity risk greatly impacting the awarding effectiveness of said Plan.

Moreover, **the combined provisions of the fiscal regulations and of the scheme of the LTI 2020-2022 Plan designed in 2020**, reduces the pay-out available for each tranche, and can even zero it if, even in the case of a period of unavailability (lock-up) on the assigned shares (that does not allow their monetization before 12 months have passed). The Beneficiary, when they are assigned, must in any case after the transfer of these shares, pay the taxes due for them (approximately 46% of the normal value, if one considers the IRPEF tax [Italian tax on earned income for people] and the Regional/Municipal additional tax) through personal available cash or by compensating the monetary net part of the Bonus of each tranche.

The Company, in light of the above, having the Board of Directors ascertained on March 16, 2023, that the conditions to allocate the Accrued Bonus have been met (i.e. the Objectives set by the Plan have been met), wishes to make some amendments to the Plan with regard to the allocation methods, because of (i) the criticalities emerged when the Plan was being carried out and by the related need to increase the incentive and retention need on the Group's key resources, even through the meritocratic principle that represents one of the pillars of the Company's Remuneration Policy, (ii) of the Group's peculiarities and dynamics during these last three years, which sees its business articulate on more markets, in terms of geography, regulations and practices, (iii) of the different macroeconomic contexts that determined, on a global level and according to evidently exogenous factors, a significant volatility of the share market, which does not reassure with regard to the overall stability of the final pay-out after the lock up period, even in light of the extraordinary economic-financial and managerial results which have been attained in the performance period that has just ended.

The amendments introduce the possibility - exclusively for Beneficiaries who voluntarily declare their consensus - of an up front allocation, in monetary form, both (obviously) for the Accrued Bonus and for the previously stated Accrued Shares ("**Amendments**").

Specifically, the monetary part allocated instead of the Accrued Shares, is in any case indexed to the normal value at the end of the Vesting Period. More precisely, no Shares would in this case be allocated or any be sold, but a total cash payment made instead up front, based on the normal value of said Shares. Said allocation/payment would totally be made at the end of the Vesting Period, prior to the approval of the Meeting of the amendment stated in this Report.

Please note, once again, that the different awarding allocation method is not automatic but is instead the result of the voluntary will of the single Beneficiary, who would, if not openly made manifest, instead remain inside the Plan's original perimeter.

It is also important to underline how the Amendments fit into an unchanged context with regard to:

- (i) keeping the subjective requisites of the Beneficiaries with regard to continuity of the business relationship when the vesting period ends, or in terms of the absence of formal disciplinary notices or sanctions;
- (ii) the existence of correction *ex post* clauses (i.e. claw back) capable of ensuring that the Company can activate any eventually due initiative, to “recover” the allocation (and therefore to safeguard the company's assets), and in time, therefore confirming the long-term connection of the incentive

system.

The proposed Amendments have been approved by the Company's Board of Directors on March 16, 2023, prior to the favourable opinion of the Compensation and Nominating Committee, and of the Board of Statutory Auditors, pursuant to Article 2389, paragraph 3 of the Italian Civil Code, and are subjected to your approval pursuant to Article 114-bis of the TUF.

The same are reflected within the Information Document attached to this report.

In view of the above, the Board of Directors submits the following proposed resolutions for your approval.

RESOLUTION PROPOSAL

"The Ordinary Shareholders' Meeting of Webuild S.p.A. based on the Directors' Report, having seen the Information Document made available to the public pursuant to the applicable regulations, and according to what is stated by current applicable law,

resolved

- 1. to approve, pursuant to and according to the effects of Article 114-bis of the TUF, the amendments of the "Performance Shares Plan 2020-2022" as illustrated in the Director's Report, in the Information Document drawn-up pursuant to Article 114-bis of the TUF and Article 84-bis of the Issuers' Regulation, attached to the Directors' Report;*
- 2. without prejudice to the powers already appointed with the Shareholders' Meeting of May 4, 2020, to confer to the Board of Directors - and on its behalf to its Chairman and Chief Executive Officer, severally among them and with the power to sub-delegate - every power without limitations needed that is adequate to fully and totally implement this resolution, including the definition of the Plan Regulation, in line with the resolutions made".*

Rozzano, March 16, 2023

on behalf of the Board of Directors of Webuild S.p.A.
The Chairman – Donato Iacovone