

Report of the Board of Directors to the General Shareholders' Meeting

Statutory auditing assignment: supplementation of the activity covered by the assignment and increase of fees

Shareholders,

The Bank's Board of Directors submits to the General Shareholders' Meeting, for its examination and approval, the motion, duly supported by a statement of grounds, raised by the Board of Statutory Auditors with regard to the supplementation of the activity governed by the assignment granted to BDO Italia S.p.A. for the statutory auditing of the accounts for financial years 2015-2023, and the increase in the fee originally established for the said assignment.

The text of the motion raised by the Board of Statutory Auditors is attached hereto as Annex A.

Milan, 9 March 2020

THE BOARD OF DIRECTORS

MOTION OF THE BOARD OF STATUTORY AUDITORS

Supplementation of the remuneration of the independent auditors for the statutory auditing assignment, for the 2020-2023 period, and inclusion in the said assignment of an activity previously forming a separate assignment, for the 2020-2023 period

Shareholders,

By resolution dated 23 April 2015, the General Shareholders' Meeting of Banca Generali S.p.A. (the "**Bank**") granted BDO Italia S.p.A. an assignment to perform the statutory audit of the Bank's accounts for the financial years from 2015 to 2023, with an estimated annual commitment of 2,370 hours, for a fee of 190,000.00 euros (the "**Assignment**").

In accordance with the contractual provisions, which allow the remuneration to be adjusted where circumstances entail that additional time be devoted beyond that estimated in the proposal (such as a change in the Bank's structure and size, regulatory changes, changes in accounting and/or auditing standards or complex transactions undertaken by the Bank), BDO Italia S.p.A. informed us, in a letter dated 31 January last, of the need to modify the times and fees estimated for auditing services on the basis of the growth rates achieved by the Bank in recent years. This resulted in a significant change in financial and operating position and a further expansion of operations is projected in 2020 due to the planned merger with the Nextam Group.

In view of the foregoing, BDO Italia S.p.A. estimated an increase in its activities of a total of 711 hours with effect from financial year 2020 and accordingly requested an increase in remuneration of 61,000.00 euros, as summarised below:

Activities	Underway		Additional tasks		Following years	
	Hours	Euro	Hours	Euro	Hours	Euro
Audit of the Annual Financial Statements and audit of the Company's accounts	1,480	118,500	444	36,500	1,924	155,000
Audit of the Consolidated Financial Statements	160	13,000	48	4,000	208	17,000
Audit of the annual	150	12,000	45	4,000	195	16,000

reporting package Audit of the Consolidated Half-Year Financial Statements	300	24,000	90	8,000	390	32,000
Limited audit of the half-yearly reporting package	100	8,000	30	3,000	130	11,000
Audit of the three- and nine-month accounting statements to be included in Common Equity Tier 1	180	14,500	54	5,500	234	20,000
	2,370	190,000	711	61,000	3,081	251,000

In addition, in that same letter BDO Italia S.p.A. observes that the Assignment does not involve the attestation of the parent and consolidated net profit for the year ended 31 December in Common Equity Tier 1 capital pursuant to Article 26(2) of Regulation (EU) No. 575/2013 of 26 June 2013. Given that BDO performs this activity on the basis of a separate assignment that is awarded to it annually, it proposes that this activity also be included in the Assignment, increasing it by the amount of 15,000.00 euros, for 180 hours, with effect from financial year 2020, as summarised below:

Activities	Hours	Euro
Attestation of net profit for the year ended 31 December to be included in Common Equity Tier 1 capital	180	15,000
	180	15,000

The summary of the total hours and fees following the addition of the amounts set out above would therefore be as follows:

Activities	Hours	Euro
Proposed supplementation of statutory auditing	3,081	251,000
Additional attestation not previously provided	180	15,000
Total supplementation	3,261	266,000

[VAT and supervisory contributions will be added to these amounts]

Pursuant to Article 13(1) of Legislative Decree No. 39/2010, the Board of Statutory Auditors has examined the proposal and met with the independent auditors for detailed information on the supplementation of auditing activities. The Board of Statutory Auditors has also met

with the competent company bodies, which provided their assessments on the request for supplementation and the reasonableness of its contents. Following the above activities, the Board of Statutory Auditors deems, firstly, that the request for an increase in the hours of activity and thus of the fees is consistent with the statutory audit process to which the Assignment refers, suitable to the new auditing activities associated with the events listed above and fair in view of the professional commitment required. The Board of Statutory Auditors also believes that the inclusion in the Assignment of the activity previously covered by a separate assignment is instrumental to effective management of the assignments.

Now, therefore, in consideration of the foregoing, the Board of Statutory Auditors invites the Shareholders to resolve as follows:

“The General Shareholders’ Meeting of Banca Generali S.p.A., held in ordinary session, in Trieste at the offices of Notaries Public Paparo and Dado at Via San Nicolò 13, at 9:30a.m.,

- having regard to Article 13 of Legislative Decree No. 39 of 27 January 2010 (Implementation of Directive 2006/43/EC on Audits of Annual and Consolidated Accounts);
- having regard to the resolution passed by the General Shareholders' Meeting held on 23 April 2015;
- having regard to Chapter 7, paragraph c), “Adjustment of fees” of the assignment granted to the independent auditors BDO Italia S.p.A. with regard to the possibility of revising the fees to take account of any particular circumstances that may give rise to changes in the estimated hours and fees for auditing services;
- having regard to the letter sent on 31 January 2020 by BDO Italia S.p.A., pursuant to the aforementioned Chapter 7, paragraph c);
- having regard to the motion, duly supported by a statement of grounds, raised by the Board of Statutory Auditors,

resolves

- 1) to supplement the assignment already granted to BDO Italia S.p.A. by the General Shareholders' Meeting of Banca Generali S.p.A. on 23 April 2015 pursuant to Article 13(1) of Legislative Decree No. 39 of 27 January 2010, by including in it, for the 2020-2023 period, the assignment of attesting the parent and consolidated net profit or loss for the year ended 31 December in Common Equity Tier 1 capital, previously

covered by a separate annual assignment;

- 2) to modify the economic conditions, with effect from financial year 2020, of the assignment granted to BDO Italia S.p.A., as supplemented pursuant to point 1) above, as follows:

- for the audit of the Annual Financial Statements and the audit of the Company's accounts 36,500.00 euros
- for the audit of the Consolidated Financial Statements 4,000.00 euros
- for the audit of the annual reporting package 4,000.00 euros
- for the audit of the Consolidated Half-Year Financial Statements 8,000.00 euros
- for the limited audit of the half-yearly reporting package 3,000.00 euros
- for the audit of the three- and nine-month accounting statements to be included in Common Equity Tier 1 5,500.00 euros

for a total amount of 61,000.00 euros. [VAT and supervisory contributions will be added to these amounts]

- 3) to entrust the Board of Statutory Auditors with adjusting the amount of the resolved remuneration to the services actually rendered, in the event of the satisfaction, during the course of the appointment, of the conditions contemplated in the letter of appointment as warranting a revision of the billable hours and related fee structure, or otherwise, in the case of unforeseeable or exceptional circumstances giving rise to an increase in the hours devoted to auditing tasks and/or a change in the professional qualifications of the staff dedicated to such tasks with respect to the assignment;
- 4) to invest the Chairman of the Board of Directors and the Chief Executive Officer — even severally, and with powers of substitution by special attorneys-in-fact — with full powers to execute this resolution."

Milan, 9 March 2020

THE BOARD OF STATUTORY AUDITORS