



**RULES
OF THE BOARD OF DIRECTORS AND THE BOARD COMMITTEES
OF BANCA GENERALI S.P.A.**

11 May 2021

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SECTION I – PRELIMINARY PROVISIONS

INTRODUCTION

These Rules have been adopted by Banca Generali S.p.A.'s Board of Directors to bring the policies, rules, and procedures governing the functioning of corporate governance relating to the aforementioned body and the Board Committees into line with the law and Articles of Association, as well as with the principles of the Supervisory Regulations.

The terms commencing with an upper-case letter shall have the meaning attributed thereto in the following section "Definitions".

The Rules are also intended to ensure that the corporate governance rules applicable to the said bodies are in line with the principles laid down in the Corporate Governance Code.

Any and all matters not expressly addressed herein shall be deemed regulated pursuant to the applicable statutory and regulatory framework (including, above all, the aforesaid "Supervisory Provisions") and the Company's Articles of Association, as well as the resolutions of the General Shareholders' Meetings and Board of Directors' meetings on governance aspects.

These Rules have been published on the Company's website www.bancagenerali.com.

DEFINITIONS

The following definitions are provided for the purposes of these Rules (where possible, definitions in the singular include the plural, and vice versa):

- **Corporate Governance Code or Code:** the Corporate Governance Code for Listed Companies, approved by the Corporate Governance Committee of Borsa Italiana S.p.A. on 31 January 2020 and applicable by the companies adopting it as of the first financial year starting after 31 December 2020;
- **Board of Statutory Auditors:** the Board of Statutory Auditors of Banca Generali S.p.A.;
- **Committees or Board Committees:** the Internal Audit and Risk Committee, the Remuneration Committee, the Nomination, Governance and Sustainability Committee and the Credit Committee, as a whole;
- **Internal Audit and Risk Committee:** the Internal Audit and Risk Committee of Banca Generali S.p.A.;
- **Credit Committee:** the Credit Committee of Banca Generali S.p.A.;
- **Nomination, Governance and Sustainability Committee:** the Nomination, Governance and Sustainability Committee of Banca Generali S.p.A.;
- **Remuneration Committee:** the Remuneration Committee of Banca Generali S.p.A.;
- **Board of Directors or Board:** the Board of Directors of Banca Generali S.p.A.;
- **MEF Decree:** Decree of the Italian Minister of Economy and Finance No. 169 of 23 November 2020, in effect since 30 December 2020, "*Regulation on the requirements and criteria for suitability to serve as member of the management of banks, financial intermediaries, guarantee consortia, electronic payment institutions, payment institutions and depositor guarantee systems*";
- **Supervisory Provisions:** Circular No. 285 issued by the Bank of Italy on 17 December 2013;
- **Fit & Proper Policy:** the policy adopted by Banca Generali that lays down the requirements and criteria for fitness to hold the office of company officer and head of the many company functions, as in force at the time;
- **Banking Group:** the Banking Group controlled by Banca Generali S.p.A.;
- **Strategic Equity Investment:** an investment that, pursuant to the Supervisory Provisions, is equal to at least (i) 10% of share capital or voting rights in the investee's ordinary shareholders' meeting, and (ii)

5% of the consolidated regulatory capital of the Banking Group or all companies that despite not meeting the above parameters are considered strategic for Banca Generali on the basis of other parameters identified by the Board of Directors from time to time (at least on an annual basis);

- **RPT Procedure:** Procedure for Related Party and Connected Party Transactions and Transactions of Greater Importance⁽¹⁾;
- **Rules:** these Rules governing the proceedings of meetings of the Board of Directors and the Board Committees of Banca Generali S.p.A.;
- **CONSOB RPT Regulations:** the Regulations containing provisions relating to transactions with related parties adopted by Consob with Resolution No. 17221 of 12 March 2010, as amended and extended;
- **Company or Bank:** Banca Generali S.p.A.;
- **Sustainable Success:** a goal that guides the Board of Director's action and consists of creating long-term value for the benefit of the shareholders, taking account of the interests of the Company's other relevant stakeholders;
- **Top management:** those who report directly to the Chief Executive Officer or the Board of Directors, along with all others with significant powers and responsibilities, as identified from time to time by the Board of Directors in office at the time;
- **TUB:** Legislative Decree No. 385 of 1 September 1993;
- **TUF:** Legislative Decree No. 58 of 24 February 1998.

⁽¹⁾ The *Procedure for Related Party and Connected Party Transactions and Transactions of Greater Importance* is available on the Company's website www.bancagenerali.com.

SECTION II – BOARD OF DIRECTORS

CHAPTER I – APPOINTMENT OF DIRECTORS

ARTICLE 1

1. The composition of the Board of Directors and the appointment and dismissal of Board members shall be regulated pursuant to Article 15 of the Articles of Association, which is designed to ensure an adequate representation of the various components of the corporate base.
2. In order to ensure that the Board of Directors includes members capable of ensuring that the role assigned to them is performed effectively, and, more generally, by persons capable of discharging their duties, the Board of Directors, with consulting support from the Nomination, Governance and Sustainability Committee, upon appointment or renewal of its members, determines in advance its optimal qualitative and quantitative composition, including pursuant to Article 12 of the MEF Decree, the Supervisory Provisions and the Corporate Governance Code. The results of this assessment are reported to the Shareholders in time for the candidate selection and appointment process to take account of them and by publishing them on the Company's website suitably in advance of the publication of the notice of calling of the Shareholders' Meeting convened to appoint the new Board of Directors.
3. The members of the Board of Directors must be fit to perform their duties, meet the requirements of professionalism, integrity and independence and satisfy the criteria of competence, correctness and time commitment, as well as comply with the specific limits on the number of positions as established by applicable legislation (including regulatory and self-regulatory provisions), the Articles of Association and the Fit&Proper Policy in force from time to time; this is without prejudice to compliance with the prohibition of interlocking directorships set out in Article 36 of Decree Law No. 201 of 6 December 2011 "*Urgent measures for growth, equity and the consolidation of the public finances*" converted with amendments by Law No. 214 of 22 December 2011.
4. With specific regard to the limits on the number of positions that may be occupied by its members, the Company – as a listed bank (and thus of larger size and greater operational complexity) – adheres to the provisions of applicable legislation in force from time to time (including, for example, Article 17 of the MEF Decree), as described in further detail by the Fit & Proper Policy in force at the time.
5. Upon the conclusion of the appointment process and subsequently if certain events occur, the Board of Directors (with the advisory support of the Nomination, Governance and Sustainability Committee) verifies (i) that the actual composition resulting from the nomination process reflects the qualitative and quantitative composition deemed optimal and (ii) that its members are fit to the office.
6. The Board of Directors, in performing its duties relating to the appointment (including co-option) and the assessment of its members and, in general, the adequacy of the collective composition, acts in compliance with the statutory, regulatory and self-regulatory provisions, as well as the Fit&Proper Policy in force from time to time.

CHAPTER II – ACTIVITIES OF THE BOARD OF DIRECTORS

ARTICLE 2

1. The Board of Directors shall, as a general rule, meet on a monthly basis, at the invitation of the Chairman or acting Chairman (Article 17 of the Articles of Association) pursuant to the timetable established by the end of each financial year of the Company, as well as whenever a Board meeting becomes necessary, or otherwise, at the behest of at least one third of the Board members in office, or one member of the Board of Statutory Auditors, in the cases contemplated under law.

2. The notice of calling must be forwarded to all Board members and Acting Auditors at least five (5) calendar days prior to the scheduled date of the meeting, save in cases of emergency, where such time period may be shorter.

3. In order to ensure that the proceedings of Board meetings proceed effectively and efficiently, in general, the said meetings shall be held at the Company's registered offices and/or its operating offices in Milan. The Board of Directors' meetings may also be held by telephone or video conference call, provided that each of the attendees may be identified by all the others and is able to participate in the debate on the items placed on the Agenda, as well as to receive, transmit and view documents in real time.

4. Where the Chairman sees fit to do so, including upon the request of one or more Directors, he can request that the executives of the Company and those of companies belonging to the Banking Group who are in charge of company functions competent with respect to the subject matter concerned participate in meetings of the Board of Directors – exclusively for the time necessary for that purpose – in order to provide the appropriate further clarification regarding items on the Agenda.

ARTICLE 3

1. Pursuant to the Supervisory Provisions, the Chairman of the Board of Directors plays a crucial role in ensuring the smooth functioning of the Board's Meeting, promoting the internal dialogue and ensuring that powers are adequately balanced, in line with the tasks assigned to him under the Italian Civil Code, including with regard to the organisation of Board meeting proceedings and the circulation of information. The Chairman also promotes the effective functioning of the corporate governance system, ensuring the balance of powers with the Chief Executive Officer and any other executive directors, while also acting as a liaison between the executive and non-executive directors and an interlocutor with the control bodies and Board Committees, thereby facilitating institutional relations, as well as dialogue and coordination with the Board of Directors. The Chairman shall be vested with all the powers contemplated under the regulatory framework in force from time to time, in addition to those expressly delegated to him by the Board of Directors. The Chairman may not perform management functions, even *de facto* (as he cannot have an executive role), without prejudice to the power to assume substitute duties within the Board of Directors in urgent circumstances, within the limits established in Article 18, paragraph 9, of the Articles of Association.

2. Without prejudice to the detailed information provided below, with particular regard to the calling of meetings of the administrative body, the Chairman:

- (i) convenes and chairs the meetings of the Board of Directors, coordinating the functions of the latter; in order to enable all Board members to take fully informed decisions in respect of the items placed on the Agenda, the Chairman must explicitly set forth the items to be discussed;
- (ii) organises and coordinates the proceedings of the Board of Directors' meetings, guaranteeing the efficacy of debate within the Board and ensuring that the resolutions passed by the Board are the result of adequate dialogue and the informed, reasoned contribution of all of its members;
- (iii) ensures that pre-board meeting information and complementary information provided during the sessions is suited to enabling the Directors to act in an informed manner in performing their roles;
- (iv) checks that all shareholders' resolutions, Board resolutions and the decisions of the Chief Executive Officer, if appointed, are properly executed;
- (v) actually implements the provisions of subparagraphs (l) and (p) of Article 18 of the Articles of Association on circulation of information among corporate bodies.

ARTICLE 4

1. The Board of Directors shall organise the proceedings of its meetings so as to ensure that its functions are discharged effectively and efficiently. When preparing the Agenda and conducting the debate within the Board, the Chairman ensures that matters of strategic importance are treated as a priority, guaranteeing that all of the necessary time is devoted to them.

2. The Chairman ensures that: (i) the documentation pertaining to items on the Agenda (or at least a first informational indication on the subjects to be discussed) is brought to the attention of the directors in suitable advance of the date of the Board meeting; (ii) the documentation in support of the resolutions, in particular that rendered to non-executive members, is adequate in quantitative and qualitative terms with respect to the items on the Agenda.

3. More specifically:

- (i) with reference to the time schedule of pre-meeting circulation of information: ordinarily, items on the Agenda dealing with reporting matters and/or matters requiring a resolution shall be sent 5 (five) calendar days before the scheduled date of the meeting; if the items concern matters strictly pertaining to the Bank's business – and normally require prior discussion within the management committees (*i.e.* committees not within the Board of Directors) – they shall be sent 3 (three) calendar days prior to the scheduled date of the meeting; for items requiring that economic/financial/statistical information is sent in a date as close as possible to the meeting, it shall be sent one (1) calendar day prior to the scheduled date of the meeting. However, in the case of initiatives of an extraordinary or urgent nature, the evaluation falls to the Chairman of the Board of Directors, who in such circumstances as well must always ensure that the Directors are informed as promptly and thoroughly as possible of the contents of any proposals on the Agenda, all in accordance with the duty of Directors to be informed pursuant to Article 2381 of the Italian Civil Code;
- (ii) as for the methods whereby pre-board meeting information is prepared and presented, for each item on the Agenda an illustrative report (executive summary) must be prepared containing the draft resolution and/or acknowledgement and a summary of its most significant and relevant content. This report is accompanied, as the case may be, by complete representative documentation relating to the subject and/or detailed report.

4. The Chairman of the Board of Directors shall ensure that analogous information and documents are forwarded to the members of the Board of Statutory Auditors.

5. The Chairman promotes opportunities for meetings between all directors, including outside the location of the meeting, to explore and discuss matters of strategic importance; the Chairman also ensures that the Bank prepares and implements (i) specific programmes for facilitating the induction of members upon renewal of company boards and, generally, (ii) the training plans necessary to allow members to perform their roles in an informed manner, in addition to succession plans for top management positions.

6. The Chief Executive Officer has ordinarily the power to submit proposed resolutions to the Board, however, each Board member may put forward proposals to be subjected to Board approval.

7. The proceedings of each Board meeting must be recorded in specific minutes signed by the Chairman of the meeting and the Secretary (or the Notary where required under applicable regulations). These minutes are normally subject to approval by the next meeting of the Board of Directors; in the interim, the resolutions passed may be implemented.

8. The minutes of Board meetings (together with any and all related schedules and documents placed on the minutes of Board meetings) shall remain available for consultation upon request by any member of the Board of Directors or the Board of Statutory Auditors.

9. In organising its activities, the Board of Directors may avail of the support of the Secretary of the Board of Directors, as well as the Department of Corporate Affairs and Relations with Authorities. In further detail:

- (i) in accordance with the Articles of Association, the Board of Directors appoints the Secretary, who is not required to be a Board member;
- (ii) if not a Board member, the Secretary is normally the Head of the Company's General Counsel Area or chosen from among those meeting the requirements for enrolment with the bar association, the register of chartered accountants and auditors or notaries, who do not fall within any of the situations set out in Article 2382 of the Italian Civil Code, who have gained specific experience for a period of time adequate to the role in their free professional activity, either in the performance of this function or responsibility for the legal and/or corporate function at other companies listed on regulated markets, companies or entities in the insurance, credit or financial sector or at other public and private companies of significant size;

- (iii) the Secretary's term of office coincides with that of the Board of Directors, where not otherwise established. The Secretary also acts as Secretary of the Committees;
- (iv) the Secretary is tasked with:
 - (a) supporting the Chairman in discharging all duties relating to the latter's role, in accordance with these Rules;
 - (b) preparing for meetings of the Board of Directors, Committees and the Shareholders' Meeting, drafting minutes and keeping the related company books, in accordance with the role assigned to the Secretary by the Articles of Association;
 - (c) certifying, with separate or joint signing authority, that copies and excerpts of company deeds and documents that must be submitted to the judicial, administrative or financial authorities or that are required for all other legal purposes are true to the originals;
 - (d) providing, with impartial judgement, assistance and consulting to the Board of Directors regarding all aspects relevant to the proper functioning of the corporate governance system;
 - (e) in order to perform the above activities, the Secretary may access the information and consult the company functions required to perform his or her duties. To this end, the company functions, each within its sphere, collaborate with the Secretary so that he or she may perform this role;
- (v) the Board of Directors is responsible for any decision to dismiss the Secretary;
- (vi) the relevant provisions of the Articles of Association will apply to cases of the absence or inability of the Secretary to perform his or her duties.

ARTICLE 5

1. The Directors act and pass resolutions with full independence of judgement and awareness of the rights and duties pertaining to their position, in the interest of sound, prudent management of the Company and in accordance with the law and all other applicable provisions. Within this framework, the Directors act in an informed manner, autonomously and with protection against undue influence, in order to pursue the Sustainable Success of the Company, in keeping with the ethical and social responsibility principles formulated by the Board of Directors.

2. Even in the event management decisions are approved, informed or otherwise influenced, within the limits of and in accordance with applicable laws, by a person or party exercising powers of management and coordination over the Company, or otherwise forming a shareholder agreement, each Board member shall be bound to exert his or her individual decision-making powers, pursuing the Company's and the Group's Sustainable Success.

ARTICLE 6

1. As the strategic oversight body, the Board of Directors:

- (i) guides the Company, pursuing its Sustainable Success, formulating strategies for the Company and the Banking Group accordingly and verifying and monitoring the implementation on an ongoing basis;
- (ii) defines the Bank's overall governance structure, approves its organisational structure, verifies that it is properly implemented and promotes timely corrective measures in response to any deficiencies or inadequacies;
- (iii) promotes dialogue with the Company's shareholders and other relevant stakeholders in the most appropriate forms. To this end, by proposal of the Chairman, in concert with the Chief Executive Officers and with support from the Nomination, Governance and Sustainability Committee, the Board of Directors adopts and describes, in its corporate governance report, a policy for managing

dialogue with the shareholders in general that also takes account of the engagement policies adopted by institutional investors and asset managers.

2. In compliance with the provisions of the Articles of Association, the Board of Directors:

- (i) is vested with full powers for the ordinary and extraordinary management of the Company, including the power to pass resolutions on all matters pertaining to the Company's purpose that are not reserved by law to the competence of the Shareholders' Meeting;
- (ii) is the only corporate body empowered to pass resolutions on the setting up or closure of secondary offices, and to appoint the Board members vested with powers of corporate representation and signature on mergers and, in the cases permitted under law, on the amendment of the provisions of the Articles of Association that may be incompatible with new imperative regulatory requirements;
- (iii) in addition to powers that cannot be delegated pursuant to law, resolutions concerning the following are also reserved to its the exclusive competence:
 - (a) establishing the general management steering policies, approving the Company's strategic guidelines, plans and transactions, as well as approving the industrial and financial plans of the Company, the transactions of considerable economic, equity and financial importance, including with Related Parties and Connected Parties;
 - (b) appointing, when it sees fit, a General Manager, Joint General Managers and Deputy General Managers, assigning their relative powers and deciding upon their retirement;
 - (c) appointing the Head of Internal Audit, after having heard the opinion of the Board of Statutory Auditors;
 - (d) appointing the Compliance Manager, after having heard the opinion of the Board of Statutory Auditors;
 - (e) upon hearing the Board of Statutory Auditors, appointing and dismissing the Manager in charge of the Company's financial reports, determining the powers and resources thereof, as well as supervising the tasks carried out by the same and the monitoring of actual compliance with administrative and accounting procedures;
 - (f) authorising company representatives fulfilling managerial, executive and supervisory roles and other parties identified by law to perform transactions or assume obligations of any kind with the Company or to carry out direct or indirect sales and purchases;
 - (g) purchasing or selling shareholdings that cause changes in the Banking Group or controlling or associative shareholdings; selling companies and/or business units; entering into agreements pertaining to joint ventures or strategic alliances;
 - (h) approving the organisational structure and any and all amendments to internal rules and policies; carrying out periodic checks to ensure that tasks and responsibilities are clearly and coherently defined within the organisational structure;
 - (i) carrying out periodic checks to ensure that the internal control structure is respectful of the principle of proportionality and complies with strategic guidelines, and that internal control functions are afforded a sufficient degree of independence within the organisational structure and are endowed with adequate resources to allow them to function properly;
 - (l) carrying out checks to ensure that the system of information flows is adequate, complete and timely;
 - (m) drawing up guidelines for the recruitment and internal placement of Company executives;
 - (n) carrying out checks to ensure that the remuneration and incentive systems applicable to top managers within the organisational structure take due account of the risk containment policies and are in line with the Bank's long-term objectives, corporate culture and overall internal control and corporate governance system;
 - (o) creating committees or commissions with preparative, consultation, recommendatory or coordination functions, also for the purpose of ensuring that corporate governance complies

with prevailing recommendations on the matter, establishing the components, the duration, the powers and authority of said committees or commissions at the time they are set up;

- (p) ongoing monitoring to ensure that the system of information flows amongst corporate organs is adequate, complete and timely;
 - (q) approving Related Party and Connected Party transactions, in accordance with the provisions set forth in the procedure adopted by the Company in compliance with applicable regulations governing such transactions. The Board of Directors may approve highly significant Related Party and Connected Party transactions, even in disregard of the contrary advice of the independent directors, provided that the transactions in question are authorised by the Shareholders' Meeting, within the meaning of Article 2364, paragraph 1(5), of the Italian Civil Code, pursuant to a resolution passed with the majorities contemplated in applicable regulations, and in accordance with the procedure adopted by the Company with regard to related party transactions;
- (iv) the actual discharge of the functions listed in letters h), i), l) and p) above may be delegated by the relevant organs to the Chief Executive Officer, if appointed;
- (v) the Board of Directors of the Bank, which is the parent company of the Banking Group, is also assigned exclusive competence over resolutions concerning the purchase and disposal of shareholdings by subsidiaries belonging to the Banking Group, as well as the establishment of the criteria for coordinating and managing the banking group companies and for implementing the instructions issued by the Bank of Italy in the interest of group stability;
- (vi) moreover, the Board of Directors may delegate decision-making powers, within pre-set limits, on matters concerning credit disbursement and management and current corporate operations to company directors and employees according to their role or level, either individually or in committees, which may also be made up of employees from companies belonging to the Banking Group;
- (vii) on at least a quarterly basis, the delegated bodies will report to the Board of Directors and to the Board of Statutory Auditors on management performance and on the activities performed by the Company and by its subsidiaries, on the business outlook, on the most significant economic, financial and equity transactions implemented by the Company and its subsidiaries, with particular regard to transactions in which Directors have a direct or third-party interest or which are influenced by a party exercising management and coordination activities, as well as on decisions on the matter of credit disbursement and management, on which a report containing global figures must be provided. The Board will also establish how and when it should be informed of other decisions of greater importance taken by subjects entrusted with management of current operations.

3. In addition to the functions listed in point 2 above, and in accordance with the Supervisory Provisions, the Board of Directors is responsible for:

- (i) approving the Bank's organisational and corporate governance structure, ensuring a clear distinction of duties and functions and the prevention of conflicts of interest;
- (ii) approving the accounting and reporting systems;
- (iii) supervising the Bank's public reporting and disclosure process;
- (iv) ensuring effective dialogue and discussion with the Chief Executive Officer and General Manager and the heads of the main company functions, verifying the choices and decisions that they make over time;
- (v) resolving on the acquisition and disposal of Strategic Equity Investments;
- (vi) formulating and formalising plans designed to ensure orderly succession to top positions (e.g., Chairman of the Board of Directors, Chief Executive Officer and General Manager) and the top management in the event of termination due to end of term of office or any other reason, in order to ensure business continuity and prevent economic and reputational consequences;

- (vii) drafting and submitting the remuneration and incentive policy to the General Shareholders' Meeting at least annually, in addition to properly implementing that same policy. In this area, it is tasked, *inter alia*, with:
- (a) identifying the scope of Key Personnel and approving the results of any procedure for excluding such Key Personnel (pursuant to Part One, Title IV, Chapter 2, Section I, Paragraph 6.1 of the Supervisory Provisions) and periodically revising the related criteria;
 - (b) ensuring that the remuneration policy is adequately documented and accessible within the company structure and that personnel are aware of the consequences of any violations of laws, regulations or codes of ethics or conduct;
 - (c) ensuring that the competent company functions (in particular risk management, compliance, human resources and strategic planning) are adequately involved in the process of defining remuneration and incentive policies in such a way as to ensure an effective contribution and preserve the autonomy of judgement of functions required to perform controls, including ex-post; accordingly, the involvement of compliance in this phase consists of expressing an assessment as to whether the remuneration and incentive policies are consistent with the regulatory framework;
 - (d) approving the criteria for defining the compensation of all Key Personnel, as identified by the Board of Directors from time to time;
 - (e) defining the remuneration and incentive systems for at least the following personnel: executive directors; general managers; joint general managers; deputy general managers and similar figures; the heads of the main lines of business, company functions or geographical areas; those who report directly to the bodies with strategic oversight, management and control function; employees identified as falling within Key Personnel and heads of department and higher-level personnel of company control functions;
 - (f) ensuring that such systems are consistent with the Bank's overall choices in terms of the assumption of long-term risks, strategies and goals, corporate governance structure and internal controls;
 - (g) also ensuring that remuneration and incentive systems are appropriate to ensuring compliance with the law, regulations and the Articles of Association, together with any codes of ethics or conduct, by promoting compliant behaviour,

without prejudice to the fact that duties specified in points (i) to (v) may not be delegated.

4. In addition to the competencies listed in the foregoing points, the Board of Directors, in consideration *inter alia* of the principles and recommendations of the Code and the concrete needs arising from the characteristic structure of the Company's and Banking Group's governance:

- (i) examines and approves the industrial plan of the Company and Banking Group, including in light of the analysis of material themes for generating long-term value, conducted with the support of the competent Board Committees, where needed;
- (ii) periodically monitors the implementation of the business plan and assesses the general operating performance, regularly comparing planned and actual results;
- (iii) determines the nature and level of risk compatible with the Company's strategic objectives, including in its assessments of all elements that may be relevant in view of the Company's Sustainable Success;
- (iv) defines the Company's corporate governance system and the structure of the Banking Group that it controls and assesses the adequacy of the organisational, administrative and accounting structure of the Company and its subsidiaries of strategic importance, with particular regard to the internal control and risk management system;
- (v) deliberates upon the transactions of the Company and its subsidiaries, which are of material importance to the Company from the standpoint of strategy, financial performance or financial

position, and, to that end, establishes general criteria for identifying transactions of material importance;

- (vi) in order to ensure the proper management of company information, adopts, on the proposal of the Chief Executive Officer, a procedure for the internal management and external disclosure of documents and information pertaining to the Company, with special regard to inside information;
- (vii) resolves on proposals relating to the appointment, dismissal and remuneration of directors holding special offices at companies in which the Bank holds a Strategic Equity Investment, pursuant to Article 2389 of the Italian Civil Code, as well as the general managers and managers with strategic responsibilities of such companies;
- (viii) approves the definition of personnel falling within top management.

4. Pursuant to the MEF Decree, the Board of Directors is responsible for conducting the fitness assessment of the heads of the main company functions (*i.e.* the heads of the anti-money laundering, compliance, risk management and internal auditing functions, as well as the Chief Financial Officer and, where distinct from the latter, the Manager in charge of the Company's financial reports pursuant to Article 154-*bis* of the TUF), in accordance with the above Decree and the Fit & Proper Policy.

5. For information regarding the internal control and risk management system, reference should be made to the competencies of the Board of Directors, as thoroughly listed in Article 19 of these Rules.

ARTICLE 7

1. Within the limits permitted by law and the Articles of Association, the Board of Directors may delegate its non-exclusive duties to one or more Chief Executive Officers, establishing their duties and terms of office.

2. Notwithstanding any delegation of decision-making powers pursuant to the above, the Board of Directors shall in no event be deemed deprived of any of its fundamental prerogatives.

3. Any and all delegated powers must be analytically determined, in a clear and precise manner, with a specification of any and all limitations and ceilings in terms of quantity or amount, as well as procedures for the exercise of the delegated powers in question, especially with a view to allowing the Board of Directors to properly check that the delegated powers have been correctly complied with, as well as to exercise its powers to give directives and assume powers.

4. The delegated corporate bodies and officers shall report to the Board of Directors and the Board of Statutory Auditors, at least on a quarterly basis, in respect of the activities carried out in the exercise of their delegated powers.

ARTICLE 8

1. The Board of Directors shall assess general business performance, especially in light of the reports submitted by the delegated corporate bodies and officers, and on the basis of at least quarterly comparisons of actual corporate performance against pre-set targets.

2. With at least annual frequency, the Board of Directors shall express an opinion on the functioning of the Board of Directors and its committees, as well as their size and composition, also considering the professional characteristics, experience, nature of its members, and their length of service. Once a year, it shall express an opinion on the appropriateness and effectiveness of the provisions set forth in these Rules. The procedures according to which the Board of Directors' self-assessment process must be carried out are specified in Attachment 1 to these Rules.

3. Considering the operational complexity of Banca Generali as a listed company, the Board of Directors benefits from the assistance of an external professional capable of ensuring, in the performance of his/her duties, autonomy of judgement at least once every three (3) years within the framework of the self-assessment process.

4. The Chairman ensures that the self-assessment process is performed effectively, the circumstances of its performance are consistent with the degree of complexity of the Board's work, and the planned corrective measures are adopted to remedy any deficiencies identified.

ARTICLE 9

1. The circulation of information amongst and within Company Bodies represents a condition *sine qua non* for concretely meeting the targets of efficient management and effective internal control.

2. The Board, in the person of its Chairman, is responsible for verifying the setting up and proper maintenance over time of an adequate, complete and timely system of information flows that allows for the enhancement of the various levels of responsibility within the corporate structure. The Board of Directors, in the person of its Chairman, ensures that information flows are adequate so as to guarantee the confidentiality of the disclosed information.

3. The procedures, frequency, form and minimum content of internal reports to be forwarded to company bodies must be regulated pursuant to a specific internal Circular⁽²⁾ approved by the Board of Directors.

CHAPTER III – COMPOSITION OF THE BOARD OF DIRECTORS

ARTICLE 10

1. The composition of the Board of Directors plays a central role in the effective discharge of the tasks entrusted to it pursuant to law, the Supervisory Provisions and the Articles of Association.

2. In compliance with the MEF Decree, the Supervisory Provisions and the Code, Banca Generali recognises and reaps the benefits of diversity at the level of the Group, its Company Bodies and its management, in all respects, including gender, age, qualification, competencies, training and professional background. The criteria and tools adopted by Banca Generali to ensure an adequate level of diversity at the level of its own Company Bodies are defined and formalised by a special Diversity Policy for Members of Company Bodies³.

3. Pursuant to applicable laws:

- (i) from a quantitative standpoint, the number of Board members must be commensurate with the size and complexity of the Bank's organisational structure, so as to ensure that the Board is capable of effectively overseeing all corporate operations as far as strategic supervision and management are concerned. The Board must not be made up of too large a number of members: an overly large structure may reduce each member's incentive to take action to perform his or her duties and may impede the body's functioning;
- (ii) from a qualitative standpoint, the proper discharge of the functions requires the body with strategic oversight function to include Board Members who: (a) are fully aware of the powers and obligations inherent in the functions that each of them is called upon to perform; (b) possess professional expertise suited to the positions they fill, including in Board Committees, if present, and appropriate to the Bank's operational characteristics and size; (c) have a wide range of skills amongst all members, diversified in such a way that each member – within an individual Board committee or with respect to decisions entailing the whole Board – may also effectively contribute to identifying and implementing adequate strategies, thus ensuring effective risk management in all areas of the Bank; (d) devote adequate time and resources to their offices, without prejudice to the maximum number of concurrent offices held provided for by the MEF Decree; (e) commit to achieving the Bank's interest, taking autonomous decisions, regardless of the members who voted for them or the list to which they belonged.

⁽²⁾ Circular regulating reporting obligations towards Corporate Bodies – Internal.

⁽³⁾ The Diversity Policy for Members of Company Bodies is available on the Company's website www.bancagenerali.com.

4. Given that non-executive directors act as a counter-weight in respect of executive directors and the Bank's management, and promote internal dialogue, the Board shall be comprised by a majority of non-executive directors.

5. Considering that Banca Generali is subject to management and coordination by another Italian company with shares listed in regulated markets, the Board of Directors consists of a majority of independent directors, pursuant to Article 16, paragraph 1, letter d), of the Regulation adopted by Consob in Resolution No. 20249 of 28 December 2017. Independent directors are tasked with independently overseeing corporate management, and contributing towards ensuring that the Company is administered in its interest and in accordance with the principles of sound and prudent management.

6. Executive directors shall include: (i) the Chief Executive Officers and Chairmen of the Company or a strategic subsidiary thereof, in the case where the same are personally vested with delegated powers or play a specific role in shaping corporate strategies; (ii) Directors who also serve as executives within the Company or within a strategic subsidiary thereof, or even within the Parent Company, in the case where the position also involves the issuer.

CHAPTER IV – INDEPENDENT DIRECTORS

ARTICLE 11

1. The Board of Directors shall apply the regulatory and self-regulatory criteria to assess, on the basis of the disclosures and statements made by the individuals in question, as well as other information available to the Board of Directors, compliance with independence requirements: (i) after appointment, for a new Director who qualifies as independent and (ii) annually, for all Directors.

2. After the appointment of each new independent Board member, the Board of Directors' findings in such regard shall be made public, being announced in a press release disclosed to the market, as well as in the annual corporate governance report.

3. In assessing the independence of non-executive directors, the Board of Directors shall have more regard for substance than for form.

4. Independent directors are directors satisfying applicable independence requirements, in accordance with the principles set forth in Article 148, paragraph 3, of TUF and Article 13 of the MEF Decree.

5. In addition, pursuant to the Corporate Governance Code, circumstances that compromise, or appear to compromise, a director's independence are at least the following:

- (a) if he or she is a significant shareholder of the Company;
- (b) if he or she is, or has been in the previous three years, an executive director or an employee:
 - of the Company, of a subsidiary of strategic importance of the latter or of a company subject to joint control;
 - of a significant shareholder of the Company;
- (c) directly or indirectly (for instance through subsidiaries or companies in which he/she serves as an executive director, or professional partnerships or consultancy firms in which he/she is a partner) maintains or has maintained in the previous three financial years, significant commercial, financial or professional relationships with:
 - with the Company or its subsidiaries or the related executive directors or the top management;
 - a person or party that, either alone or together with others pursuant to a shareholders' agreement, controls the Company or – in the case where the controlling party is a legal entity or body – with the executive directors and the top management thereof;
- (d) currently receives, or has received in the previous three financial years, from the Company or a subsidiary or corporate parent thereof significant remuneration (in addition to the fixed emoluments

due to the office, and the remuneration for attendance at committees recommended by the Code or provided for by applicable laws;

- (e) has been a director of the Company for more than nine years, including non consecutive, during the past twelve years;
- (f) is an executive director in another company in which an executive director of the Company also holds a directorship;
- (g) is a shareholder or director of a company or entity belonging to the network of the firm appointed as the Company's Independent Auditors;
- (h) is a close family member of a person in one of the situations described above.

6. To verify the satisfaction of the independence requirements pursuant to the Corporate Governance Code, the Board of Directors assesses, in reference to those who have qualified as independent, the significance of relations of a commercial, financial and professional nature that Directors have, directly or indirectly, with the Company, its subsidiaries of strategic importance and their executive directors and/or top management, in view of their economic size and impact on the relevant party's financial performance.

At least at the beginning of its term of office, the Board of Directors sets in advance the criteria for assessing the significance of the commercial, financial or professional relations between directors who have declared themselves to be independent and regular and alternate auditors and any additional remuneration beyond the fixed remuneration for their office and that envisaged for attendance in the committees recommended by the Code or provided for in applicable legislation in force from time to time.

In relation to the above, except in specific circumstances, to be assessed on a case-by-case basis according to the prevalence of substance over form, the Board typically considers relevant, for the purposes of assessing the independence requirement, and such as to undermine its satisfaction, relations of a commercial, financial and professional nature the consideration for which – invoiced per year in one or more of the three financial years prior to the date of verification – exceeds one of the following parameters:

- (a) 5% of the annual revenues of the group to which the company or entity of which the director has control or of whose top management the director is a member belongs, or of the professional firm or consulting firm in which the director is a partner or associate;
- (b) 5% of the annual costs incurred by the Banking Group concerning relations of the same commercial or financial nature in the years of reference; this threshold is reduced to 2.5% for relations of a professional nature.

7. The Board of Directors assesses the independence also by examining all credit situations in which the Bank is involved and related to the independent director in question.

8. Furthermore, pursuant to the rules set forth in Article 16 of the Consob Resolution No. 20249 of 28 December 2017, it is provided that no person who sits on the Board of Directors (as executive directors) of a company or body engaging in management and coordination activities in respect of the Company or on the Board of Directors of any listed entity controlled by such company or body, may be considered an independent director of the Company.

ARTICLE 12

1. The Independent Directors shall meet at least once a year in the absence of the other Directors.

2. All such meetings shall be chaired either by the Chairman of the Board of Directors in the case where the latter meets independence requirements, or by an Independent Director appointed for such purpose by the Independent Directors at the first meeting of Independent Directors without the presence of the other Directors, or by the Independent Director with the greatest seniority of service and, where the latter is equal, the eldest. The Secretary of the Board of Directors shall also serve as secretary to the aforesaid meetings.

CHAPTER V – NON-EXECUTIVE DIRECTORS

ARTICLE 13

1. Non-executive Directors must:

- (i) acquire, including through Board committees, information on corporate administration and organisation, from management, as well as the Internal Audit and other control functions;
- (ii) actually be involved in the tasks entrusted to them, including from the standpoint of the time that they can dedicate to such tasks;
- (iii) participate in decision-making processes leading to the appointment or dismissal of heads of control or risk management company functions.

ARTICLE 14

1. The non-executive Directors shall meet at least once a year in the absence of the other Directors.

2. At these meetings, the role of Chairman is performed by the Chairman of the Board of Directors or a non-executive Director designated by the non-executive Directors at the first session of only non-executive Directors or by the non-executive Director with greatest seniority of service and, where the latter is equal, the eldest non-executive Director. The Secretary of the Board of Directors shall also serve as secretary to the aforesaid meetings.

CHAPTER VI – HANDLING OF CORPORATE INFORMATION

ARTICLE 15

1. The Directors shall handle with the utmost confidentiality any and all documents and information of which they may become aware in the discharge of their duties, and shall strictly comply with Company procedures for the internal handling and outside disclosure of the said documents and information.

2. The Board of Directors shall establish specific provisions aimed at regulating the procedures for the handling of confidential and inside information, as well as for maintaining the Insider Register.

3. Without prejudice to the obligation of company officers and informed persons to keep in strict confidence the confidential information of which they may become aware in the performance of their functions in order to prevent the risk of improper disclosure of confidential and/or inside information, the Board of Directors has adopted the “Code on Relevant and Inside Information”, in the version in effect from time to time, to which reference is made for the pertinent provisions ⁽⁴⁾. In addition, it ensures that the guidelines adopted by the Bank with regard to external and market disclosure are observed in accordance with legal reporting obligations.

CHAPTER VII – DIRECTORS’ REMUNERATION

ARTICLE 16

1. It is up to the Ordinary Shareholders’ Meeting to determine not only the remuneration of the company bodies it appoints, but also the approval of remuneration policies to be applied to Directors, employees and collaborators serving the company pursuant to relationships other than employment, as well as any and all plans based on financial instruments.

2. In light of the recommendations of the Remuneration Committee and the opinion of the Board of Statutory Auditors, the Board of Directors shall determine the remuneration of Chief Executive Officers and any and all other Directors holding special offices, and, in the case where the Shareholders’ Meeting determines the overall

⁽⁴⁾ In compliance with the above-mentioned *Code on Relevant and Inside Information* (see Note 1 above).

remuneration to be assigned to the members of the Board of Directors, the subdivision of the same amongst the Board members.

3. Without prejudice to the provisions of laws and regulations applicable to the Company, the remuneration policy for non-executive directors calls for remuneration adequate to the competency, professionalism and commitment required by the duties assigned to them within the Board of Directors and Committees; this remuneration is not tied, except for an insignificant portion, to financial performance objectives.

4. Upon termination of the post and/or the contract of an executive director or the General Manager, in a press release circulated to the market according to the schemes set out in the Borsa Italiana instructions in force from time to time and upon the conclusion of the internal processes that result in the award or payment of any indemnities and/or other benefits, the Board of Directors publishes detailed information regarding:

- (a) the award or payment of indemnities and/or other benefits, the circumstance that justifies their accrual (for example, end of term of office, dismissal from office or settlement agreement) and the resolution procedures followed to this end within the Company;
- (b) the total amount of the indemnity and/or other benefits, their components (including non-monetary benefits, the maintenance of rights associated with incentive plans, consideration for non-competition agreements or all other remuneration awarded in any capacity and in any form) and the timing of their payment (distinguishing the part paid immediately from that subject to deferral mechanisms);
- (c) the application of any claw-back or malus clauses governing a part of the sum;
- (d) the compliance of the elements indicated above in letters a), b) and c) with what is indicated in the remuneration policy, with a clear statement of the reasons and decision-making procedures followed in the event of deviations, in whole or in part, from the said policy;
- (e) Information regarding the procedures that have been or will be followed for the replacement of the executive director or General Manager who has left office.

CHAPTER VIII – INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

ARTICLE 17

1. Responsibility for the internal control and risk management system falls to the Board of Directors, which plays a role of guidance and evaluation of the adequacy of the system and identifies among its own members an Internal Audit and Risk Committee, consisting solely of independent directors, with the task of supporting, through appropriate preliminary activity, the Board of Directors in its assessments and decisions concerning the Internal Control and Risk Management System, as well as the approval of periodic financial reports.

2. In particular, the Board of Directors, with the support of the Internal Audit and Risk Committee:

- (a) performs specific functions in matters relating to business strategies, the organisational system, internal control system (including duties relating to the setting up of company control functions and the establishment and coordination of their responsibilities, etc.) and risk management, entry into new markets and opening to new products, internal risk measurement systems, outsourcing of company functions and ICAAP. In this regard, please refer to the Supervisory Provisions for the detailed rules;
- (b) subject to an opinion by the Board of Statutory Auditors, appoints and dismisses, stating its reasons, the heads of the control functions and sets their remuneration (with the coordinated support of the Remuneration Committee), in accordance with company policies, ensuring that they have adequate resources to perform their duties.

3. Moreover, in compliance with the Corporate Governance Code, and with the support of the Internal Audit and Risk Committee, the Board in particular:

- (a) defines guidelines for the internal control and risk management system in line with the Company's strategies and assesses, with at least annual frequency, the adequacy of the said system with respect to the Company's characteristics and the risk profile assumed, as well as its effectiveness;

- (b) where it decides to entrust the internal audit function, as a whole or by business segments, to a party external to the Company, ensures that it meets adequate requirements of professionalism, independence and organisation and provides adequate justification of this decision in the corporate governance report;
- (c) approves, with at least annual frequency, the work plan prepared by the head of the Internal Audit function, in consultation with the control body and the Chief Executive Officer;
- (d) awards supervisory functions pursuant to Article 6, paragraph 1, letter b), of Legislative Decree No. 231/2001 to the control body or a specifically formed body. Where the body does not coincide with the control body, the administrative body assesses whether to appoint, within the body, at least one non-executive director and/or a member of the control body and/or head of the company's legal or control functions, in order to ensure coordination between the various parties involved in the internal control and risk management system;
- (e) assesses, in consultation with the control body, the findings presented by the statutory auditor in any letter of suggestions and in the additional report addressed to the control body;
- (f) describes, in the corporate governance report, the main characteristics of the internal control and risk management system and the methods of coordination between the parties involved in it, indicating the national and international models and best practices of reference, gives its overall assessment of the adequacy of the system and provides an account of the decisions made with regard to the composition of the supervisory body.

CHAPTER IX – DIRECTORS' INTERESTS AND RELATED PARTY TRANSACTIONS

ARTICLE 18

1. Any and all transactions in which a Director may hold an interest on his/her own behalf or on behalf of third parties, and falling within the scope of the cases contemplated in Article 2391 of the Italian Civil Code, and/or Article 53, paragraph 4, of TUB, must be approved and effected in compliance with applicable statutory provisions.
2. In particular, transactions undertaken with related parties and/or connected parties are approved and executed, in accordance with the applicable provisions of the Italian Civil Code, the CONSOB RPT Regulations, the Supervisory Provisions and the RPT Procedure, according to criteria of substantive and procedural correctness, and in general in accordance with applicable provisions of law in force from time to time. For the details of such provisions, see the RPT Procedure in force from time to time.
3. Pursuant to Article 136 of the TUB, the Directors (as well as the Statutory Auditors) are barred from assuming obligations or effecting purchase or disposal transactions of any nature or kind whatsoever, whether directly or indirectly, with the Bank unless approved by resolution passed by the Board, unanimously and with the abstention of the corporate officer(s) concerned and with the favourable vote of all the members of the control body, without prejudice to the obligations set forth by the Civil Code regarding the directors' interests, as well as related party transactions.

CHAPTER X – RELATIONS WITH SHAREHOLDERS

ARTICLE 19

1. The Board of Directors promotes dialogue with shareholders in general, adopting – by proposal of the Chairman, formulated in concert with the Chief Executive Officer and with the support of the Nomination, Governance and Sustainability Committee – a specific policy, also defined taking into account the policies adopted with regard to institutional investors and asset managers. With the aid of the Secretary, the Chairman supervises and monitors the proper implementation of the policy for managing dialogue with the shareholders in general, keeping the Board duly informed.
2. The Board of Directors shall promote and encourage the greatest possible involvement of Shareholders in Shareholders' Meetings and shall take action to streamline procedures for the exercise of shareholders' rights.

- 3.** As a general rule, all the Directors shall attend Shareholders' Meetings. In particular, the Board shall report to the Shareholders' Meeting in respect of completed and scheduled activities and shall ensure that all Shareholders are provided with adequate information on all pertinent matters so as to enable them to make informed decisions in respect of the items placed on the Agenda of Shareholders' Meetings.
- 4.** The Board shall task one or more specific corporate functions with the management of shareholder relations.
- 5.** In the case of significant changes in the market capitalisation of the Company's shares or in its ownership structure, the Board of Directors shall assess the appropriateness of the percentages established for the exercise of the shares and the prerogatives instituted with a view to protecting minority shareholders' rights, putting forward recommendations to the Shareholders' Meeting, where necessary.

SECTION III – SETTING UP AND FUNCTIONING OF COMMITTEES

CHAPTER I – PROVISIONS COMMON TO ALL BOARD COMMITTEES

ARTICLE 20

1. Specialised Board Committees entrusted with preliminary, advisory and recommendatory functions facilitate decision making especially in sectors of activity featuring a high risk of conflicts of interest.
2. In order to enhance the effectiveness and efficiency of its operations, the Board shall avail of the support of the following Board Committees vested with preliminary, advisory and recommendatory duties:
 - (i) Internal Audit and Risk Committee;
 - (ii) Remuneration Committee;
 - (iii) Nomination, Governance and Sustainability Committee;
 - (iv) Credit Committee.
3. The foregoing is without prejudice to the Board's ability to establish additional committees or possible sub-committees.
4. The Committees shall be dissolved when the Board of Directors' term expires.
5. The common provisions set out in this Chapter I apply to all Committees, without prejudice to provisions to the contrary contained in subsequent Chapters of this Title III.

ARTICLE 21

1. Committees are typically made up of 3-5 members: in particular, the mandatory Committees are composed of all non-executive and all independent members, whereas the non-mandatory Committees are composed of all non-executive members and at least a majority of independent members. If one or more members lapse from office for any reason, the Board of Directors shall replace them from among its own members who meet the requirements provided for with respect to the acceptance of the office of member within the relevant Committees, if the same are set forth by these Rules.
2. Committees must be distinguished from one another by at least one member. Where a director elected by minority-interest shareholders is present, he or she is a member of at least one Committee. The presence of at least one member of the less-represented gender on each Committee is also recommended.
3. The composition, assigned tasks, powers and functioning of each Committee shall be regulated pursuant to these Rules as approved by the Board of Directors. In the setting up of Committees, the Board takes due account of the criteria of competence and experience and avoids, as compatible with the Board's composition, an excessive concentration of positions within them.
4. Pursuant to the provisions set forth herein, Board Committees shall, through the Board Secretary, be afforded unhindered access to any and all the data, information and corporate functions as may be necessary or useful for the discharge of their duties, as well as avail of the services of outside consultants, subject to the term and conditions established by the Board of Directors. The Company shall endow all Board Committees with sufficient financial resources for the discharge of their assigned duties, within the framework of the budget approved by the Board of Directors.
5. The corporate governance report must provide adequate information on the setting up and composition of Board Committees, their assigned tasks, duties and functions as well as, in accordance with the information provided by each Committee, the activities actually carried out by Board Committees during the financial year. Moreover, the aforesaid report must also specify the number and the average length of meetings held and the attendance rate of each member of the Board of Directors and the Board Committees.

ARTICLE 22

1. The work of each Committee is coordinated by a Chairman who is appointed by the Board of Directors and chosen from among the members of the Committee in question. If the Chairman is absent or unable to perform his duties, he shall be replaced, in all of his powers, by the member having the greatest seniority of service or, where the latter is equal, the eldest member of each Committee.

2. Each Chairman:

- (a) presides over meetings of the Committee, prepares its work, directs, coordinates and moderates the debate;
- (b) guarantees the efficacy of debate and ensures that the resolutions passed by the Committee are the result of adequate discussion and the informed, reasoned contribution of all of its members;
- (c) represents his/her respective Committee at meetings of the Board of Directors and may also sign reports and opinions to be submitted to the Board of Directors on the Committee's behalf;
- (d) informs the Board of Directors of the activities performed by his/her respective Committee at the first Board meeting thereafter.

3. The Secretary of each Committee is identified, except in the case of impediment, as the Secretary of the Board of Directors.

4. The secretary supports the chairmen of each Committee in discharging the duties relating to their roles, including making available, prior to the meeting of the Committee, the information and documents necessary for the purposes of discussion of the items on the Agenda, the keeping of the books of meetings and resolutions by the Committees and provides, with impartiality of judgement, assistance and advice to the Committees on all aspects relevant to their proper functioning.

ARTICLE 23

1. The Committees meet upon invitation of its Chairman or the person acting in the Chairman's stead, in the place determined by the latter by specific notice, with indication of the items on the Agenda, sent to all of its members. Audio and video conferencing may be used for the meeting, provided that all participants can be clearly identified by everyone else and are able to follow the discussion and to take part in real-time debates. The meeting is deemed to be held at the venue in which the Chairman of the Committee has convened the meeting.

2. The Chairman of the Board of Statutory Auditors or another Statutory Auditor designated by the Chairman participates in the Committees' work; the other statutory auditors may also participate. For this purpose, the notice of meeting is also sent to the Chairman of the Board of Statutory Auditors and the Acting Auditors.

3. Notification must be given at least 3 (three) calendar days prior to the scheduled date of the meeting. In urgent circumstances, the notice period may be shorter, provided that notification is given by e-mail or other means suited to ensuring certain, immediate communication.

4. The Committees meet according to a schedule approved by the Board, normally by the end of the second half of the previous financial year, and whenever deemed appropriate by their respective chairmen.

5. For the resolutions to be valid, the meeting must be attended by the majority of the members currently in office. Resolutions are passed by absolute majority. In the event of votes being equal, the member chairing the meeting will have the casting vote. Members may not vote by proxy.

6. The minutes of each meeting are drawn up and signed by the Chairman and the Secretary.

7. Members of each Committee shall be entitled to reimbursement of the expenses incurred in performing their duties and annual remuneration as established by the Board of Directors.

8. For all matters not expressly established herein, reference is made to the functions assigned to Committees, if any, in accordance with applicable statutory provisions in force from time to time.

CHAPTER II – INTERNAL AUDIT AND RISK COMMITTEE

ARTICLE 24

1. The Internal Audit and Risk Committee is made up of four directors, all of whom are independent. The chairman of the Committee may not coincide with the chairman of the Board of Directors or with the chairman of other Committees.
2. The Internal Audit and Risk Committee possesses, as a whole, adequate competency in the business sector in which the company operates, functional to assessing the related risks. To this end, Committee members must possess sufficient knowledge, skills and experience to be able to fully understand and monitor the Bank's risk strategies and orientation. Moreover, at least one of the Committee members shall have adequate experience in accounting and finance or risk management, as determined by the Board of Directors to its satisfaction at the time of the appointment of the said Committee member.
3. With respect to the required opinions concerning Related Party and Connected Party Transactions, if one or more members of the Committee are in turn related to one another, the replacement mechanisms set out in the RPT Procedure in force from time to time shall apply.

ARTICLE 25

1. The Internal Audit and Risk Committee performs supporting functions for the body with strategic oversight function with regard to risks and the internal control system. Within this framework, it pays particular attention to all activities instrumental and necessary to ensuring that the body with strategic oversight function may reach a proper, effective determination of the RAF ("risk appetite framework") and risk management policies. Within this framework, the Internal Audit and Risk Committee ensures that the risks and profiles connected to ESG (Environmental, Social and Governance) factors are thoroughly assessed in order to favour the Sustainable Success of the Company and Banking Group.
2. In accordance with the Supervisory Provisions, the Internal Audit and Risk Committee:
 - (a) with the contribution of the Nomination, Governance and Sustainability Committee, identifies and proposes the heads of the company control functions to be appointed and expresses an opinion of their dismissal, where applicable;
 - (b) examines in advance the plans of activity (including the audit plan) and annual reports of the company control functions addressed to the Board of Directors;
 - (c) expresses assessments and formulates opinions for the Board of Directors concerning observance of the principles with which the internal control system and company organisation must comply and of the requirements that must be satisfied by company control functions, bringing Board's attention to any weaknesses and the resulting corrective actions to be promoted; to this end, it assesses the proposals of the body with managing functions;
 - (d) contributes, through evaluations and opinions, to the definition of the company outsourcing policy for company control functions;
 - (e) verifies that company control functions properly follow the instructions and guidelines provided by the Board of Directors and assists it in drafting the coordination document provided for in Title IV, Chapter 3, of the Supervisory Provisions;
 - (f) assesses the proper use of accounting standards for the preparation of the individual and consolidated financial statements (also assessing their uniformity for this purpose) and to this end it coordinates with the Manager in charge of the Company's financial reports and the control body;
 - (g) with particular regard to risk management and control duties, performs supporting functions for the Board of Directors:
 - (i) in formulating and approving the strategic guidelines and risk management policies; within the context of the RAF, the Internal Audit and Risk Committee is responsible for the assessments and proposals necessary to ensure that the Board of Directors, as provided for

by Title IV, Chapter 3 of Supervisory Provisions, can set and approve Risk Appetite and the Risk Tolerance

- (ii) in verifying the proper implementation of strategies, risk management policies and the RAF;
- (iii) in establishing policies and processes for the assessment of company activities, including verification that price and conditions of transactions with customers are consistent with the business model and risk management strategies;

(h) without prejudice to the competencies of the Remuneration Committee, determines that the incentives underlying the Bank's remuneration and incentive system are consistent with the RAF.

3. In addition to the competences set out in the foregoing point, pursuant to the Corporate Governance Code:

- (a) it also performs preliminary, consultative and supporting functions for the Board of Directors with regard to the tasks that this latter performs, including pursuant to Article 17, points 2 and 3;
- (b) assesses the adequacy of periodic financial and non-financial information to provide a proper representation of the company's business model, strategies, the impact of its activities and the performances achieved;
- (c) examines the content of periodic non-financial information relevant to the internal control and risk management system;
- (d) examines opinions regarding specific aspects relating to the identification of the main company risks and supports the assessments and decisions of the governing body regarding the management of risks arising from adverse events of which the governing body has become aware;
- (e) monitors the independence, adequacy, efficacy and efficiency of the Internal Audit function;
- (f) may request that the Internal Audit functions perform checks on specific areas of operation while simultaneously notifying the Chairman of the Board of Statutory Auditors thereof;
- (g) reports to the administrative body on its activity and the adequacy of the internal audit and risk management system, at least at the time of the approval of the annual and half-yearly financial statements.

4. Without prejudice to the competencies set out in the foregoing points, the Internal Audit and Risk Committee:

- (a) also performs preparatory, consultative and supporting functions for the Board of Directors in reference to the resolutions governing equity investments – set out in Article 6, point (iii), letter (g) and point (v) of these Rules – submitted to the administrative body; in this framework, it also performs an advisory role in the various cases indicated, expressing advance opinions, where requested, regarding:
 - the granting of significant loans to companies in which the Bank holds a qualified equity investment;
 - the acquisition of a qualified equity investment in a company which has been granted significant loans;
 - the acquisition of equity investments in companies considered strategic suppliers;
 - the acquisition of equity investments in debtor companies aimed at recovering credits.
- (b) monitors the independence, adequacy, efficacy and efficiency of the Compliance and Risk & Capital Adequacy functions;
- (c) ensures that the Internal Audit, the Compliance and the Risk & Capital Adequacy functions possess adequate resources to discharge their duties;
- (d) can be consulted for assessment of the specific transactions entailing direct or indirect conflict of interest;

- (e) requests that the Compliance or Risk & Capital Adequacy functions (according to their various specific competencies) perform checks on specific areas of operation while simultaneously notifying the Chairman of the Board of Statutory Auditors thereof;
- (f) ensures that in the framework of its assessments of risks, where applicable, in line with internal regulations in force and applicable from time to time, that aspects relating to ESG factors are taken into due account;
- (g) performs the other tasks that may be entrusted to it by the Board of Directors;

5. Regarding related party and connected party transactions, in compliance with the provisions set forth in the Consob RPT Regulations and Bank of Italy's Circular No. 263/2006, as well as in compliance with the RPT Procedure, the Internal and Risk Committee:

- (a) in respect of Moderately Significant Related Party Transactions, as defined in the RPT Procedure, expresses, in the manner and form and in accordance with the deadlines established in the Procedure, a non-binding, opinion, duly supported by grounds, on the extent to which it is in Banca Generali's interest to effect each such transaction, as well as on the fairness and substantive correctness of the related terms and conditions;
- (b) in respect of Highly Significant Related Party Transactions, as defined in the RPT Procedure, (i) is involved in the phases pertaining to preliminary study and negotiation of the transaction in question, and is entitled to request and obtain information and/or put forward recommendations and observations to the persons and parties involved in the said phases; (ii) in strict compliance with the terms, conditions and procedures set forth in the RPT Procedure, issues a binding opinion on the transaction, duly accompanied by a statement of grounds, regarding whether or not it is in Banca Generali's interest to effect the transaction, as well as the commercial attractiveness and substantive correctness of the related terms and conditions;
- (c) for the purpose of issuing the opinions set forth in the points (a) and (b) above, the Committee may avail of the advice of one or more experts of its choice, at Banca Generali's expense, up to the amount of the expense ceiling, if any, and in strict compliance with the terms and conditions set forth in the RPT Procedure.
- (d) for all matters bearing on related party transactions not expressly governed herein, reference shall be made to the provisions of the RPT Procedure adopted by the Company;

6. The Committee is also placed in charge of providing support to the Board of Statutory Auditors, at the latter's request, especially in the form of advice and assistance in conducting the preliminary inquiries required to discharge the duties entrusted to the Board of Statutory Auditors with regard to the statutory auditing of accounts pursuant to Legislative Decree No. 39 dated 27 January 2010. More specifically, the Committee shall:

- (a) at the Board of Statutory Auditors' request, assess the proposals put forward by auditing firms to obtain the audit engagement, within the framework of the Company's procedures for appointing the independent auditors in charge of certifying the financial statements of the Company, the consolidated financial statements and half-yearly financial statements, with specific reference to the subject-matter of the appointments and the related economic terms and conditions, reporting its findings to the Board of Statutory Auditors;
- (b) at the request of the Board of Statutory Auditors, assess the work schedule of the statutory audit, and examine the results set forth in the report drawn up by the independent auditors together with any suggestions the latter may have put forward, reporting its findings to the Board of Statutory Auditors;
- (c) at the request of the Board of Statutory Auditors, monitor the effectiveness of the processes followed for the statutory auditing of accounts, reporting its findings to the Board of Statutory Auditors;
- (d) undertake any and all further tasks that the Board of Statutory Auditors may entrust to it in respect of the statutory auditing of accounts.

7. The General Manager, the Head of the Compliance function, the Head of the Internal Audit function and the Head of the Risk & Capital Adequacy function may submit to the Internal Audit and Risk Committee issues

or questions they deem it useful for the Committee to analyse before their approval by/reporting to the Board of Directors.

8. Without prejudice to the powers of individual members of the Internal Audit and Risk Committee in their capacity as Directors of the Company, in performing its functions the Committee has access to the information and company functions necessary to the performance of the tasks assigned to it — including the possibility of liaising, where necessary, directly with the internal audit, risk management and compliance functions — and also has access to sufficient financial resources to ensure its operational independence according to the terms and spending limits, if any, established by the Board of Directors.

9. The Committee and Board of Statutory Auditors exchange all information of mutual interest and, where appropriate, coordinate with one another in the performance of their respective tasks.

10. The Committee also identifies all additional information streams that must be sent to it on the subject of risks. To this end, it has access to Company's relevant information.

ARTICLE 26

1. The Internal Audit and Risk Committee meets with the frequency necessary to discharge its functions and at the request of one of its members or the Chairman of the Board of Statutory Auditors. The Chairman of the Board of Statutory Auditors or another Auditor delegated with such task participates in the Committee's work and, at the invitation of the Committee Chairman, Committee meetings may be also attended by other members of the Board of Directors, top managers (as identified from time to time), the Head of the Compliance function, Head of the Internal Audit function and Head of the Risk and Capital Adequacy function, the Heads of other corporate functions, the Manager responsible for preparing the Company's financial reports and any and all other persons whose presence is deemed useful.

2. The Committee may rely on external experts in performing its functions.

CHAPTER III – REMUNERATION COMMITTEE

ARTICLE 27

1. The Remuneration Committee is made up of three directors, all of whom independent.
2. Moreover, at least one of the Committee members shall have acknowledged experience in finance or remuneration policies, as determined by the Board of Directors to its satisfaction at the time of the appointment of the said Committee member.

ARTICLE 28

1. The Remuneration Committee provides advice and submits proposals to the Board of Directors in remuneration-related matters; it has the necessary competencies and independence of judgement to formulate its assessments concerning the appropriateness of remuneration and incentive policies and plans, and related effects in terms of risk taking and risk management.
2. In accordance with the Supervisory Provisions, the Remuneration Committee:
 - (a) plays an advisory role in the determination of the criteria governing the remuneration of all Key Personnel, as identified from time to time by the Board of Directors;
 - (b) has proposal duties regarding the remuneration of personnel whose remuneration and incentive systems are decided by the Board of Directors pursuant to Article 6, point 3, (vii), letter e), of these Rules;
 - (c) expresses an opinion, including on the basis of information received from the competent company functions, on the results of the process of identifying Key Personnel, including any exclusions, pursuant to Section II, paragraph 6.1, of the Supervisory Provisions;
 - (d) directly oversees on the correct implementation of rules governing the remuneration of the heads of corporate control functions, in close coordination with the Board of Statutory Auditors;
 - (e) is responsible for preparing the documentation to be submitted to the Board of Directors for the related decisions;
 - (f) works with the other Board committees, in particular with the Internal Audit and Risk Committee;
 - (g) ensures the involvement of the competent company functions in the process of preparing and controlling remuneration and incentive policies and practices;
 - (h) on the basis of the information received from the competent company functions, expresses opinions on the achievement of the performance objectives to which incentive plans are tied, and on the assessment of the other conditions established for the disbursement of remuneration;
 - (i) duly reports on the activities performed by the company bodies, including the General Shareholders' Meeting.
3. In accordance with the Corporate Governance Code, the Remuneration Committee:
 - (a) assists the Board of Directors in preparing the remuneration policy;
 - (b) presents proposals or expresses opinions on the remuneration of the executive directors or other directors holding special offices, as well as on the setting of performance targets relating to the variable component of such remuneration;
 - (c) monitors the concrete application of the remuneration policy, and in particular verifies the actual achievement of performance targets;
 - (d) periodically assesses the adequacy and overall consistency of the remuneration policy applicable to Directors and Top Management.
4. In addition to the competencies set out in the foregoing points, the Remuneration Committee:

- (a) formulates proposals regarding plans, targets, rules and company procedures relating to social and environmental issues and, more generally, sustainability, in line with applicable legislation, (i) promoting the progressive adoption of short and medium-to-long-term qualitative and quantitative indicators focused on ESG issues; (ii) identifying performance targets, to which the provisions of predetermined, measurable variable components tied to a significant extent to a long-term horizon, consistent with the Bank's strategic objectives and designed to promote its Sustainable Success, also including non-financial parameters, where relevant; (iii) integrating compliance with laws governing sustainable finance; and (iv) contributing to the preparation of a remuneration policy consistent with sustainability risk, from the standpoint of both individual performance and of alignment with the interests of shareholders, investors and stakeholders;
- (b) provides opinions on the determination of severance indemnities to be offered in the event of early termination of the contract or the post (the so-called "golden parachutes"); assesses the possible effects of departure on the rights assigned in the context of incentive plans based on financial instruments;
- (c) formulates non-binding opinions and proposals concerning any stock options plans and shares assignment or other share-based incentive systems also suggesting the objectives relating to the granting of such benefits and the criteria for assessing the achievement of those objectives; monitors the evolution and application over time of any plans approved by the General Shareholders' Meeting upon proposal of the Board of Directors;
- (d) expresses an opinion for the Board of Directors on proposals relating to the remuneration of Directors holding special offices in subsidiaries in which the Bank hold a Strategic Equity Investment, pursuant to Article 2389 of the Italian Civil Code, as well as general managers and Managers with strategic responsibilities of the same companies;

5. The Remuneration Committee formulates opinions and proposals based on the independent judgement, taking into account, *inter alia*, the following parameters: (i) the significance of the responsibilities in company organisational structure; (ii) the incidence on company results and on the assumption of the related risks; (iii) the profit or loss and balance sheet performance of the Company and the Banking Group; and (iv) benchmarking surveys involving the market and industry peers for similar roles. In any event, it is responsible for assessing the consistency of the proposals with the Risk Appetite Framework and with risk governance and management policies.

6. Without prejudice to the powers of individual members of the Remuneration Committee as Directors of the Company, in performing its functions the Committee has access to the information and company functions necessary to the performance of the tasks assigned to it and also has access to sufficient financial resources to ensure its operational independence according to the terms and spending limits, if any, established by the Board of Directors.

ARTICLE 29

1. No Director may participate to the Remuneration Committee's meetings in which proposals concerning his/her remuneration are formulated to the Board of Directors.

2. The Remuneration Committee meets with the frequency required to discharge its functions, as well as at the request of one of its members. The risk manager (above all to ensure that incentive systems are adequately corrected to take account of all risks assumed by the Bank, according to methods consistent with those adopted by the Bank to manage risks) and other non-members, in reference to individual items on the Agenda, may participate in meetings of the Remuneration Committee, by invitation from the Committee.

3. The Remuneration Committee may secure the assistance of a consultant to obtain information concerning market remuneration policy practices; to that end, the Remuneration Committee verifies in advance that the consultant is not in situations that would compromise its independence of judgement. In addition, in order to ensure that the incentives underlying the remuneration and incentive system are consistent with the Bank's management of its risk, capital and liquidity profiles, the Remuneration Committee may avail itself of the collaboration of experts, including external experts, in these areas.

CHAPTER IV – NOMINATION, GOVERNANCE AND SUSTAINABILITY COMMITTEE

ARTICLE 30

1. The Nomination, Governance and Sustainability Committee is made up of three directors, all of whom independent.

ARTICLE 31

1. The Nomination, Governance and Sustainability Committee provides advice and submits proposals to the Board of Directors on matters related to nominations, governance and sustainability issues. It has the necessary competencies and independence to formulate its assessments concerning Banca Generali's nomination, governance and sustainability.

2. In accordance with the Supervisory Provisions, the Nomination, Governance and Sustainability Committee:

- (a) supports the Board of Directors in the process of appointing or co-opting directors according to the terms set out in the law, regulations and Supervisory Provisions in effect at the time;
- (b) in particular, plays an advisory function during the phases relating to the advance identification of the qualitative and quantitative composition of the Board and Board Committees deemed optimal for the purposes of the nomination or co-option of directors, as well as during the subsequent verification that the actual composition resulting from the nomination process reflects the qualitative and quantitative composition deemed optimal. Within this context, it provides an opinion on the suitability of candidates who, on the basis of prior analysis, were identified by the Board as suitable for the office;
- (c) expresses opinions to the Board of Directors with regard to cases of co-option of directors;
- (d) supports the Board of Directors with the self-assessment process;
- (e) supports the Board of Directors in assessing fitness pursuant to Article 26 of TUB and Article 23 of the MEF Decree and, in any event, in accordance with applicable primary and secondary legislation in effect (including the requirements relating to interlocking set out in Article 36 of Decree-Law No. 201 of 6 December 2011, "*Urgent provisions for growth, equity and the consolidation of the public finances*," converted, with amendments, by Law No. 214 of 22 December 2011);
- (f) supports the Internal Audit and Risk Committee with identifying the heads of company control functions to be nominated and/or dismissed;
- (g) supports the Board of Directors in the process of assessing the fitness requirements prescribed for the heads of the main company functions (*i.e.* heads of the anti-money laundering, compliance, risk control and internal auditing functions, the Chief Financial Officer and – where distinct from the latter – the Manager in charge of the Company's financial reports pursuant to Article 154-*bis* of TUF) pursuant to the MEF Decree and the legislation in effect at the time;
- (h) supports the Board of Directors with preparing, updating and implementing succession plans for top managers.

3. In addition to the tasks set out in the foregoing point, the Nomination, Governance and Sustainability Committee, pursuant to the Corporate Governance Code, supports the Board of Directors in activities relating to the presentation of a list by the outgoing governing body, to be implemented according to methods that ensure their training and transparent presentation.

4. In addition to the tasks specified in the paragraphs above, the Nomination, Governance and Sustainability Committee also:

- (a) formulates opinions to the Board on resolutions concerning the replacement of members of the Board Committees, which may become necessary during the Committee's term of office;

- (b) provides opinions to the Board of Directors regarding the appointment and dismissal of Directors holding special offices at companies in which the Bank holds a Strategic Equity Investment, pursuant to Article 2389 of the Italian Civil Code, as well as the general managers and Managers with strategic responsibilities of such companies;
- (c) expresses its advance assessment of the proposal and update of the policy for dialogue with the shareholders in general, also formulated taking account of the policies adopted on the subject by institutional investors and asset managers;
- (d) performs a prior review of the Corporate Governance and Ownership Structure Report;
- (e) monitors the development of the law and national and international best practices relating to corporate governance, notifying it to the Board of Directors in the event of significant changes; in particular, to this end it proposes to the Board any updates to the Fit & Proper Policy, Diversity Policy for Members of Company Bodies and all other internal policy documents adopted by the Bank in the area of corporate governance and monitors their concrete implementation over time;
- (f) verifies that the Banking Group's corporate governance system complies with external laws and regulations, the recommendations laid down in the Corporate Governance Code and the national and international best practices;
- (g) supports the Board with integrating sustainability into the formulation of business strategies, with particular regard to the analysis of issues relevant to ensuring the generation of long-term value for the Company and the Banking Group, as well as the formulation of the materiality matrix;
- (h) oversees all sustainability matters related to the Banking Group's operations and the ways in which it interacts with all stakeholders, also fostering a culture of sustainability within the Bank and the Banking Group companies;
- (i) proposes to the Board any updates to the sustainability policy in effect at the time adopted by the Company and all other internal policy documents that are ancillary and/or connected to the latter and designed to pursue the Sustainable Success of the Company and Banking Group;
- (j) examines the general outline of the Consolidated Non-Financial Report within the Annual Integrated Report and its content organisation, as well as the completeness and transparency of the information it provides, expressing its observations in this regard to the Board of Directors called to approve the said Report;
- (k) formulates opinions and proposals regarding other decisions to be made regarding the corporate governance of the Company and Banking Group and in the area of sustainability that fall within the sphere of competence of the Board (including those relating to limits on investment in sectors that, on the basis of the Bank's strategy and the international principles to which it adheres, are considered to have high sustainability risks);
- (l) proposes the formulation and any subsequent modifications or additions to the members of the Top Management to the Board of Directors;
- (m) performs the additional tasks that the Board of Directors may later assign to the Committee by specific resolution.

5. In accordance with the Supervisory Provisions, in carrying out its duties, the Nomination, Governance and Sustainability Committee takes account of the objective of preventing the Board of Directors' decision-making processes from being dominated by a single person or group of persons in a way that might prove detrimental to the bank.

6. Without prejudice to the powers of individual members as Directors of the Company, in performing its functions the Nomination, Governance and Sustainability Committee has access, as early as during the preliminary assessment phase, to the information and company functions necessary to the performance of the tasks assigned to it and has also access to sufficient financial resources to ensure its operational independence according to the terms and spending limits, if any, established by the Board of Directors.

ARTICLE 32

1. The Nomination, Governance and Sustainability Committee meets with the frequency necessary to discharge its functions and at the request of one of its members. Upon invitation of the Committee, non-members may also attend Committee meetings so as to provide assistance with regard to specific items placed on the Agenda.
2. The Committee may rely on external experts in performing its functions.

CHAPTER V - CREDIT COMMITTEE

ARTICLE 33

1. The Credit Committee consists of 3 non-executive directors, most of whom independent.

ARTICLE 34

1. The Committee also performs preliminary, advisory and propositional functions in support of the Board of Directors in the area of loans, with particular regard to the evaluation of loan applications by the Bank.

Specifically, the Committee:

- (a) examines in advance all lending transactions upon which pursuant to Table B of the Bank's Lending Rules in effect at the time, the Board of Directors is responsible to resolve;
 - (b) in supporting the Board of Directors to the extent of its competence, ensures that the Board may adopt all appropriate lending resolutions in accordance with an assessment of the risks underlying the loans that also take account of the risks connected to environmental, social and governance (ESG) factors, as laid down in the Sustainability Policy adopted by the Bank and pursuant to the Lending Rules;
 - (c) proposes to the Board any updates to the Lending Rules, as well as all other internal policy documents governing loans;
 - (d) performs the additional tasks that the Board of Directors may later assign to the Committee by specific resolution.
2. With regard to lending transactions qualifying as:
 - (a) Related-Party Transactions (as defined in the RPT Procedure), the examination of such transactions by the Credit Committee does not preclude the involvement, according to the subject-matter, where necessary in accordance with the said Procedure, of the Internal Audit and Risk Committee according to their respective attributes;
 - (b) Transactions of Greater Importance (as defined in the RPT Procedure), the examination of these transactions by the Credit Committee does not preclude the involvement, according to the subject-matter, of the Internal Audit and Risk Committee according to their respective attributes, and will occur, in any event, in line with the appropriate safeguards implemented by the procedure set out above, including, *inter alia*, the preliminary acquisition of an opinion by the Risk & Capital Adequacy function;

in both the above cases, the Credit Committee and the Internal Audit and Risk Committee will cooperate in order to ensure an integrated analysis of all risk profiles.

3. In discharging its duties, the Credit Committee takes account of the goal of supporting and simplifying the Board of Directors' decision-making processes relating to lending.
4. Without prejudice to the powers of individual members as Directors of the Company, in performing its functions the Credit Committee has access, as early as during the preliminary assessment phase, to the information and company functions necessary to the performance of the tasks assigned to it and has also access

to sufficient financial resources to ensure its operational independence according to the terms and spending limits, if any, established by the Board of Directors.

ARTICLE 35

1. The Credit Committee meets with the frequency necessary to discharge its functions and at the request of one of its members. Credit Committee meetings may also be attended, upon invitation of the Committee, by persons who are not members of the Committee, in reference to individual items on the Agenda and, specifically, the Deputy General Manager Wealth Management, Markets and Products, as well as the Head of the Bank's Lending Department.
2. The Credit Committee may rely on external experts in performing its functions.

TITLE IV - FINAL PROVISIONS

ARTICLE 36

1. At least once a year, at the time of the approval of the Corporate Governance Report, the members of the administrative and control bodies – with the support of the Nomination, Governance and Sustainability Committee – shall meet to discuss the ongoing effectiveness of these Rules and the concrete implementation of the corporate governance rules set forth in the Corporate Governance Code, passing any and all related resolutions.

ANNEX 1

RULES REGULATING THE SELF-ASSESSMENT PROCESS OF THE BOARD OF DIRECTORS

1. FOREWORD

The Supervisory Provisions devote particular attention to a periodic process of self-assessment of the body with strategic oversight function of a bank with the aim of:

- ensuring verification that the body is functioning properly and effectively and its composition is adequate;
- ensuring substantive compliance with the Supervisory Provisions concerning corporate governance and the intended aims of such provisions;
- supporting updates to internal rules governing the body's functioning, so as to ensure that such rules are also suitable in light of changes due to the development of the business and operating context;
- identifying any major weaknesses, promoting discussion within the body and determining the corrective measures to be taken;
- enhancing the collaborative relationships and bonds of trust between individual members and between the strategic supervision and management functions;
- encouraging the active participation of the individual members, while ensuring full awareness of the specific role played by each of them and the related responsibilities.

In accordance with current relevant legislation, the Bank's Board of Directors is tasked first and foremost with assessing and identifying its own optimal qualitative and quantitative composition in a manner consistent with the objectives of the provisions set forth in laws and regulations, best practices and the guidance provided by the Bank of Italy and international organisations.

The Board of Directors is also tasked with conducting an annual self-assessment of the size, composition and functioning of the Board itself and Board committees.

In particular, the assessment:

- (i) with regard to the Board of Directors as a whole (and, where applicable to Board Committees), concerns:
 - composition, with guidance concerning size in qualitative and quantitative terms, the degree of diversification by age, gender, type and professional functional expertise, and the experience required of Directors, as a function of the strategies pursued by the Bank. In this regard, in accordance with legal and regulatory standards, the above assessment does not affect the eligibility of individual members, which remains subject solely to the requirements laid down in Article 26 of the TUB, as set forth by the MEF Decree, and the prohibition of interlocking directorships under Article 36 of Legislative Decree No. 201 of 6 December 2011, converted by Law 214 of 22 December 2011;
 - functioning, with guidance concerning the Directors' background and ongoing education and the circulation of information, with consideration of the adequacy of the flows of information intended for the Board of Directors and, where applicable, the Board Committees. In addition, the frequency and duration of sessions of the Board and Board Committees are to be analysed and the accuracy of the minutes is to be assessed accordingly;
- (ii) with regard to the individual Directors, concerns:
 - the independence requirements that they meet. In this regard, the Directors' independence is assessed in accordance with the standards concerning size and composition established by the law, Supervisory Provisions and corporate governance provisions. Notably, the Board of Directors verifies, on the basis of the information provided by the Director in question or otherwise available to the Bank, relationships that effectively compromise or may compromise the independent judgement of each Director;

- the integrity and correctness requirements that they meet. In this regard, in accordance with the size and composition standards established by laws and Supervisory Provisions, the Board of Directors uses the information provided by the Director in question or otherwise available to the Bank to determine that the Director is not in a situation that might be grounds for suspension from the position of Director and has not engaged in conduct that, while not constituting a criminal offence, does not appear compatible with the role of Director of the Bank or may entail severe adverse consequences for the Bank’s reputation;
- the professionalism and competence requirements that they meet. In this regard, in accordance with the size and composition standards established by laws and Supervisory Provisions, the Board of Directors uses the information provided by the Director in question or otherwise available to the Bank to determine that the Director meet the above specified requirements, including with respect to the Report on the qualitative and quantitative composition of the Board of Directors deemed optimal and drafted upon Board renewal;
- the maximum number of concurrent offices held in accordance with the laws with which the Bank is required to comply with. In addition, the Board of Directors checks, through the assessment of the Director’s level of participation in the Board’s decisions, his/her time commitment to be dedicated to the position in order to ensure that the Director’s involvement and the time dedicated to performing his or her duties are sufficient to ensure the diligent performance of his or her tasks.

The objective of this document is to describe the annual self-assessment process of the Board of Directors.

2. PARTIES INVOLVED IN THE SELF-ASSESSMENT PROCESS

The parties, i.e. the company organisational units involved in various capacities in the process governed by these Rules, are set out below, with an indication of the role specifically assigned to them in that same process:

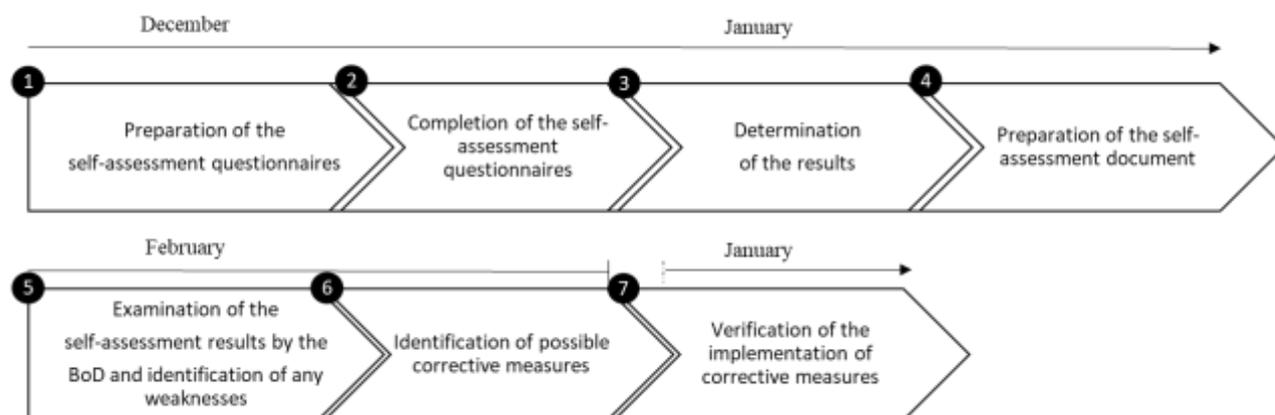
- **Body with Strategic Oversight Function:** the Board of Directors is the strategic oversight body responsible, *inter alia*, in accordance with the Supervisory Provisions and the Code, with conducting the self-assessment process of the Board itself as described in the foreword at least once a year;
- **Chairman of the Board of Directors:** performs an important function aimed at ensuring the proper functioning of the Board of Directors, encouraging internal dialogue and ensuring the balance of power between the Chief Executive Officer and executive directors. In order to effectively discharge this key function, the Chairman must play a non-executive role and must be free from operating responsibilities, including *de facto*. The self-assessment process is conducted by personnel identified by the Chairman of the Board of Directors upon proposal of the Nomination, Governance and Sustainability Committee. Specifically, the Chairman coordinates activities relating to the annual self-assessment process, with the operating support of the Secretary of the Board of Directors.
- **Secretary of the Board of Directors:** provides operational support to the Chairman in preparing the self-assessment questionnaire to be submitted to the Bank’s Directors and Board of Directors in the process of collecting and consolidating the results of the self-assessment questionnaire.
- **External Professional:** in accordance with the legislation of reference cited above, Banca Generali, as a listed bank and thus considered on a par with banks of greater size or operational complexity, shall avail at least once every three years, within the self-assessment process, of the assistance of an external professional capable of ensuring autonomy of judgement and who shall be tasked with management of the whole process in support of the Nomination, Governance and Sustainability Committee and the Board of Directors.

The choice of the specialised company or professional consultant shall be the responsibility of the Board of Directors, with the support of the Nomination, Governance and Sustainability Committee. The latter Committee is responsible for verifying that the third party is chosen from among persons capable of ensuring independence and objectivity of judgement and providing specific expertise concerning the Bank’s sector of operation. The Nomination, Governance and Sustainability Committee is responsible for liaising with the selected professional.

3. THE STAGES OF THE SELF-ASSESSMENT PROCESS

Foreword

The following is a representation of the overall structure and timetable of the stages of the self-assessment process, described in detail in the following sections:



Times are subject to change depending to the situation and specific characteristics of each year. In any event, the process must be concluded in time for the results to be incorporated into the Report on Corporate Governance and Ownership Structure.

Specifically, the self-assessment process:

- is conducted at least annually and involves an assessment of activities during the year nearing an end;
- normally begins in December of each year, with the preparation of the assessment questionnaire;
- concludes no later than the session of the Board of Directors that approves the Bank’s draft financial statements, with an overall assessment by the Board of the relevant results and the identification of any strengths/weaknesses and the appropriate corrective measures adoption of which is requested;
- also involves a concurrent analysis of the state of progress and/or implementation of any corrective measures identified and defined in the previous year;
- takes account of the results of the verification envisaged in Article 26 of the TUB — as enacted by the MEF Decree — and of the verification of the additional requirements under the Articles of Association for the acceptance of offices, in addition to observance of the prohibition of interlocking directorships under Article 36 of Law Decree No. 201 of 6 December 2011, converted by Law 214 of 22 December 2011. This verification is performed by the Board of Directors of Banca Generali according to the established mechanisms for determining satisfaction of the requirements applicable to company representatives under sector legislation.

3.1 Preparation of self-assessment questionnaires

With the operational support of the Secretary of the Board of Directors, the Chairman defines the questionnaire form to be used, drawing inspiration from corporate governance best practices and taking account of the peculiarities of the Bank’s business model and functioning.

This stage begins with an analysis of the questionnaire form used in the previous self-assessment in order to confirm that it remains valid or to make additions or changes. The questionnaire is modified when it is deemed necessary to add to or expand on the areas of inquiry required by applicable regulations and best practices. In addition, the questionnaire is extended or modified when there are changes to the Bank’s corporate profile or organisational or governance structure.

The questionnaire form is divided into a suitable and appropriate number of questions, to each of which all Directors in office are asked to respond, individually, independently and anonymously, on the basis of their experience on the Bank's Board of Directors, in reference to an assessment scale.

The questions included in the questionnaire concern matters relating both to the qualitative and quantitative composition of the Board of Directors and its functioning. The following are assessed with regard to the former aspect:

- the size of the Board of Directors;
- the level of diversity and professional preparedness of the Directors;
- the balance guaranteed by the non-executive and independent members;
- the adequacy of nomination processes and selection criteria;
- ongoing professional education.

As concerns the functioning of the Body, the Directors are asked to express an opinion with regard to:

- the conduct of meetings;
- the frequency, duration, degree and methods of participation;
- the time commitment for the position;
- the relationship of trust, collaboration and interaction between the members;
- the quality of discussion within the Board.

Aspects relating to the composition and functioning of the Body are also assessed in reference to specific thematic areas of particular significance, through the inclusion of specific questions in the questionnaire.

An assessment of the proper performance of the duties assigned to Board Committees is also required.

3.2 Completion of self-assessment questionnaires

Once the process of preparing the questionnaire has been completed, the Secretary of the Board of Directors sends the questionnaire to the individual Directors for completion. The Directors provide the requested information separately and independently and return the results to the Secretary of the Board of Directors in an anonymous manner for subsequent consolidation.

3.3 Conduct of interviews

The Bank reserves the right to follow up on the written questionnaires through interview techniques whenever deemed appropriate.

Such interviews may involve not only members of the Body being assessed, but also the Chairman of the Board of Statutory Auditors and the Chief Executive Officer and General Manager, as well as internal members of the Bank's staff who, in regard to the activity they perform, have an adequate basis of information to express an assessment of the activity carried out by the Body concerned.

The Secretary of the Board of Directors is responsible for managing interviews, with the assistance of an external professional, where identified by the Board of Directors.

3.4 Determination of the results of self-assessment questionnaires

The Secretary of the Board of Directors collects the questionnaires and consolidates their results.

3.5 Preparation of the self-assessment document

The Secretary of the Board of Directors supports the Chairman in preparing the Board's self-assessment document, which illustrates:

- the methodology and various stages of which the self-assessment process is composed;
- the parties involved;
- the results obtained, with emphasis of any strengths and weaknesses brought to light;
- any necessary corrective measures proposed by the Directors;
- the state of progress or degree of implementation of the corrective measures identified in the previous self-assessment.

3.6 Examination of the results of the self-assessment process by the board of directors and identification of any weaknesses

The results of the self-assessment process of the Board of Directors and Board Committees are presented to and examined by a specific session of the Nomination, Governance and Sustainability Committee and then to a session of the Board of Directors, in accordance with the timetable indicated above. At that time, the Board of Directors identifies any corrective measures to be taken to remedy the weaknesses reported by the Directors.

The Board of Directors assesses the implementation of such corrective measures during the next self-assessment process.

3.7 Identification of possible corrective measures

On the basis of any weaknesses brought to light at the end of the self-assessment process, corrective measures may be identified for implementation through the planning of projects to be carried out by the various functions/divisions involved.

Such activities entail periodic alignments with the aim of monitoring the state of progress of the work, which is also analysed by the Board of Directors during the next self-assessment process.

Where the results obtained are not in line with the schedule or Board of Directors' expectations, they are included in the next self-assessment document.