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**INFORMATION DOCUMENT**

*(pursuant to Article 84-bis of Consob Regulation No. 11971 of 14 May 1999, as amended and extended)*

**ON THE SHARE-BASED INCENTIVISATION SYSTEM**

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Milan, 1 March 2018

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## **FOREWORD**

The Group's remuneration policies (as defined hereunder) — included in the 2018 Remuneration Report and subject to the required prior approval of the Shareholders' Meeting of Banca Generali S.p.A. ("**Banca Generali**" or the "**Bank**") — provide that, in due compliance with the applicable legislation governing remuneration, a part of the variable remuneration (the "**Bonus**") of "Key Personnel" (persons whose activities have or may have an impact of the risk profile of the Bank or Group) be paid in financial instruments (and, in particular, in Shares).

Accordingly, on 1 March 2018, the Bank's Board of Directors, with the prior positive opinion of the Remuneration Committee and the favourable opinion of the Board of Statutory Auditors, including in respect of Article 2389 of the Italian Civil Code approved — as described below — the guidelines of a share-based incentivisation system for 2018 (the "**Incentivisation System**") reserved for the Group's Key Personnel (as defined hereunder), to be submitted for the approval of the Shareholders' Meeting convened in Assicurazioni Generali S.p.A. offices in Trieste, Via Machiavelli 6, on 12 April 2018 (first call) and, if need be, on 13 April 2018 (second call). In this regard, reference is made to the Directors' Report drawn up pursuant to Articles 125-*ter*, paragraph 1, and 114-*bis*, paragraph 1, of Legislative Decree No. 58 of 24 February 1998, as further amended and extended ("**TUF**"), and Article 84-*ter* of the Consob Regulation adopted by Resolution No. 11971 of 14 May 1999, as further amended and extended (the "**Rules for Issuers**"), available from the Bank's website [www.bancagenerali.com](http://www.bancagenerali.com), section Corporate Governance/AGM.

The characteristics of the Incentivisation System are consistent with applicable provisions on remuneration, and in particular with the Bank of Italy Supervisory Provisions of 18 November 2014 on remuneration and incentivisation policies and practices (see Bank of Italy Circular Letter No. 285 of 17 December 2013, "Supervisory Provisions for Banks", Title IV, Chapter 2, *Remuneration and Incentivisation Policies and Procedures*; the "**Circular Letter**").

This Information Document (the "**Information Document**") was drawn up pursuant to Article 84-*bis* of the Rules for Issuers and in accordance with Layout 7 of Annex 3A to the Rules for Issuers, even with the regard to the numbering of the paragraphs.

Pursuant to Article 84-*bis*, paragraph 5, of the Rules for Issuers, in order to reflect information not available at the moment, the Information Document may be updated and/or amended during the process of implementing the Incentivisation System, and in any event as soon as such information becomes available.

It should be noted that, for the purposes of the information set out herein, the Incentivisation System is to be regarded as "of particular significance" pursuant to Article 114-*bis*, paragraph 3, of the TUF and Article 84-*bis*, paragraph 2, of the Rules for Issuers.

This Information Document is available for public consultation at Banca Generali's registered office in Trieste, at Via Machiavelli 4, at the Milan operating Offices, Corporate Affairs Services, Via Ugo Bassi 6, as well as via the centralised regulatory data storage mechanism SDIR-NIS, managed by Bit Market Services, at [www.emarketstorage.com](http://www.emarketstorage.com) and on the Bank's website [www.bancagenerali.com](http://www.bancagenerali.com), Section Corporate Governance / AGM.

## **DEFINITIONS**

The terms indicated below have the following meanings for the purposes of this Information Document:

<b>Shareholders' Meeting</b>	General Shareholders' Meeting of Banca Generali.
<b>Shares</b>	Banca Generali ordinary Shares.
<b>Beneficiaries</b>	The Potential Beneficiaries to which a Bonus to be paid partly in Shares is actually granted.
<b>Bonus</b>	The variable remuneration attributed to the Beneficiaries and to be settled partly in financial instruments pursuant to the Circular Letter and the Remuneration Policies. This provision is to be implemented through the award of Shares.
<b>Circular Letter</b>	Bank of Italy Circular Letter No. 285 of 17 December 2013, "Supervisory Provisions for Banks", Title IV, Chapter 2, <i>Remuneration and Incentivisation Policies and Procedures</i> .
<b>Italian Civil Code</b>	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as amended and extended.
<b>Self-Regulatory Code</b>	The Corporate Governance Code of listed companies prepared by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.
<b>Remuneration Committee</b>	The Bank's Remuneration Committee <i>pro tempore</i> .
<b>Board of Directors</b>	The Bank's Board of Directors <i>pro tempore</i> , or specifically delegated members thereof, who will conduct all assessments of the Incentivisation System and make all of the related decisions.
<b>Subsidiaries</b>	Without distinction, each of the companies directly or indirectly controlled from time to time by the Bank, within the meaning of Article 2359 of the Italian Civil Code, and which have a current Relationship with one or more Potential Beneficiaries.
<b>Working day</b>	All calendar days except for Saturdays, Sundays and other days on which the Italian Stock Exchange is not typically open for normal

business.

<b>Group</b>	Banca Generali and its Subsidiaries.
<b>Key Personnel</b>	<p>Persons identified by the Bank as included in the category of key personnel within the meaning of applicable regulations:</p> <p>Only for the purposes of this Information Document, the definition also includes the parties, other than those indicated above, who are identified as Key Personnel by Subsidiary Companies that are required to adopt specific remuneration policies pursuant to local and/or industry regulations.</p>
<b>Remuneration Policies</b>	The Bank's <i>pro tempore</i> Remuneration Policies.
<b>Potential Beneficiaries</b>	Persons included among the Group's Key Personnel who, according to the Circular Letter and Remuneration Policies, are eligible for a Bonus.
<b>Professional Relationship</b>	A Relationship of employment and/or directorship and/or agency between a Beneficiary and the Bank or a Subsidiary.
<b>Rules for Issuers</b>	The Rules adopted by Consob by Resolution No. 11971 of 14 May 1999, as amended and extended.
<b>Incentivisation System</b>	The share-based incentivisation system for the year 2018, reserved for the Group's Key Personnel
<b>Share Portion</b>	The portion of a Bonus to be settled in Shares pursuant to the Circular Letter and the Remuneration Policies.
<b>TUB</b>	Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended.
<b>TUF</b>	Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended.

## 1. **BENEFICIARIES**

The Beneficiaries of the Incentivisation System are persons who qualify as Key Personnel of the Group and who, according to the Circular Letter and Remuneration Policies, are eligible for a Bonus.

### 1.1 **Names of the Beneficiaries who sit on the Board of Directors or on the governing body of the Issuer of the financial instruments, as well as any parent companies or direct or indirect Subsidiaries thereof.**

At present (and without prejudice to future changes), the Potential Beneficiaries include: **(i)** Gian Maria Mossa, Chief Executive Officer and General Manager of the Bank; **(ii)** Andrea Ragaini, Deputy General Manager Wealth Management, Markets and Products, who also holds the position of Chairman of the Board of Directors of the Subsidiary Generfid S.p.A.; **(iii)** Mario Andrea Beccaria, Executive Director of the Subsidiary BG Fund Management Luxembourg S.A.; **(iv)** Marylene Alix, General Manager of the Subsidiary BG Fund Management Luxembourg S.A.

The names of the actual Beneficiaries and the other information envisaged in paragraph 1 of Layout 7 of Annex 3A to the Rules for Issuers will be provided according to the methods set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

### 1.2 **Categories of employees or outside collaborators of the Issuer of the financial instruments, and/or any and all the parent companies and Subsidiaries thereof.**

The Potential Beneficiaries are employees and collaborators of the Group — without prejudice to future changes — who fall into the categories of heads of functions and main managers of the Group.

### 1.3 **Names of the Beneficiaries of the Incentivisation System belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.**

The Potential Beneficiaries include persons who belong to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.

In detail, at present (without prejudice to future changes), they include the Bank's Chief Executive Officer and General Manager.

### 1.4 **Description and numerical indication of the Beneficiaries, broken down into the categories indicated in point 1.4, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.**

The Potential Beneficiaries include persons who belong to the groups set out in paragraph 1.4(a)(b)(c), of Annex 3A, Layout 7, of the Rules for Issuers.

## 2. **REASONS FOR ADOPTING THE INCENTIVISATION SYSTEM**

### 2.1 **Goals pursued through the assignments made under the Plans**

The Incentivisation System is intended to allow the Bank to comply with the provisions of the Circular Letter, where they require that part of the variable component of the compensation package of Key Personnel be composed of financial instruments, contingent on sustainable performance conditions.

At the same time, the Incentivisation System allows better alignment of the interests of the Group's management and its Shareholders through attentive management of company risks and pursuit of long-term strategies. In fact, a well-balanced system of remuneration and incentives for the Bank's directors and top management is key to boosting competitiveness and ensuring high-levels of corporate governance over time. Moreover, remuneration, especially with regard to Key Personnel, is useful in terms of attracting and retaining people with the talent and skills best suited to the company's needs.

To this end, the Incentivisation System calls for variable compensation linked to short-term objectives to be 25% paid in Shares.

## **2.2 Key variables, including performance indicators, taken into consideration in making assignments pursuant to incentive plans based on financial instruments.**

The Incentivisation System calls for a part of the variable remuneration (25%) of Key Personnel be paid in Shares, upon the satisfaction of the objectives and conditions set out in the current Remuneration Policies.

Variable remuneration is linked to the degree of satisfaction of targets set for the individual objectives, inasmuch as the Incentivisation System is based on the definition and assignment to each Potential Beneficiary of specific, clearly identified objectives, for which a target value is defined, and to each of which a weight is assigned.

In further detail, a percentage portion of the variable remuneration is linked to quantitative objectives pertaining to the results of the Group's Consolidated Financial Statements (including, without limitation, Banca Generali Group's Net Inflows, Fee Income, Cost Income, Consolidated Net Profit, Operating Result, Return on Risk Capital), integrated with risk-adjustment measures. With some exceptions, for the body/bodies charged with the "management" function such objectives contribute to determining a percentage of usually no less than 70% of short-term variable remuneration; for Deputy General Managers, such objectives contribute to determining a percentage of usually no less than 50% of short-term variable remuneration; for other managers and executives, such objectives contribute to determining a maximum of 35% of short-term variable remuneration. The remaining portion of the short-term variable remuneration is linked to the attainment of quantitative and qualitative objectives established in light of the job description of each Beneficiary, with a view to ensuring that the related Bonuses are based, to the extent applicable, on indicators that are as consistent as possible with the decision-making powers vested in each manager. In particular, in relation to the position filled, the quantitative objectives refer to net inflows, revenues and/or cost objectives for which the manager is responsible based on the company budget for the reference year.

The qualitative objectives, which usually set valuation criteria, refer to projects concerning the Group and require the collaboration of all the managers, each one regarding the area within his/her remit, or projects falling under the responsibility of individual departments but which are of general importance.

The quantitative and qualitative objectives are formalised in personal Scorecards on an annual basis. Each objective is assigned a "weight" indicating its level of priority when compared to the others, as well as performance levels (minimum, target and maximum) expressed through appropriate indicators. Expected levels of performance are indicated, for each objective, together

with the minimum access gate to be achieved to qualify for Bonus entitlements, the ceiling above which results are to be considered overperforming, and any and all caps on Bonuses, where applicable.

In accordance with the Remuneration Policies for 2018, the award of the Bonus (and thus also of the Shares), in addition to the satisfaction of performance objectives, is contingent upon the following conditions:

- when the final earnings results for the year are verified, the Group has reached an access gate consisting of two indicators: the 'Total Capital Ratio'<sup>1</sup> (minimum threshold of 13.5%) and Liquidity Coverage Ratio<sup>2</sup> (minimum threshold of 130%). The access gate does not only condition the Bonus for the year in question, but also, from one year to the next, the portions of Bonuses accrued in previous years and paid out on a deferred basis in subsequent years;
- the conditions underlying the “malus” mechanisms as identified in the Remuneration Policies in force at the time is assessed at the time of each award;
- the cap mechanism aimed at ensuring that the ratio of total variable remuneration to total fixed remuneration remains within the pre-determined limits is observed.

### **2.3. Elements underlying the determination of remuneration based on financial instruments, or otherwise, criteria for determining the same.**

Pursuant to the Circular Letter and the Remuneration Policies, the variable remuneration associated with short-term objectives and entailing amounts in excess to the threshold set in the Remuneration Policies of 75,000.00 euros is paid 25% in Shares, according to the following assignment and retention mechanism:

- 60% of the Bonus will be paid up-front during the year after that of reference, 75% in cash and 25% in Shares, which will be subject to a retention period of one year;
- 20% of the Bonus will be deferred for one year, 75% in cash and 25% in Shares, which will be subject to a retention period of one year;
- the remaining 20% of the Bonus will be deferred by two years, 75% in cash and 25% in Shares, which will be subject to a retention period of one year.

If the actual Bonus accrued, also by Key Personnel, is below an indicated threshold, it will be paid in full up-front (part in cash and part in shares) during the year after that of reference, once the Board of Directors has verified earnings results during the year of accrual and satisfaction of the access gate.

In calculating the number of Shares to be assigned, a method is applied where: the numerator is defined as 25% of variable remuneration accrued for the actual achievement of objectives set for the year of reference, and the denominator consists of the Share price (calculated as the average

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<sup>1</sup> meaning the Regulatory Capital / Risk Weighted Assets (RWA) (both the variables are subject to regulatory disclosure and specified in the explanatory notes to the financial statements, Part F/Information on Net Equity; the figure considered is the year-end consolidated figure reported to the Bank of Italy).

<sup>2</sup> meaning the ratio between the stock of [1] highly liquid assets (that is to say, easily disposed of for cash on the open market, even during periods of tension, and ideally, subject to placement with a central bank), and [2] the sum total of net outflows during the 30 calendar days following a specified stress scenario; the figure considered is the year-end consolidated figure reported to the Bank of Italy.

price of the Share over the three months preceding the Board of Directors' meeting called to approve the draft Financial Statements and the Consolidated Financial Statements for the year prior to that in which the cycle in question starts).

The number of Shares assigned to the Beneficiaries will thus depend on the amount of the Bonuses granted to them.

**2.4 Reasons for making assignments under compensation plans based on financial instruments issued by parties other than the Issuer, such as parent companies or Subsidiaries of the latter, or even entities that do not belong to the same corporate group as the Issuer; in the case where the aforesaid financial instruments are not traded on regulated markets, information regarding the criteria used to determine the book value of the same.**

Not applicable: the Incentivisation System calls for the assignment of Shares of Banca Generali.

**2.5 Assessments regarding significant tax and accounting implications that informed the definition of the plan.**

There were no significant tax and accounting implications that informed the definition of the Incentivisation System.

It should also be noted that the accounting standards call for the assignment of Shares connected to the variable remuneration of Key Personnel to be recognised in the Profit and Loss Account as a cost incurred by the individual companies to which the Beneficiary renders service.

The Incentivisation System calls for the use of own Shares held or to be held by Banca Generali.

The Shares will be subject to taxation and social security contributions in accordance with the applicable legislation in each Beneficiary's country of tax residence.

**2.6 Support for the Plan, if any, from the Special Fund for incentivising workers' participation in enterprises, mentioned in Article 4, paragraph 112 of Law No. 350 of 24 December 2003.**

The Incentivisation Plan receives no support whatsoever from the Special Fund for encouraging workers to participate in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003.

**3. SHARE ASSIGNMENT APPROVAL PROCEDURE AND TIMING**

**3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the plan.**

During its meeting of 1 March 2018, the Board of Directors resolved to submit the following proposed resolution to the ordinary session of the Shareholders' Meeting:

*“The ordinary General Shareholders' Meeting of Banca Generali S.p.A., convened in ordinary session at the offices of Assicurazioni Generali S.p.A. in Trieste, Via Machiavelli 6,*

- *having regard to the Board of Directors' Report on this item on the Agenda;*

- *having regard to the Information Document on the share-based Incentivisation System, drafted pursuant to Article 114-bis of the TUF and Article 84-bis of the Rules for Issuers, to which reference is made;*
- *having regard to Article 114-bis of TUF and the regulations issued by Consob;*

***resolves***

1. *to approve, pursuant to Article 114-bis of TUF, the adoption of the share-based incentivisation system for Key Personnel, the terms, conditions and mechanisms of which are described in the pertinent information document attached to this report of the Board of Directors, to which reference is made;*
2. *to grant the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the express power to sub-delegate, all of the necessary and appropriate powers to effect complete and full implementation of the Incentivisation System, in accordance with the terms and conditions set out in the information document on the incentivisation plan based on financial instruments, to which reference is made. in making the pertinent decisions, the Board of Directors will act on the basis of a non-binding opinion of the Remuneration Committee and — in the cases set out in Article 2389, paragraph 3, of the Italian Civil Code — after hearing the opinion of the Board of Statutory Auditors.*

The information about the criteria that are adopted by the Board of Directors for the purposes of the decisions implementing the Incentivisation System and the content of such decisions shall be reported according to the methods set out in Article 84-bis, paragraph 5, letter a), of the Rules for Issuers, and in any event in accordance with the laws and regulations applicable from time to time.

**3.2 The persons and parties in charge of managing the Plan, and the functions and powers thereof.**

The Incentivisation System calls for the Board of Directors to be granted all powers necessary to implement the System.

Within the limits of applicable laws and regulations, the Board of Directors may delegate its powers to the Chief Executive Officer or to another Director/other Directors, with the support of the Human Resources Department, and/or grant specific powers to perform one or more of the activities relating to the management of the Incentivisation System.

**3.3 Procedures, if any, for revising the Plan, especially in light of changes in the underlying targets.**

No procedures for revising the Incentivisation System are envisaged.

**3.4 Description of the procedures for determining the availability and assignment of the financial instruments underlying the plans.**

The Incentivisation System calls for a part of the variable remuneration of Key Personnel to be awarded in the form of Shares of Banca Generali upon the satisfaction of the established requirements and conditions.

In calculating the number of Shares to be assigned, a method is applied where: the numerator is defined as 25% of variable remuneration accrued for the actual achievement of objectives set for the year of reference, and the denominator consists of the Share price (calculated as the average price of the Share over the three months preceding the Board of Directors' meeting called to

approve the draft Financial Statements and the Consolidated Financial Statements for the year prior to that in which the cycle in question starts).

In order to provide the Bank with the funds necessary to implement the above provisions, the Shareholders' Meeting, convened on 12 April 2018 (first call) and, if need be, on 13 April 2018 (second call), will be asked to authorise the buy-back of Shares, in one or more instalments, within the limits of distributable profits and the unrestricted reserves indicated in the most recent duly approved Financial Statements. Authorisation will be requested for a period of 18 months from the date on which the Shareholders' Meeting passes the resolution. The authorisation to dispose of the Shares in portfolio will be requested without time limits, given the absence of legislative constraints in this regard and the advisability of the utmost flexibility, including from a the standpoint of timing, with regard to the disposal of such Shares.

**3.5 Role played by each director in determining the characteristics of the plans; any conflicts of interest experienced by the directors in question.**

The Bank's directors are among the Potential Beneficiaries of the Incentivisation System. The Board resolution assigning the Share Portions will be passed in accordance with the provisions of Article 2391 of the Italian Civil Code and, to the extent applicable, Article 2389 of the Italian Civil Code and Article 53, paragraph 4, of TUB.

**3.6 For the intents and purposes of the requirements imposed under Article 84-bis, paragraph 1, the date of the decision adopted by the relevant corporate body to submit the plans to the Shareholders' Meeting for approval, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed.**

The Incentivisation System is subject to approval by the Shareholders' Meeting on the proposal of the Board of Directors, authorised on 1 March 2018, following a favourable opinion from the Remuneration Committee on 28 February 2018.

**3.7 For the intents and purposes of the requirements imposed under Article 84-bis, paragraph 5, subparagraph (a), the date on which the relevant corporate body approved the decision regarding the assignment of the financial instruments, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed.**

The publication of the Notice of Calling of the Shareholders' Meeting convened to approve the Incentivisation System is scheduled on 2 March 2018. After this session, if the Shareholders' Meeting approves the Incentivisation System, the Board of Directors will meet to take the decisions necessary to implement the Incentivisation System.

The information required in this respect by Article 84-bis, paragraph 5, letter a), of the Rules for Issuers (or otherwise in accordance with applicable laws and regulations applicable from time to time) but not currently available will be provided in accordance with applicable legislation.

**3.8 The market price recorded on the aforesaid dates, in respect of the financial instruments on which the Plans are based, in the event the said financial instruments are traded on regulated markets.**

The price of reference of the Shares on the electronic share market (MTA) organised and managed by Borsa Italiana S.p.A. at the end of the market session on the date of approval of the proposal by the Board of Directors was 27,2539 euros.

- 3.9 In the case of plans based on financial instruments traded on regulated markets, the deadlines and procedures pursuant to which the Issuer takes account, in determining the timetable of the assignments made in implementation of the plan, the possible simultaneousness of: (i) said assignment or any decisions made in this regard by the Remuneration Committee; and (ii) the circulation of any relevant information pursuant to Article 114, paragraph 1; for example, if such information: (a) has not yet been published and may positively affect market prices, or (b) has already been published and is liable to negatively affect market prices.**

The proposal for the Shareholders' Meeting concerning the adoption of the Incentivisation System was approved by the Board of Directors during the meeting of 1 March 2018.

The draft 2017 Financial Statements were approved by the Board of Directors during its meeting of 1 March 2018 and will be submitted for the approval of the ordinary General Shareholders' Meeting convened on 12 April 2018 (first call) and, if need be, on 13 April 2018 (second call), also called to approve the Incentivisation System.

The Shareholders' Meeting that approves the Incentivisation System will not be aware of the consolidated results of the first quarter of the current year, since they will not be available at the scheduled date of the meeting.

Decisions concerning the timing of assignment of the Share Portions will be taken by the Board of Directors with the non-binding prior opinion of the Remuneration Committee.

Since the Share Portions will not be assigned immediately, but only when the performance objectives have been achieved, the Bank does not believe it to be necessary to implement any particular measures in respect of the situations mentioned in paragraph 3.9 of Layout 7 of Annex 3A to the Rules for Issuers.

#### **4. FEATURES OF THE INSTRUMENTS ASSIGNED**

##### **4.1 Description of how the share-based compensation plans are structured.**

The Incentivisation System is based on the assignment of Shares according to the methods illustrated in paragraph 3.4 above.

The right to participate in the Incentivisation System is granted free of charge.

##### **4.2 Specification of the period of actual implementation of the Plan, with an indication of any other cycles that might be contemplated.**

The Incentivisation System is annual, without prejudice to the fact that the Shares will then also be assigned in subsequent years as a result of the deferral mechanisms set out in the Remuneration Policies illustrated in paragraph 2.3 above.

##### **4.3 End of the plan.**

The Incentivisation System will expire on the date indicated in point 4.2 above (or on a later date established by the Board of Directors).

**4.4 The maximum number of financial instruments, including in the form of options, assigned during each tax year, to the persons specified by name or falling within the specified categories.**

The maximum number of Shares that may be assigned is [●], rounded to [●].

**4.5 Implementing provisions and procedures of the Plan, indicating if the assignment of financial instruments is subject to the satisfaction of conditions precedent or the attainment of specific results, including in terms of performance; description of the said conditions precedent and results.**

The assignment of the Bonus (and thus also of the Shares) depends on the achievement of minimum access gates by the Group and the degree of achievement of specific quantitative and qualitative performance objectives assigned to each Potential Beneficiary for the purposes of the accrual of Bonuses, as determined in advance by the competent bodies of the Bank according to the criteria set out in the Remuneration Policies. For further details, reference should be made to paragraphs 2.2 and 2.3 above.

With regard to the criteria for the assessment of the performance levels achieved for Bonus assignment purposes, the results obtained in respect of each objective are verified and duly weighted in the financial year following the year of reference, and the sum of the weighted results achieved in respect of each objective then constitutes the overall performance level which serves as the basis for quantifying the Bonus due, subject to satisfaction of the pre-established access gates to be met in order to qualify for Bonuses (attainment of the minimum threshold affording access to Bonus entitlements). The foregoing procedure is designed to ensure a direct correlation between results obtained and Bonuses earned. The performance levels identified in the objectives are directly linked to the forecasts of the budget approved by the Board of Directors and the achievement of the results, when linked to the earnings results, is verified based on the Consolidated Financial Statements of the Group.

As envisaged in the Circular Letter and the Remuneration Policies, the Bank reserves the right to implement ex-post corrective mechanisms suited, *inter alia*, to reflecting company performance levels net of the risks effectively assumed and to take account of individual behaviour.

In particular, as already illustrated in paragraph 2.2., the conditions underlying the “malus” mechanism as identified in the Remuneration Policies are verified at the time of each assignment.

In addition, claw-back mechanisms apply to incentives granted and/or paid during the year and the previous year to persons who (i) have been found to have committed acts of wilful misconduct or gross negligence resulting in damages to the Bank, (ii) have been found to have engaged in behaviour that resulted in a significant loss for the Bank, and (iii) have not complied with banking transparency and anti-money laundering provisions and Remuneration Policies, in accordance with the Supervisory Provisions for Banks and any further provisions set out in the Remuneration Policies applicable from time to time.

**4.6 Indication of any retention period for options or financial instruments resulting from the exercise of options, with particular regard to the period within which subsequent transfers to the company or third parties are permitted or restricted.**

According to the Incentivisation System, a part of the Share Portion is to be assigned when the

Bonus vests (the “up front” portion) and the remainder is to be allotted on a deferred basis, over a total period of two years.

The Shares assigned are subject to a retention period of one year from the end of the accrual period.

**4.7 Description of any and all conditions pertaining to the assignment of the options in the event the recipients effect hedging transactions aimed at circumventing restrictions imposed on the transferability of the assigned financial instruments, including in the form of options, or of the financial instruments subject to subscription pursuant to the exercise of the said options.**

In accordance with the Circular Letter, Beneficiaries will be requested — through specific provisions included or referenced to in the contractual documents — not to make use of personal or insurance hedging strategies that may alter or undermine the risk alignment effects inherent in the assignment of the Share Portion.

**4.8 Description of the effects arising from termination of the Professional Relationship.**

In the event of termination of service with the companies of the Group for reasons other than retirement, death or permanent disability, new professional relationship within the Group or termination at the Company’s initiative pursuant to corporate restructuring, any and all assigned Shares yet to be actually awarded are deemed forfeited.

**4.9 Other possible reasons for which the plan may be cancelled**

No other reasons for which the Incentivisation System may be cancelled are envisaged.

**4.10 The reasons for the inclusion of provisions, if any, allowing the company to “redeem” the financial instruments covered under the plans, pursuant to Article 2357 et seqq. of the Italian Civil Code; the beneficiaries of the redemption, indicating if the same applies only to specific categories of employees; the repercussions of the termination of the Professional Relationship on the said redemption.**

The Incentivisation System does not envisage a right of redemption for Banca Generali.

**4.11 Any and all loans and other facilities made available for buying-back the Shares, within the meaning of Article 2358 of the Italian Civil Code.**

No loans or other facilities for the buy-back of the Shares within the meaning of Article 2358, paragraph 3, of the Italian Civil Code are envisaged.

**4.12 The company’s expected liability exposure as at the date of the assignment in question, as estimated in light of the already established terms and conditions, providing a breakdown of the overall liability exposure in question by type of security covered under the Plan.**

The cost to the Bank at the assignment date is limited to the use of the number of treasury Shares held and required to cover the maximum cash amount of the Bonus payable in Shares, upon fulfilment of all applicable conditions.

**4.13 Description of any dilutive impact the compensation plans may exert on the Share capital.**

The dilution effect on equity is equivalent to the number of treasury Shares acquired and awarded by Banca Generali.

**4.14 Restrictions, if any, imposed on dividend entitlements and the exercise of voting rights.**

No restrictions are imposed on dividend entitlements and the exercise of voting rights. No dividends are to be collected during the retention period.

**4.15 If the Shares are not traded on regulated markets, any and all information useful for a full assessment of their value.**

Not applicable to the Incentivisation System.

**4.16 Number of financial instruments underlying each option.**

Not applicable to the Incentivisation System.

**4.17 Expiry of the options.**

Not applicable to the Incentivisation System.

**4.18 Procedures (American/European), deadlines (for instance, exercise periods), and exercise clauses (such as knock-in and knock-out clauses).**

Not applicable to the Incentivisation System.

**4.19 Strike price of the option or methods and criteria for determining the strike price, with particular regard to: a) the formula for calculating the strike price on the basis of a given market price (fair market value); and b) the methods for determining the market price of reference for determining the strike price.**

Not applicable to the Incentivisation System.

**4.20 If the strike price departs from the fair market value determined pursuant to the procedures set forth in point 4.19 b above, the reasons for such difference.**

Not applicable to the Incentivisation System.

**4.21 Grounds for applying different strike prices to various Beneficiaries or categories of Beneficiaries.**

Not applicable to the Incentivisation System.

**4.22 If the financial instruments underlying the options cannot be traded on regulated markets, indication of the value attributable to the underlying financial instruments or of the criteria for determining the same**

Not applicable to the Incentivisation System.

**4.23 Criteria for carrying out the adjustments required in light of extraordinary capital and other transactions entailing changes in the number of the underlying securities (capital increases, extraordinary dividend distributions, splits and reverse-splits of the underlying Shares, mergers and de-mergers, transactions entailing changes in the Share category of the underlying Shares, etc.).**

Not applicable to the Incentivisation System.

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*The disclosures required under Section 1 of Frame 1 of Table 1 of Layout 7 of Annex 3A to the Rules for Issuers, as well as under Article 84-bis, paragraph 5, of the Rules for Issuers, with regard to incentivisation plans under way, are available for consultation on the Bank's website at [www.bancagenerali.com](http://www.bancagenerali.com).*

*The disclosures required under Section 2 of Frame 1 of Table 1 of Layout 7 of Annex 3A to the Rules for Issuers, as well as under Article 84-bis, paragraph 5, of the Rules for Issuers, shall be made available by the deadlines and in the manner and form specified in the aforesaid Article 84-bis, paragraph 5, of the Rules for Issuers.*