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INDEX No. 95956

FILE No. 15661

**MINUTES OF THE ORDINARY SHAREHOLDERS' MEETING**

The Republic of Italy

This nineteenth day of April two thousand eighteen

19 April 2018

in Trieste, at my office, Via San Nicolò 13.

The following persons appeared before me, **DANIELA DADO**, Notary Public in Trieste, enrolled in the Register of Notaries Public of Trieste:

- **GIANCARLO FANCEL**, born in Portogruaro (Italy) on 26 September 1961, Chairman of the Board of Directors of "**BANCA GENERALI - Società per Azioni**", with registered office in Trieste, at Via Machiavelli 4, tax code and registration number with the Registrar of Companies of Venezia Giulia 00833240328, authorised share capital of 119,378,836.00 euros (one hundred nineteen million, three hundred seventy-eight thousand, eight hundred thirty six point zero zero), subscribed and paid-up share capital of 116,851,637.00 euros (one hundred sixteen million, eight hundred fifty one thousand, six hundred thirty-seven point zero zero) divided into 116,851,637 shares of a nominal value of 1.00 euro (one point zero zero) each, registered with the Bank Register under No. 5358, Parent Company of the Banca Generali Banking Group registered with the Banking Group Register, a bank which is a member of the Interbank Deposit Protection Fund (*Fondo Interbancario di Tutela dei Depositi*) and a company subject to management and coordination by Assicurazioni Generali S.p.A.;

- **DOMENICA LISTA**, born in Bari (Italy) on 24 September 1973, Manager and Secretary of the Company's Board of Directors, both with address for service at the Company's registered office.

The persons present, of whose personal identity I, the Notary Public, am certain, state that they have requested me to draw up the minutes of the Ordinary Shareholders' Meeting of the indicated Company, held on:

**12 (twelve) April 2018 (two thousand eighteen)**

started at nine and thirty minutes a.m., at the registered office of "ASSICURAZIONI GENERALI - Società per Azioni", located at Via Machiavelli, 6, Trieste.

I the Notary comply with the request and, after the minutes have been drawn up, acknowledge the points set out below, stating that, merely for convenience of presentation, the present indicative tense will be used, even though the events referred to took place on 12 (twelfth) April 2018 (two thousand and eighteen).

Registered in:  
**TRIESTE**  
on 26 April 2018  
No. 3242  
Series 1T  
€200.00

\* \* \*

Pursuant to Article 12 of the Articles of Association and Article 8 of the Shareholders' Meeting Rules, the Shareholders' Meeting is chaired by the CHAIRMAN OF THE BOARD OF DIRECTORS of the Company, GIANCARLO FANCEL, who invites me to attend the Ordinary Shareholders' Meeting, at first call, of the said Company, so as to record the proceedings thereof, as set forth below, at the aforesaid venue where, following notice of calling, the Shareholders have convened.

Therefore, he welcomes all the attendees and points out that the role played by me, the Notary, does not preclude the assistance of the Secretary whom he, pursuant to Article 12, paragraph 3, of the Articles of Association, and Article 10 of the Shareholders' Meeting Rules, appoints in the person of the Secretary of the Board of Directors, Domenica Lista, whose general data are set forth above, whom he welcomes. The Chairman then proceeds to discharge the preliminary formalities related to the General Shareholders' Meeting held this day.

The Chairman formally points out:

**that**, pursuant to Article 125-bis of Legislative Decree No. 58 of 24 February 1998 and Article 9 of the Articles of Association, the notice of calling of the General Shareholders' Meeting scheduled for 12 April 2018 (ordinary session, first call) and 13 April 2018 (ordinary session, second call) was published on the corporate website [www.bancagenerali.com](http://www.bancagenerali.com) on 2 March 2018;

**that**, the notice of calling of the General Shareholders' Meeting was also duly published on the Italian daily newspaper *Il Sole 24 Ore* on 2 March 2018;

**that**, for the intents and purposes of the structural and functional quora of this Shareholders' Meeting, the Company's current subscribed and paid-up share capital amounts to 116,851,637.00 euros (one hundred sixteen million, eight hundred fifty-one thousand, six hundred thirty-seven point zero zero) and is represented by 116,851,637 ordinary shares of a nominal value of 1.00 euro (one point zero zero) each;

**that** at 31 December 2017, Banca Generali holds 472,575 own shares;

**that**, pursuant to Article 2368, paragraph 1, of the Italian Civil Code, the Ordinary Shareholders' Meeting is deemed to be validly constituted, at first call, if at least half the Company's overall voting stock is represented at the said meeting – therefore excluding shares with no voting rights therein – and may pass resolutions by absolute majority of the voting stock represented at the meeting, without prejudice to the cases in which a different majority is required by regulatory or statutory provisions;

**that** the Directors' reports on the motions concerning the items placed on the Agenda, drawn up pursuant to Article 125-

ter of Legislative Decree No. 58 of 24 February 1998, were made available to the public on the corporate website and filed with the Company's registered office, the operating offices in Milan, at Via Ugo Bassi 6, and Borsa Italiana S.p.A., as well as through the authorised storage mechanism (www.emarketstorage.com);

**that** the disclosure obligations imposed under Articles 66, paragraph 3, 73, 77, paragraphs 1 and 2-bis, 84, paragraphs 1 and 2, 84-bis, 84-ter and 84-quater of the Consob Regulation approved by Resolution No. 11971 of 14 May 1999, as further amended and extended, have been duly fulfilled.

The CHAIRMAN Giancarlo Fancel goes on to point out:

**that** the members of the Board of Directors attending, in addition to the Chairman attending, include Chief Executive Officer and General Manager Gian Maria Mossa and Directors Cristina Rustignoli, Azzurra Caltagirone, Giovanni Brugnoli, Anna Gervasoni, Massimo Lapucci, Annalisa Pescatori and Vittorio Emanuele Terzi;

**that** the entire Board of Statutory Auditors is present;

**that** the Shareholders' Meeting is also attended by Società Amministrazioni Fiduciarie - SPAFID S.p.A, appointed by the Company pursuant to Article 135-undecies of Legislative Decree No. 58/1998;

**that** the Shareholders' Meeting is also attended by the representatives of independent auditors in charge of certifying the financial statements, certain guests and journalists, as mere observers, without rights to take the floor and vote pursuant to Article 4 of the Shareholders' Meeting Rules;

**that**, pursuant to Article 6 of the Shareholders' Meeting Rules, and solely for the purpose of streamlining the task of drawing up the minutes of the Shareholders' Meeting, the related proceedings are audio recorded;

**that**, as per the *Shareholders' Register*, and the notices received pursuant to Article 120 of Legislative Decree No. 58 of 24 February 1998, as well as other available information, the following persons and parties hold, either directly or indirectly through intermediaries, trustees or subsidiaries, more than a 3% interest in the Company's share capital:

- **Assicurazioni Generali S.p.A.**, which indirectly holds a total of 58,626,146 shares (in addition to 472,575 treasury shares held by Banca Generali S.p.A.), representing 50.1714% of share capital and 50.3752% of voting stock, of which: 38,573,769 shares are held through the subsidiary Generali Italia S.p.A., which therefore holds a 33.0109% stake in the overall share capital and 33.1449% of the voting stock; 11,110,000 shares are held through the subsidiary Generali Vie S.A., which therefore holds a 9.5078% stake in the overall share capital and 9.5464% of the voting stock; 5,629,073 shares are held through the subsidiary

Genertellife S.p.A., which therefore holds a 4.8173% stake in the overall share capital and 4.8368% of the voting stock; 2,805,373 shares are held through the subsidiary Alleanza Assicurazioni S.p.A., which therefore holds a 2.4008% stake in the overall share capital and 2.4105% of the voting stock; and 507,931 shares are held through the subsidiary Genertel S.p.A, which therefore holds a 0.4347% stake in the overall share capital and 0.4364% of the voting stock;

- **Wellington Management Company LLP**, which holds a total of 4,901,246 shares representing 4.1944% of overall share capital and 4.2114% of the voting stock;

**that** to the best of the Company's knowledge, no Shareholders' agreements are currently in place.

The Shareholders present are therefore invited to disclose the existence of any Shareholders' agreements within the meaning of Article 122 of Legislative Decree No. 58 of 24 February 1998, reminding them that any and all parties bearing voting rights shall not be entitled to exercise the same in the event where they have failed to disclose and deposit all the Shareholders' agreements within the meaning of Article 122, paragraph 1, of Legislative Decree No. 58 of 24 February 1998. No disclosure is made in such regard by the Shareholders present;

**that**, pursuant to Article 5 of the Shareholders' Meeting Rules, the Chairman, acting through his representatives, ensures that the validity of the proxies is checked as required by the applicable law; participants are therefore formally requested, regardless of the checks that shall in any event be made, to report any ineligibility to vote pursuant to the legislation. None of the attendees disclose any such ineligibility;

**that**, pursuant to Article 135-undecies of Legislative Decree No. 58 of 24 February 1998, the Company has appointed Società per Amministrazioni Fiduciarie - SPAFID S.p.A. to act as the representative to whom Shareholders were entitled to forward their proxy forms. The aforementioned company points out that it has received no proxies;

**that** the persons who did not carry out the control procedures, make such fact known to the relevant attendees present at the General Shareholders' Meeting;

**that**, pursuant to Article 13 of Legislative Decree No. 196 of 30 June 2003, the personal data collected at the time of admission to the Shareholders' Meeting and by means of audiovisual recording devices will be processed by the Company, both on electronic media and in hard-copy form, for the sole purpose of ensuring that the proceedings of the Shareholders' Meeting are conducted smoothly and that the minutes thereof are properly recorded. The Secretary announces that a list of names of attendees, both in person or by proxy, complete with

all the data required under current regulations, shall be attached to the minutes of the Shareholders' Meeting as an integral part thereof. The Secretary states that the said list will be published and notified in compliance with statutory obligations, as well as made available on the Company's website ([www.bancagenerali.it](http://www.bancagenerali.it)), together with the minutes of all Shareholders' Meetings held in recent years. The Secretary goes on to point out that any and all persons interested in exercising the rights arising under Article 7 of the said Legislative Decree, including the right to request and require any and all data pertaining to them to be updated, corrected or integrated, may do so by contacting Banca Generali's Operating Department (*Direzione Operativa*) at Via Cavour No. 5/a, 34132 Trieste, which is placed in charge of liaising with data subjects.

Having reported to the Shareholders' Meeting that a monitoring system has been set up to check the number of attendees leaving the meeting, so that the exact number of those present may be determined at all times, the Chairman requires the attendees who do leave the meeting prior to the end of the proceedings to turn in, to officials at the exit, the pass handed to each of them at the time of admission.

Furthermore, the CHAIRMAN points out:

**that** any and all attendees leaving the meeting may issue a written proxy, it being understood that they are invited to report, together with such proxies, to the officials appointed by the Chair for completing the required registration formalities;

**that**, without prejudice to the provisions set forth in Article 6, paragraph 2, of the Shareholders' Meeting Rules, the use of cameras, video-recording devices and the like, as well as audio recording devices and/or mobile phones, is not permitted in the meeting room, without the Chairman's specific prior consent;

**that**, voting will take place by a show of hands in the following order: in favour, against and abstaining, with shareholders against the proposal and those abstaining required to vote at the same time using the swipe card, at the special station, unless the Chairman considers it useful or appropriate, from time to time, to use another voting system provided for by article 25 of the Shareholders' Meeting Rules; those entitled to vote are reminded that, if necessary, assistance with using the swipe card can be provided by any of the scrutineers present in the hall;

**that** the exits would be closed before each vote and would remain closed until the end of voting operations.

He goes on to point out:

**that**, pursuant to Bank of Italy's supervisory provisions, the number of shares deposited for the purposes of this Sharehold-

ers' Meeting was found to coincide with disclosures required under law;

**that** it was found that any and all attendees entitled to participate, both in person or by proxy, and representing more than 3% of the voting stock are entitled to vote;

**that** it was also found that any and all attendees representing a qualified shareholding according to the Legislative Decree No. 385/1993 are entitled to vote;

**that**, it being thirty-nine past nine a.m., 425 persons or entities entitled to participate in the Shareholders' Meeting, in person or by proxy, are present in the room, representing a total of 79,847,300 shares bearing the right to the same number of votes representing 68.33% of the share capital made up of 116,851,637 shares, it being understood that the share capital represented at the meeting by Shareholders, both in person or by proxy, shall be updated at each ballot;

**that** the list of names of attendees who have completed the registration formalities for admission to the Shareholders' Meeting – where votes exercised in person are distinguished from those exercised by proxy – is included in the document attached hereto as **Schedule "A"**; the document also indicates the time at which each individual Shareholder entered the room, and the time at which attendees, leaving the meeting before the end of the proceedings, exited the room, together with the names of proxy holders and their proxy granters, as well as the names of any parties voting in their capacity as pledgee, contango broker or usufructuary, in addition to the number of shares covered by the notice issued by the intermediary to the issuer within the meaning of Article 83-sexies of Legislative Decree No. 58/1998, and any and all data required pursuant to applicable regulations, especially Consob Regulation adopted by Resolution No. 11971 of 14 May 1999, as further amended and extended.

At this point, the Chairman declares the Shareholders' Meeting validly constituted at first call, within the meaning of the Article 2368 of the Italian Civil Code and Article 8 of the Articles of Association, and empowered to pass binding resolutions on the items placed on the Agenda which he reads:

**AGENDA**

1. **Financial Statements at 31 December 2017 of the merged company BG Fiduciaria SIM S.p.A.; relevant and ensuing resolutions.**
2. **Financial Statements at 31 December 2017, allocation of net profit for the year, presentation of the Consolidated Financial Statements at 31 December 2017 and information regarding the consolidated non-financial statement pursuant to Legislative Decree No. 254/2016 (2017 Sustainability Report); relevant and ensuing resolutions.**
3. **Remuneration Report: Banking Group's Remuneration and In-**

centivisation Policies and Report on the Application of Remuneration and Incentivisation Policies in 2017 relevant and ensuing resolutions.

4. Proposal to raise the ratio between the variable and fixed components of remuneration to 2:1; relevant and ensuing resolutions.
5. Appointment of the Board of Directors, following definition of composition, term of office and remuneration of Board members; relevant and ensuing resolutions.
6. Appointment of the Board of Statutory Auditors and its Chairperson and definition of remuneration; relevant and ensuing resolutions.
7. Approval of the 2018 long-term incentive plan pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions.
8. Approval of a network Loyalty Plan for 2018 pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions.
9. Approval of the share-based Incentivisation System pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions.
10. Authorisation to buy back and dispose of treasury shares in service of remuneration policies; assignment of powers; relevant and ensuing resolutions.

After having illustrated to all Shareholders the organisational procedure for the participation in the meeting, the CHAIRMAN invites, in accordance with Article 16 of the Shareholders' Meeting Rules, all persons and parties entitled to take the floor to submit written questions, with an indication of the items on the Agenda to which their statements will pertain.

In such regard, he underlines that, pursuant to Article 2375, paragraph 1, of the Italian Civil Code and Article 16 of the Shareholders' Meeting Rules, the aforesaid questions must be consistent with the items placed on the Agenda.

Moreover, in order to allow for the smooth conduct of the proceedings of the Shareholders' Meeting and to enable all those who intend to take the floor to do so, he reminds the attendees that, pursuant to Article 19 of the Shareholders' Meeting Rules, entitled persons and parties may speak for no less than five and no more than ten minutes on any given item.

The CHAIRMAN also reports that the document illustrating the internal policies regarding controls on risk assets and conflicts of interest in respect of related parties, under the New Prudential Supervisory Provisions Concerning Banks issued by the Bank of Italy, an update of the previous versions, has been published on the Company's website ([www.bancagenerali.com](http://www.bancagenerali.com)) and a copy is also available on the Chairman's desk.

The CHAIRMAN then moves on to deal with the **first item** on the

Agenda of this Shareholders' Meeting (*Financial Statements at 31 December 2017 of the merged company BG Fiduciaria SIM*; relevant and ensuing resolutions).

In this regard, he reminds:

**that**, effective as of 1 January 2018, the company BG Fiduciaria SIM S.p.A. was merged into BANCA GENERALI - Società per Azioni, following the resolution passed by the Board of Directors on 12 October 2017 and the subsequent deed of merger signed on 14 November 2017, notarised by Notary Public Angelo Busani in Milan under index No. 40471/18725.

Accordingly reports to the General Shareholders' Meeting

**that** the documents pertaining to the Financial Statements of the merged company BG Fiduciaria SIM S.p.A. and the other documents specified in section 2429 of the Italian Civil Code, have been filed, in compliance with the law, with the Company's registered office in Trieste, at Via Machiavelli 4, as well as with its operating offices in Milan, at Via U. Bassi 6, at Borsa Italiana S.p.A. and on the authorised storage mechanism. The said documents have also been made available to the public on the Company's website, and sent to all persons and parties that requested a copy thereof.

He therefore submits to the Shareholders' Meeting for approval the Financial Statements of BG Fiduciaria SIM S.p.A. for the year ended 31 December 2017 and reports to the same that net profit for the year was 947,765.46 euros (nine hundred forty-seven thousand, seven hundred sixty-five point forty-six).

Accordingly, he proposes to resolve to fully carry forward the above net profit reported by the merged company BG Fiduciaria SIM S.p.A. for the year ended 31 December 2017.

The Chairman also reports that BDO Italia S.P.A., appointed as independent auditors in charge of auditing the Financial Statements of the merged company BG Fiduciaria SIM S.p.A. for the year ended 31 December 2017, and the limited review of Half-Yearly Financial Statements, as well as checking that the Company's books and accounts are properly kept and that operations are accurately reported therein, provided its services of 836 person-hours, including

- 443 person-hours in respect of the Separate Financial Statements;
- 177 person-hours for checking that the Company's books and accounts are properly kept and that operations are accurately reported therein.
- 216 person-hours for the limited review of the Half-Yearly Financial Statements at 30 June 2017.

The CHAIRMAN goes on to point out:

**that** the amount accrued in respect of the aforesaid activities undertaken by the independent auditors for the merged company BG Fiduciaria SIM S.p.A., excluding VAT and expenses, totalled 50,000.00 euros, including: euro 26,000.00 in respect of the

Financial Statements, and euro 10,000.00, for checking that the Company's books and accounts are properly kept and that operations are accurately reported therein.

Moreover, the amount – excluding VAT and expenses – accrued by the auditing firm BDO Italia S.P.A. in respect of other activities undertaken during the financial year includes 14,000.00 euros for the limited review of the Half-Year Financial Statements at 30 June 2017.

In drawing attention to the fact that the Company has ensured widespread dissemination of the documents drawn up for this Shareholders' Meeting and has transmitted the same to all persons and parties that requested a copy, the Chairman points out that the documents in question must at present be deemed fully known to all the attendees, and in light of such circumstance, especially in order to expedite the proceedings of the Shareholders' Meeting and leave more room for debate and discussion, in the absence of objections from the Shareholders' Meetings, orders the omission of the reading of the Financial Statements of the merged company BG Fiduciaria SIM S.p.A. and related reports. No objection whatsoever is raised.

The documents pertaining to the Financial Statements of the merged company BG Fiduciaria SIM S.p.A., attached hereto as **Schedule "B"**, consist in a single volume, entitled "Financial Statements as of 31 December 2017", which includes the Directors' Report on Operations, the Balance Sheet and Profit and Loss Account, the Notes and Comments, the Board of Statutory Auditors' Report, and the Independent Auditors' Report on the Financial Statements at 31 December 2017.

He then invites the Chairman of the Board of Statutory Auditors to read the conclusions set forth in the Board of Statutory Auditors' Report on the Financial Statements of the merged company BG Fiduciaria SIM S.p.A. for the year ended on 31 December 2017.

The Chairman of the Board of Statutory Auditors, Massimo Cremona, then takes the floor and provides the Shareholders' Meeting with an illustration of the highlights and conclusions of the Board of Statutory Auditors' Report on the Financial Statements of the merged company BG Fiduciaria SIM S.p.A. for the year ended on 31 December 2017, set forth in the volume attached hereto as *Schedule "B"*.

The Chairman, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the first item on the Agenda to be considered by the Shareholders' Meeting.

ALESSANDRO TARQUINI, proxy for the Shareholder **DEMETRIO RODINO'**, intervenes to ask two questions:

- what opportunities are offered by the Banking Group's reorganisation;

- what is the Bank's strategic direction in terms of sustainability.

The Chairman takes the floor and responds to the Shareholder's question, clarifying that BG FIDUCIARIA SIM's merger into BANCA GENERALI S.P.A. was decided in order to reorganise and rationalise the banking group and will not result in any job losses for its personnel whilst the Board of Directors will cease to operate. Regarding the sustainability question, he points out that the Bank's corporate website lists all the initiatives and themes as well as the measures implemented during 2017 by Corporate Governance. These include the diversity policy concerning company board members, The Charter of Sustainability Commitments of Banca Generali and the sustainability report that gives a full account of corporate social responsibility, helping to provide stakeholders with an increasingly comprehensive amount of information.

Having observed that all the issues raised have been addressed, and having received no further requests to take the floor, the Chairman closes the debate on the first item on the Agenda and reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Financial Statements for the year ended 31 December 2017 of the merged company BG Fiduciaria SIM S.p.A. prepared by the Board of Directors, on the whole and in respect of each of the items included therein, and any and all provisions therein proposed;
- having regard to the Directors' Report on Operations, the Board Statutory Auditors' Report and the other documents attached to the draft Financial Statements;

**resolves**

- 1) to approve Financial Statements for the year ended on 31 December 2017 of the merged company BG Fiduciaria SIM S.p.A.;
- 2) to fully carry forward the net profit reported by the merged company BG Fiduciaria SIM S.p.A. for the year ended 31 December 2017 – amounting to 947,765.46 euros."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At nine fifty-seven, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the

aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,797,245 votes or 99.937% of the voting stock represented at the Shareholders' Meeting, in favour;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 20,000 votes or 0.025% of the voting stock represented at the Shareholders' Meeting, not voting;
- whilst there were no votes against.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "C"**.

The SECRETARY reports that, at the time of voting, 424 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The Chairman then moves on to deal with the **second item** on the Agenda of this Shareholders' Meeting (Financial Statements at 31 December 2017, allocation of net profit for the year, presentation of the Consolidated Financial Statements at 31 December 2017 and information regarding the consolidated non-financial statement pursuant to Legislative Decree No. 254/2016 (2017 Sustainability Report); relevant and ensuing resolutions.

In such regard, he reports to the Shareholders' Meeting:

**that** the documents pertaining to the Consolidated and Separate Financial Statements, the Report on Corporate Governance and Ownership Structure, and the Consolidated Non-financial Statement pursuant to Legislative Decree No. 254/2016 (2017 Sustainability Report), as well as all other documents specified under Article 2429 of the Italian Civil Code and Article 154-ter of the Legislative Decree No. 58 of 1998 have been filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan, at Via Ugo Bassi 6, and Borsa Italiana S.p.A., as well as on the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** materials distributed to attendees contain the aforesaid documents, including the Banca Generali Group's Consolidated Financial Statements for 2017, as approved by the Board of Directors, and the Consolidated Non-financial Statement (2017 Sustainability Report), for which the law does not require a further Shareholders' approval;

The CHAIRMAN formally points out, as required pursuant to Consob Notice No. DAC/RM/96003558 of 18 April 1996, that the au-

auditing firm BDO Italia S.P.A., appointed as independent auditors in charge of auditing the Consolidated and Separate Financial Statements for the year ended 31 December 2017, and the limited review of Half-Yearly Consolidated and Separate Financial Statements, as well as checking that the Company's books and accounts are properly kept and that operations are accurately reported therein, provided its services of 2,224 person-hours, including

- 1,340 person-hours in respect of the annual financial statements;
- 257 person-hours in respect of the consolidated financial statements;
- 309 person-hours for checking that the Company's books and accounts are properly kept and that operations are accurately reported therein;
- 318 person-hours for the limited review of the Condensed Half-yearly Separate and Consolidated Financial Statements at 30 June 2017.

The CHAIRMAN goes on to point out:

**that** the amount accrued in respect of the aforesaid activities undertaken by the independent auditors, excluding VAT and expenses, totalled 155,500.00 euros, including: 96,000.00 euros in respect of the Separate Financial Statements; 13,000.00 euros in respect of the Consolidated Financial Statements; 22,500.00 euros for checking that the Company's books and accounts are properly kept and that operations are accurately reported therein; and 24,000.00 euros for the limited review of the Condensed Half-yearly Separate and Consolidated Financial Statements at 30 June 2017. Moreover, the amount – excluding VAT and expenses – accrued by the auditing firm BDO Italia S.P.A. in respect of other activities undertaken during the financial year includes: 14,500.00 euros for the limited review of the Company's Separate and Consolidated Interim Reports at 31 March 2017 and 30 September 2017 in order to determine the interim profit for the purposes of calculating the Common Equity Tier 1; 8,000.00 euros for auditing Banca Generali S.p.A.'s half-yearly Reporting Package at 30 June 2017, which was prepared for the purposes of consolidation by the parent company Assicurazioni Generali S.p.A.; 12,000.00 euros for auditing Banca Generali S.p.A.'s Reporting Package at 31 December 2017, which was prepared for the purposes of consolidation by Assicurazioni Generali S.p.A.; 14,000.00 euros for the limited review of the Consolidated Non-financial Statement, and 10,500.00 euros for the gap analysis on the Consolidated Non-financial Statement.

**that** BDO Italia S.P.A. also accrued 50,000.00 euros, excluding VAT and expenses, to review the Financial Statements of BG Fiduciaria SIM S.p.A.

The documents pertaining to the Financial Statements, attached

hereto as **Schedule "D"**, consist in a single volume, entitled "Annual Report as of 31 December 2017", which includes the Directors' Report on Operations, the Balance Sheet and Profit and Loss Account, the Notes and Comments to the Consolidated Financial Statements, and the Balance Sheet and Profit and Loss Account, the Notes and Comments to the Separate Financial Statements at 31 December 2017, the Board of Statutory Auditors' Report, the Independent Auditors' Report and the Attestation pursuant to Article 154-bis, paragraph 5, of Legislative Decree No. 58/1998.

Attached hereto as **Schedule "E"** is the folder entitled "Annual Report on Corporate Governance and Company Ownership for 2017".

Pursuant to the requirements of legislative decree No. 254 of 30 December 2016, which regulates the reporting obligations for non-financial information, the folder entitled "2017 Sustainability Report" is also attached as Schedule **"F"**.

The Chairman then moves on to discuss the results of Banca Generali and the Banking Group. The text of the Chairman's comments is attached hereto as **Schedule "G"**.

The CHAIRMAN then invites the Chief Executive Officer and General Manager to provide a detailed illustration of the figures contained in the financial statements for the year ended 31 December 2017.

The CHIEF EXECUTIVE OFFICER and GENERAL MANAGER Gian Maria Mossa takes the floor and proceeds as requested, including with the support of some slides. The text of the Chief Executive Officer and General Manager's illustration is attached hereto as **Schedule "H"**.

Afterwards, the CHAIRMAN once again takes the floor and reads the motions for the approval of the Financial Statements and allocation of the profit for the year, as formulated and raised by the Board of Directors.

Subsequently, the Chairman invites the Chairman of the Board of Statutory Auditors to read the conclusions set forth in the Board of Statutory Auditors' Report on the Company's Financial Statements for the year ended 31 December 2017.

The Chairman of the Board of Statutory Auditors, Massimo Cremona, then takes the floor and provides the Shareholders' Meeting with an illustration of the highlights and conclusions of the Board of Statutory Auditors' Report on the Company's Financial Statements for the year ended 31 December 2017, set forth in the volume attached hereto as Schedule "D".

The Chairman, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, declares open the debate on the second item on the Agenda to be considered by the Shareholders' Meeting.

Alessandro Tarquini, proxy of the shareholder **DEMETRIO RODINO'**

intervenes and describes 2017 as "an excellent year" reporting the best profit ever achieved by the Bank, a fact that has received important international recognition.

This has been achieved thanks to clear strategies, focused on sustainable development with a closer relationship with households and looking after their wealth.

He asks:

- which factors have had most influence on the accelerating growth in profits.

Banca Generali's net inflows amounted to 554 million euros until March 2018, bringing the YTD total to 1.57 billion euros.

The renewed market volatility has encouraged a return to traditional insurance policies;

- what are the forecasts regarding this claim.

The Shareholder **KATRINE BOVE** intervenes and points out that 2017 is a year to be "commemorated" for Banca Generali which has achieved a "number of records" illustrated by the Chairman and the CEO in their presentations; the Shareholder continues by saying that these goals have been achieved thanks to the management and the CEO in particular who has been described by one of the industry's monthlies as "young and successful". Analysing the national political crisis, which is difficult to resolve, and the political situation emerging in the Middle East, she believes that the country's slow economic recovery could, in the short-term, be halted. After having announced that she will vote in favour of the item on the agenda, she submits a series of questions:

- what are the forecasts for 2018 in light of the results achieved to date;
- what feedback has there been on Wealth Management services and what strategies will the Bank adopt on this front.

She emphasises how coupon payments are important for small shareholders not only due to the economic implications but also because they stand for a sort of "confirmation of an unwritten agreement of mutual trust". She says she is happy with the dividend proposed and asks further questions

- would it be possible, for future years, to have a dividend policy that rewards shareholders;
- is it possible to increase the payout which has decreased at the moment.

Coming to the end of her contribution, she asks whether Banca Generali's interest in the Swiss market is real and what penetration strategies are there.

CLINZIA RIENZI, proxy for the Shareholder **WALTER RODINO'** intervenes and emphasises that the financial results confirm that 2017 has been a year of growth and development for Banca Generali from which the shareholders have benefited; net profit has grown by 31% and a satisfactory dividend has been distributed. Consolidated net equity has reported a 14% increase

since the beginning of 2017 and the capital ratios far exceed those required by the Bank of Italy. All this is also due to the attention paid by Banca Generali to the business world and shareholders. She announces her intention of voting in favour of the approval of the Financial Statements. The trend in the first few months of 2018 confirms, on the one hand, the tendency of households to look for more prudent investments, on the other hand Banca Generali's capacity to offer such investments; in fact, two thirds of net inflows for March involve investments in managed and insurance solutions. She asks:

- will this proportion be confirmed throughout 2018.

CLAUDIA LOIZZI intervenes, proxy for the Shareholder **GERMANA LOIZZI**, and starts by emphasising the "important double-digit" growth achieved by Banca Generali in 2017 as reported in the financial statements. In a still uncertain economic context, she continues, Banca Generali has been managed with due and proper care. She congratulates Banca Generali's management team, employees and financial advisors. Analysing the corporate social responsibility report she poses a question:

- what is the communication strategy established by Banca Generali with the stakeholders, human resources, investors, suppliers and distribution network.

She reminds that Banca Generali and Generali Italia have renewed the agreements governing the Bank's distribution of the Generali Group's insurance products, thus reinforcing commercial synergies and opportunities, enhancing the skills of both, and puts forward a series of queries:

- what are the main features of this agreement;

- how do the prizes received in 2017 strengthen the Bank's position at international level.

The decision to veer towards the Wealth segment, the focus on household saving and the local distribution of Banca Generali branches:

- will this create new jobs in 2018.

Shareholder **OTTORINO MASSA**, representative *inter alia* of EDIVA (Etica Dignità e Valori, an association of stakeholders of financial institutions that aims at promoting ethical finance and corporate social responsibility), takes the floor and recalls the excellent relationship established since 2017 with the Bank's Investor Relator which has led to the creation of household-oriented forms of investment, thus showing that significant results can be achieved also by encouraging quantitatively marginal initiatives. He says he is pleased with the significant growth in profitability reported by the Bank and witnessed by the results of the 2017 financial statements. The results remind top management of their duty to raise the value-related and human profile inherent in the Bank's business activity and he emphasises that the application of Legislative Decree 254/2016 in accordance with European Directive 2014/95

represents a positive point for recognising in the financial statements good practice linked to sustainability values, through the basic ESG (Environmental, Social, Governance) indicators. He hopes that Banca Generali's professionalism may also be channelled into initiatives aimed at the younger generations to encourage financial education, which is still scarce in the country. It would be appropriate to establish self leadership schemes targeted at women covering management positions; initiatives to reduce GHG gases by 14%, more sustainable management of mobility on the environmental front and, last but not least, the adoption of projects in the diversity field. He hopes for improved reporting with the promotion of a special section dedicated to Stakeholder Engagement involving institutions and associations working on issues of a social, economic and environmental nature. Including in the social statements a report on initiatives launched that entail the promotion of financial products designed to encourage savings for young people under 18 years of age and new-borns who are marginalised in Italy; the drop in birth rates and the gradual disappearance of family-run businesses hinder GDP growth. He reiterates that all banks should consider new credit rating criteria that also extend to aspects of social responsibility deriving from company activity and not just to capital, profit and collateral required in order to obtain a loan. There is a need to reach such objectives that are source of growth, fairness and mutual development. It would thus be important and appropriate for advanced rules to be created to also tie the variable remuneration of management to aspects of social responsibility such as the creation of new jobs, the transition from temporary to long-term jobs, and the absence of settlements with the Internal Revenue Service upon completion of tax assessments. Coming to the end of his contribution he trusts that the issues covered will be examined further and reported thanks to the work of the special Nomination, Governance and Sustainability internal Board Committee which has been allocated specific duties regarding sustainability.

Before concluding, he presents the best wishes of the Association's Chairman, Gianni Vernocchi, and boards to the General Shareholders' Meeting as a whole. He poses two personal questions:

- by how much have Banca Generali's charitable donations decreased;
- what is the Bank's position on the excessive entry and performance costs for households.

The CHAIRMAN takes the floor to respond to the questions raised that are within his remit and starts off by thanking Ottorino Massa for his contribution.

Regarding the factors that have influenced profit growth, 2017 benefited from a favourable market trend that reported a low

level of bond yields against a very positive equities market trend. The main factor in Banca Generali's success is also the clarity of its strategies and its customer approach; this is enhanced by the inclusion of "absolutely excellent" financial advisors whose per capita managed funds have grown sharply in 2017 allowing Banca Generali to achieve an excellent customer level in terms of assets under the bank's management in respect of secure-yield products offered. The Chairman continues by saying that he does not believe that this performance can be repeated, at market level, in 2018 even though it is too early to make forecasts; 2017 was marked by significant clarity about strategy and management's capacity for decision-making consistent with the strategic approach taken by the Bank in previous years.

Moving on to respond to the Shareholder Ms Bove, he thanks her for her complimentary words and the observations made. He emphasises how 2018 started in a more complex way than 2017 even though, in net inflow terms, the results achieved, for now, confirm extremely positive growth. But it is too soon to make predictions even though market volatility seems for now to be quite contained and this facilitates Banca Generali's performance. Hoping that the political-economic uncertainties are resolved shortly, he points out that, at the moment, it is impossible to make any certain prediction. Regarding the question about Banca Generali's payout, even though this is down compared to last year's figure, it is at a level that "we believe to be fair and satisfactory" for shareholders bearing in mind that the Bank's dividend yield has always been one of the best in the market as regards the sector in which the Bank operates. He continues by saying that the dividend's sustainability over time is one of the necessary factors of sound and prudent management; the 71% payout level achieved combines shareholder satisfaction with a high dividend yield and allows the Bank's "capital ratio" to be kept at excellent levels; in fact, the dividend's sustainability ensures the Bank's long-term solidity and is also one of the factors that is appreciated by the Regulatory Authority and the investors' market.

The CHAIRMAN hands over to the CHIEF EXECUTIVE OFFICER and GENERAL MANAGER who points out that the market is showing growing interest in protecting wealth in the broader sense and this is also due to a crisis in the property market as well as a raised perception of risk; the country's "business system" is also suffering from the lack of new lifeblood from banks; the provision of credit to businesses has not yet restarted; in addition, the demand for advisory services on property wealth and enterprise is growing exponentially and the main players are working to respond to this need in this area. Unlike other competitors, Banca Generali has already researched products for protecting and safeguarding wealth, and so "outperforms

the market in relative terms when things get worse" since Banca Generali has created investment solutions having a risk level that may be higher or lower depending on market prospects and performance. In recent times Banca Generali has adopted a more prudent attitude toward risk and advises its clients to reduce it. Regarding the initiatives put in place by Banca Generali in Switzerland, he confirms that there is interest in it also because the conditions in that market are very different from those offered in previous years as Switzerland has now been included in the white list; there is a structural crisis in traditional Swiss private banking; the market is also interesting because, as a result of legislation on the re-entry of capital, some clients have shielded only part of it; however, Banca Generali has no intention of assuming any reputational risk by operating on that market and will pay the utmost attention to all the Anti Money Laundering regulations.

The Chairman takes the floor again to respond to the proxy Ms Rienzi and thanks her for her kind words about the Company. Regarding the forecasts for 2018 he stresses that, by contrast, the growth components present in the first few months of last year are missing at the moment. He continues by saying that this is also reflected in the P&L performance; despite this, the latest press release on net inflows and product subscription is very positive at around €550 million; this is ground for hope in good performance for 2018 even if, he points out, it is too soon to make an accurate forecast; in any event the Bank is very attractive and competitive with a product offering and advice from financial advisors that he defines as "excellent". Hoping that this performance continues in net inflows terms, he says that he feels "sufficiently serene". In fact, the Bank's strategies are very well-organised, the objectives to achieve are defined and so Banca Generali is in a position to also face an unexceptional year.

Moving on to respond to the proxy Ms Loizzi about the question posed on the renewed distribution contracts with Generali and Generali Italia he reports that Banca Generali, for some time, has been distributing Genertellife products branded as BG Vita; this year Banca Generali took the opportunity to formalise and optimise these agreements, believing this to be appropriate also in light of the regulatory changes that have taken place in the meantime. Formalising this agreement between Banca Generali and Generali Italia, which is actually the Italy Country holding, at insurance Group level, allows Banca Generali to have a counterparty, as a provider, which, based on requests to offer certain products, will provide the Bank with what it needs in the form of suitable categories and solutions; none of this has entailed significant changes in how the breakdown of margins between the Bank and the insurance

Group is reallocated. Budget management has also been regulated through the formation of an internal committee responsible for managing and evaluating the request that the Bank will make to the insurance companies and viceversa.

Moving on to the topic of the plaudits attributed to Banca Generali these mean that we can look with confidence and great satisfaction at all the measures taken by the Bank and the latest award by the Institutional Investor, which recognised Banca Generali as the most present in the sector, was particularly important as regards management and demonstrates the good relations with the institutional investors and how the transparency and communication put in place by Banca Generali have been praised in no uncertain terms. Banca Generali has also reorganised the excellent services provided to high-end clients but, has paid the utmost attention and maintained clarity for all clients, ensuring that they receive the highest level of service possible.

The CHAIRMAN hands over to the CHIEF EXECUTIVE OFFICER and GENERAL MANAGER who emphasises that the company is growing, having also carried out professional retraining and identified new talent by investing in younger people, thus introducing a new workforce and new energy; regarding the topic of innovation, it is estimated that employee numbers will rise by about 2% or 3%. On the topic of re-branding, Banca Generali has created ideal conditions in the area of bankers' professional expertise, has developed an excellent platform for implementing the Wealth Management service, launched initiatives for new products and services by reorganising the network and the distribution part of Banca Generali Private.

The CHAIRMAN takes the floor again and first thanks Mr Massa for his contribution which offers the opportunity to involve the meeting in some of Banca Generali's initiatives and also the chance to reflect on proposals that Banca Generali is looking to convert into concrete operations during the year. During 2017 important initiatives were undertaken including the participation, at group level, in the Human Safety Net, a non-profit organisation created to support various initiatives identified by employees as the result of polls carried out amongst staff, about 75,000 people; many proposals were made and Banca Generali adopted the initiative supporting the communities of those in need. He points out that Banca Generali is able to carry out activities supporting those in need with the utmost efficacy through this organisation.

In response to Massa, regarding charitable donations made by the Bank, these amount to about 11,000.00 euro. He hopes that EDIVA will continue to enjoy ongoing relations with the Bank's investor relator and says that he is willing to examine any proposals.

The CHAIRMAN once again hands over to the CHIEF EXECUTIVE OFFICER

and GENERAL MANAGER who, regarding the PIR issue, reports that many competitors are introducing initiatives in this field by innovating the traditional banking system. He believes it opportune to offer opportunities in this area, but as part of the current offer and not that it should become the main offering. He reports that the Bank is very aware and cautious because the reputational risk is very high as there are aspects of this field that are not really in line with the concept of long-term sustainability. Closing with the topic of entrepreneur ratings, a very challenging and motivating area, he reports that the business credit activity is ancillary for Banca Generali and very strong selection criteria are adopted in the Anti Money Laundering field. And so, precisely because it is an ancillary service for the Bank, considerable attention is paid to using very strong filters. He continues to speak maintaining that, as the theme of sustainability and corporate responsibility is one of the pillars of the coming years, Banca Generali will definitely take a cue from Mr Massa's observations. On the payout matter, he reports that the Bank enjoys an excellent relationship with the Regulators; this is another significant factor since the Regulators are some of the most important stakeholders and it is good to have the chance to collaborate with them. In particular, regarding the dividend, there have been recommendations for prudence in setting the payout from year to year, and so the ratio tightening up process is also in line with some of the issues raised by the Regulators.

Having observed that all the issues raised have been addressed, and having received no further requests to take the floor, the Chairman closes the debate on the second item on the Agenda and reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the draft Financial Statements for the year ended 31 December 2017, prepared by the Board of Directors, on the whole and in respect of each of the items included therein, and any and all provisions therein proposed;
- having acknowledged that, on this date, the authorised share capital of 119,378,836.00 euros is subscribed and paid up in the amount of 116,851,637 euros and is divided into 116,851,637 shares of a par value of 1.00 euro each, and that, as of today, treasury shares total 472,575;
- having regard to the Directors' Report on Operations, the Statutory Auditors' Report and the other documents attached to the draft Financial Statements;

**resolves**

- 1) to approve the Financial Statements for the year ended 31 December 2017;
- 2) to acknowledge the Consolidated Non-financial Statement pursuant to Article 4 of Legislative Decree No. 254/2016, specifically released as part of the 2017 Sustainability Report expressly referenced in the Directors' Report on Operations. Pursuant to Article 7 of Legislative Decree No. 254 of 30 December 2016, Banca Generali S.p.A.'s Directors are responsible for the preparation of the Non-financial Statements on a voluntary basis;
- 3) to allocate the net profit for 2017, amounting to 206,449,393.00 euros as follows:

|                         |                       |
|-------------------------|-----------------------|
| net profit for the year | 206,449,393.00 euros; |
| to legal reserve        | 41,538.00 euros;      |
| to retained earnings    | 60,934,028.00 euros;  |

distribution of a cash dividend to shareholders, in the amount of 1.25 euro per each of the 116,379,062 outstanding ordinary shares, including the portion to be assigned to treasury shares, as per Article 2357-ter of the Italian Civil Code, for a total amount of 145,473,828.00 euros;
- 4) to approve the payment of the dividend, net of any legal withholdings applicable in compliance with statutory provisions, as of payment date 23 May 2018, ex coupon 12 and ex date 21 May 2018, and entitlement to dividends set on record date 22 May 2018;
- 5) to vest the Chairman of the Board of Directors and the Chief Executive Officer/General Manager, jointly and severally, including through special attorneys-in-fact, with full powers to undertake whatsoever may be necessary or useful to ensure the execution of this resolution."

The CHAIRMAN then reports to the Shareholders' Meeting that, pursuant to Borsa Italiana S.p.A.'s Rules for Issuers, the Company's ordinary shares will be traded ex dividend starting 21 May 2018.

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote and to refrain from leaving the room during voting.

At eleven thirty five, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,797,645 votes or 99.937% of the voting stock represented at the Shareholders' Meeting, in favour;

- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 20,000 votes or 0.025% of the voting stock represented at the Shareholders' Meeting, not voting;
- whilst there are no votes against.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting, with an indication of the number of votes represented by each, is attached hereto as **Schedule "I"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN then moves on to deal with the **third item** on the Agenda of this Shareholders' Meeting (Remuneration Report: remuneration and incentivisation policies and report on the application of remuneration and incentivisation policies in 2017; relevant and ensuing resolutions.)

In such regard, the CHAIRMAN points out, first and foremost **that** the Directors' Report on the matters discussed hereunder, the outcome of the assessments carried out by the Audit and Compliance functions and the opinion expressed by the Remuneration Committee were filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via Ugo Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the aforesaid documents, including the outcome of the assessments carried out by the Audit and Compliance functions and the opinion expressed by the Remuneration Committee.

He then invites the attendees to examine the document attached hereto as **Schedule "L"** included in the folder distributed to them and entitled "*Reports and Motions on the Items on the Agenda*".

The Chairman then goes on to discuss the third item on the Agenda, underling that the provisions published on 20 November 2014 by the Bank of Italy of the 7<sup>th</sup> update to Circular No. 285/2013, implementing the CRD IV Directive, entail specific principles and criteria which banks are required to comply with in order to: ensure that remuneration and incentivisation systems are properly designed and implemented; effectively manage potential conflicts of interest; guarantee that the remuneration system takes due account of current and prospective risks, the degree of capitalisation, as well as liquidity levels of each intermediary; maximise transparency towards the

market; and reinforce oversight by regulatory authorities.

He reminds that, in accordance with previous regulation, the objective of the provisions is to promote – in the interest of all stakeholders – the implementation of remuneration and incentivisation systems that are in line with long-term corporate objectives and strategies, linked to corporate performance but appropriately corrected to reflect all risks, commensurate with the capital and liquidity levels required to cover ongoing business operations, and in any event, designed to avoid distorted incentives that could lead to regulatory violations and excessive risk-taking by individual banks and within the whole system.

He reports that the aforesaid provisions contain terms that provide for:

- for Key Personnel only, a maximum 1:1 ratio between the variable and fixed components of remuneration;
- the power for the General Shareholders' Meeting to raise the said ratio above the level established in the preceding point, provided that certain conditions are met and in any event, up to no more than 2:1;
- limits on variable remuneration where banks fail to observe specific capital requirements;
- the application of the regulatory technical standards concerning (i) the qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile, as per Commission Delegated Regulation (EU) No. 604 of 4 March 2014; and specifying (ii) the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration, as per Commission Delegated Regulation (EU) No. 527 of 12 March 2014;
- the rules regarding remuneration and incentivisation policies applicable, among other persons, to Financial Advisors authorised to make off-premises offers;

The Chairman then gives an overview of the main changes introduced by the aforementioned provisions, as illustrated in the folder provided to the attendees and included in the document attached hereto as *Schedule "L"*, and points out that the said provisions also envisage that:

- in addition to establishing the remuneration of the members of the corporate organs it appoints, the Ordinary Shareholders' Meeting shall also approve the remuneration and incentivisation policies applicable to strategic oversight, management and control bodies and functions, as well as to all other personnel;
- the Shareholders' Meeting itself shall be provided information on the procedures through which remuneration policies were applied and implemented.

He further reminds (i) that CONSOB also laid down, by Resolution dated 23 December 2011, systematic rules streamlining currently applicable instructions on disclosure transparency regarding the remuneration of managers of issuers of listed securities. Under the said rules, issuers of listed securities are required, *inter alia*, to draw up a report on remuneration, without prejudice to the remuneration-related obligations imposed under industry-specific regulations applicable by reason of the industrial sector in which the listed corporation operates, and (ii) that the above framework is further completed by the recommendations laid down by the Corporate Governance Code for listed companies, adopted by Banca Generali, which incorporates the main principles of the recommendations issued by the European authorities on the process for determining the remuneration policies and their content.

The CHAIRMAN then reports that the Remuneration Report is drawn up in compliance with Layout 7-bis of Annex 3A of the Rules for Issuers and consists of three sections: the first and the second illustrate the remuneration and incentivisation policy of the Company and the Group; the third highlights the procedures through which the said policy was implemented in the financial year 2017, and also specifies the emoluments actually paid.

For all more detailed aspects, he draws attention to the ample illustration provided in the report of which, in light of the provisions of the cited Bank of Italy and Consob regulations, he proposes the approval of the first and second sections, which illustrate the remuneration and incentivisation policies proposed by the Company and the Group and the procedures to be used for the adoption and implementation of such policies, while emphasising that the information contained in the third section is solely for the purposes of disclosure to the Shareholders' Meeting.

Pursuant to the aforementioned Bank of Italy's supervisory provisions, it must further be borne in mind that:

- in defining remuneration and incentivisation policies, the Compliance function is required to assess the compatibility of the said policies with the regulatory framework of reference, with specific focus, *inter alia*, on the extent to which the Company's incentivisation system is in line with objectives of compliance with regulations, the Articles of Association, as well as any and all other codes of ethics, rules of conduct, or standards that the Bank is required to comply with, above all with a view to appropriately containing the legal and reputational risks associated, in particular, with customer relations;
- the internal audit function was called upon to verify, at least once year, the extent to which remuneration practices are compliant with the approved policies and the Superviso-

ry Instructions.

In this regard, he reports that the folder provided to the attendees, as well as Schedule "L" attached hereto, include a summary of the results of the aforesaid checks which confirm (i) the compliance of the Group's remuneration and incentivisation policies for 2018 with the regulatory framework of reference, and (ii) the operating compliance of remuneration practices with regulations and remuneration policies approved by the Shareholders' Meeting on 20 April 2017.

At the invitation of the CHAIRMAN, Giovanni Brugnoli, Chairman of the Remuneration Committee, briefly illustrates the Committee's report, which is included in the folder attached hereto as Schedule "L".

The Chairman invites then the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval.

The Chairman of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports to the Shareholders' Meeting of the Board of Statutory Auditors' favourable opinion regarding the motion and the information provided in relation thereto.

The CHAIRMAN, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the third item on the Agenda and having received no requests to take the floor, he closes the debate on the third item on the Agenda and reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to Part I, Chapter 2 "Remuneration and Incentivisation Policies and Procedures", Title IV "Corporate Governance, Internal Controls, Risk Management" of Bank of Italy's Circular No. 285 of 17 December 2013;
- having regard to Article 123-ter of Legislative Decree No. 58 of 24 February 1998;
- having regard to Article 84-quater of Consob Resolution No. 11971 of 14 May 1999,
- as amended and extended;
- having regard to Article 6 of the Corporate Governance Code for Listed Companies (in its most recent version approved in July 2015 by the Corporate Governance Committee);
- having examined the Remuneration Report prepared pursuant to Article 123-ter of Legislative Decree No. 58 of 24 February 1998 and Bank of Italy Circular No. 285, Part I, Title IV, Chapter 2, dated 17 December 2013;
- having acknowledged the results of the checks carried out

- by the internal audit and compliance functions;
- having acknowledged the activities undertaken by the Remuneration Committee in such regard;
  - having heard the favourable opinion of the Board of Statutory Auditors,

acknowledges

the contents of the Third Section of the Remuneration Report on the implementation in 2017 of the remuneration policies approved by the Shareholders' Meeting on 20 April 2017 and

**resolves**

- 1) to approve the First and Second Sections of the Remuneration Report, which explain the remuneration and incentivisation policy of the Company and the Group;
- 2) to place the Board of Directors in charge of implementing the remuneration and incentivisation policies, allowing the same to appoint one of its members to concretely implement such policies."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote and to refrain from leaving the room during voting.

At eleven forty seven, the CHAIRMAN then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the CHAIRMAN announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 72,274,850 votes or 90.516% of the voting stock represented at the Shareholders' Meeting, in favour;
- 7,503,317 votes or 9.397% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting, with an indication of the number of votes represented by each, is attached hereto as **Schedule "M"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN than moves on to deal with the **fourth item** on the

agenda of the Ordinary Shareholders' Meeting (Proposal to raise the ratio between the variable and fixed components of remuneration to 2:1; relevant and ensuing resolutions).

In such regard, the CHAIRMAN points out, first and foremost **that** the Directors' Report on the matters discussed hereunder was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via Ugo Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the Directors' Report on the matters discussed hereunder. He then invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

He then continues by drawing attention to the illustration provided during discussion of the previous item on the Agenda concerning the Bank of Italy's provisions governing remuneration and incentivisation policies and practices and the objectives of such regulations.

He then reports that the aforementioned provisions, relevant to this proposal, relate to:

- the introduction, for Key Personnel only, of a maximum 1:1 ratio between the variable and fixed components of remuneration;
- the power granted to the General Shareholders' Meeting for raising the said ratio above the level established in the preceding point, provided that certain conditions are met and in any event, up to no more than 2:1.

He clarifies that the motion calls for the approval – solely for the corporate functions specified below – of a maximum ratio of 200% (2:1 ratio) between the variable and fixed components of remuneration, as permitted by Chapter 2, Title IV, Part I of Bank of Italy's Circular No. 285 of 17 December 2013.

The motion has been raised with regard to the following corporate functions:

1. Members of the Top Management (Chief Executive Officer/General Manager, Deputy General Manager Wealth Management Markets and Products, Deputy General Manager Commercial Networks, Alternative Channels and Support – three members)
2. Heads of the Asset Management Area, Private Relationship Manager Area, Private Relationship Managers Area, Alternative Channels and Support Area, Wealth Management Area (4 managers);
3. Main network managers (2 Sales Managers, ten Area Managers and one Head of Business Development Top Wealth Advisor/Top Private Banker, as well as one Head of Recruiting).

He dwells on the main reasons – cited in detail in the afore-

mentioned Report – in support of the proposal, emphasising that:

- In implementing its remuneration policies, Banca Generali aims at ensuring the greatest possible convergence of the long-term interests of the Banking Group's shareholders and management, especially by focusing on careful corporate risk management and commitment to long-sighted strategies. A well-balanced system of rewards and incentives for the bank's directors and top management is key to boosting competitiveness and ensuring high-levels of corporate governance over time. He also recalls that the global remuneration system – especially with regard to key personnel – is a useful tool for attracting and retaining people with the talent and skills best suited to the company's needs.

The motion to apply to the representatives listed above, a higher ratio than 1:1 of the variable to fixed component of remuneration, and in particular, to raise the said ratio up to 2:1, the highest ratio contemplated by the Bank of Italy, is based on the following grounds:

- the vast majority of Banca Generali's operations – which are carried out through networks of financial advisors and relationship managers – are concentrated in specific sectors such as private banking and asset management. As a result of its strategic positioning, Banca Generali is called upon to face not only traditional competitors (mainly network banks) but also major international competitors (primarily foreign private banks) that, thanks to a well-consolidated presence in Italy, have earned significant shares of the Italian market, as well as large Italian banks with international ambitions. In this competitive context and in light of the brilliant results obtained in recent years in the private banking sector which is expected to continue to grow at the same rapid pace observed in the past, it is clearly in Banca Generali's interest to offer remuneration packages that enable the bank not only to retain key resources who are primarily responsible for the significant growth achieved so far by the bank, but also to attract new managerial talent in a niche labour market featuring a shortage of the specialist skills required to effectively meet current and future challenges;

- the current remuneration package (for members of the Top management, as well as for all other bank personnel) focuses on sustainability, especially through policies prioritising growth that is sustainable over time, and enhancing the potential of the Group's personnel by rewarding individual contributions to the organisation's suc-

cess, including through appropriate remuneration, whilst discouraging conduct conducive to excess risk-taking. Therefore, the remuneration policies are aimed at adequately rewarding sustainable performance and are also based on the following principles:

- internal fairness since remuneration must be commensurate with the job description in question, taking due account of the burden of responsibility, and the competence and skills with which related duties are discharged;

- competitiveness since the assigned remuneration must be in line with remuneration levels prevailing on reference markets; towards this end trends in remuneration levels prevailing in the industry of reference are monitored through general and industry-specific surveys on remuneration practices;

- approval of the motion would also enable:

- *for Top Management*, for there to be no impact on the remuneration package applicable which may give rise, amongst other things, to the assignment of Long-Term Incentive schemes, entry plans/agreements, and/or stability agreements, the exceeding of the threshold for the 1:1 variable to fixed remuneration ratio, reaching values that in certain cases may be close to the 2:1 ratio threshold. It is important to stress that a very significant portion of total variable remuneration is linked primarily to the bank's medium/long-term objectives, using a Long Term Incentive mechanism, whilst the variable short-term remuneration component is linked to the achievement of economic and financial results indicated in the budget for the year in question, applying a Management by Objectives mechanism to be paid in cash and in shares;

- *for the other key personnel*, the contractual agreements entered into at the time of recruitment to be respected as well as there to be no impact on the remuneration package applicable which may include, amongst other things, the assignment of Long-Term Incentive schemes, entry plans/agreements, and/or stability agreements. It should be noted that, should the aforementioned LTI plan be applied, a significant portion of the overall variable remuneration of those managers as well would be linked to the attainment of medium-to-long term objectives, and paid in form of stock grants, whereas the variable component of the short-term remuneration would be linked to the achievement of the economic and financial performance budgeted for the year of reference, through the application of the Management by Objectives mechanism and paid in cash and shares;

- the remuneration package is made up of both variable and fixed components of remuneration. The fixed component has been established so as to account for a sufficient proportion of overall remuneration to attract and retain executive talent and provide adequate remuneration for job responsibilities even in the absence of additional bonuses or other incentives in light of substandard performance, so as to discourage risk-taking in excess of the company's capabilities, with a view to meeting short and medium-to-long term targets;
- the competitiveness of the remuneration package of Key Personnel is constantly monitored, taking due account of trends recorded on reference markets, and through the application, for high-level executives and managers, of the methods most used on the same. Even on the basis of these outside comparisons, the fixed component of remuneration has been found reasonably competitive in light of the remuneration packages offered by the company's main competitors on the reference market. This consideration leads to the following crucial conclusions:
  - a direct cut to the percentage of variable remuneration aimed solely at ensuring compliance with the recommended 1:1 ratio between the variable and fixed components of remuneration without any form of off-setting whatsoever would, at present, lead to a drastic drop in the competitiveness and therefore the attractiveness of the remuneration packages offered to the company's top management, giving rise to a serious risk of the exodus of persons who have ensured the bank's indisputable success in recent years;
  - in order to maintain an adequate level of retention of Key Managers, whilst also complying with the recommended 1:1 ratio between the variable and fixed components of remuneration, it would be necessary to "re-balance" the remuneration package on the overall, with a steep increase in the fixed component of compensation. Such a course would obviously entail the risk of losing flexibility and incurring higher costs linked to the managers' remuneration packages, whilst at the time, undermining the coherent link between short, and especially, long-term corporate performance and management remuneration, in a business climate featuring steady economic and revenue growth;
  - leaving current remuneration packages unaltered would not in any way compromise compliance with prudential rules, with particular regard to own funds requirements, as highlighted in the aforementioned report.

He confirms, as stated in detail in the aforementioned Report,

that the approval of the above proposal would not in any way compromise compliance with prudential rules, with particular regard to own funds requirements. He also recalls that the Bank of Italy's regulations mentioned above, from the standpoint of approval, require that the proposal be approved by the Shareholders' Meeting, in ordinary session, if:

- (i) the General Shareholders' Meeting is constituted with a structural quorum of at least one half of the share capital, and the motion is approved with the favourable vote of at least 2/3 of the share capital represented at the General Shareholders' Meeting;
- (ii) the motion is approved with the favourable vote of at least 3/4 of the share capital represented at the General Shareholders' Meeting, regardless of the amount of the latter;

and provided that no person to whom the Shareholder's resolution refers can exercise any voting rights they may hold.

After having made mention of the applicable rules and regulations, the CHAIRMAN also reports that the proposal to raise the ratio between the variable and fixed components of remuneration to 2:1 has been set out with the favourable opinion of the Remuneration Committee.

Having acknowledged this favourable opinion, the CHAIRMAN also invites the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval. The Chairman of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports the Board of Statutory Auditors' favourable opinion regarding the motion and the information provided in relation thereto.

The CHAIRMAN, having reported to the Shareholders' Meeting that prior to the holding thereof no questions regarding this item on the Agenda were received, accordingly declares open the debate on the fourth item on the Agenda to be considered by the Shareholders' Meeting.

The Shareholder Ottorino Massa withdraws his contribution on this item on the Agenda.

Having received no further requests to take the floor, the Chairman closes the debate on the fourth item on the Agenda and reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6;

- having regard to Bank of Italy's Circular No. 285, Chapter 2, Title IV, Part I of 17 December 2013 concerning "Remuneration and incentivisation policies and practices";
- having regard to the text of the motion raised by the Board of Directors with regard to increasing, in respect of spe-

cific persons, to 2:1 the ratio between the variable and fixed components of remuneration, as set forth in the Board of Directors' Report;

- having acknowledged the persons identified in the Report as mentioned in the preceding point and the grounds underlying the motion itself;
- having determined that the motion itself does not compromise compliance with prudential rules, and in particular, regulations pertaining own funds requirements;
- having considered that Article 13 of the Articles of Association makes provision for the setting of a higher ratio;
- having acknowledged the favourable opinion of the Remuneration Committee,
- having heard the favourable opinion of the Board of Statutory Auditors,

**resolves**

- 1) to establish the maximum extent of the ratio between the variable and fixed components of remuneration at 2:1 for the following corporate functions and persons:
  - Members of the Top Management (Chief Executive Officer/General Manager, Deputy General Manager Wealth Management Markets and Products, Deputy General Manager Commercial Networks, Alternative and support Channels);
  - Heads of Asset Management Area, Private RM Area, Alternative Channels and Support Area, Wealth Management Area;
  - Main network managers (Sales Managers, Area Managers, Head of Business Development Top Wealth Advisors/Top Private Bankers, and Head of Recruiting);
- 2) to place the Board of Directors in charge of implementing the approved resolution, including with the power to delegate to any of the Board's members all concrete steps to be taken to ensure such implementation."

The Chairman once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At eleven fifty four, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law, the regulations in force and the Articles of Association, with:

- 79,767,558 votes or 99.900% of the voting stock represented at the Shareholders' Meeting, in favour;

- 10,609 votes or 0.013% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting, with an indication of the number of votes represented by each, is attached hereto as **Schedule "N"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The Chairman then moves on to deal with the **fifth item** on the Agenda of this Shareholders' Meeting (Appointment of the Board of Directors, following definition of composition, term of office and remuneration of Board members; relevant and ensuing resolutions).

In such regard, the Chairman points out, first and foremost:

**that** the Directors' Report on the matters discussed hereunder, including the indications relating to the optimal qualitative and quantitative composition of the Board of Directors, pursuant to Bank of Italy's Circular No. 285/2013 and the Corporate Governance Code, were filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via U. Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the aforesaid documents.

Therefore, he invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

He then reports that, upon approval of the Financial Statements for the year ended 31 December 2017, the term of office of the Company's Directors, conferred by the General Shareholders' Meeting on 23 April 2015 for the three-year period 2015-2017, will come to an end.

He also reports that, pursuant to Article 15 of the Articles of Association, the new Board of Directors, following definition of its composition, will remain in office through to the date on which the General Shareholders' Meeting for the approval of the Financial Statements for the year ending 31 December 2020 will be actually held.

At this point, in expressing thanks and appreciation to the

members of the aforesaid governing body for their assiduous efforts on behalf of the Company so far, he points out that, pursuant to Article 15 of the Articles of Association, the Board of Directors is made up of no less than seven (7) and no more than (12) members and that the Board of Directors is appointed on the basis of lists. Candidates shall possess the requirements of professionalism, integrity and independence required by industry regulations as well as, with regard to independence requirements in particular, the Corporate Governance Code for Listed Companies of Borsa Italiana S.p.A., and not fall within the grounds of incompatibility set forth by applicable regulations in force, including Article 36 of Law No. 214 of 22 December 2011. Each candidate may appear on only one list, upon penalty of ineligibility.

It should be recalled that the Company is subject to management and coordination by Assicurazioni Generali S.p.A. Accordingly, the Board of directors of companies must consist of a majority of independent directors, pursuant to the provisions of Article 16, paragraphs 1(d) and 2, of the Regulation adopted by Consob with Resolution No. 20249 of 28 December 2017.

He reminds that the composition of the Board of Directors shall comply with the gender balance principle set forth by the applicable regulations. Therefore, in the next three-year period, at least one third of the members of the Board of Directors shall be elected from the less represented gender.

He reports that those shareholders who alone or in conjunction with other shareholders represent the percentage of share capital envisaged for the Company by current applicable regulations were entitled to submit a list and that lists shall contain a number of candidates, capable of ensuring gender balance, no higher than the number of members to be elected, listed by progressive number with a specific indication of the candidates who meet the statutory requirements of independence.

He also reports that, in accordance with the provisions of Bank of Italy's Circular No. 285/2013 and Article 2 of the Corporate Governance Code for Listed Companies, and having acknowledged the favourable opinion of the Nomination Committee, the Board of Directors has defined the optimal qualitative and quantitative composition of the Board of Directors; the related report is included in the folder provided to the attendees and attached hereto as schedule "L", as well as available on the Company's website at [www.bancagenerali.com](http://www.bancagenerali.com) in the "corporate governance/AGM" section."

He then reminds that the election of the Board of Directors will be carried out as provided for by Article 15, paragraphs 10, 11 and 12 of the Articles of Association.

In this regard, he announces that on 14 March 2018 a list was filed with the registered office by various undertakings for

collective investment, under the aegis of Assogestioni, accounting for a total investment of 1.00692% of share capital, composed of the following candidate:

TERZI VITTORIO EMANUELE

He clarifies that, in accordance with Consob Notice No. DEM/9017893 of 26 February 2009, the Shareholders who have presented said list also filed, along with the list and the additional documentation required by Article 15 of the Articles of Association, the declarations attesting to the absence of the direct or indirect connections cited in Article 147-ter, paragraph 3, of Legislative Decree No. 58/1998 and Article 114-quinquies of the Rules for Issuers, with the shareholder holding the controlling interest, Assicurazioni Generali S.p.A.

He then announces that on 15 March 2018, Shareholder Assicurazioni Generali S.p.A., which indirectly holds (through subsidiaries) 50.1714% of share capital, filed a list with the registered office composed of nine candidates, whom he then lists:

FANCEL GIANCARLO

MOSSA GIAN MARIA

RUSTIGNOLI CRISTINA

CALTAGIRONE AZZURRA

PESCATORI ANNALISA (independent)

GERVASONI ANNA (independent)

LAPUCCI MASSIMO (independent)

BRUGNOLI GIOVANNI (independent)

VENCHIARUTTI Angelo (independent)

He reports that the filing of the list was disclosed to the public as required by applicable provisions of laws, regulations and the Articles of Association.

He points out that the lists are accompanied by the information and documentation required by applicable provisions of laws, regulations and the Articles of Association and that all candidates already declared themselves ready and willing to accept directorships in the case of their appointment and, moreover, specified that they meet the requirements imposed under law and the Articles of Association, as well as that they do not stand in any of the situations of incompatibility. He reports that the lists also indicate the fitness of the majority of candidates to be classified as independent, as provided for by article 148 paragraph 3 of Legislative Decree 58/1998, article 16, paragraphs 1, letter d), and 2, of the Rules adopted by Consob with resolution No. 20249 of 28 December 2017, by the Corporate Governance Code of listed companies promoted by Borsa Italiana, as well as Bank of Italy Circular 285/2013.

At this juncture, the CHAIRMAN reports to the Shareholders' Meeting that the personal and professional characteristics of

each candidate are described in their resumes, which have been appended to the lists. In the interest of efficient conduct of the meeting, he refers the attendees to the aforementioned documentation, available from the Company's website at the address [www.bancagenerali.com](http://www.bancagenerali.com), section "Corporate Governance/AGM", for a description of a professional profile of each of the candidates.

After which, to complete the motions regarding this agenda item, he reports that the motion provides for the first candidate on the list who receives most votes to be appointed Chair of the Board of Directors.

Moreover, the CHAIRMAN reports that, besides the appointment of the Board of Directors for the financial years ending 31 December 2018, 2019 and 2020, this Shareholders' Meeting was also convened to pass a resolution determining the remuneration of the Board members, pursuant to Article 2389, paragraph 1, of the Italian Civil Code and Article 13, paragraph 2, of the Articles of Association.

In such regard, he points out that the remuneration due to Company Directors is currently comprised of a fixed component in the gross annual amount of 35,000.00 euros over and above the refund of out-of-pocket expenses incurred in the performance of their duties.

With regard to the foregoing, he reports that the relevant governing bodies of the Company have carried out a market analysis, accompanied by an in-depth sector-specific benchmarking. In light of the features of the Banca Generali Group, the aforesaid study indicates (i) to increase the remuneration established for directors to the gross annual amount of 45,000.00 euros, and (ii) in consideration of the important role that the regulatory framework, and especially the Bank of Italy Order No. 285/2013, assigns to the Chairman of the Board of Directors, to establish specific remuneration for the latter.

He then invites Giovanni Brugnoli, representing the Remuneration Committee, to propose the motions to the Shareholders' Meeting. Mr Brugnoli takes the floor and, on behalf of the Remuneration Committee, proposes that, throughout the period of office of the Board of Directors appointed by today's Shareholders' Meeting:

- to each member of the Board of Directors (save for the Chairman), over and above the refund of out-of-pocket expenses incurred in the performance of duties, is entitled to a remuneration in the gross annual amount of 45,000.00 euros;
- to the Chairman of the Board of Directors, over and above the refund of out-of-pocket expenses incurred in the performance of duties, is entitled to a remuneration in the gross annual amount of 70,000.00.

He invites then the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval.

The CHAIRMAN of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports to the Shareholders' Meeting of the Board of Statutory Auditors' favourable opinion regarding the motion.

The CHAIRMAN, having reported to the Shareholders' Meeting that prior to the holding thereof no questions regarding this item on the Agenda were received, accordingly declares open the debate on the fifth item on the Agenda to be considered by the Shareholders' Meeting in ordinary session.

The Chairman, after establishing that no-one wishes to speak, declares the debate closed on the fifth item on the agenda in ordinary session and starts the voting procedure, first of all regarding setting the number of members of the Board of Directors to be elected as nine for the years 2018, 2019 as 2020, as well as determining the remuneration payable to members of the Board of Directors itself. He then reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Articles 2364, paragraph 1(2), and 2389 of the Italian Civil Code;
- having regard to Articles 13 and 15 of the Articles of Association;
- having acknowledged the recommendations concerning the ideal qualitative and quantitative composition of the Board of Directors provided by the Board itself;
- having regard to the Remuneration Policies approved by the General Shareholders' Meeting;
- having regard to the Board of Directors' Report,

**resolves**

- 1) to set at 9 (nine) the number of the members of the Company's Board of Directors for financial years 2018-2019-2020, and therefore up to the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2020;
- 2) to establish – for the entire three-year term of office of the Board of Directors appointed by this General Shareholders' Meeting, and therefore, through to the actual approval of the Financial Statements for the financial year ending 31 December 2020 – the remuneration due to each member of the Board of Directors (save for the Chairman) at the gross annual amount of 45,000.00 euros, over and above the refund of out-of-pocket expenses incurred for the performance of duties;

- 3) to establish – for the entire three-year term of office of the Chairman of Board of Directors, and therefore, through to the actual approval of the Financial Statements for the financial year ending 31 December 2020 – the remuneration due to the Chairman of the Board of Directors at the gross annual amount of 70,000.00 euros, over and above the refund of out-of-pocket expenses incurred in the performance of duties;
- 4) to vest the Board of Directors with the responsibility of establishing the remuneration due to Directors entrusted with specific tasks, after hearing the Board of Statutory Auditors' opinion in such regard, pursuant to Article 2389, paragraph 3, of the Italian Civil Code."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At five past noon, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion relating to the determination of the number of members of the Board of Directors is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,778,167 votes or 99.913% of the voting stock represented at the Shareholders' Meeting, in favour;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting;

whilst there are no votes against.

He also announces that the aforesaid motion relating to the determination of the term of office of the Board of Directors is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,702,259 votes or 99.818% of the voting stock represented at the Shareholders' Meeting, in favour;
- 75,908 votes or 0.095% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

Lastly, he announces that the aforesaid motion relating to the determination of the remuneration of the Board of Directors is passed by the Shareholders' Meeting with the majority required

by law and the Articles of Association, with:

- 79,778,167 votes or 99.913% of the voting stock represented at the Shareholders' Meeting, in favour;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting;
- whilst there are no votes against.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 81.270% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of Italian Civil Code.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "O"**.

The CHAIRMAN then invites the Shareholders to take part in the second voting procedure, regarding the lists presented for appointment of the Board of Directors, after setting the number of Directors to be appointed at 9.

At six minutes past noon, the Chairman then invites the Meeting to vote using the swipe card, first for the list presented by Assicurazioni Generali and then the list sponsored by Assogestioni; he then invites those against both lists to cast their vote using the swipe card; finally he invites those abstaining to cast their vote using the swipe card.

The CHAIRMAN then proceeds to read out the results of the votes concerning the appointment of the Board of Directors. He then acknowledges that list submitted by Shareholder Assicurazioni Generali has received the relative majority of the votes, with 59,562,061 votes in favour, equal to 74.59% of share capital represented and having voting rights; list submitted under the aegis of Assogestioni received 20,112,585 votes in favour, equal to 25.19% of share capital represented and with voting rights; the votes against both lists were 77,249, equal to 0.10% of share capital represented and having voting rights; lastly, not voting were 95,750, equal to 1.12% of share capital represented.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "P"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

The Chairman then proceeds to read the meeting resolution

adopted on this second aspect of the item on the Agenda:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Article 2364, paragraph 1, subparagraph 2, of the Italian Civil Code;
- having regard to Articles 147-ter and 147-quinquies of Legislative Decree No. 58 of 24 February 1998, as subsequently amended and extended;
- having regard to Articles 144-ter et seq. of CONSOB resolution No. 11971 of 14 May 1999, as subsequently amended and extended;
- having regard to Article 15 of the Articles of Association;
- having regard to the Board of Directors' Report;
- having regard to the lists for the appointment of the Board of Directors, submitted on 14 March 2018 and 15 March 2018, respectively, by several Undertakings for Collective Investment in Transferable Securities under the aegis of Assogestioni and the shareholder Assicurazioni Generali,

**resolves**

- 1) to appoint as members of the Company's Board of Directors for financial years 2018-2019-2020, and therefore up to the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2020, the following:
  1. FANCEL GIANCARLO
  2. MOSSA GIAN MARIA
  3. RUSTIGNOLI CRISTINA
  4. CALTAGIRONE AZZURRA
  5. PESCATORI ANNALISA (independent)
  6. GERVASONI ANNA (independent)
  7. LAPUCCI MASSIMO (independent)
  8. BRUGNOLI GIOVANNI (independent)  
taken from the list submitted by the majority shareholder Assicurazioni Generali S.p.A. and
  9. TERZI VITTORIO EMANUELE (independent)  
taken from the minority list submitted by several Undertakings for Collective Investment in Transferable Securities under the aegis of Assogestioni;
- 2) to appoint as Chairman of the Board of Directors Giancarlo Fancel the first candidate on the list who has obtained most votes."

The CHAIRMAN, having thanked the shareholders for the confidence they have once again shown in him personally, extends his best wishes to the newly elected members of the Board of Directors.

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The CHAIRMAN then moves on to deal with the **sixth item** on the agenda of this Shareholders' Meeting (Appointment of the Board

of Statutory Auditors and its Chairperson; definition of the remuneration; relevant and ensuing resolutions).

In such regard, the Chairman points out, first and foremost **that** the Directors' Report on the matters discussed hereunder was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via U. Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the aforesaid documents.

Therefore, he invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

With the approval of the financial statements for the year ended 31 December 2017, the mandate of the Company's Statutory Auditors, conferred by the Shareholders' Meeting on 23 April 2015 for the three-year period 2015/2017 is terminated as the period of office has come to an end.

We extend our heartfelt thanks and appreciation to the members of the above control body for their relentless efforts to date on the Company's behalf, and remind you that, pursuant to Article 20 of the Articles of Association, the Board of Statutory Auditors is composed of a three Acting Auditors and two Alternate Auditors.

The CHAIRMAN then points out that it is necessary to appoint the new Board of Statutory Auditors, which will remain in office until the actual day of the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2020.

The CHAIRMAN reminds that, pursuant to the Articles of Association mentioned, the Board of Statutory Auditors is appointed based on lists of candidates, made up of two sections: one for the appointment of the Acting Auditors and the other for the appointment of the Alternate Auditors. The lists contain a number of candidates no higher than the number of members to be elected, listed by progressive number, and each section presents candidates in a manner that ensures gender balance, in compliance with applicable laws. Each candidate may appear on only one list, upon penalty of ineligibility.

He also reminds that candidates who fall within situations that are incompatible pursuant to law or those exceeding the maximum number of concurrent positions set forth by regulations in force may not be appointed to the Board of Statutory Auditors, and if so appointed, will fall from office, and that Statutory Auditors must possess the requisites required by applicable law and statutory regulations.

The Chairman reports that only Shareholders who, separately or jointly with other Shareholders, represent at least 1.00% of

share capital with voting rights in ordinary Shareholders' Meetings were entitled to submit lists.

The Chairman specifies that each shareholder (as well as (i) shareholders belonging to the same group, the latter being defined to include the party, which need not necessarily be a corporation, exercising control within the meaning of Article 2359 of the Italian Civil Code, and each subsidiary controlled by, or under the common control of the said party, or (ii) shareholders who have entered into the same shareholders' agreement within the meaning of Article 122 of Legislative Decree No. 58 of 24 February 1998, as amended, or (iii) shareholders who are otherwise associated with each other by virtue of associative relationships contemplated under the applicable statutory and/or regulatory framework) may contribute to the submission of and voting for only one list. In the event of breach, account will not be taken of the relative vote given to any of the lists.

He goes on to point out that:

- on 14 March 2018, a list was filed with the registered office by various undertakings for collective investment, under the aegis of Assogestioni, accounting for a total investment of 1.00692% of share capital, composed of one candidate for the office of Alternate Auditor, as listed below:  
CREMONA MASSIMO MARIA  
as Acting Auditor and  
CONSORTI GIANFRANCO  
Alternate Auditor
- on 15 March 2018, Shareholder Assicurazioni Generali S.p.A., which indirectly holds (through subsidiaries) 50.1714% of share capital, filed a list with the registered office composed of three candidates for the office of Acting Auditor and two candidates for the office of Alternate Auditor, whom he then lists:  
ANACLERIO MARIO FRANCESCO  
MINUTILLO FLAVIA DAUNIA  
ALESSIO VERNI' GIUSEPPE  
as Acting Auditors and  
GNUDI MARIA-MADDALENA  
GIAMMATTEI CORRADO  
as Alternate Auditors

He clarifies that, in accordance with Consob Notice No. DEM/9017893 of 26 February 2009, the Shareholders who have presented a minority list grouped together under the aegis of Assogestioni also filed, along with the list and the additional documentation required by Article 20 of the Articles of Association, the declarations attesting to the absence of the direct or indirect connections cited in Article 147-ter, paragraph 3, of Legislative Decree No. 58/1998 and Article 114-quinquies of the Rules for Issuers, with the shareholder hold-

ing the controlling interest, Assicurazioni Generali S.p.A. He reports that the filing of the list was disclosed to the public as required by applicable provisions of laws, regulations and the Articles of Association.

He reports that the lists are accompanied by the information and documentation required by applicable provisions and that the candidates have already declared that they will accept the position if they are appointed.

At this juncture, the CHAIRMAN reports to the Shareholders' Meeting that the personal and professional characteristics of each candidate are described in their resumes, which have been appended to the lists. In the interest of efficient conduct of the meeting, he refers the attendees to the aforementioned documentation, available from the Company's website at the address [www.bancagenerali.com](http://www.bancagenerali.com), section "Corporate Governance/AGM", for a description of a professional profile of each of the candidates. The above also applies to the list of administration and control positions filled by the candidates at other companies for the purposes of Article 2400 of the Italian Civil Code.

At this point he reminds those present that, pursuant to article 20 of the Articles of Association, the Chairmanship will be held by the Acting Auditor taken from the Minority List and the first two candidates on the list obtaining most votes will be elected as Acting Auditors.

Resolutions must be passed in respect of the appointment as well as the annual remuneration of the members of Board of Statutory Auditors.

In such regard, it must be pointed out that the remuneration of the Company's Board of Auditors is currently established at the gross annual amount of 40,000.00 euros for the Chairman and the gross annual amount of 30,000.00 euros per each Acting Auditor, over and above reimbursement of expenses sustained for attending meetings upon submitting an expense account.

With regard to the above, the relevant administrative bodies of the Company have analysed prevailing trends, on the basis of in-depth sector-specific benchmarking. Accordingly, it is proposed to confirm for the three-year term of office of the Board of Statutory Auditors, and therefore through to the approval of the financial statements for the financial year ending 31 December 2020, the gross annual remuneration of 60,000.00 euros for the Chairman of the Board of Statutory Auditors and 40,000.00 euros for each Acting Auditor, over and above the refund of out-of-pocket expenses sustained for the position held.

The CHAIRMAN, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the sixth item on the Agenda to be considered by the

Shareholders' Meeting in ordinary session.

None of the attendees requests to take the floor.

Having received no further requests to take the floor, the CHAIRMAN closes the debate on the sixth item on the agenda of the Shareholders' Meeting held this day.

The CHAIRMAN then begins the voting procedure relating to the Appointment of the Board of Statutory Auditors and its Chairman for financial years ending 31 December 2018, 2019 and 2020.

The Chairman once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At twelve seventeen, the Chairman then invites the Meeting to vote using the swipe card, first for the list presented by Assicurazioni Generali and then for the list sponsored by Assogestioni; he then invites those against both lists to cast their vote using the swipe card; finally he invites those abstaining to cast their vote using the swipe card.

Following the completion of the voting procedure for the item on the agenda, the Chairman then proceeds to read out the results of the votes concerning the appointment of the Board of Statutory Auditors. He then acknowledges that the list submitted by Shareholder Assicurazioni Generali has received the relative majority of the votes, with 59,521,948 votes in favour, equal to 74.54% of share capital represented and having voting rights; the list submitted under the aegis of Assogestioni received 19,936,543 votes in favour, equal to 24.97% of share capital represented and with voting rights; the votes against both lists were 74,784, equal to 0.09% of share capital represented and having voting rights, lastly, not voting were 314,370, equal to 0.39% of share capital represented and having voting rights.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "Q"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

The Chairman then indicates that, in accordance with the law and Articles of Association, and considering that, on the basis of the documents and information at his disposal, the Chairman of the Shareholders' Meeting does not believe that there are any material relationships for the purposes of appointment of the Minority Statutory Auditor, the following have been elected for the three years 2018, 2019 and 2020, and thus until the end of the Shareholders' Meeting called on to

approve the Financial Statements for the year ending 31 December 2020:

- Acting Auditor, as well as Chairman of the Board of Statutory Auditors, Massimo Maria CREMONA, as the only candidate on the list obtaining the second highest number of votes;
- Acting Auditor, Mario Francesco ANACLERIO, first candidate on the list obtaining the highest number of votes;
- Acting Auditor, Flavia Daunia MINUTILLO, second candidate on the list obtaining the highest number of votes;
- Alternate Auditor, Maria-Maddalena GNUDI, first candidate on the list obtaining the highest number of votes;
- Alternate Auditor, Gianfranco CONSORTI, first candidate on the list obtaining the second highest number of votes.

In accordance with Article 2400 of the Italian Civil Code, an account is given of the administration and control positions filled at other companies by the Statutory Auditors elected, as listed in the list attached hereto as **Schedule "R"**.

The CHAIRMAN extends his best wishes to the newly elected members of the Board of Statutory Auditors.

He then invites the Shareholders to resolve on the annual remuneration of the members of the control board and, starting the second voting procedure on this agenda item, reads the text of the resolution proposed which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to article 2402 of the Italian Civil Code;
- having regard to Article 20 of the Articles of Association;
- having regard to the Board of Directors' Report;

**resolves**

to set for financial years 2018-2019-2020, and therefore up to the Shareholders' Meeting called to approve the Financial Statements for the year ending 31 December 2020, the annual remuneration at the gross annual amount of 60,000.00 euros for the Chairman of the Board of Auditors and the gross annual amount of 40,000.00 euros for each Acting Auditor."

At twelve twenty one, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,778,167 votes or 99.913% of the voting stock represented at the Shareholders' Meeting, in favour;
- 30,000 votes or 0.038% of the voting stock represented at

- the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting;
  - whilst there are no votes against.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, and abstaining, with an indication of the number of votes represented by each, is attached hereto as **Schedule "S"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN then moves on to deal with the **seventh item** on the Agenda of this Shareholders' Meeting (Approval of the 2018 long-term incentive plan pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions).

In such regard, the CHAIRMAN points out, first and foremost **that** the Directors' Report on the matters discussed hereunder was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via U. Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the Directors' Report on the matters discussed hereunder along with the Information Document on the 2018 LTI Plan, prepared in accordance with Article 114-bis of TUF and Article 84-bis of the Rules for Issuers. The Chairman then invites the attendees to examine the folder distributed to them and entitled "*Reports and Motions on the Items on the Agenda*", which is attached to these minutes as Schedule "L".

He consequently goes on to state that a motion has been raised, pursuant to article 114-bis of TUF, for the adoption of a long-term incentivisation plan, called 2018 *LTI Plan*, approved during the Board of Directors' meeting held on 1 March 2018.

In accordance with applicable laws and regulations, and with best practices in this area (including the recommendations of the Corporate Governance Code for Listed Companies), the Plan aims to pursue the goal of increasing the value of Banca Generali's shares ("Shares"), while also aligning the economic interests of the Beneficiaries with those of shareholders. The Plan's goals are thus as follows:

- to establish a correlation between the variable component of remuneration tied to medium-to-long term objectives and the creation of value for shareholders, with an eye, in any

event, to the sustainability of the group and its actual results;

- to develop a culture of performance according to a group approach;
- to contribute to the creation of a balanced mix of fixed and variable components of the beneficiaries' remuneration;
- to retain the management at the level of the Banking Group.

In particular, the Plan aims to reinforce the relationship between the remuneration of Beneficiaries and the performance of the Bank and the Banking Group, ensuring consistency with the expected performance defined in the Generali Group's strategic plan.

To achieve these objectives, it has decided to:

- pay a portion of the variable remuneration in the form of Shares and only at the achievement of Objectives;
- link the incentive to the share value resulting from the average Share price in the three months prior to the approval, by the Board of Directors, of the draft financial statements and consolidated financial statements for the previous financial year;
- define a three-year vesting period;
- provide for specific malus and claw-back clauses.

The Beneficiaries of this Plan are the Chief Executive Officer, the Deputy General Managers, the General Managers of Subsidiaries, the Heads of Directions reporting to the Chief Executive Officer and the Deputy General Managers – with the exception of the control function – who will be identified by the Board of Directors, at its sole discretion, upon launching of the Plan or during the Plan's three-year period, taking account of the role they have in the Banking Group and provided that such role is significant also for the Generali Group.

The Plan provides for payment of a number of Shares or, instead of Shares, a substitute sum, directly linked to the achievement of given objectives, namely the performance indicators both at Banking Group and Generali Group level, as indicated in the Letter of Participation.

A total of four objectives were identified: two Generali Group objectives linked to objectively measurable indicators such as, for example, the Relative TSR or Return on Equity (ROE), which impact on the 20% of Shares to be assigned to each Beneficiary and two Banking Group objectives, also linked to objectively measurable indicators such as, for example, the tROE and the EVAs which impact on the 80% of the number of Shares to be assigned to each Beneficiary.

Even if the objectives are achieved, Banca Generali will not assign the Shares to Beneficiaries if the Banca Generali Banking Group Gates are not achieved, namely specific Banking Group access thresholds connected to the Total Capital Ratio and Liquidity Capital Ratio. In addition, Banca Generali will

not assign the portion of Shares dependent on the achievement of Generali Group objectives, if the Generali Group Gates are not achieved, namely specific General Group access thresholds connected to the *Regulatory Solvency Ratio*.

The Plan receives no support from the Special Fund for encouraging workers to participate in enterprises, mentioned in Article 4, paragraph 112 of Law No. 350 of 24 December 2003.

The Shares granted to the Beneficiaries will be freely available under the following terms and conditions:

- 50% will be immediately available (in order to enable the beneficiaries to bear the tax charges related to the grant);
- the remaining 50% will not vest for a period of two years.

This is without prejudice to a different determination of the Board of Directors that is the most favourable for Beneficiaries and the provisions set forth in the Bank of Italy's Circular No. 285 dated 17 December 2013 ("Circular") and all applicable regulations.

The lock-up period will begin on the date on which the Shares are registered on the current account in the name of the Beneficiaries at the Plan Administrator.

After the expiry date of the periods in which shares are locked up, as described above, further lock-up periods may be applied to Shares (pursuant to subsequent resolutions by the Board of Directors), in compliance with the recommendations of the Corporate Governance Code.

These Shares shall not be transferred to third-parties – and therefore may not be sold, assigned, exchanged, carried forward, or otherwise be transferred to any living person – until the end of the above mentioned time periods, unless authorised by the Board of Directors, which may also order the Shares to remain in custody.

In the event of termination of the Relationship, the Board of Directors may redefine, without prejudice to compliance with the Circular and the applicable regulations, the terms and conditions of all of the above-mentioned lock-up periods, possibly also considering the overall remuneration of the interested Beneficiary, or also by referring to Shares granted in execution of other incentive plans.

The CHAIRMAN reports that the 2018 LTI Plan has been set out with the favourable opinion of the Remuneration Committee.

The Chairman invites then the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval.

The Chairman of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports the Board of Statutory Auditors' favourable opinion regarding the motion and the information provided in relation thereto.

The CHAIRMAN, having reported to the Shareholders' Meeting that

prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the seventh item on the Agenda to be considered by the Shareholders' Meeting.

None of the attendees requests to take the floor.

Having received no further requests to take the floor, the Chairman closes the debate on the seventh item on the agenda and reads the text of the proposed resolution which is as follows:

"The Ordinary Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Board of Directors' Report on this item on the Agenda;
- having regard to the Long-Term Incentive Plan "2018 LTI Plan", prepared pursuant to Article 114-bis of TUF and Article 84-bis of the Rules for Issuers, to which reference is made;
- having regard to Article 114-bis of TUF and the regulatory provisions issued by Consob;
- having acknowledged the favourable opinion of the Remuneration Committee,
- having heard the favourable opinion of the Board of Statutory Auditors;

**resolves:**

1. to approve, pursuant to and for the intents and purposes of Article 114-bis of TUF, the adoption of the plan reserved to executive directors, top managers and managers of Banca Generali S.p.A. and/or of the companies of the Banca Generali Group, subject to the terms, conditions and procedures set forth in the related Information Document attached to the Director's Report to which reference is made;
2. to confer on the Board of Directors the broadest powers to implement the Plan, including, without limitation, authority to: (i) determine and draw up any and all related implementing provisions; (ii) identify the beneficiaries of the Plan and set performance targets; (iii) determine the number of Banca Generali S.p.A. shares available for assignment as well as the number of Shares to be granted to each beneficiary; (iv) effect the aforesaid Share assignment or disbursements of the cash settlement; (v) discharge any and all formalities and submission, filing, disclosure and/or other obligations or requirements as may be necessary or useful to properly administer and implement the Plan and the Plan rules with the broadest powers to delegate all or some of the aforesaid powers and authority to the Chief Executive Officer pro tempore."

At twelve twenty eight, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then in-

vites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 65,627,435 votes or 82.191% of the voting stock represented at the Shareholders' Meeting, in favour;
- 14,150,732 votes or 17.722% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, and abstaining, with an indication of the number of votes represented by each, is attached hereto as **Schedule "T"**.

The SECRETARY reports that, at the time of voting, 425 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN then moves on to deal with the **eighth item** on the Agenda of this Shareholders' Meeting (Approval of a Network Loyalty Plan for 2018 pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions).

In such regard, the Chairman points out, first and foremost **that** the Directors' Report on the matters discussed hereunder was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via Ugo Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the Directors' Report on the matters discussed hereunder along with the Information Document on the 2018 Loyalty Plan regulated under the Framework Loyalty Programme, prepared in accordance with Article 114-bis of TUF and Article 84-bis of the Rules for Issuers. Therefore, he invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

Pursuant to Article 114-bis of TUF, the General Shareholders' Meeting will be asked to approve the adoption of a Network Loyalty Plan for 2018 ("Loyalty Plan 2018") included in the

Bank's Framework Loyalty Programme ("Framework Loyalty Programme"), approved by the Board of Directors on 1 March 2018 and aimed at the Bank's Financial Advisors authorised to make off-premises offers who do not serve in managerial positions, more precisely financial planners, wealth advisors, private bankers, financial planner agents, executive managers and financial planner agent managers ("Financial Advisors"), and at the Bank's relationship managers (including the so-called Heads of Team)("Relationship Managers").

For definitions and an illustration of the content and provisions of the Loyalty Plan 2018, the CHAIRMAN refers the attendees to the Information Document of the Loyalty Plan 2018 regulated under the Framework Loyalty Programme, prepared in accordance with Article 114-bis of TUF and Article 84-bis of the Rules for Issuers, made available to the public according to the terms and methods required under applicable legislation.

He dwells therefore on the methods and clauses for the implementation of the Plan – cited in detail in the aforementioned Report – in support of the proposal, emphasising that:

- the Loyalty Plan 2018 is aimed at Financial Advisors and Relationship Managers who had an agency or employment professional relationship with the Bank at 31 December 2016 ("Professional Relationship"), excluding those who were on notice of termination at that date, and who had at least five years of service within the company by 31 December 2017;
- the Framework Loyalty Programme (and thus the 2018 Loyalty Plan, like all plans that will be prepared by the Bank each year in accordance with the Loyalty Framework Programme ("Plans") currently provides, and will continue to provide, for the payment to the beneficiaries of a cash bonus, unless the Board of Directors decides to submit for the approval of the Shareholders' Meeting the payment of a portion of the bonus (up to a maximum of 50%) in shares of the Bank ("Shares"). With regard to the Loyalty Plan 2018, the Board of Directors intends to exercise this option;
- accrual and payment of the bonus are conditional upon:
  - a) the satisfaction of certain performance-related conditions;
  - b) the achievement of the Banking Group's access gate and the satisfaction of any additional conditions imposed by laws and regulations or instructions from the competent supervisory authorities and, in any event, conditions resolved upon by the Shareholders' Meeting to ensure compliance with the aforementioned regulatory sources or, in any event, to ensure the Bank's stability or liquidity;
  - c) the application of the malus and claw-back mechanisms established by the remuneration policies adopted by the

Bank from time to time.

- any bonus accrued must be paid on a deferred basis (in the case of the Loyalty Plan 2018, a period of nine years) within 60 days of the approval of the 2026 Financial Statements. For the entire deferral period, interest will be recognised on the cash portion of any accrued bonus.
- beneficiaries shall retain their entitlement to receive any bonuses already accrued and subject to deferral in certain cases of severance of the Professional Relationship, but shall in any event be barred from inclusion in any Plans following the termination thereof;
- the Framework Loyalty Program receives no support whatsoever from the Special Fund for encouraging workers to participate in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003;
- the Framework Loyalty Programme does not impose any retention period, with the result that, upon expiry of the deferral period, and as of the settlement date, any and all assigned Shares shall be fully and freely available, subject to any further availability constraints applicable to the "key personnel" pursuant to current pro tempore Remuneration Policies.

The CHAIRMAN reports that the Loyalty Plan 2018, as well as the Framework Loyalty Plan, have been set out with the favourable opinion of the Remuneration Committee.

The CHAIRMAN invites then the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval.

The CHAIRMAN of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports the Board of Statutory Auditors' favourable opinion regarding the motion and the information provided in relation thereto.

The Chairman, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the eighth item on the Agenda to be considered by the Shareholders' Meeting.

None of the attendees requests to take the floor.

Having received no further requests to take the floor, the Chairman closes the debate on the eight item on the agenda and reads the text of the proposed resolution which is as follows:

"The Ordinary Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Board of Directors' Report on this item on the Agenda;
- having regard to the Information Document concerning the 2018 Network Loyalty Plan, regulated under the Framework

Loyalty Programme, drafted pursuant to Article 114-bis of TUF and Article 84-bis of the Rules for Issuers, to which reference is made;

- having regard to Article 114-bis of TUF and the regulatory provisions issued by Consob;
- having acknowledged the favourable opinion of the Remuneration Committee,
- having heard the favourable opinion of the Board of Statutory Auditors;

**resolves**

1. to approve, pursuant to Article 114-bis of TUF, the adoption of the 2018 Network Loyalty Plan, regulated under the Framework Loyalty Programme for Banca Generali S.p.A.'s Financial Advisors authorised to make off-premises offers and Banca Generali S.p.A.'s Relationship Managers, the terms, conditions and manners of which are described in the relevant Information Document annexed to the Board of Directors' Report, to which reference is made;
2. to delegate to the Board of Directors the task of establishing the percentage of the bonus receivable in Shares, from a minimum of 0% through to a maximum of 50% of the overall amount of the bonus in question;
3. to authorise, with express powers of substitution, the Chairman of the Board of Directors and the Chief Executive Officer, severally and not jointly, to establish the procedures, timing and all the executive and other terms, with a view to ensuring the optimal implementation of this resolution, effecting for such purpose any and all related assessments and checks, and proceeding with any and all related formalities, filings and submissions, without exclusion or exception whatsoever."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At twelve thirty three, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 65,493,379 votes or 82.023% of the voting stock represented at the Shareholders' Meeting, in favour;
- 14,284,738 votes or 17.890% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at

the Shareholders' Meeting, abstaining;  
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "U"**.

The SECRETARY reports that, at the time of voting, 424 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN then moves on to deal with the **ninth item** on the Agenda of this Shareholders' Meeting (Approval of the share-based Incentivisation System pursuant to Article 114-bis of Legislative Decree No. 58/1998; assignment of powers; relevant and ensuing resolutions).

In such regard, the Chairman points out, first and foremost **that** the Directors' Report on the matters discussed hereunder was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via Ugo Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the Directors' Report on the matters discussed hereunder along with the Information Document on the Incentivisation System, prepared in accordance with Article 114-bis of TUF and Article 84-bis of the Rules for Issuers. Therefore he invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

He thus continues his intervention by reporting that, pursuant to Article 114-bis of TUF, it is proposed to adopt an Incentivisation System for 2018 ("Incentivisation System"), intended for the Key Personnel of the Banca Generali Group (i.e., persons whose activities have or may have an impact on the risk profile of the Bank or the Banca Generali Group).

The Incentivisation System is aimed in particular to the personnel identified by the Bank as key personnel pursuant to applicable regulations.

For definitions and an illustration of the content and provisions of the Incentivisation System, the CHAIRMAN refers the attendees to the already cited Information Document on the Incentivisation System, drafted in accordance with Article 114-bis of TUF and Article 84-bis of the Rules for Issuers, made available to the public according to the terms and methods required under applicable legislation.

He therefore reports that the Incentivisation System serves

the following purposes:

- a) it allows the Bank to comply with the provisions of Bank of Italy Circular No. 285 of 17 December 2013, requiring that part of the variable component of the remuneration package of Key Personnel be composed of financial instruments, contingent on sustainable performance conditions;
- b) it allows better alignment of the interests of the Banca Generali Group's management and those of its shareholders through attentive management of company risks and pursuit of long-term strategies.

He dwells therefore on the methods and clauses for the implementation of the Incentivisation System – cited in detail in the aforementioned Report – in support of the proposal, emphasising that:

- the Incentivisation System provides that a part (25%) of the variable remuneration of Banca Generali Group's Key Personnel be disbursed through the free award of Shares according to the following allotment mechanism:
  - for amounts in excess of the threshold set in 75,000.00 euros:
    - a) 60% of the bonus will be disbursed up front, during the year after the year of reference, 75% in cash and 25% in Shares;
    - b) 20% of the bonus will be deferred for one year: 75% in cash and 25% in Shares;
    - c) the remaining 20% of the bonus will be deferred by two years: 75% in cash and 25% in Shares;
  - if the actual Bonus accrued, also by Key Personnel, is below an indicated threshold, it will be paid in full up-front (75% in cash and 25% in shares) during the year after that of reference, once the Board of Directors has verified earnings results during the year of accrual and satisfaction of the access gate.

The award of the bonus (and thus also of the Shares) is contingent on:

- a) achievement of the quantitative and qualitative performance objectives;
- b) achievement of an access gate by the Banca Generali Group, on the basis of the final earnings results for the year;
- c) assessment, at the time of each assignment, of the conditions underlying the "malus" mechanism set out in the Bank's remuneration policies as in effect at the time;
- d) observance of the cap mechanism aimed at ensuring that the ratio of total variable remuneration to total fixed remuneration remains within the pre-determined limits.

The Incentivisation System does not receive any support from the Special Fund for encouraging workers to participate in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003.

The allotment of the portion of the bonus to be paid in Shares will take place when the bonus accrues, whereas the remainder will be settled on a deferred basis, over a total period of two years.

The Shares shall be subject to a retention period of one year from the end of the accrual period.

The Chairman reports that the Incentivisation System has been set out with the favourable opinion of the Remuneration Committee.

The CHAIRMAN invites then the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the motion submitted to the Shareholders' Meeting for approval.

The CHAIRMAN of the Board of Statutory Auditors, Massimo Cremona, accordingly takes the floor and reports the Board of Statutory Auditors' favourable opinion regarding the motion and the information provided in relation thereto. The Chairman, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the ninth item on the Agenda to be considered by the Shareholders' Meeting.

None of the attendees requests to take the floor.

Having received no further requests to take the floor, the Chairman closes the debate on the ninth item on the Agenda and reads the text of the proposed resolution which is as follows:

"The Ordinary Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to the Board of Directors' Report on this item on the Agenda;
- having regard to the Information Document on the share-based Incentivisation System, prepared pursuant to Article 114-bis of TUF and Article 84-bis of the Rules for Issuers, to which reference is made;
- having regard to Article 114-bis of TUF and Consob's regulatory provisions,
- having acknowledged the favourable opinion of the Remuneration Committee,
- having heard the favourable opinion of the Board of Statutory Auditors;

**resolves**

1. to approve, pursuant to Article 114-bis of TUF, the adoption of the share-based Incentivisation System for Key Personnel, the terms, conditions and mechanisms of which are described in the relevant information document attached to the Board of Directors' Report, to which reference is made;
2. to grant the Chairman of the Board of Directors and the Chief Executive Officer, severally and with the express

power to sub-delegate, all of the necessary and appropriate powers to effect complete and full implementation of the Incentivisation System, in accordance with the terms and conditions set out in the information document on the share-based incentivisation plan, to which reference is made. In passing all relevant resolutions, the Board of Directors will act on the basis of a non-binding opinion of the Remuneration Committee and – in the cases set out in Article 2389, paragraph 3, of the Italian Civil Code – after considering the opinion of the Board of Statutory Auditors."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At twelve forty, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the CHAIRMAN announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 79,460,935 votes or 99.516% of the voting stock represented at the Shareholders' Meeting, in favour;
- 317,182 votes or 0.397% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "V"**.

The SECRETARY reports that, at the time of voting, 424 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

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The CHAIRMAN then moves on to deal with the **tenth item** on the Agenda of this Shareholders' Meeting (Authorisation to buy back and dispose of treasury shares in service of remuneration policies; assignment of powers; relevant and ensuing resolutions.)

In such regard, the Chairman points out, first and foremost **that** the Directors' Report on the matters discussed hereunder

was filed, as established by law, with the Company's registered office in Trieste, at Via Machiavelli 4, its operating offices in Milan at Via Ugo Bassi 6, Borsa Italiana S.p.A. and the authorised storage mechanism. The said documents have also been made available on the Company's website;

**that** the folder distributed to all attendees contains the aforesaid documents.

Therefore, he invites the attendees to examine the document attached hereto as Schedule "L" included in the folder distributed to them.

He then proposes the Shareholders' Meeting to resolve upon the authorisation, within the meaning of Articles 2357 and 2357-ter of the Italian Civil Code, as well as Article 132 of Legislative Decree No. 58/1998, as further amended, to acquire no more than 577,644 ordinary shares in Banca Generali S.p.A., and to subsequently dispose of the same, in one or more tranches. He points out that the aforesaid shares currently represent 0.494% of the Company's share capital.

He reminds in particular the meeting that the Shareholders' Resolution of 20 April 2017 authorising the buy-back and disposal of treasury shares for a period of 18 months following the date of the resolution itself must first be revoked.

He explains the reasons for the proposed resolution, reminding that the Remuneration Policies of the Banking Group headed by Banca Generali (the "Banca Generali Group"), which were drawn up in compliance with the Supervisory Provisions and submitted to the Shareholders' Meeting for approval, require a portion of the variable component of remuneration, including any emolument to be granted in view or in the event of early termination of the professional relationship or the position held, be paid by assigning financial instruments in service of the following.

With reference to the incentivisation System based on financial instruments for key personnel in the Banca Generali Group, just adopted by the Meeting, and the incentivisation system of subsidiary companies required to adopt specific remuneration policies for their own key personnel under local and/or industry regulations, it is noted that the remuneration policies require that the remuneration package for the personnel identified by the Bank as key personnel pursuant to applicable regulations be made of fixed and variable components and that, in accordance with applicable regulatory provisions and the principle of proportionality, 25% of the accrued variable remuneration be paid by assigning Banca Generali's ordinary shares.

Within the framework of remuneration policies, early severance packages can be defined in case of early termination of the professional relationship or the position held. With regard to Key Personnel, applicable regulations mainly subjects this

mechanism to the regulatory provisions governing the variable component of remuneration and, in particular, envisages, *inter alia*, that a portion of the consideration to be granted in view or in the event of early termination of the professional relationship or the position held be paid by assigning financial instruments. Banca Generali S.p.A. has opted to implement this provision through assignment of its ordinary shares.

Therefore, he reminds that the General Shareholders' Meeting has just approved the adoption of a long-term incentivisation plan, based exclusively on shares, called 2018 LTI Plan, which provides for the assignment to the beneficiaries of a number of Banca Generali shares upon the achievement of certain objectives, as well as the approval of a Network Loyalty Plan (Financial Advisors authorised to make off-premises offers who do not serve in managerial positions, Financial Advisors and Relationship Managers), which provides for the assignment to the beneficiaries of a bonus upon the achievement of certain objectives, to be paid in company shares for a portion not exceeding 50%.

In consideration of all of the above, the CHAIRMAN reminds the General Shareholders' Meeting that the aforesaid provisions are to be implemented through the assignment of ordinary shares in Banca Generali S.p.A. and stresses that Shareholder authorisation is sought to enable the Company to acquire the shares necessary to implement the aforesaid incentivisation and loyalty plans (including compensation agreed upon in view or in the event of early termination of the professional relationship). He specifies that the buy-back will be carried out within the limits of distributable profits and unrestricted reserves, as per the latest duly approved financial statements.

He reminds that as at 31 December 2017, Banca Generali held 472,575 treasury shares, or 0.404% of the Company's share capital, and that Banca Generali's subsidiaries hold no shares whatsoever in their Parent Company. As a result, even if the authorisation is availed of to the fullest extent, the number of treasury shares held by the Company would, in any event, fall well within the limit imposed under the third paragraph of Article 2357 of the Italian Civil Code.

He further points out:

**that** the authorisation to acquire treasury shares is sought for a period of eighteen months, whereas authorisation to dispose of treasury shares, whether already held by the Company or to be acquired for the purposes detailed above, is sought without any limitation whatsoever in terms of time, given that there are no regulatory constraints in such regard, and that, moreover, it appears well-advised to afford management the freest hand possible, including in terms of time, with regard to the disposal of the same;

**that** the minimum purchase price of ordinary shares shall not be lower than the nominal value of the share, i.e., 1.00 euro, whereas the maximum purchase price shall not exceed by 5% the reference price of the stock on the trading day preceding the day on which each purchase is made;

**that** pursuant to Article 144-bis, paragraph 1(b), of the Rules for Issuers issued by Consob with Resolution No. 11971 of 14 May 1999, as further amended, the treasury shares shall be acquired in accordance with the operating procedures set forth in the organisational and operating rules of the markets themselves, so as to ensure equal treatment for all Shareholders. With regard to the grounds underlying the motion for authorisation, and in particular with reference to the disposal of shares, the said disposal will entail the assignment of treasury shares, free of charge, to Key Personnel of Banca Generali and its subsidiaries as payment – provided that all regulatory requirements and conditions have been met – of the variable component of remuneration, and as settlement, pursuant to applicable legislation, of the compensation agreed upon in view or in the event of early termination of the professional relationship or the position held, and to the beneficiaries of the 2018 LTI Plan and the beneficiaries of the 2018 Network Loyalty Plan, provided, obviously, that any and all conditions, whether regulatory or imposed under the plans, have been met, it being further understood that the same terms and conditions shall also apply to the treasury shares already held by the Company.

The CHAIRMAN further specifies that further details are given in the Report included in the folder provided to all attendees and in the document attached hereto as Schedule "L".

The CHAIRMAN reports to the General Shareholders' Meeting that this item was placed on the Agenda with the favourable opinion of the Remuneration Committee, taking due account of the number of treasury shares covered by the related motion.

The Chairman then invites the Chairman of the Board of Statutory Auditors to express, on behalf of the Board he chairs, the opinion of such Board on the above-mentioned motion.

Massimo Cremona, on behalf of the Board of Statutory Auditors, expresses the Board of Statutory Auditors' favourable opinion on the motion submitted.

The CHAIRMAN, having reported to the Shareholders' Meeting that prior to the holding thereof, no questions regarding this item on the Agenda were received, accordingly declares open the debate on the tenth item on the Agenda to be considered by the Shareholders' Meeting.

The Shareholder **OTTORINO MASSA** intervenes to ask for numerical clarification on the terms of the operation, which is provided by the Chairman.

Having received no further requests to take the floor, the

CHAIRMAN closes the debate on the tenth item on the Agenda and reads the text of the proposed resolution, which is as follows:

"The Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session, at the offices of Assicurazioni Generali S.p.A. in Trieste, at Via Machiavelli 6,

- having regard to Articles 114-*bis* and 132 of Legislative Decree No. 58 of 24 February 1998, as further extended and amended;
- having regard to Articles 2357 and 2357-*ter* of the Italian Civil Code;
- having acknowledged that the number of shares in Banca Generali currently held by the Company and its subsidiaries fall well within the limit imposed under Article 2357, paragraph 3, of the Italian Civil Code;
- having regard to the Board of Directors' Report on this item on the agenda;
- having regard to the Financial Statements for the year ended 31 December 2017, that have just received Shareholder approval;
- having acknowledged the favourable opinion of the Remuneration Committee, with reference to the number of treasury shares covered by the related motion;
- having heard the favourable opinion of the Board of Statutory Auditors;

**resolves**

- 1) to revoke, to the extent not executed, the previous authorisation of 20 April 2017, and to authorise, within the meaning of Articles 2357 and 2357-*ter* of the Italian Civil Code, the buy-back of no more than 577,644 ordinary shares issued by Banca Generali S.p.A., of a nominal value of 1.00 euro each, as well as the disposal, in one or more tranches, of the treasury shares, including those purchased upon implementation of this resolution, subject to the following terms and conditions:
  - a) the authorisation is limited to acquisitions to be effected for the purposes specified;
  - b) the minimum purchase price of ordinary shares cannot be lower than the nominal value of the share, equal to 1.00 euro. The maximum purchase price cannot exceed 5% of the reference price of the stock on the trading day preceding the day on which each buy-back is made; in any event, the Company shall purchase the aforementioned shares at a price not exceeding 41.298 euros per share, corresponding to the closing price of Banca Generali S.p.A.'s stock on 19 March 2018, prudentially increased by 50%;
  - c) authorisation for buy-back is granted for eighteen months as of the date of approval of this resolution,

whilst authorisation for disposal is granted without any time limit whatsoever, and can be exercised in one or more tranches, in order to enable the achievement of the specified objectives;

- d) the buy-back will be carried out within the limits of distributable profits and unrestricted reserves, as per the latest duly approved Financial Statements;
  - e) treasury share buy-back will be made, pursuant to Article 144-bis, paragraph 1(b), of the Rules for Issuers, in accordance with the operating procedures set forth in the organisational and operating rules of the markets themselves, so as to ensure equal treatment for all Shareholders. Accordingly, the buy-back shall be made exclusively, including in several tranches, on regulated markets organised and managed by Borsa Italiana S.p.A., pursuant to operating procedures established by the latter which do not allow for the direct matching of buy orders with predetermined sell orders;
- 2) to determine that Banca Generali S.p.A.'s treasury shares and the shares purchased as per resolution in point 1 above may be granted, in whole or in part, without any time limit whatsoever and free of charge, to the personnel identified by Banca Generali S.p.A. as falling within the category of Key Personnel pursuant to the applicable laws and regulations and those identified as Key Personnel by subsidiaries that are required to adopt specific remuneration policies in compliance with local and/or industry regulations, the beneficiaries of the 2018 Network Loyalty Plan and the beneficiaries of the long-term incentivisation plan called 2018 LTI Plan – provided that any and all regulatory requirements and conditions have been duly met –, as well as for the purposes of the payment of the variable component of remuneration – provided that any and all regulatory requirements and conditions have been duly met – and the consideration agreed upon, in compliance with applicable legislation, in view or in the event of early termination of the professional relationship or the position held;
- 3) to authorise the Chief Executive Officer, with powers of sub-delegation to:
- proceed with the execution of this resolution, also by, *inter alia*, identifying the reserve funds to compose the negative item in equity, as contemplated under Article 2357-ter of the Italian Civil Code, in accordance with legal provisions, as well as to also use treasury shares that, at present, are already held by the Company, for the purposes specified herein;
  - establish the procedures, timetable and all the executive and other terms, with a view to ensuring the optimal execution of this resolution, effecting for such

purpose any and all related assessments and checks, and proceeding with any and all related formalities, filings and submissions, without exclusion or exception whatsoever."

The CHAIRMAN once again invites the attendees to disclose any ineligibility to vote, and to refrain from leaving the room during voting.

At twelve fifty, the Chairman then invites the Meeting to vote using a show of hands and the swipe card; he then invites those in favour to vote first by a show of hands; he then invites those against to raise their hands and cast their vote using the swipe card; then those abstaining to raise their hands and cast their vote using the swipe card.

At the end of the ballot, the Chairman announces that the aforesaid motion is passed by the Shareholders' Meeting with the majority required by law and the Articles of Association, with:

- 65,634,475 votes or 82.200% of the voting stock represented at the Shareholders' Meeting, in favour;
- 14,143,642 votes or 17.713% of the voting stock represented at the Shareholders' Meeting, against;
- 30,000 votes or 0.038% of the voting stock represented at the Shareholders' Meeting, abstaining;
- 39,478 votes or 0.049% of the voting stock represented at the Shareholders' Meeting, not voting.

The CHAIRMAN also announces that the list of the names of the Shareholders in favour, against, abstaining and not voting with an indication of the number of votes represented by each, is attached hereto as **Schedule "Z"**.

The Secretary reports that, at the time of voting, 424 Shareholders with voting rights were present, who, in person or by proxy, represent 68.33% of share capital, including the shares for which voting rights had been suspended pursuant to Article 2357-ter of the Italian Civil Code.

Having disposed to all the items placed on the Agenda of the General Shareholders' Meeting held this day, the Chairman declares the same adjourned at fifty-one minutes past noon.

All the expenses arising in connection herewith shall be borne by the Company.

The attendees, by mutual agreement between them, dispense me, the Notary Public, from reading all the schedules.

Upon request, I, the Notary, have drawn up this deed, which I have read to the persons present who, upon my questioning, declare that they approve the same and then sign the same with me, the Notary, it being four thirty p.m.

Type-written in part by a person enjoying my trust and handwritten by me to a small extent, this deed is made up of seventeen sheets of which it covers sixty-four full faces, and this face up to this point.

SIGNED: GIANCARLO FANCEL

SIGNED: DOMENICA LISTA

(Read and underwritten) SIGNED: DANIELA DADO, NOTARY PUBLIC