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**ILLUSTRATIVE REPORT
OF THE BOARD OF DIRECTORS OF BANCA GENERALI S.P.A.
CONCERNING ITEM 8 ON THE AGENDA OF THE ORDINARY
SHAREHOLDERS' MEETING**

***“Network Loyalty Plan for 2021 pursuant to Article 114-bis of TUF: granting of powers;
relevant and ensuing resolutions”***

(Prepared pursuant to Article 125-ter of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and extended, and pursuant to Article 84-ter of the Regulation adopted through Consob Resolution No. 11971 of 14 May 1999, as subsequently amended and extended)

Shareholders,

This Report has been prepared pursuant to Articles 114-*bis* and 125-*ter* of Legislative Decree No. 58 of 24 February 1998 (Consolidation Law on Financial Intermediation or “**TUF**”) as amended and extended, and Article 84-*ter* of the Regulation adopted by Consob Resolution No. 11971 of 14 May 1999 as amended and extended (the “**Rules for Issuers**”).

This Report has been made available to the public, under the terms and conditions required by applicable laws and regulations, from the registered office of Banca Generali S.p.A. (“**Bank**”), the Milan operating offices, *Direzione Affari Societari e Rapporti con le Authorities*, Piazza Tre Torri 1, at Borsa Italiana S.p.A., the Bank’s website (www.bancagenerali.com), and through the authorised storage mechanism (www.emarketstorage.com).

Pursuant to Article 114-*bis* of TUF, the Board of Directors intends to submit for your approval the adoption of a Network Loyalty Plan for 2021 (the “**2021 Loyalty Plan**”) included in the Bank’s Framework Loyalty Programme (“**Framework Loyalty Programme**”), addressed to Bank’s Financial Advisors authorised to make off-premises offers who are not in managerial positions, and more precisely to financial planners, wealth advisors, private bankers, financial planner agents, executive managers and financial planner agent managers (“**Financial Advisors**”), and to Bank’s relationship managers (“**Relationship Managers**”).

This Report is thus aimed at illustrating the rationale and content of the proposal concerning the aforementioned 2021 Loyalty Plan. For definitions and an illustration of the content and provisions of the Plan, reference should be made to the Information Document drafted in accordance with Article 114-*bis* of TUF and Article 84-*bis* of the Rules for Issuers and made available to the public according to the terms and procedures required under applicable legislation.

1. Reasons for adoption of the 2021 Loyalty Plan

The Framework Loyalty Programme, under which the 2021 Loyalty Plan falls, is designed to create a loyalty tool for the beneficiaries as well as incentivise them to meet corporate objectives through participation in annual incentive plans with a view to the enhancement of the Bank’s value and the alignment with the shareholders’ interests.

2. Recipients

The beneficiaries of the 2021 Loyalty Plan are Financial Advisors and Relationship Managers who had an agency or employment relationship with the Bank (“**Professional Relationship**”) at 31 December 2016 (excluding those who were on notice period at that date) and who had reached at least five years of service within the company by 31 December 2020.

3. Methods and clauses for the implementation of the 2021 Loyalty Plan, with an indication of whether its implementation is contingent on the satisfaction of conditions, and in particular on the achievement of certain results

The Framework Loyalty Programme (and thus the 2021 Loyalty Plan, like all plans that will be defined by the Bank each year in accordance with the Loyalty Framework Programme, or collectively the “**Plans**”) provides for the payment to the beneficiaries of a cash bonus, unless the Board of Directors decides to submit for the approval of the Shareholders’ Meeting the payment of a portion of the bonus (up to a maximum of 50%) in shares of the Bank (“**Shares**”).

With regard to the 2021 Loyalty Plan, the Board of Directors intends to exercise this option by submitting to the General Shareholders’ Meeting the proposal to pay out 50% of the Bonus in shares.

Accrual and payment of the bonus are subject to:

- a) the satisfaction of certain performance-related conditions linked to the individual results reported;
- b) the achievement of Banca Generali Banking Group's access gate and the satisfaction of any additional conditions imposed by laws and regulations or instructions from the competent supervisory authorities and, in any event, conditions resolved upon by the Shareholders' Meeting to ensure compliance with the aforementioned regulation or, in any event, to ensure the Bank's stability or liquidity;
- c) the application of malus and claw-back mechanisms defined in the remuneration policies adopted by the Banca Generali Banking Group ("**Remuneration Policies**") from time to time.

Any bonus accrued must be paid out on a deferred basis (in the case of the 2021 Loyalty Plan, a period of six years) within 60 days of the approval of the 2026 Financial Statements. For the entire deferral period, interest will be calculated on the cash portion of any accrued bonus.

Beneficiaries shall retain their entitlement to receive any bonus already accrued and subject to deferral in certain cases of severance of the Professional Relationship, but shall in any event be excluded for any Plans defined after the termination date.

The Framework Loyalty Programme also regulates the termination of the Professional Relationship in case of retirement, providing for the possibility to pay a special bonus (the "**Non-competition Bonus**"), if specific conditions are met (as illustrated in the Information Document). Non-competition Bonuses shall be subject to approval on an annual basis by the relevant corporate bodies and refers only to Beneficiaries who meet all of the requirements within the financial year of reference of the Plan in question. With regard to the 2021 Loyalty Plan, the Board of Directors resolved to apply the Non-competition Bonus rule, as per Article 19 of the Framework Loyalty Programme, during the year to which the Plan refers.

4. Support for the 2021 Loyalty 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

The Framework Loyalty Program 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.

5. Methods of defining the prices and criteria for determining the subscription or strike prices of shares

Not applicable.

6. Lock-up of shares, with particular regard to the period within which subsequent transfers to the company or third parties are permitted or restricted

The Framework Loyalty Programme does not impose any retention period, so that upon expiry of the deferral period, and as of the pay-out date, any and all assigned Shares shall be fully and freely available, without prejudice to any and all retention periods imposed on "*Key Personnel*" under the Remuneration Policies in force from time to time.

An outline draft of the resolution of the General Shareholders' Meeting, that can reflect, in terms of expression of the General Shareholders' Meeting decisions, the content of the motion described above is provided hereinbelow:

"The Ordinary Shareholders' Meeting of Banca Generali S.p.A.,

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

- *having regard to the Information Document concerning the 2021 Loyalty Plan, regulated under the Framework Loyalty Programme, drafted pursuant to Article 114-bis of 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 regulatory provisions issued by Consob,*

resolves

- 1) *to approve, pursuant to Article 114-bis of TUF, the adoption of the 2021 Loyalty Plan, regulated under the Framework Loyalty Programme for Banca Generali S.p.A.'s Financial Advisors authorised to make off-premises offers and Banca Generali S.p.A.'s Relationship Managers, the terms, conditions and manners of which are described in the relevant Information Document annexed to the Board of Directors' Report, to which reference is made;*
- 2) *to authorise the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the express power to sub-delegate third-parties (also not members of the Board of Directors), to establish the procedures, timing and all the executive and other terms, with a view to ensuring the optimal implementation of this resolution, effecting for such purpose any and all related assessments and checks, and proceeding with any and all related formalities, filings and submissions, without exclusion or exception whatsoever".*

Milan, 5 March 2021

THE BOARD OF DIRECTORS