



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

Milan, 15 March 2019

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FOREWORD

The Group's remuneration policies (as defined herein) — included in the 2019 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 of "Key Personnel"¹ — as regards both the component with a typically incentivising nature (the "**Bonus**") and the other forms envisaged by the Circular Letter (including, but not limited to, Severance as defined herein) — be paid in financial instruments and, in particular, in Shares.

Accordingly, on 15 March 2019, 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 plan for 2019 (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 18 April 2019 (first call) and, if need be, on 19 April 2019 (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, 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 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*, most recently updated on 23 October 2018; 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, Direzione Affari Societari e Rapporti con le Authorities, Piazza Tre Torri 1, as well as via the centralised regulatory data storage mechanism SDIR-NIS, managed by BIt Market Services, at www.emarketstorage.com and on the Bank's website www.bancagenerali.com, Section Corporate Governance / AGM.

¹ Persons whose activity has or can have an impact on the risk profile of the Bank or Group.

DEFINITIONS

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

<u>Shareholders' Meeting</u>	General Shareholders' Meeting of Banca Generali.
<u>Shares</u>	Banca Generali ordinary Shares.
<u>Beneficiaries</u>	The Potential Beneficiaries to whom a Variable Remuneration to be paid partly in Shares is actually granted.
<u>Bonus</u>	Variable Remuneration (as defined herein) granted to the Beneficiaries ² that is linked to performance and has an incentive function.
<u>Circular Letter</u>	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> , most recently updated on 23 October 2018.
<u>Italian Civil Code</u>	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as amended and extended.
<u>Corporate Governance Code</u>	The Corporate Governance Code of listed companies prepared by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A.
<u>Remuneration Committee</u>	The Bank's Remuneration Committee <i>pro tempore</i> .
<u>Board of Directors</u>	The Bank's Board of Directors <i>pro tempore</i> .
<u>Subsidiaries</u>	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.
<u>Working day</u>	All calendar days except for Saturdays, Sundays and other days on which the Italian Stock Exchange is not typically open for normal business.
<u>Group</u>	Banca Generali and its Subsidiaries.
<u>Key Personnel</u>	Persons identified by the Bank as included in the category of key

² For the purposes of this document, the incentives contemplated in the Long Term Incentive Plan of the Bank and the Network Loyalty Plan, as regulated by the Remuneration Policies and other related information documents Re. Article 114-*bis* of TUF, are not included herein.

personnel within the meaning of applicable regulations.

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.

<u>Remuneration Policies</u>	The Bank's <i>pro tempore</i> Remuneration Policies.
<u>Potential Beneficiaries</u>	Persons included among the Group's Key Personnel who, according to the Circular Letter and Remuneration Policies, are eligible for Variable Remuneration.
<u>Share Portion</u>	The portion of Variable Remuneration to be settled in Shares pursuant to the Circular Letter and the Remuneration Policies.
<u>Professional Relationship</u>	A Relationship of employment and/or directorship and/or agency between a Beneficiary and the Bank or a Subsidiary.
<u>Rules for Issuers</u>	The Rules adopted by Consob by Resolution No. 11971 of 14 May 1999, as amended and extended.
<u>Variable Remuneration</u>	Each remuneration qualifiable as " <i>variable remuneration</i> " ³ as defined by the Circular Letter ⁴ , thus including Severance as defined herein, to be paid in part in financial instruments pursuant to the said Circular Letter and the Remuneration Policies (and that the Bank pays in shares pursuant to the Remuneration Policies).
<u>Severance</u>	The amounts agreed either in view of early termination of the employment relationship or early termination of the position, in addition to the severance indemnity and allowance in lieu of notice, regardless of the reason, legal qualification and economic grounds for which they are recognised as defined by the Remuneration Policies.
<u>Incentivisation System</u>	The share-based remuneration system for the year 2019, reserved for the Group's Key Personnel.
<u>TUB</u>	Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended.
<u>TUF</u>	Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended.

³ The definition of "variable remuneration" given in the Circular Letter cited herein also includes other possible pay elements that are not, however, covered by the Remuneration Policies of the Bank.

⁴ For the purposes of this document and as previously specified, the incentives contemplated in the Long Term Incentive Plan of the Bank and the Network Loyalty Plan, as regulated by the Remuneration Policies and other related information documents Re. Article 114-*bis* TUF, are not included herein.

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 and/or Severance or other forms of Variable Remuneration a portion of which is to be paid in financial instruments.

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 Gian Maria Mossa, Chief Executive Officer and General Manager of the Bank.

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.

The information requested in this regard will be provided according to the methods and within the terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

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.**

a) General Managers of the issuer of financial instruments

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

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 and within the terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

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.

Not applicable. during the financial year, the overall remuneration of none of the key management personnel exceeded 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 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.

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

At present, Potential Beneficiaries include, in particular (without prejudice to future changes) the Deputy General Manager Wealth Management, Markets and Products and the Deputy General Manager Commercial Networks, Alternative and Supporting Channels.

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 and within the terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

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 SYSTEM

2.1 Goals pursued through the assignments made under the Plans

This Plan is intended to allow the Bank to comply with the provisions of the Circular Letter, where they require that part of the compensation package of Key Personnel, for the different portions that compose the Variable Remuneration, be paid in financial instruments, contingent on sustainable performance conditions.

At the same time, the payment in Shares of part of the Variable Remuneration, under this Plan, is instrumental to ensuring a better alignment of the interests of the Group’s management and that of its Shareholders through an 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 25%⁵ of the variable remuneration linked to short-term objectives and of the other components of the Variable Remuneration be paid in Shares.

⁵ This is without prejudice to the provisions set forth in Note 6 regarding the payment of significantly high amounts, as envisaged by the Remuneration Policies, to the beneficiaries listed in the cited Circular Letter, paragraph 2.1, point 4 (3).

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

The Remuneration Policies call for a part of the Variable Remuneration (25%⁶) of Key Personnel be paid in Shares, upon the satisfaction of the conditions set out in the Remuneration Policies.

The amount of the Bonus 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 assigned⁷.

In further detail, a percentage portion of the Bonus 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 Adjustment Capital (RoRAC), Recurring Net Profit, Core Net Banking Income), 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 up to 70% of the short-term Bonus; for Deputy General Managers, such objectives contribute to determining a percentage of usually up to 50% of the short-term Bonus; for other managers and executives, such objectives contribute to determining a maximum of 35% of the short-term Bonus. The remaining portion of the short-term Bonus 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 2019, the award of the Variable Remuneration

⁶ In the event of the payment to the beneficiaries listed in the cited Circular Letter, paragraph 2.1, point 4 (3), of a variable remuneration qualifying as a "significantly high amount" (as envisaged by the Remuneration Policies), the payment of said remuneration shall comply with the criteria specified in the Remuneration Policies (with respect to the deferral period and the percentage of Shares used to pay the deferred portion).

⁷ On the other hand, regarding the variable remuneration of Financial Advisors, Severance and other forms of Variable Remuneration, the related amount is determined in line with the criteria, limits and conditions specified in the Remuneration Policies.

(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 Ratio⁸ (minimum threshold of 13.5%) and Liquidity Coverage Ratio⁹ (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 is assessed at the time of each award;
- the cap mechanism (where applicable) 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, 25%¹⁰ of the Variable Remuneration is paid to Beneficiaries in Shares, according to the following assignment and retention mechanism:

- 60% of the Bonus will be paid within the first half of 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 a further one year after the date of the payment of the first portion, 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 further two years after the date of payment of the first portion, 75% in cash and 25% in Shares, which will be subject to a retention period of one year¹¹.

If the actual Variable Remuneration accrued by Beneficiaries is below the threshold set at 75,000.00 euros, it will be paid in full up-front (part in cash and part in shares), (with reference to the Bonus, during the year after that of reference, once the Board of Directors has verified earnings results for 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

⁸ 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).

⁹ 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.

¹⁰ Without prejudice to the provisions specified in Note 6 above.

¹¹ Similar rules are applied, *mutatis mutandis*, to the other forms of Variable Remuneration (e.g. Severance). In these cases, the first portion is paid according to the timescales specified in the relevant contractual documentation.

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)¹².

The number of Shares assigned to the Beneficiaries will thus depend on the amount of the Variable Remuneration 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.

¹² As regards Severance, the share price is calculated as the average price over the three months prior to when the agreement that envisages the entitlement to Severance is signed (i.e., in the three months prior to the date of termination of the work relationship in the case of agreements signed *ex-ante*). With respect to other forms of Variable Remuneration, the share price is calculated as the average price over the three months prior to recognition of the Variable Remuneration.

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 15 March 2019, 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 of the Bank, 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.

In compliance with the Circular Letter, the Remuneration Policies call 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)¹³.

In order to provide the Bank with the funds necessary to implement the above provisions, the Shareholders' Meeting, convened on 18 April 2019 (first call) and, if need be, on 19 April 2019 (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 Potential Beneficiaries of the Incentivisation System include (without prejudice to future changes): the Chief Executive Officer and General Manager of the Bank Gian Maria Mossa. 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 15 March 2019, following a favourable opinion from the Remuneration Committee on 13 March 2019.

On 15 March 2019, following the favourable opinion from the Remuneration Committee, the Board of Directors resolved to approve the proposed Incentivisation System and submit it for the

¹³ See Notes 7 and 12 above regarding other forms of Variable Remuneration, and the provisions specified in Note 6.

approval of the Shareholders' Meeting.

- 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 18 March 2019. 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 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) 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 15 March 2019.

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 General Shareholders' Meeting convened on 18 April 2019 (first call) and, if need be, on 19 April 2019 (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.

The Share Portions will not be assigned immediately, but only when the performance objectives

have been achieved¹⁴. The procedure for identifying the Beneficiaries and the one for assigning the Share Portions 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 Potential Beneficiaries include individuals subject to the obligations imposed under internal dealing regulations laid down by Regulation (EU) No. 596/2014 of 16 April 2014 (and related implementing provisions), TUF and the Rules for Issuers. Should the conditions indicated in the aforementioned regulations be met, these individuals are required to make timely disclosure to the market of any and all significant transactions effected on the Shares, pursuant to the above-mentioned regulations.

In addition to the foregoing, the Potential Beneficiaries shall comply with the provisions on internal dealing or market manipulation laid down in Regulation (EU) No. 596/2014 and the provisions set forth in the “*Code on Inside Information*”, to which reference is made.

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 will depend on the amount of the Variable Remuneration actually granted with reference to financial year 2019. At present, this number can be estimated at 385,000.

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

¹⁴ Or the other conditions established in the Remuneration Policies have been satisfied (in particular, with respect to Variable Remuneration other than Bonuses).

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 above¹⁵.

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, in the cases envisaged by Remuneration Policies, claw-back mechanisms apply to Variable Remuneration included among the other cases of incentives paid 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 Policies¹⁶.

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 in the year after the one in which the Bonus vests¹⁷ and the remainder is to be allotted on a further deferred basis, over a period of two years after the first portion is paid.

All the Shares assigned are subject to a retention period of one year¹⁸.

¹⁵ With reference to Severance and other forms of Variable Remuneration, their amount is instead determined in line with the criteria, limits and conditions established by the Remuneration Policies.

¹⁶ See the more detailed provisions contained in this regard in the Remuneration Policies.

¹⁷ Or, for other types of Variable Remuneration, according to any different timescale established in the contractual documents.

¹⁸ The period between the end of the period of accrual of the first portion and each subsequent year after such date for the payment in shares of the second and third portion of Shares, respectively.

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 (without prejudice to the possibility to provide in any case for maintaining deferred tranches as part of consensual contract termination agreements)¹⁹.

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.

Not applicable.

¹⁹ In the case of Severance, the payment of Shares clearly takes place, by definition, after the employment relationship is terminated.

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.

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.

*** **

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.

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.