



## **INFORMATION DOCUMENT**

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

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**ON THE 2019 NETWORK LOYALTY PLAN REGULATED  
UNDER THE FRAMEWORK LOYALTY PROGRAMME**

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Milan, 15 March 2019

## 1. CONTENTS

1. CONTENTS	2
2. INTRODUCTION	6
3. DEFINITIONS	7
1. RECIPIENTS	9
1.1. Names of the Plan Recipients 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.	9
1.2. Categories of the employees or outside collaborators of the Issuer of the financial instruments, and/or any and all the parent companies and subsidiaries thereof.	9
1.3. Names of the Recipients of the Incentivisation System falling within the following groups: shown in paragraph 1.3, letters a), b), and c) of Annex 3A, Layout 7 of the Rules for Issuers	9
1.4. Description and indication of the number of beneficiaries broken down in the categories as per paragraph 1.4, letters a), b) and c) of Annex 3A, Layout 7 of the Rules for Issuers:	9
2. REASONS FOR ADOPTING THE INCENTIVISATION PLAN	10
2.1. Goals pursued through the assignments made under the Plans.	10
2.2. Key variables, including performance indicators, taken into consideration in making assignments pursuant to incentive plans based on financial instruments.	11
2.3. Elements underlying the determination of remuneration based on financial instruments, or otherwise, criteria for determining the same.	12
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.	14
2.5. Assessments regarding significant tax and accounting implications that informed the definition of the plan.	14
2.6. Support for the Plan, if any, 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.	14
3. SHARE ASSIGNMENT APPROVAL PROCEDURE AND TIMING	14
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.	14
3.2. Indication of the persons and parties in charge of managing the Plan, and the functions and powers thereof.	15
3.3. Procedures, if any, for revising the Plans, especially in light of changes in the underlying targets.	15
3.4. Description of the procedures for determining the availability and assignment of the financial instruments underlying the plans.	15

3.5.	The functions discharged by each director in determining the features of the plans in question; conflicts of interest, if any, involving the said directors.	15
3.6.	For the intents and purposes of the requirements imposed under Article 84- <i>bis</i> , 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.	16
3.7.	For the intents and purposes of the requirements imposed under Article 84- <i>bis</i> , 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.	16
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.	16
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) the assignments in question or any related decisions by the Remuneration Committee; and (ii) the disclosure of information falling within the scope of Article 114, paragraph 1, including, <i>inter alia</i> , information that: (a) is not yet in the public domain and could have a positive impact on the stock price; or (b) is already in the public domain and could have a negative impact on the stock price.	16
4.	FEATURES OF THE INSTRUMENTS ASSIGNED	17
4.1.	Description of how the share-based remuneration plans are structured; specify, for instance, whether or not the plan is based on the assignment of: restricted stocks; phantom stocks; option grants; stock options or stock appreciation rights.	17
4.2.	Specification of the period of actual implementation of the Plan, with an indication of any other cycles that might be contemplated.	17
4.3.	Term of the Plan	17
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.	18
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.	18
4.6.	Specification of the restrictions, if any, on the availability of the options assigned or on the financial instruments subject to subscription in exercise of the assigned options, with special reference to the time periods during which the subsequent transfer of the same to the Company itself or third parties is permitted or restricted.	18
4.7.	Description of any and all conditions subsequent pertaining to the assignment of the plans 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.	18

4.8.	Description of the effects arising from termination of the work relationship.	18
4.9.	Other possible reasons for which the plans may be cancelled.	20
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 employment relationship, on the said redemption.	20
4.11.	Any and all loans and other facilities made available for purchasing the shares, within the meaning of Article 2358 of the Italian Civil Code.	20
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 financial instrument covered under the Plan.	20
4.13.	Description of any dilutive impact the compensation plans may exert on the share capital	21
4.14.	Restrictions, if any, imposed on dividend entitlements and the exercise of voting rights.	21
4.15.	If the shares are not traded on regulated markets, any and all information useful for a full assessment of their value.	21
4.16.	Number of financial instruments underlying each option.	21
4.17.	Expiry of the Options.	21
4.18.	Procedures (American/European), deadlines (for instance, exercise periods), and exercise clauses (such as knock-in and knock-out clauses).	21
4.19.	Strike price of the option or methods and criteria for determining the strike price, with particular regard to: 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.	21
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.	21
4.21.	Grounds for applying different strike prices to various Recipients or categories of Recipients.	21
4.22.	If the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the said financial instruments or of the criteria for determining the same.	21
4.23.	Criteria for carrying out the adjustments required in light of extraordinary capital and other transactions that entail changes in the number of the underlying financial instruments (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.).	22



## 2. **INTRODUCTION**

This Information Document (the “**Information Document**”), drawn up in accordance with Layout 7 of Annex 3A of the Rules for Issuers, is issued by Banca Generali S.p.A. (“**Banca Generali**” or the “**Bank**”), in compliance with the provisions of Article 114-*bis* of the Consolidation Law on Financial Intermediation (hereinafter “TUF”) and Article 84-*bis*, paragraph 1, of the Rules for Issuers, with a view to providing its shareholders and the financial community adequate information on the 2019 Loyalty Plan within the Framework Loyalty Programme (as defined below), approved by the Board of Directors on 15 March 2019 (“**2019 Loyalty Plan**”), and subject to approval by the General Shareholders’ Meeting scheduled to be held at the offices of Assicurazioni Generali S.p.A., in Trieste, Via Machiavelli 6, on 18 April 2019 (first call) or, if need be, on 19 April 2019 (second call). Additional information on the said Loyalty Plan is provided in 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 rules imposed under Consob Resolution No. 11971 of 14 May 1999, as further amended and extended (the “**Rules for Issuers**”), and available for consultation on the Bank’s website [www.bancagenerali.com](http://www.bancagenerali.com), Section Corporate Governance / AGM.

The framework loyalty programme regulates the annual incentive plans for the Company’s financial years from 2017 through to 2024 and targeted at Banca Generali’s Financial Advisors authorised to make off-premises offers and at Banca Generali’s Relationship Managers (the “**Framework Loyalty Programme**”). The Framework Loyalty Programme, under which the 2019 Loyalty Plan falls, is designed to set up a loyalty-building tool aimed at Banca Generali’s Financial Advisors authorised to make off-premises offers and at Banca Generali’s Relationship Managers, as well as to incentivise the same to meet corporate objectives and thereby enhance the value of Banca Generali itself by extending the annual incentivisation plans entitling beneficiaries to bonuses, as described in greater detail below.

This Information Document is available for public consultation at Banca Generali’s registered office in Trieste, Via Machiavelli 4, the Milan operating offices, Direzione Affari Societari e Rapporti con le Autorità, Piazza Tre Torri 1, 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.

### 3. 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>AUM</b>	Customers' assets under management assigned to the Beneficiary.
<b>Shares</b>	Banca Generali Shares.
<b>Beneficiaries</b>	Those of the Recipients who satisfy the Access Condition.
<b>Civil Code</b>	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as further amended and extended.
<b>Categories 1 and 2</b>	The products and services falling under product category "1" entitled " <i>Products and services designed to diversify/contain risk</i> " and product category "2" entitled " <i>Basic diversification products</i> " as defined from time to time, with reference to Financial Advisors, within the framework of the annual incentive plans known as " <i>BG Premium</i> " and, with regard to Relationship Managers, within the framework of the so-called <i>Balanced Scorecards</i> assigned to each of them, on an individual basis. Should new products and/or services be included in either or both of the product categories "1" and "2" following approval of the Framework Loyalty Programme, their relevance, if any, to the purposes pursued through the Framework Loyalty Programme shall be specified at the time of their inclusion.
<b>Access Condition</b>	Completion by Recipients of at least five years of service with the company by 31 December of the financial year preceding the year to which the related Plan refers (i.e., 31 December 2018).
<b>Board of Directors</b>	Banca Generali's Board of Directors
<b>Financial Advisors</b>	Banca Generali's Financial Advisors authorised to make off-premises offers, and more specifically, Financial Planners, Private Bankers, Wealth Advisors (i.e., Financial Advisors authorised to make off-premise offers), Financial Planner Agents, Executive Managers, and Financial Planner Agent Managers.
<b>Settlement Date</b>	After expiry of the Deferral Period, any date up to and including the 60 <sup>th</sup> day following approval of the Financial Statements for the year 2026.
<b>Accrual Date</b>	31 December of the financial year to which the Plan refers. For the 2019 Loyalty Plan the said date shall be 31 December 2019.
<b>Recipients</b>	Financial Advisors and Relationship Managers who, as at 31 December 2016 were in a Professional Relationship (save for those who, at such date, were on notice of termination).
<b>Information Document</b>	This information document drawn up pursuant to and for the intents and purposes of Article 84- <i>bis</i> , paragraph 1, of the Rules for Issuers.
<b>Banking Group's Access Gate</b>	The banking group's access gate as defined in the Remuneration Policies.

<b>Deferral Period</b>	Decreasing deferral period to which the Bonus accrued, if any, under each Plan is subject.  More specifically, the said period is currently established as follows: <ul style="list-style-type: none"> <li>▪ for the 2017 Loyalty Plan, at 10 years;</li> <li>▪ for the 2018 Plan, at 9 years;</li> <li>▪ for the 2019 Plan, at 8 years;</li> <li>▪ for the 2020 Plan, at 7 years;</li> <li>▪ for the 2021 Plan, at 6 years;</li> <li>▪ for the 2022 Plan, at 5 years;</li> <li>▪ for the 2023 Plan, at 4 years;</li> <li>▪ for the 2024 Plan, at 3 years.</li> </ul>
<b>Plan</b>	Each of the annual incentive plans to be launched in each financial year from 2017 to 2024 as contemplated in the Framework Loyalty Programme.
<b>2019 Loyalty Plan or the 2019 Plan</b>	The annual incentive plan for financial year 2019 as contemplated in the Framework Loyalty Programme.
<b>Remuneration Policies</b>	The remuneration policies adopted by Banca Generali from time to time.
<b>Bonus</b>	The bonus to which Recipients may earn entitlement, under the Framework Loyalty Programme.
<b>Framework Loyalty Programme</b>	The framework loyalty programme regulating the Plans.
<b>Net Inflows</b>	The difference between the sum total of gross investments (so-called gross inflows) and the sum total of gross divestments (so-called divestments) effected in respect of the products and services specified in the Framework Loyalty Programme.
<b>Professional Relationship</b>	An agency or employment relationship with Banca Generali.
<b>Rules for Issuers</b>	The Rules adopted by Consob under Resolution No. 11971 of 14 May 1999, as amended and extended.
<b>Relationship Managers</b>	Banca Generali's Relationship Managers, including Heads of Teams.
<b>Remuneration Report</b>	The report drawn up by the Bank in compliance with the provisions of Article 123-ter of TUF.
<b>TUF</b>	Legislative Decree No. 58 of 24 February 1998, as further amended and extended.



## **1. RECIPIENTS**

### **1.1. Names of the Plan Recipients 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.**

Not applicable insofar as all the Recipients of both the Framework Loyalty Programme, and the 2019 Loyalty Plan regulated under the former, are specific categories of employees and outside collaborators.

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

The Recipients of the 2019 Loyalty Plan are Banca Generali's Financial Advisors authorised to make off-premises offers but devoid of managerial powers and at Relationship Managers in a Professional Relationship as at 31 December 2016 (save for those who, at such date, were on notice of termination) and who had reached at least five years of service within the company by 31 December 2018.

Any person in a Professional Relationship with Banca Generali as at 31 December 2016 who is subsequently assigned the job description of Relationship Manager or Financial Advisor and meets the Access Condition shall be entitled to participate in the Plan underway at the time of his or her satisfaction of the Access Condition, and accordingly acquire the status of Beneficiary.

### **1.3. Names of the Recipients of the Incentivisation System falling within the following groups: shown in paragraph 1.3, letters a), b), and c) of Annex 3A, Layout 7 of the Rules for Issuers**

*a) General managers of the issuer of financial instruments;*

Not applicable.

*b) Other key management personnel of the issuer of financial instruments that do not fall into the "small size" category within the meaning of Article 3, paragraph 1, point (f), of Regulation No. 17221 of 12 March 2010, if their overall remuneration (inclusive of both earnings in cash, and compensation based on financial instruments) during the financial year exceeds the highest overall remuneration received by the Board members, members of the governing body or the general managers of the issuer of financial instruments.*

Not applicable: during the financial year, the Recipients did not include key management personnel who received, during the year, an overall remuneration exceeding the highest overall remuneration received by members of the Board of Directors.

*c) Individuals who control the issuer and are either employees of the latter or serve the issuer as outside collaborators.*

Not applicable.

### **1.4. Description and indication of the number of beneficiaries broken down in the categories as per paragraph 1.4, letters a), b) and c) of Annex 3A, Layout 7 of the Rules for Issuers:**

*a) Key management personnel other than those listed in letter b) of paragraph 1.3;*

Not applicable.

b) *Full indication of all the key management personnel of the issuer falling within the “small size” category within the meaning of Article 3, paragraph 1, point (f), of Regulation No. 17221 of 12 March 2010;*

Not applicable.

c) *Of any and all other categories of employees or collaborators for whom differentiated features of the plan are applicable (e.g., managers, executives, office personnel, etc.)*

Not applicable.

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

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

In accordance with all applicable regulatory provisions and industry best practices, the Framework Loyalty Programme, which governs the 2019 Loyalty Plan, is intended to setting up a loyalty-building tool aimed at Recipients but also incentivising the latter, through inclusion in the Plans, to meet corporate objectives with a view to enhancing the value of Banca Generali by providing customers with increasingly improved assistance through appropriate investment planning services based on a broad range of financial instruments and products, and at the same time, marketing specific products, instruments and services in compliance with regulatory adequacy requirements and the marketing policies adopted by Banca Generali from time to time, whilst ensuring correctness in all customer relations and containing the Bank’s reputational and legal risks. More specifically, the Framework Loyalty Programme (and the Plans drawn up from time to time in application thereof, including the 2019 Loyalty Plan) are designed to enhance the commitment of individuals whose professional contributions are key to achieving the Bank’s results, in order to reinforce their loyalty, whilst at the same time enhancing the value of the Bank, and alignment with shareholders’ interests.

Towards such end, under the Framework Loyalty Programme and, consequently, the 2019 Loyalty Plan, as well as all the Plans that will be decided upon annually by the Bank:

- upon the satisfaction of certain accrual conditions on or before the Accrual Date, all Recipients who meet the Access Condition shall be entitled to a cash Bonus, save in the event that the Board of Directors decides to move the Shareholders’ Meeting to approve the settlement of up to no more than 50% of the accrued Bonus in Shares;
- the settlement of any and all accrued Bonuses shall be subject to Deferral Period;
- the accrual and settlement of Bonus entitlements shall be subject to the achievement of the Banking Group’s Access Gates and satisfaction of any applicable regulatory and statutory requirements, as well as of any and all additional conditions imposed by supervisory authorities and/or by the Shareholders’ Meeting with a view to ensuring regulatory compliance and/or the Bank’s ongoing liquidity or stability;
- in certain cases of termination of their respective Professional Relationships, Beneficiaries shall retain entitlement to receive previously accrued Bonuses still subject to the Deferral Period, but shall be barred from inclusion in any Plan following termination of the said Professional Relationship;

- Bonuses received shall be subject to “malus” and claw-back mechanisms as contemplated in the Remuneration Policies.

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

In compliance with the Framework Loyalty Programme, the 2019 Loyalty Plan subjects the accrual of Bonus entitlements by Beneficiaries to specific performance indicators to be met by each Beneficiary on an individual basis. More specifically, the said performance indicators refer to objectively measurable parameters: the sum total of AUM as at the Accrual Date and the sum total of AUM in Categories 1 and 2 as at the Accrual Date.

### **Financial Advisors**

In order to qualify for Bonuses, each Beneficiary who serves as a Financial Advisor shall be required to achieve, as at the Accrual Date, a specific minimum target of overall AUM, as well as minimum target of AUM of Categories 1 and 2.

Under the 2019 Loyalty Plan, the aforesaid minimum targets have been set at 20 million euros and 10 million euros, respectively.

### **Relationship Managers**

In order to qualify for Bonuses, each Beneficiary who serves as a Relationship Manager shall be required to achieve, as at the Accrual Date, a specific minimum target of overall AUM, as well as minimum target of AUM of Categories 1 and 2.

Under the 2019 Loyalty Plan, the aforesaid minimum targets have been set at 30 million euros and 15 million euros, respectively.

Like all other variable remuneration entitlements provided for within the Group to which Banca Generali belongs, in order to ensure the sustainability of the Plan, Bonuses shall be considered fully accrued and subject to settlement only after the Banking Group's Access Gate have been met. Bonus entitlements shall also be subject to full satisfaction of all applicable regulatory and statutory requirements as well as any and all additional conditions imposed by supervisory authorities and/or by the Shareholders' Meeting with a view to ensuring regulatory compliance and/or the Bank's ongoing liquidity and stability.

No Bonuses shall be settled if the Banking Group's Access Gate has not been achieved and/or some or all of the aforesaid additional conditions have not been met by the Settlement Date. In such event, the accrued Bonuses may be settled in the subsequent financial year(s), provided that the Banking Group's Access Gate has been achieved and all Additional Conditions, if any, have been met in the said subsequent financial year(s). Moreover, if the Banking Group's Access Gate for the financial year(s) of reference has not been achieved and/or some or all applicable Additional Conditions, if any, have not been satisfied, the conditions for accrual shall be deemed to remain unmet, with the result that Bonus(es) accrued in the said financial year(s) shall not be settled.

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

Upon expiry of the Deferral Period, the Bonus entitlements accrued under each Plan shall be settled in favour of the Beneficiary within 60 days following Shareholders' approval of the Financial Statements for the year 2026, provided that the related Professional Relationship remains in full force and effect at such date (without prejudice to exceptions, as specified below). In the case of the 2019 Loyalty Plan the said period shall extend for 8 years.

Bonuses shall be settled in cash, it being however understood that during the financial year of reference of each Plan, the Board of Directors reserves the right to move the Shareholders' Meeting to approve settlement of up to no more than 50% of the Bonus accrued in Shares, with the remainder being subject to settlement in cash. Bonus entitlements subject to settlement in Shares shall be converted at normal Share value (i.e., at the average Share price recorded over the three month period preceding Board of Directors' Meeting called to approve of the draft Financial Statements and Consolidated Financial Statements at 31 December of the year prior to the year in which the Plan in question commenced; such average price is subject to rounding down or up to the nearest integer number).

With regard to the 2019 Loyalty Plan, the Board of Directors intends to avail of its aforesaid right and thus submits to the Shareholders' Meeting the proposal to settle 50% of the Bonus in shares.

As a result, the 2019 Loyalty Plan constitutes a remuneration plan based on financial instruments within the meaning of Article 114-*bis* of TUF.

Throughout the Deferral Period and, therefore, up to the Settlement Date, the portion of accrued Bonus subject to settlement in cash shall be managed directly by Banca Generali and shall bear an annual yield equivalent to the 6-month Euribor rate (recorded on a yearly basis) increased by a spread of 0.50%. In no event may the aforesaid yield exceed 3% on the overall.

The accrued Bonus, if any, subject to settlement in Shares shall bear entitlement to the assignment of the accrued Shares.

#### **Financial Advisors**

In compliance with the provisions of the Framework Loyalty Programme, the Bonuses accruing under each Plan (including the 2019 Loyalty Plan), to Beneficiaries who serve as Financial Advisors and meet the applicable Bonus accrual criteria shall be quantified by subjecting the sum total of the AUM falling under Categories 1 and 2 as at the Accrual Date to a progressively increasing seniority coefficient of up to no more than 0.125%. However, in no event may the Bonus accrued by any Beneficiary exceed a pre-established cap, and should the application of the seniority coefficient give rise to a Bonus entitlement in excess of the said cap, the Bonus entitlement in question shall be automatically reduced to the cap.

In the case where Net Inflows in Categories 1 and 2 as at the Accrual Date fall below zero, no Bonus whatsoever shall be assigned, without prejudice to some exceptions.

#### **Relationship Managers**

In compliance with the provisions of the Framework Loyalty Programme, the Bonuses accruing under each Plan (including the 2019 Loyalty Plan) to Beneficiaries who serve as Relationship Managers and meet the applicable Bonus accrual criteria shall be quantified as a percentage of the

sum total of the AUM falling under Categories 1 and 2 as at the Accrual Date. However, in no event may the Bonus accrued by any Beneficiary exceed a pre-established cap, and should the application of the seniority coefficient give rise to a Bonus entitlement in excess of the said cap, the Bonus entitlement in question shall be automatically reduced to the cap.

In the case where Net Inflows as at the Accrual Date fall below zero, no Bonus whatsoever shall be assigned, without prejudice to some exceptions.

#### **Exceptional Cases of Bonus accrual despite negative Net Inflows**

In accordance with the Framework Loyalty Programme, and applicable to all Plans (including the 2019 Loyalty Plan), under certain conditions, divestments effected by an individual customer in respect of a certain amount giving rise to negative Net Inflows during the Plan's financial year of reference shall be deemed sterilised for the intents and purposes of quantifying Net Inflows, and Bonus entitlements shall be accrued provided that, net of the said sterilisation, Net Inflows meet the minimum requirement.

However, the Framework Loyalty Programme vests Banca Generali with discretionary power to authorise Bonus entitlements in favour of Beneficiaries who meet the conditions outlined above, even in the event of negative Net Inflows that arise for reasons other than that contemplated above. Banca Generali may exercise the aforesaid discretionary power in favour of any Beneficiary no more than once during the term of the Framework Loyalty Programme.

#### **Claw-back Mechanism**

In compliance with the Framework Loyalty Programme, the 2019 Loyalty Plan provides for Bonus accruals and settlements to be subject to specific "malus" mechanisms (reduction in the Bonus accrued by or to be settled in favour of a Beneficiary in the event of complaints directly imputable to the Beneficiary's conduct during the Plan's financial year of reference and resulting in the incurrance of liability by Banca Generali towards the complainant in excess of pre-established threshold) and claw-back mechanisms as contemplated in the Bank's prevailing Remuneration Policies.

Claw-back mechanisms shall remain applicable for the period provided for in Remuneration Policies.

#### **Key Personnel**

The Framework Loyalty Programme contains specific provisions pertaining to Beneficiaries identified by Banca Generali as Key Personnel who, in general, are subject to specific treatment under the Remuneration Policies, it being underlined that in their case: **(i)** the deferral period to which receipt of the variable component of remuneration is subject under the Remuneration Policies must be deemed absorbed by the Deferral Period. This is without prejudice to the fact that, if the deferral period imposed under the Remuneration Policies is not fully absorbed as at the Settlement Date, the settlement of any and all accrued Bonuses shall be postponed until full absorption of the same; **(ii)** the retention period imposed under the Remuneration Policies in respect of any and all Share allotments shall be deemed absorbed by the Deferral Period to the extent by which the same exceeds the deferral period imposed under the Remuneration Policies.

As at the Accrual Date of each Plan (and therefore as at 31 December 2019 in the case of the 2019 Loyalty Plan) the “Cap Mechanism” provided for in the Remuneration Policies shall be applied, where necessary, to ensure compliance with Shareholders’ Meeting resolutions regarding the restrictions to be imposed on the ratio between the fixed and variable components of remuneration. More specifically, the Bonus accrued by each Beneficiary pursuant to the Plan shall be deemed to form part of the variable component of compensation to be taken into account in determining whether or not the said cap has been exceeded in the financial year of reference. Should, as a result of the quantification of the said Bonus, the cap in question be exceeded, the amount in excess of the cap shall not be taken into consideration for the intents and purposes specified above.

- 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 Framework Loyalty Programme does not contemplate the use of the financial instruments in question.

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

Not applicable. Neither the Framework Loyalty Programme nor any of the Plans (including the 2019 Loyalty Plan) regulated thereunder is designed in consideration of any significant tax and/or accounting implications.

- 2.6. Support for the Plan, if any, 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.**

Not applicable. The Framework Loyalty Programme 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.**

Under the Framework Loyalty Programme, all Recipients who satisfy the Access Condition shall be entitled to a cash Bonus, provided that certain accrual conditions are met by the Accrual Date. The Board of Directors may, during the financial year of reference of each Plan, decide to move the Shareholders’ Meeting to authorise the settlement of no more than 50% of the said Bonus in Shares.

The Board of Directors is vested with the aforesaid discretionary power to move the Shareholders’ Meeting to approve the settlement of a portion of the Bonus in Shares in order to ensure greater flexibility in the implementation of the Framework Loyalty Programme, whilst also maximising efficiency, since the aforesaid Shareholder approval would leave ample leeway in terms of the

methods and means through which the Shares to be used to settle Bonus entitlements are acquired or issued.

With reference to the 2019 Loyalty Plan, the Board of Directors intends to avail of its aforesaid discretionary power, and to thus submit the proposal to settle 50% of the Bonus in Shares to the approval by the General Shareholders' Meeting called for 18 April 2019 (first call) and, if need be, on 19 April 2019 (second call).

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

The Board of Directors is in charge of managing the Framework Loyalty Programme and thus the Plan. The Board of Directors shall, on an annual basis, approve the Plans in accordance with the Framework Loyalty Programme.

Within the limits of applicable laws and regulations in force from time to time, 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 other competent functions, and/or grant specific powers to perform one or more of the activities relating to the management of the Plan.

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

The relevant corporate bodies of Banca Generali are vested with authority to amend the Framework Loyalty Programme, as may be necessary or useful to ensure that its substantive provisions remain, to the greatest extent possible, unaltered by: *(i)* extraordinary transactions (including, without limitation, mergers, acquisitions, de-mergers, delisting, takeover bids, etc.); *(ii)* regulatory reforms, changes in prevailing Remuneration Policies, and/or recommendations or orders issued by supervisory authorities; and *(iii)* other extraordinary and unforeseeable events that could impact the Plans, the Banking Group's Access Gate and/or accrual conditions.

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

In the event of approval by the relevant corporate bodies of the partial settlement of accrued Bonuses in Shares, the related Share allotments to be effected pursuant to the Framework Loyalty Programme shall be subject to the determinations reached by the relevant corporate bodies with a view to maximising the efficient use of Banca Generali's resources.

With specific reference to the 2019 Loyalty Plan, the Board of Directors moved the Shareholders' Meeting to authorise the buy-back of treasury shares, as it intends to avail of its discretionary power to settle a portion of the Bonuses accrued by Beneficiaries in Shares. The Shareholders' Meeting is accordingly called upon to also approve the motion seeking authorisation to buy-back treasury shares to be used to service the Plan.

**3.5. The functions discharged by each director in determining the features of the plans in question; conflicts of interest, if any, involving the said directors.**

Not applicable.

- 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 Adoption of the Framework Loyalty Programme was approved by the Board of Directors on 20 March 2017 and subsequently approved by the General Shareholders' Meeting of 20 April 2017. During the Meeting held on 15 March 2019, the Chief Executive Officer submitted a proposal to the Board of Directors to approve, the 2019 Loyalty Plan as part of the Framework Loyalty Programme.

On the basis of the above-mentioned proposal, the Board of Directors approved, by Resolution dated 15 March 2019, the adoption of the 2019 Loyalty Plan and the submission of the latter to the Shareholders' Meeting for approval.

- 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.**

Publication of the Notice of Calling of the General Shareholders' Meeting convened to approve the 2019 Loyalty Plan is scheduled on 18 March 2019. The Board of Directors shall approve the annual Plans on a yearly basis, in accordance with the provisions of the Framework Loyalty Programme.

The relevant information to be disclosed pursuant to Article 84-*bis*, paragraph 5, point (a), of the Rules for Issuers (or in any case pursuant to statutory and regulatory provisions applicable from time to time) and is not currently available and shall be disclosed in accordance with applicable regulations.

- 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 on the date of approval of the Board of Directors' proposal was 22.04 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) the assignments in question or any related decisions by the Remuneration Committee; and (ii) the disclosure of information falling within the scope of Article 114, paragraph 1, including, *inter alia*, information that: (a) is not yet in the public domain and could have a positive impact on the stock price; or (b) is already in the public domain and could have a negative impact on the stock price.**

During the meeting of 15 March 2019, the Board of Directors resolved to submit to the Shareholders' Meeting the proposal on the adoption of the Plan.



The draft 2018 Financial Statements were approved by the Board of Directors during its meeting of 8 March 2019 and will be submitted for the approval of the Ordinary Shareholders' Meeting convened on 18 April 2019 (first call) and, if need be, on 19 April 2019 (second call), also called to approve the 2019 Loyalty Plan.

The Shareholders' Meeting that will pass a resolution on the 2019 Loyalty Plan will not be aware of the consolidated results of the first quarter of the current year, as the results will not be available at the scheduled date of the Shareholders' Meeting.

The Shares will not be assigned immediately and the assignment procedure thereof shall, in any event, comply both with the disclosure obligations to which the Company is subject — so as to provide transparent and fair information to the market — and with the procedures adopted by the Company.

The Beneficiaries of the Framework Loyalty Programme, and thus of the 2019 Loyalty Plan, do not include individuals subject to the obligations imposed under internal dealing regulations.

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

##### **4.1. Description of how the share-based remuneration plans are structured; specify, for instance, whether or not the plan is based on the assignment of: restricted stocks; phantom stocks; option grants; stock options or stock appreciation rights.**

Under the Framework Loyalty Programme regulating the annual Plans, Beneficiaries are entitled to cash Bonuses, up to 50% of the corresponding value of which may be settled in Shares.

As specified above, the 2019 Loyalty Plan, the Board of Directors decided to avail of the aforesaid option and resolved to move the Shareholders' Meeting to authorize the related settlement of 50% of the Bonus in Shares.

Upon the satisfaction of applicable conditions, Bonuses shall be assigned to each Beneficiary on an individual basis, it being understood that in no event may any such Bonus be subjected to transfer *inter vivos* or otherwise disposed of for any reason or cause whatsoever.

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

The Framework Loyalty Programme provides for annual incentive Plans to be implemented for each financial year from 2017 through to 2024.

The actual implementation of each Plan is subject to approval by the relevant corporate bodies, from year to year.

The 2019 Loyalty Plan refers to the financial year ending on 31 December 2019, it being however understood that any and all Bonuses accrued under the said Plan shall be settled on the Settlement Date.

Further information on the related approvals process is provided in paragraphs 3.6 and 3.7 above.

##### **4.3. Term of the Plan**

The Framework Loyalty Programme is scheduled to expire at the end of the financial year 2024.

The 2019 Loyalty Plan shall expire on 31 December 2019.

**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.**

There is no explicit restriction on the number of Shares that may be assigned to Beneficiaries in implementation of the Framework Loyalty Programme.

In any event, the Bonus accrued by each Beneficiary is capped on a yearly basis (see paragraph 2.3 above) and no more than 50% of the Bonus may be settled through the assignment of Shares to Beneficiaries in implementation of each Plan regulated under the Framework Loyalty Programme, provided that the Board of Directors moves the General Shareholders' Meeting convened on 18 April 2019 (first call) and, if need be, on 19 April 2019 (Second call) to authorise the use of Shares for such purpose during the financial year of reference of each Plan.

Moreover, the number of Shares to be assigned to each Beneficiary varies in function of the extent to which applicable accrual conditions have been met (cf. paragraphs 2.2. and 2.3 above).

**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.**

Information on these matters is provided in paragraphs 2.2 and 2.3 above.

**4.6. Specification of the restrictions, if any, on the availability of the options assigned or on the financial instruments subject to subscription in exercise of the assigned options, with special reference to the time periods during which the subsequent transfer of the same to the Company itself or third parties is permitted or restricted.**

The Framework Loyalty Programme does not impose any retention period, with the result that, upon expiry of the Deferral Period, and as of the Settlement Date the Shares will be freely available, without prejudice to any and all retention periods imposed on "*Key Personnel*" under the Remuneration Policies in force from time to time.

**4.7. Description of any and all conditions subsequent pertaining to the assignment of the plans 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.**

Not applicable.

**4.8. Description of the effects arising from termination of the work relationship.**

Given that Bonus entitlements are functionally and by nature linked to the continuation of the Professional Relationship between Beneficiaries and the Bank. Therefore in the event of termination of the said Professional Relationship, the following provisions shall apply.

The termination, for any reason or cause whatsoever, of the Professional Relationship during the financial year of reference of a Plan shall entail the forfeiture of any accruing Bonus.

Beneficiaries who have already accrued Bonuses that are still subject to the Deferral Period shall be entitled to settlement of their accrued Bonuses on the Settlement Date, in the event of (the “**Cases of Good Leaver**”): *(i)* termination of the Professional Relationship as a result of the death or illness of the Beneficiary or otherwise the latter’s incurrance of permanent disability incompatible with professional life; *(ii)* termination of the Professional Relationship by Banca Generali without cause (as defined under law); *(iii)* termination of the Professional Relationship by the Beneficiary for cause (as defined under law), as determined through a judicial finding handed down by the court of last resort and no longer subject to appeal; *(iv)* termination of the Professional Relationship by reason of the Beneficiary’s retirement from professional life. Even in the Cases of Good Leaver, the Beneficiary shall be barred from inclusion in any Plan following the termination of the Professional Relationship.

Termination of the Professional Relationship for reasons falling outside the scope of the Cases of Good Leaver shall entail the Beneficiary’s forfeiture of entitlement to receive any of his or her accrued Bonuses, without prejudice to the Board of Directors’ discretionary power to authorise settlement of the said Bonuses on an exceptional basis.

Under the Framework Loyalty Programme, any and all Beneficiaries who without any interruption of the Professional Relationship are assigned to other tasks and duties during the financial year of reference of any Plan shall remain entitled to: *(i)* the entitlement to their respective Bonuses, in case the new tasks and duties to which they are assigned do not disqualify them from inclusion in the Plan, but subject them to different accrual conditions and/or Bonus quantification criteria (it being understood that the Bonuses to be settled in their favour, in respect of the periods prior and subsequent to their assignment to new tasks and duties during the said financial year of reference, shall be quantified on an accruals basis); *(ii)* the entitlement to the Bonuses accrued pursuant to satisfaction of the accrual conditions through to their assignment to new tasks and duties, in cases where the new tasks and duties do not disqualify them from his or her status as Beneficiary.

The Framework Loyalty Programme also regulates the termination of the Professional Relationship by reason of the Beneficiary’s retirement from professional life (“**Retired Beneficiaries**”). More specifically, Banca Generali shall pay Retired Beneficiaries a special bonus (the “**Non-competition Bonus**”) in the event of the reassignment against payment of their customer portfolio to a Relationship Manager or Financial Advisor authorised to make off-premises offers, provided that the Retired Beneficiary in question *(i)* was included in at least one Plan; *(ii)* was removed from the Roll of Financial Advisors authorised to make off-premises offers and was not readmitted to the said Roll as at the Settlement Date; *(iii)* delivered to Banca Generali a copy of the retirement application submitted to the Italian national social security institution (INPS) and further submitted, within no more than 12 months following termination of the Professional Relationship, a copy of the letter from the aforesaid Italian national social security institution (INPS) accepting the said application, and *(iv)* did not rendered any professional services whatsoever to any competitor of Banca Generali for a period of 6 months immediately following the date of termination of the Professional Relationship. The amount payable by way of Non-competition Bonus shall be equal to the sum total of the Bonuses that the Beneficiary would have accrued, had he or she been included in the Plans envisaged for subsequent financial years, it being understood that the said sum shall be determined on the basis of the same criteria applied to quantify his or her Bonus entitlements for the year of his or her retirement, taking due account of the overall value

of the AUM in Categories 1 and 2 at the time of termination of the Professional Relationship. For the intents and purposes of quantifying the Non-competition Bonus, the amount of each of the Bonuses that the Retired Beneficiary would have accrued in the event of his or her inclusion in the Plans envisaged for subsequent financial years shall be actualised at the rate of 10%, reflecting Banca Generali's cost of equity (or "Ke"). The Non-competition Bonus shall be payable in 24 monthly instalments, together with any and all additional compensation due to the Retired Beneficiary for portfolio enhancement.

Non-competition Bonuses shall be subject to approval, on an annual basis, by the relevant corporate bodies authorised to take decisions regarding the implementation of annual Plans and shall be available solely to Beneficiaries who meet all of the aforesaid requirements within the financial year of reference of the Plan in question.

In respect of the 2019 Plan, the Board of Directors resolved to apply, during the reference year of the Plan, the Non-competition Bonus option, as per Article 19 of the Framework Loyalty Programme.

The customer portfolio transferred by a Retired Beneficiary to a Recipient may be taken into account for the intents and purposes of the assignment and quantification of the said Recipient's Bonus entitlements, depending on whether or not the transfer was made free of charge (subject to waiver by the Retired Beneficiary of the latter's Non-competition Bonus) or for consideration.

All the aforementioned provisions shall be applied to the 2019 Loyalty Plan, insofar as the latter is regulated under the Framework Loyalty Programme.

**4.9. Other possible reasons for which the plans may be cancelled.**

The Bank does not envisage any other reasons for which the 2019 Loyalty Plan or Framework Loyalty Programme may be cancelled.

**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 employment relationship, on the said redemption.**

Not applicable. The Bank does not envisage the redemption of any of the Shares covered under the Framework Loyalty Programme and thus under the 2019 Loyalty Plan.

**4.11. Any and all loans and other facilities made available for purchasing the shares, within the meaning of Article 2358 of the Italian Civil Code.**

Not applicable. No loans or other facilities have been made available for purchasing the Shares, within the meaning of Article 2358 of the Italian Civil Code.

**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 financial instrument covered under the Plan.**

The Bank's maximum expected liability as at the Settlement Date, if all applicable conditions are met, cannot be meaningfully quantified at present since the same depends largely on the number of Beneficiaries and the cap imposed on each Beneficiary.

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

The maximum dilutive effect of servicing the Framework Loyalty Programme solely through Shares generated by increasing capital cannot be meaningfully determined at present, since the effect in question depends not only on future determinations to be reached in respect of each Plan in terms of the percentage of the Bonus entitlements to be settled in Shares, without prejudice to the 50% cap, but also on the number of Beneficiaries.

For the same reasons, the maximum dilutive effect of the 2019 Loyalty Plan cannot be meaningfully determined at present.

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

Not applicable: no restrictions are imposed on dividend entitlements and the exercise of voting rights. No dividends shall 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.

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

Not applicable.

**4.17. Expiry of the Options.**

Not applicable.

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

Not applicable.

**4.19. Strike price of the option or methods and criteria for determining the strike price, with particular regard to: 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.

**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.

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

Not applicable.

**4.22. If the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the said financial instruments or of the criteria for determining the same.**

Not applicable.

**4.23. Criteria for carrying out the adjustments required in light of extraordinary capital and other transactions that entail changes in the number of the underlying financial instruments (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.

\* \* \* \* \*

*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 incentive 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.*