

REMUNERATION REPORT

TIME TO CHANGE



Time to Change is the project in which Banca Generali and Stefano Guindani investigate on the state of achievement of the 17 SDGs of the UN 2030 Agenda. For each of them, the photographer's key is twofold: on the one hand, the focus is on highlighting the negative action of humankind on the environment and the community, and on the other hand, how humankind itself has an extraordinary capacity to recover through innovative and sustainable solutions. In his three-year research project, Guindani will go beyond the borders of Italy, searching for critical cases and situations of excellence abroad: Brazil, Norway and Australia, but also the United States and South Africa. He will be accompanied by an exceptional companion, Alberto Salza, one of the world's most respected anthropologists, who will edit the project's texts and suggest some of the projects to be monitored.



Report on Remuneration Policy and Compensations Paid (Remuneration Report 2023)

This document has been translated from that issued in Italy, from the Italian into the English language, solely for the convenience of international readers. The Italian version remains the definitive version.

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Verification of Control Functions **91**

Company Bodies

Banca Generali S.p.A.

Administrative and control bodies

BOARD OF DIRECTORS - 8 March 2023

Board of Directors

Antonio Cangeri
Gian Maria Mossa
Lorenzo Caprio
Azzurra Caltagirone
Roberta Cocco
Alfredo Maria De Falco*
Ilaria Romagnoli
Cristina Rustignoli
Vittorio Emanuele Terzi

Chairman
Chief Executive Officer and General Manager
Board of Directors
Non-executive Director
Non-executive and Independent Director
Non-executive and Independent Director
Non-executive and Independent Director
Non-executive Director
Non-executive and Independent Director

Board of Statutory Auditors

Natale Freddi
Mario Francesco Anaclerio
Flavia Minutillo

Chairman

Secretary of the Board of Directors

Carmelo Reale

* Director co-opted on 8 March 2023.

Letter of the Chairman of the Remuneration Committee

Dear Shareholders,



Vittorio Emanuele Terzi

2023 represents for Banca Generali the year of consolidation of the 2022-2024 Strategic plan, which promoted new challenging growth projects where sustainability matters play an increasingly crucial role.

In this context, the remuneration strategy takes central stage in guiding the business conduct, promoting the achievement of the Plan's objectives and contributing to creating value for all stakeholders.

Over the years, Banca Generali's Remuneration Policy has proved able to adapt to the constant new challenges posed by the recent scenario marked by uncertainties, allowing alignment of conduct with company targets by leveraging remuneration mechanisms based on meritocracy, competitiveness, equity, transparency and sustainability. We believe that, in this way, the Remuneration Policy adopted strengthens reputation, credibility and consensus surrounding the Bank and contributes crucially to the sustainable development of the business and growth of company value, for the benefit of all stakeholders.

The Committee — which has always committed to meeting the expectations of investors and proxy advisors — this year continued its active listening activities aimed at assessing the key components of its voting guidelines and taking them into account when updating the Report on Remuneration Policy and Compensations Paid for 2023.

This Report was prepared consistently with the market context and strategic guidelines laid down by Banca Generali, taking account of the constant development of the regulatory framework and the elements that emerged from the valuable dialogue with investors and key proxy advisors, with a view to aligning remuneration and incentive systems with the long-term interests of Shareholders and other stakeholders.

The Banca Generali Group's Report on Remuneration Policy and Compensations Paid for 2023 presented herein is inspired by the principle of transparency towards all stakeholders and incorporates the guidance provided by the 2022-2024 Strategic plan. More specifically:

- › the fundamental aspects of the Bank's Remuneration Policy and the alignment of its short- and long-term incentive systems with the targets set in the Strategic plan are confirmed, in line with market best practices and in accordance with applicable legislation;
- › the Bank reiterates its commitment to sustainability, which continues to be integrated into all aspects of its operations, including the use of a wide range of ESG metrics in short and medium-long term incentive systems, in full integration of remuneration policies into the priorities of the Strategic plan;
- › to improve the communication effectiveness of our policies, the transparency of remuneration policies has been enhanced by introducing an initial executive summary, which includes the composition of remuneration structures.

Our remuneration policy continues to be an integral part of the Group's strategy, ensuring alignment with the Company's mission and values, and with customer satisfaction. The ambition of the Remuneration Committee is to promote, along with the management, a sustainable work environment and remuneration systems that ensure the sustainability of Group and individual performance. We also focus on providing all our people with a quality work environment, based on inclusiveness, meritocracy, the development of new digital skills and the promotion of diversity, equity and inclusion. Integrating sustainability into our people strategy is one of the objectives of our Strategic Plan, which rests on our sound foundations to develop our Group's potential in the direction of a sustainable future, for our Bank and all our stakeholders.

The goal of our activity is to set remuneration levels that enable us to attract, motivate and retain the talent required to ensure the success of our Company, on the basis of a remuneration policy aligned with company values, business objectives and fair salary treatment.

Remuneration practices, plans and programs are designed to provide an adequate incentive, in line with market practices, for achieving strategic and financial goals, while integrating sound risk management throughout the Group.

Starting from the principles set in the 2022-2024 Strategic plan, we believe it to be fundamental to reiterate that the Bank's Remuneration Policy must ensure, as has always been the case, the connection between remuneration, risk and performance, and must provide a stimulus, at the individual and collective level, towards a contribution of excellence to the implementation of the Plan and achievement of the goals set.

I would like to take the opportunity to thank all the Directors members of the Remuneration Committee, as well as the Board of Statutory Auditors, for their valuable contributions to the Committee's proceedings.



In the early twentieth century, Albert Einstein uttered a phrase that, to most, seemed unnecessarily apocalyptic: “If bees disappeared from the face of the earth, man would be left with only four years to live.”

This is the starting point for investigating the situation related to Sustainable Development Goal (SDG) number 2 “End hunger, achieve food security, improve nutrition and promote sustainable agriculture.” And to do so, the photographer went to Israel, near Tel Aviv, to discover innovative work aimed at preserving bee colonies and enabling them to make their own vital contribution to improving the nutritional capacity of our Planet.

Here in fact Saar Safra invented BeeHome, an innovative project designed to help beekeepers and, more importantly, bee populations.

In fact, Safra has developed a real robotic hive that takes care of the life cycle of bees. Solar-powered, BeeHome is zero-impact and does more than just protect bees from the weather or external agents. Thanks to an advanced computer system, the hive robot gives the beekeeper real-time access to data about the bees that populate it, allowing him to adjust parameters remotely through a dedicated technology platform.

SECTION 1

REMUNERATION AND INCENTIVE POLICY



Main elements of the 2023 Remuneration and Incentive Policies (Remuneration Policy)



1. Main drivers of Remuneration Policy



- › Transparency of the Remuneration Policy towards all the stakeholders involved.
- › Consistency of the Policy with the achievement of sustainable performance and growth.
- › Scrupulous and constant regulatory compliance.
- › Ongoing monitoring of market trends and practices.
- › Competitive remuneration **based on long-term sustainable performance and growth to create value for all stakeholders.**

2. Compliance with Regulations



- › Definition of the Remuneration Policy with a view to ensuring simultaneous compliance with Provisions governing the matter in question introduced by Italian and European laws applicable to the banking sector, the regulatory provisions applicable to issuers and the Corporate Governance Code for Listed Companies:
 - Directive 2013/36/EU of 26 June 2013 (hereinafter CRD), with regard to its provisions on remuneration and incentive policies and practices for banks and banking groups;
 - Supervisory provisions for Banks issued by the Bank of Italy with Circular No. 285 of 17 December 2013 (hereinafter the “Supervisory Provisions”);
 - Commission Delegated Regulation No. 923 of 25 March 2021, setting out qualitative and quantitative criteria to identify Key Personnel (RTS);
 - Consob Rules for Issuers;
 - Corporate Governance Code;
 - Regulation No. (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector, with specific reference to Article 5: Transparency of remuneration policies in relation to the integration of sustainability risks;
 - Bank of Italy provisions on the “Transparency of banking and financial services and transactions, and the propriety of relationships between intermediaries and customers”;
 - EBA guidelines on sound remuneration policies of 2 July 2021.
- › The Bank closely monitors regulatory developments to adapt this Policy to the rules in force from time to time.

- › Identification by the Board of Directors of Group Key Personnel in line with the RTS (Regulatory Technical Standards) qualitative and quantitative criteria and the Supervisory Provisions applicable from time to time and in compliance with the Bank of Italy's recommendations.
- › Transparency and clarity of policies on processes relating to persons falling within the category of Financial Advisors.

3. Identification of Key Personnel



- › Remuneration package composed of fixed remuneration, benefits and a variable component, structured so as to ensure a proper balance between these various components for the different categories of personnel.
 - Fixed component of remuneration: it remunerates the role held and the responsibilities assigned, while also considering the experience and the skills required, in addition to the contribution made to the achievement of business results.
 - Benefits: these are an additional element that make up a substantial component of the remuneration package, according to a total reward approach (benefits are differentiated on the basis of the category of beneficiary, both by type and total value).
 - Variable component of remuneration: set through a combination of annual and long-term incentive plans designed, individually and collectively, to provide motivation for achieving business objectives through a direct link between incentives and the financial and non-financial objectives of the Group, Business Unit, Country, function and individual, with payment of a significant portion of it in financial instruments (due in part to the disbursement of the LTI plan fully — and not just in the percentages requested by the law — in shares).
 - Target total remuneration: the Banking Group's intention is to align remuneration at a competitive level, with individual positioning tied to the performance assessment and potential and the strategic importance of the individual according to a segmented approach.
 - The ratio of maximum variable to fixed remuneration must not exceed 2:1.

4. Remuneration Package and Pay-mix



- › Analysis of the structure of the remuneration package to ensure a balance between the various components to promote a commitment to contributing to the achievement of sustainable results.
- › With specific regard to Key Personnel, comparative analyses, supported by an independent external advisor, of the practices adopted by a pool of selected competitors. In light of the various obligations relating to remuneration and in order to ensure competitive alignment with the market of reference, the peer group has been defined by reference to major Italian and European peers in terms of capitalisation, total assets, type and size of the business and is subject to annual revision to ensure that it is current. For 2023, in relation to the various underlying purposes and on the basis of the categories of Key Personnel, the main peers used include also: Banca Mediolanum, Banca Popolare di Sondrio, Banca Ifis, Banco BPM, BPER Banca, Credem, FinecoBank, and Intesa Sanpaolo Private Banking.
- › The Banking Group's Remuneration Policy defined, insofar as financial and credit market practices are also concerned, on the basis of the results of the ABI annual salary study, with a view to establishing benchmark indicators for the fixed and variable components of the remuneration of the Group's personnel.
- › With specific regard to Key Personnel, definition of the components of the package, also with the support of specific studies conducted by independent external advisors.

5. Remuneration Benchmarking



6. Link between Remuneration and Performance



- › Variable remuneration correlated with indicators, which aim at appreciating the weighting of risks of the company or Group, while taking due account of the risks assumed and the liquidity required to cover ongoing business operations, and with a view to preventing conflicts of interest.
- › A total bonus pool, determined on an annual basis by the Board of Directors, and to be disbursed provided that the necessary financial stability, liquidity and profitability conditions have been satisfied and the requirements for each position have been met.
- › Parameters selected with the aim of assessing long-term sustainability of company performance, in terms of risks assumed and liquidity required.
- › Performance targets set in the light of the risk-correction measures most appropriate to the activities performed.
- › Qualitative targets assessed at the level of managers, on the basis of specific KPIs relating to persons and sustainability.

7. Sustainability Strategy



- › Sustainability has always played an important role in Banca Generali's strategy.
- › The 2023 Remuneration Policy is closely correlated with the pillars of the 2022-2024 Strategic plan, which counts among its key objectives sustainability towards stakeholders. Starting from transparency, efficiency and service quality, Banca Generali aims to increase its sustainable approach by setting new, ambitious targets, respecting the environment and the individuals and pursuing the objective of creating value for all its stakeholders.
- › Banca Generali has long integrated sustainability into its business: in 2019, a proprietary platform specialised in sustainable investments was launched, adding to its traditional financial approach environmental and social support advisory, in favour of an efficient, solid governance. In the following years, the set of internal policies and procedures in this area was thoroughly revised to strengthen sustainable governance in line with international best practices. In its new 2022-2024 Strategic plan, the Bank set itself specific, challenging targets also regarding climate change, which influenced investment strategies as well.

The sustainability focus permeates the Bank's activities at all levels, involving all stakeholders with multiple commitments and objectives — from clients to Financial Advisors, employees, shareholders, Authorities, communities and future generations.

8. Annual Variable Remuneration



- › Incentive system linked to yearly performance.
- › Measurement of both individual and Group/Group Company performances.
- › Economic/financial targets outlined in the budget for the accrual year as reference for the definition of objectives.
- › Non-financial targets specifically linked to the individual performance and the contribution made by the individual beneficiary to important projects of the Banking Group (strategic projects, sustainability objectives).
- › Application of access gates, and malus and claw-back mechanisms.
- › Differentiated deferral periods and payout methods by role and function, in line with the regulatory framework in force from time to time.

9. Long Term Incentive (LTI) Plan



- › Incentive system linked to the three-year performance.
- › Economic/financial objectives of the Banking Group and the Assicurazioni Generali Group as targets.
- › Integration of non-financial targets linked to qualitative and quantitative sustainability objectives.
- › Application of access gates, deferral periods, and malus and claw-back mechanisms.
- › Payout 100% in Banca Generali shares.

- › The cap mechanism ensures that the ratio of total variable remuneration paid in a given year (including both up-front and deferred payments) to total fixed remuneration in that same year does not exceed the set ratio.
- › Mechanism, which is applied on a cash basis, also taking account of the effects of bonuses accrued in years prior to the introduction of the cap and of deferred bonuses.
- › Motion submitted to the General Shareholders' Meeting for 2023 to increase to 2:1 the ratio of variable to fixed remuneration for determining the remuneration of 25 members of Key Personnel (of whom 14 Network Managers).

10. Ratio of Variable to Fixed Remuneration for Key Personnel



11. Summary table of the remuneration of the Chief Executive Officer and General Manager and of the Deputy General Managers

Fixed remuneration

Fixed remuneration is set on the basis of the powers granted and role assigned, in view of market benchmarks applicable for similar roles and considering the levels of competence, experience and impact on the Banking Group's results.

Short-term incentive¹

Linked to the degree of achievement of the performance objectives set out in the Balanced Score Card (BSC), which corresponds to a target level of 46% of fixed remuneration, where the total target performance level is reached, and does not establish any guaranteed minimum.

Access gate:

- › Common Equity Tier 1 ratio (minimum requirement of 11%)
- › Liquidity Coverage Ratio (minimum requirement of 150%)

Performance objectives:

- › Net inflows from commercial activity (10% weight²)
- › Net Recurring Profit (25% weight)
- › Structural costs (10% weight)
- › RORAC (15% weight)
- › People Value (10% weight)
- › Sustainability commitment (10% weight)
- › Efficiency & Business Transformation (20% weight)

Payment conditions:

- › deferral of 60% of the incentive over a period of five years (pro-rated)
- › paid 44% in the form of cash and 56% in financial instruments, subject to a retention period of one year. Further information is provided in paragraph 5.3.3

Said variable remuneration is subject to malus and claw-back mechanisms.

Long-term incentive¹

The variable long-term component (Long Term Incentive) that corresponds to a target level of 100% of fixed remuneration. The achievement of objectives is measured over a period of three years (the 2023-2025 cycle was launched in 2023).

Access gates:

- › Common Equity Tier 1 ratio and Liquidity Coverage Ratio of the Banking Group
- › Regulatory Solvency Ratio of the Generali Group

Performance Objectives:

- › Banking Group's objectives (80% weight) tied to tROE, Adjusted EVA and ESG AUM
- › Generali Group's Objectives (20% weight) tied to relative TSR, Net Holding Cash Flow, ESG

The shares actually accrued will be assigned according to the following scheme:

- › at the end of the three-year performance period, assignment of 50% of the shares accrued on the basis of the results achieved
- › said shares are subject to a retention period of one year³
- › the remaining 50% of the shares accrued is subject to an additional two years' deferral
- › said shares are subject to a retention period of one year³

The overall time horizon is therefore equal to 7 years.

Benefits

The remuneration structure includes benefits aimed at meeting multiple needs of the manager and employee (welfare and improved quality of living).

Departure from office

In the case of the Chief Executive Officer, in the event of termination of the executive relationship (or dismissal from the position or role), in addition to the notice period established by law and collective contract, the CEO is also entitled to an amount to be calculated according to a predefined formula, up to a maximum amount of severance equivalent to 24 monthly salaries. Further information is provided in paragraph 6.1.

⁽¹⁾ Without prejudice to the provisions of the relevant Information Documents.

⁽²⁾ 20% weight for the Deputy General Manager Commercial Networks, Alternative and Support Channels, in light of the role held.

⁽³⁾ Net of the shares assigned that could be sold by the Beneficiaries in order to cover withholding taxes due when allocating the shares.

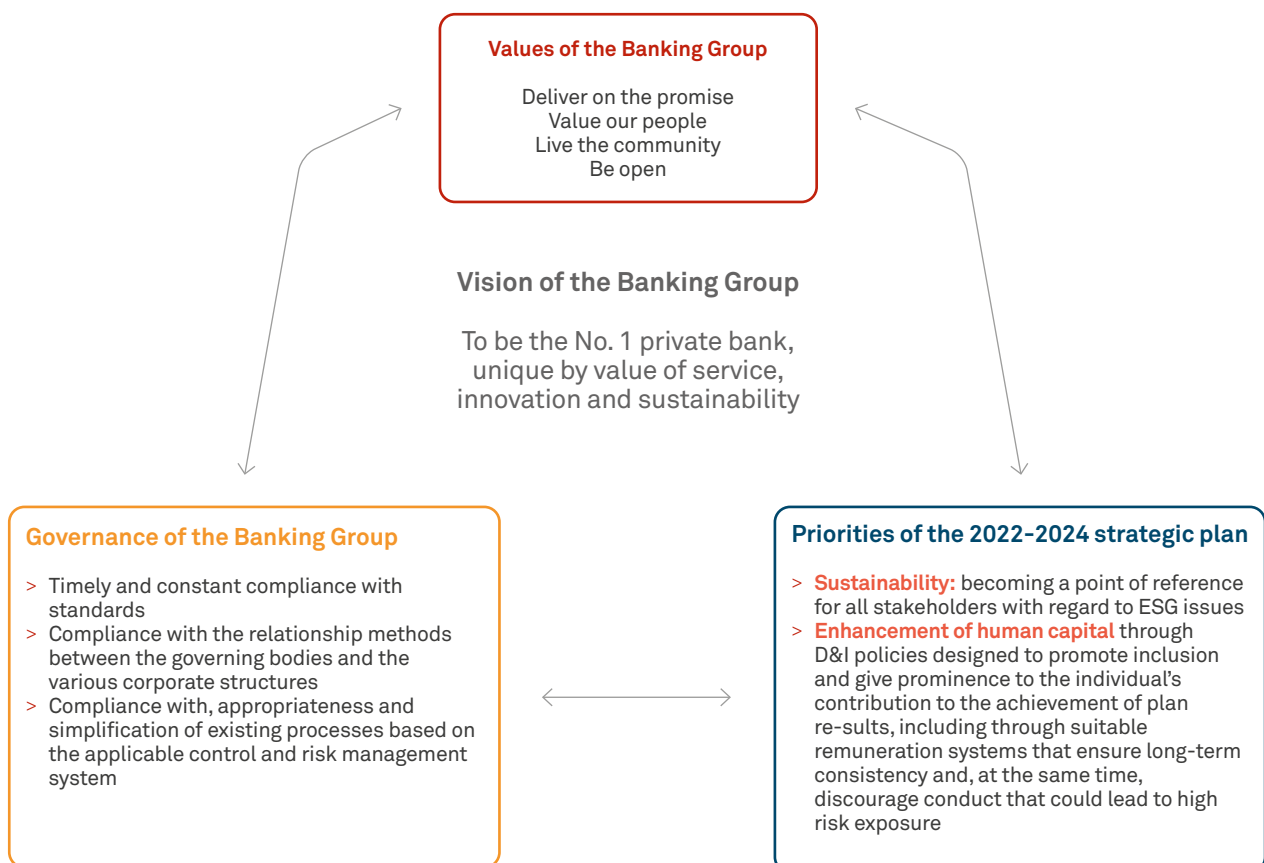
1. 2023 Remuneration Policy

The Objectives of the Remuneration Policy

In defining its Remuneration, which is a key tool for the Group's strategy, the Banca Generali Group aims at ensuring the best possible alignment of the interests of shareholders, investors, customers, suppliers, employees and all stakeholders, through careful risk management and the consistent pursuit of long-term strategies.

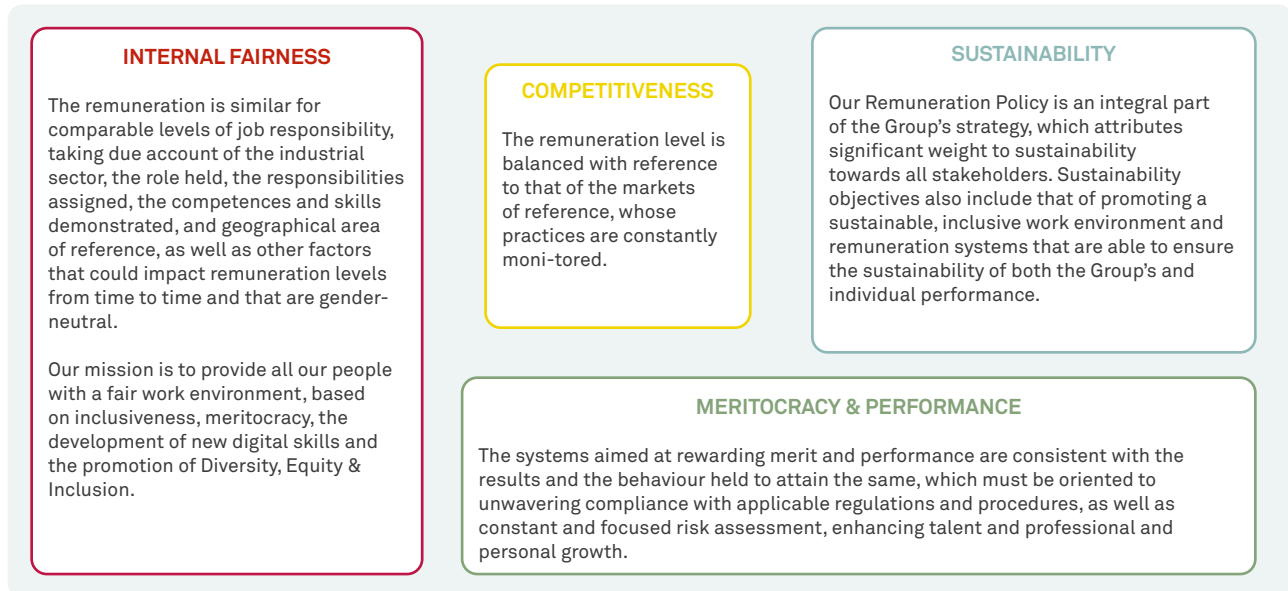
The annual formulation of adequate remuneration and incentive mechanisms for the Bank's directors and personnel may foster competitiveness, effective governance of the Banking Group and the achievement of the objectives outlined in the Strategic plan, with a particular focus on sustainability as an essential element of the pursuit of objectives. In an increasingly complex context and in light of the Banking Group's growing internationalisation, remuneration, especially with regard to Key Personnel, is also useful in terms of attracting and retaining people with the talent and skills best suited to the needs and development of the Company.

In this regard, the Remuneration Policy for personnel and, in particular, for managers of the Banca Generali Group is determined in compliance with:



The resulting Remuneration Policy supports the mission, vision, values, governance and the new Banking Group's strategy, giving rise to an ongoing interaction that leads to constant fine-tuning of remuneration practices on the one hand, and the consolidation of the above-mentioned elements on the other. The 2023 Remuneration Policy is consistent with the Group's vision and confirms the celebration of people as a fundamental competitive advantage with a view to achieving sustainable long-term results for all of our stakeholders.

The primary objective of the Remuneration Policy is to guarantee fair and adequate remuneration for sustainable performances. Towards such end, any action taken as part of the personnel remuneration policies is informed and shaped by the following principles:



In order to ensure the consistent implementation of the Remuneration Policy within the Generali Group, the principles and guidelines set out in the Group Remuneration Internal Policy drafted by Assicurazioni Generali in accordance with applicable legislation have been taken into account when preparing this document, without prejudice to the peculiarities dictated by legislation applicable to the banking sector.

As the Parent Company, Banca Generali prepares the Remuneration Policy document for the entire Banking Group, ensures that it is appropriate overall and verifies that it is properly applied, while taking due account of the characteristics of each Group company, in accordance with the legal, market and sector context in which the subsidiaries operate.

In order to comply with and adopt directly applicable sector/country legislation, individual Group companies may draw up a separate Remuneration Policy, provided that they duly implement the guidelines set by the Bank.

Remuneration Policy. 2022-2024 Strategic Plan and Sustainability

The Banking Group's Remuneration Policy contributes to the achievement of the targets set out in the 2022-2024 Strategic Plan, including sustainability targets. One of the objectives of the Remuneration Policy is to ensure sustainable pay for sustainable performance, maintaining consistency between remuneration and performance and between compensation and creation of stakeholder value, while also rewarding both actual results and how such results were achieved. To this end, the Bank has long adopted a remuneration structure based on risk-adjusted performance, which at the same time does not encourage excessive risk-taking, including with regard to sustainability risks.

In addition, the Bank is working thoughtfully in support of processes and initiatives to reinforce the relationship between the Remuneration Policy and sustainability, with a view to consolidating the two areas into a common strategy. The incentive system is supported by the annual performance management, which ensures the consistency, uniformity and clarity of performance objectives and expectations of behaviour aligned with the company strategy, including in terms of sustainability.

The guidelines of the 2022-2024 Strategic plan, approved by the Board of Directors, is strongly based on three Strategic Pillars (Value of Service, Innovation and Sustainability), around which the Bank's vision revolves, namely "To be the No. 1 Private Bank, Unique by Value of Service, Innovation and Sustainability."

In detail, with regard to the Plan's targets, worth of mention are:

- › **Increased potential target market.** Attracting and introducing new Client segments to the world of advisory and to the Company's range of solutions thanks to increasingly personalised offerings and service models that may be scaled by the Bank's Financial Advisors;
- › **Data-driven bank.** Leveraging the open banking model to expand the ecosystem of platforms and digital tools to create a range of solutions even more tailored to the needs of Financial Advisors and clients. The enhancement of the data and its processing methods become crucial to generating new opportunities for growth in terms of service quality, trust, and geographical expansion;
- › **Sustainability for all stakeholders.** Starting from transparency, efficiency and service quality, the aim is to increase the sustainable approach by setting new ambitious targets, respecting the environment and the individuals and pursuing the objective of creating value for all the stakeholders.

The new strategy enables an evolution of the business model, which, while still starting from the central, priority role of the Financial Advisor, is able to incorporate further service offerings that harness technology and can benefit from greater integration of ESG principles at all levels of the Bank, from governance to management, investments and products.

Working Conditions and Work Environment as Integral Part of the Remuneration Policy

The Banking Group promotes a common culture based on the value of its people, whose strategic nature within the organisation makes them key players in sustainable, constant growth.

Accordingly, to focus on the needs and wellbeing of its people, the Banking Group includes in the remuneration packages of its employees various goods and services in support of the socio-economic conditions and holistic welfare of its employees and their family members.

These benefits are intended for the entire Group population and are broken down by professional family, job grade and geographical area to strengthen and promote an inclusive, equitable culture. In further detail, Banca Generali has also seized the opportunities afforded by tax law to permit reimbursement for and direct purchases of many goods and services. In addition, the remuneration of certain categories of personnel also includes housing allowances (or sub-lease agreements) and company car allowance.

Health assistance
(health policy, in-office infirmary, vaccination campaign, Long-Term Care - LTC)



Insurance policies
(professional accident policy, economic indemnity for death, permanent total disability and dread disease)



"Welfare option" for the company bonus and the "pure welfare solution" to be used, also through the welfare portal dedicated to employees for services subject to reimbursement and/or purchase



Facilitated access to banking products, special deals on asset management and insurance products and insurance investments under facilitated conditions



Supplementary pension plans



The above-mentioned benefits package represents a significant portion of employees' fixed remuneration (about 25% for executives and professional areas, and about 30% for managers).

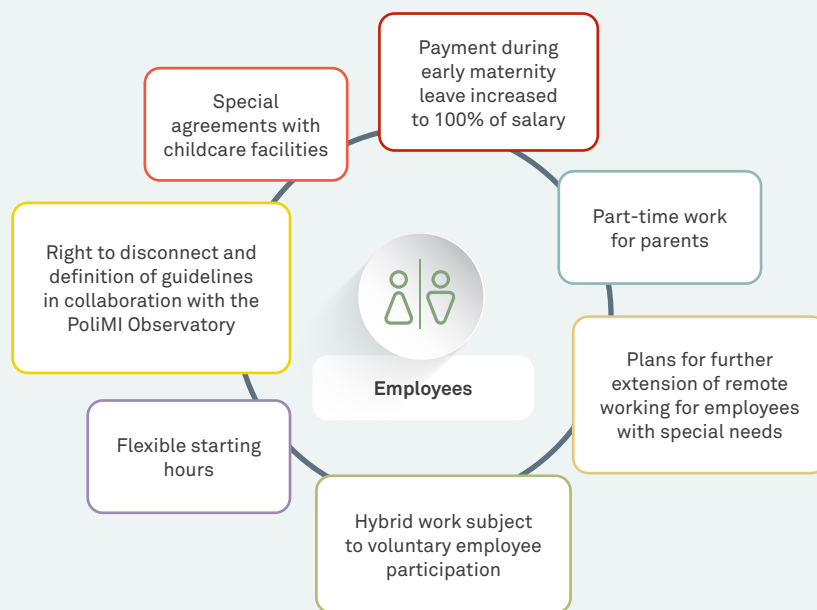
In detail, for managers this includes health coverage (which in specific circumstances, provided for in internal collective regulations, may also be maintained following severance), supplementary pension benefits, life insurance, as well as insurance for accidents at work and outside work, and a company car.

The National Collective Labour Agreement for Credit Institutions, supplemented by the Supplementary Company Contract, is applied for executives and professional areas. The aforementioned social security coverage and pension benefits

are therefore uniformly regulated for each different category of staff, in strict compliance with the provisions set forth in applicable collective bargaining labour agreements.

The Banking Group is also aware of the new working paradigm, which is becoming increasingly widespread in the marketplace, and which views employee engagement as no longer strictly linked to the remuneration package in economic terms, but to the people strategy as a whole. Accordingly, the Group is a pioneer in developing welfare mechanisms into initiatives to promote wellbeing, viewed as a satisfactory physical, mental and social condition for its employees, even outside of work.

This also certainly includes the measures taken in terms of work-life balance and remote working, namely:



To facilitate the transition and support the spread of a new hybrid working culture, a training path was promoted for people managers and employees to encourage an informed, sustainable approach to the new hybrid working conditions.

Additional training initiatives were set up to support the physical and mental wellbeing of employees, not just as workers, but as individuals, such as one-to-one counselling sessions, mindfulness training, meetings with psychologists and dieticians and with experts in business, art and culture.

Gender-neutrality of the Remuneration Policy

The values of Diversity, Equity & Inclusion are an integral part of the corporate culture and are considered fundamental drivers for the Bank's business, growth, capacity for innovation and performance. The commitment to paying constant attention to diversity and possible vulnerabilities has led the Bank to define actions aimed at making the working environment inclusive and open to all employees.

In order to promote an inclusive, fair and safe work environment, all HR processes have as their driver the recognition of the value and contribution of each individual, based on meritocracy and equal opportunities. Accordingly, remuneration at the individual level is set on a gender-neutral basis.

To ensure the neutrality of remuneration policies, with the support of the Remuneration Committee, Banca Generali's Board of Directors analyses the gender-neutrality of remuneration policies and verifies the gender pay gap and its performance over time.

For the Banca Generali Group, diversity is the natural expression of characteristics such as culture, age, gender, cognitive and behavioural skills and all the other traits that identify people and make them unique. Their recognition and appreciation guide the Banca Generali Group in implementing inclusion initiatives to create a stimulating and innovative environment, open to debate and the exchange of expertise. These initiatives include training programmes on inclusive leadership, with a particular focus on the generational issue, to ensure virtuous co-existence of the various generations, strengthening the pipeline of talented young people. In particular, the development of female professionals and managers involved the creation of training programmes designed to support and hone self-leadership, including through mentoring and gender-monitoring processes.

Banca Generali is also committed to external projects extending over a wide range of issues relating to Diversity, Equity & inclusion, as shown by the adherence to the WEPs (Women Empowerment Principles) and support for the association Women&Tech.

In detail:

› WEPs (Women Empowerment Principles) is an international community which supports the seven guiding principles launched in 2010 by UN Women and UN Global Compact, which are inspired by international labour and human rights standards and are based on the recognition by companies of an interest and responsibility for gender equality and women empowerment. These principles contribute to the implementation of SDG 5 of the 2030 Agenda for Sustainable Development (Gender Equality). By joining the WEPs community, Banca Generali confirms the commitment made at the highest levels of the Company in respect of gender equality and collaboration with all the Banking Group's stakeholders to promote practices for the enhancement of female talent;

› Women&Tech-Association for Women and Technology is a network of companies and people who pool their skills to realise women's potential in innovation with the goal of promoting projects and actions against gender stereotypes and discrimination, contributing to the orientation of young people towards the careers of the future and towards sustainable models of entrepreneurship.

Over the past three years, thanks to Women&Tech, Banca Generali has contributed to the Innovation Tram (digital week), lending a voice to talented young people and innovative start-ups in the ecosystem.

In support of gender equality and the enhancement of the role of women in society and in the business world, Banca General signed the Charter "*Donne in banca; valorizzare la diversità di genere*" (Women in Bank: enhancing gender diversity"), committing to enhancing its corporate policies according to the principle of equal opportunities, promoting an inclusive work environment, open to all the values of diversity, strengthening its processes to promote gender equality and full female participation at all levels of the Company.

Banca Generali also recognises and reaps the benefits of diversity at the level of the Group, its Company Bodies and its management, in all respects, including gender, age, qualification, competencies, training and professional background. To this end, Banca Generali's Board of Directors approved the Diversity Policy for Members of Company Bodies. The provisions contained therein are drawn up in accordance with the Diversity Policy adopted by the Generali Group and the "recommendations on the optimal qualitative and quantitative composition of the Board of Directors" and in compliance with applicable legislation, the Articles of Association and Internal Rules.

In order to promote a culture based on gender equality and equal pay, Banca Generali launched an internal project in collaboration with the Generali Group to measure the Gender Pay Gap⁴ and the Equal Pay Gap⁵.

As provided for in the Provisions, which establish that banks may identify additional methods of surveying and monitoring the gender pay gap, Banca Generali conducts a deeper analysis to adopt any targeted initiatives.

To facilitate the implementation of gender-neutral policies, assess their efficacy and thoroughly monitor the application of pay equality criteria in accordance with gender neutrality, in 2022 Banca Generali was constantly committed to further developing the analyses and methodology used at the Group level. In line with market best practices, it added a regression analysis model that, in addition to professional family and organisational level, contemplates the objective factors that are most significant in terms of salary differences, gender-neutral and representative of local remuneration policies.

This analysis is instrumental to the development of specific measures to mitigate any gaps identified. The mitigation actions include initiatives aimed at positively influencing gender balance and equal pay, in line with the objectives defined by the Group's strategy and with the promotion of the diversity and inclusion values. The remedial actions that can be implemented or refined include reviewing recruitment processes, defining programmes to accelerate women's careers, developing mentoring and sponsorship paths and implementing awareness-raising programmes on Diversity issues and unconscious prejudices.

As part of the periodical policies' review and in line with the applicable provisions of Circular No. 285, the Board of Directors, with the support of the Remuneration Committee, analyses the gender-neutrality of the Remuneration Policy and verifies the gender pay gap and its evolution over time.

Regulatory Framework

From a regulatory point of view, the Remuneration Policy is drafted in compliance with regulatory contents and provisions:

- › Circular No. 285 of 17 December 2013, "Supervisory Regulations for Banks – Remuneration and incentive policies and practices at banks and banking groups", which incorporates the revision to the supervisory provisions on remuneration and incentive policies and practices designed to reflect the changes introduced by Directive (EU) 2019/878 (CRD V), which amends Directive (EU) 2013/36 (CRD IV). Moreover, Section 1 and Section 2 of this document include the provisions of Article 450 of the CRR (Regulation EU No. 575/2013);
- › the regulatory standards for determining Key Personnel on the basis of the qualitative and quantitative criteria laid down in Commission Delegated Regulation (EU) No. 2021/923 of the European Commission of 25 March 2021, which adopts the Regulatory Technical Standards defined by the European Banking Authority (EBA) on 18 June 2020 and in effect since January 2021 in application of the new capital requirements directive ("CRD V");
- › the Bank of Italy provisions on the "Transparency of banking and financial services and transactions, and the propriety of relationships between intermediaries and customers";
- › EBA guidelines on sound remuneration policies of 2 July 2021;
- › Article 84-*quater* of the Rules for Issuers currently in force, as most recently amended in December 2020, which laid down a comprehensive and systematic regulatory framework governing transparency, as required under Article 123-*ter* of TUF. Under the said rules, issuers are required to draw up a detailed report on remuneration, without prejudice to the remuneration-related obligations imposed under industry-specific regulations applicable by reason of the business of the listed corporation;
- › the Corporate Governance Code for Listed Companies, most recently updated in January 2020, which requires the approval of a Remuneration Policy for Directors and Managers with Strategic Responsibilities;
- › to the extent applicable, the provisions of Legislative Decree No. 49 of 10 May 2019, which entrenched the Directive (EU) 2017/828.

⁴ Understood as equal treatment in terms of the pay gap between women and men throughout the organisation, regardless of the job.

⁵ Understood as equal pay in terms of the pay gap between men and women for the same job or jobs with the same value, calculated using a specific statistic model based on regression.

This document has been therefore drawn up with a view to ensuring simultaneous compliance with the regulatory provisions for the banking industry, legal provisions and the corporate governance provisions applicable to issuers.

The goal is to provide complete, transparent disclosure to respond quickly and simply to the market's needs, as also expressed in the form of the votes and assessments by the shareholders at the 2022 Shareholders' Meeting, with regard to strategic choices and the remuneration policies and systems adopted.

Unless otherwise indicated, the information provided in this Report refers to 27 March 2023 (hereinafter also "reference date"), the date of its approval by the Board of Directors.

Pursuant to Article 123-ter of TUF (as amended by Legislative Decree No. 49 of 10 May 2019), Section 1 is subjected to a binding vote of the General Shareholders' Meeting, whereas Section 2 is subjected to an advisory vote.

This Remuneration Policy will remain in force for one year.

New Aspects of the Remuneration Policy

The 2023 Remuneration Policy adopted by Banca Generali sets out the Group's remuneration and incentive strategy, designed to achieve the challenging strategic and sustainability targets promoted by the 2022-2024 Strategic plan.

In line with the previous year and in accordance with the Banca Generali's mission and vision, the 2023 Remuneration Policy confirms the celebration of people as a fundamental competitive advantage in view of achieving sustainable long-term results for all stakeholders.

The Remuneration Policy stands in general continuity with the previous year in terms of purposes and principles and complies with market best practices, further reiterating the Bank's commitment to environmental and social sustainability matters within the framework of sound governance and towards gender-neutral policies.

In order to emphasise its content and communicate it to shareholders and all stakeholders in an increasingly efficient manner, the initial executive summary has been maintained. This facilitates reading in terms of the principles underlying the remuneration. With a view to increasing transparency, the 2023 Remuneration Policy has been expanded with regard to:

- › the table containing the summary of the remuneration of the Chief Executive Officer and Deputy General Managers, in order to allow immediate understanding of the main components of top managers' remuneration
- › an ESG focus to emphasise the connection between the priorities of the Strategic plan in terms of sustainable strategy and remuneration policies
- › a focus on the People Strategy, with the aim of communicating how the Bank approaches remuneration from a total reward perspective
- › temporary derogations in exceptional circumstances
- › extension of retention bonuses to all categories of employees
- › expansion of disclosure relating to banking transparency provisions
- › introduction of qualitative parameters for assessing the performances of Financial Advisors

The pillars of the Policy and the short- and long-term incentive systems remain unchanged.

In line with past policies, the Policy:

- › complies with applicable laws and regulations;
- › has been defined by periodically monitoring market trends and practices;
- › is consistent with the achievement of sustainable performance and growth;
- › enables attraction and retention of professional profiles and abilities adequate to the Banking Group's needs.

In addition, the 2023 Policy also aims to incorporate the requests made by shareholders, investors and proxy investors in terms of sustainability and disclosure.

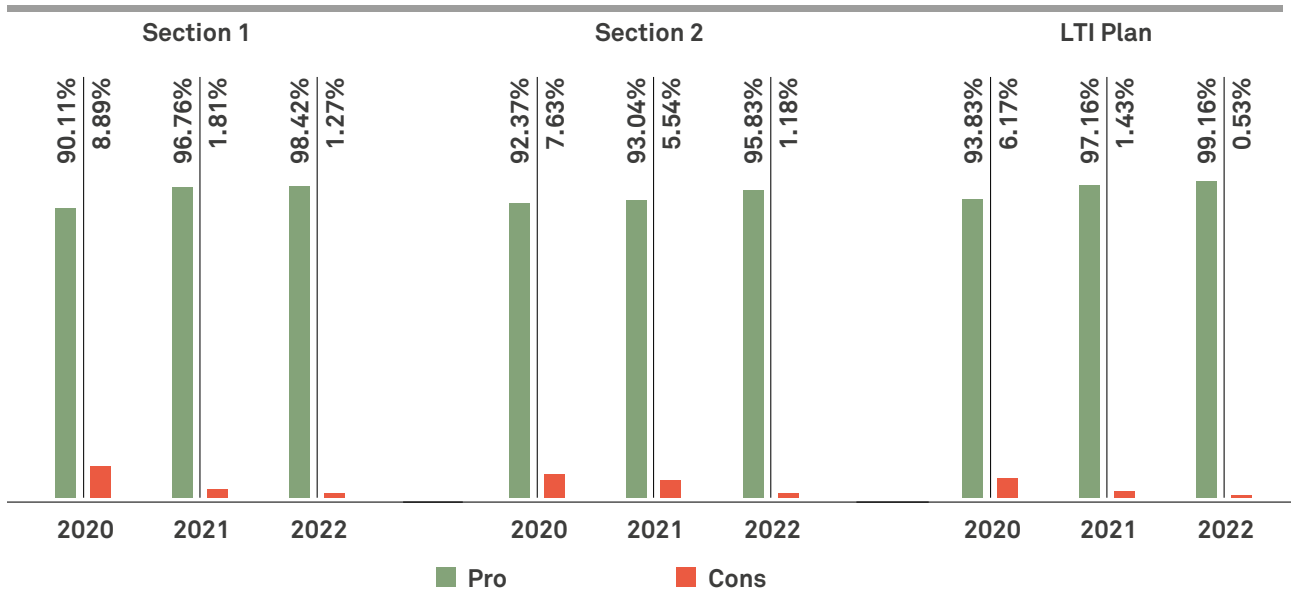
The process of determining Key Personnel was based on the adoption of the new regulatory standards for identification on the basis of the criteria laid down in the Bank of Italy Regulations and those of the new Commission Delegated Regulation (EU) No. 2021/923 of 25 March 2021, which adopt the Regulatory Technical Standards set by the EBA.

In addition, in line with the previous year, the Banking Group ensures compliance with EU Directive No. 828 of 2017 (Shareholder Rights Directive II), confirming the incorporation into this document of the additional disclosures required and continuing with the process already begun in recent years to offer increasingly complete, transparent information in order to respond simply and immediately to the market's requests regarding strategic choices and the remuneration practices adopted.

Dialogue with Investors

Banca Generali attaches great importance to annual analysis of the outcomes of shareholders' meeting votes⁶ and the opinions of the main addressees of its Remuneration Policy in pursuit of constant improvement in the adoption of market best practices by gradually incorporating feedback from shareholders, investors and proxy advisors.

The results of the vote at the 2022 Shareholders' Meeting provided the Bank with a valuable point of reference for assessing this text, which was analysed within the framework of overall governance that characterises the Company's remuneration and incentive policies and systems.



This year as well, Banca Generali remains committed to consolidating the relationship between sustainability and the Remuneration Policy, confirming the process of integrating ESG objectives into its incentive systems. In addition, this Remuneration Policy features a renewed structure for ease of assessment by stakeholders, including a focus on the ESG commitment, and thus on how the sustainability strategy is integrated into the annual incentive system and short- and long-term incentive plans.

⁶ The percentages represented the shares at the Shareholders' Meeting of 21 April 2022.

2. Recipients of the Remuneration Policy 2023

The Bank of Italy's Provisions refer to "personnel", a category that includes: i) all officers of company bodies vested with strategic oversight, management and control responsibilities; and ii) all employees and collaborators.

The Policy outlined in this Report has been formulated and differentiated for the various categories of personnel (employees and non-employees) according to their role/relevant function⁷:

- › members of company boards (the Board of Directors, including the Chief Executive Officer/General Manager, and the Board of Statutory Auditors);
- › employees (executives, middle managers and white-collar employees);
- › Financial Advisors authorised to make off-premises offers (hereinafter "Financial Advisors"), bound to the company by agency contracts.

Key Personnel, identified transversally to the categories indicated above, benefit from a specific Remuneration Policy, formulated in accordance with the "more detailed rules" set out in the Provisions.



2.1 Key Personnel

2.1.1 Process for Identification of Key Personnel

In line with the applicable Provisions, every year the Company's Board of Directors shall carry out a self-assessment, pursuant to both the Supervisory Provisions and the Commission Delegated Regulation (EU) No. 923 of 25 March 2021 and with the support of the Remuneration Committee, for the specific purpose of identifying "Key Personnel", whose professional activity exert or could exert a significant impact on the risk profile of the Bank and the Banking Group, and therefore warrant the application of the more detailed rules.

The following is an account of the results of the self-assessment conducted for all members of the Banking Group, including subsidiaries and taking into account the need for the Parent Company to ensure the consistency of remuneration policies and practices throughout the Banking Group.

The process of identifying Key Personnel is carried out by the Bank's Board of Directors on the basis of the provisions, in terms of process and parties involved, of the "Policy for determining the Banking Group's Remuneration and Incentive Policies" (approved by Banca Generali's Board of Directors in March 2022), with support from the Human Resources Department, which coordinates the activities involving, in their respective areas of responsibility, the CFO & Strategy Area (Administration Department for the size analyses underlying the assessment of the proportionality principle and Planning and Commercial Control Service for qualitative and quantitative assessments relating to Financial Advisors), Risk Management function (Risk Management Department) for assessments underlying the analysis of the relevant organisational units and the General Counsel & Sustainability Area for the necessary legal and corporate support. The conformity of the process is assessed by the Compliance function (Compliance & Anti-Financial Crime Department).

The Bank identifies and applies additional criteria beyond those established in the above Regulation to identify additional persons who assume significant risks for the Bank.

In particular, in accordance with the Provisions, additional criteria apply to Banking Group's employees based on the significance of their managerial role, and to Financial Advisors, with particular regard to the main Network Managers, as indicated below.

⁷ The Policy is also formulated in view of the legislative and market scenario of the subsidiaries in accordance with local and industry legislation.

The conclusions and findings of the activities coordinated by the Human Resources Department are reviewed by the Remuneration Committee and, on the latter's opinion, submitted to the Board of Directors⁸.

Two types of criteria are used, as set out in the Provisions and in the Regulation, with the additional criteria applicable to the main Network Managers: qualitative criteria and quantitative criteria.

Key Personnel have been determined in a unitary manner pursuant to the Supervisory Regulations and the criteria of the aforementioned Regulation, in light of the definitions set out in the said Supervisory Regulations (point 6, section I, Chapter 2, Title IV) and Articles 5 and 6 of the Regulation.

Specific analyses regarding the following are performed for the purposes of application of the qualitative criteria set out in the Supervisory Provisions and in Article 5 of the Regulation:

- › the business units to which the various categories of personnel are attributable. In this area, a specific analysis is reserved for identifying the relevant operating/company units (pursuant to Article 142(1)(3) of Regulation (EU) No. 575/2013) to which internal capital is allocated pursuant to Article 73 of Directive 2013/36/EU, accounting for at least 2% of internal capital;
- › the activities performed by the business units concerned;
- › the identification of the roles and responsibilities assigned to individual staff members in respect of the various business units. This analysis takes account of, *inter alia*, the responsibilities assigned by the internal Regulation, participation in internal Committees and the powers of such committees, and the powers and delegated authority conferred;
- › the importance of the managerial role, solely in the case of Financial Advisors assigned an ancillary managerial role.

In application of such criteria, the following categories of staff have been identified, as their professional activities is deemed to exert or potentially exert a significant impact on the bank's risk profile:

- A) Board of Directors:** non-executive members, including the Chairman;
- B) Top Management:** Chief Executive Officer/General Manager, Deputy General Manager Wealth Management Markets and Products, Deputy General Manager Commercial Networks, Alternative and Support Channels (hereinafter also referred to as "DGMs");
- C) Other Key Personnel:** this category has been determined to include:
 - a. the members of personnel with managerial responsibility on the relevant operating/business units of the entity: the Head of the CFO & Strategy Area; the Chief Financial Officer; the Head of the Lending Department; the Head of the PRM Area; the Head of the Financial Advisor Networks Area; the Head of the Alternative and Support Channels Area; the Head of the Asset Management Area who also holds the role of Executive Director of BGFML; the General Manager of BGFML; the Head of the Wealth Management Area;
 - b. the members of personnel responsible for the functions listed under letter a) of the above-mentioned Article 5: the Head of the General Counsel & Sustainability Area; the Head of the Anti-Financial Crime Service (described herein below in the section on control functions); the Head of the Human Resources Department; the Head of the COO & Innovation Area;
- D) Managers in charge of company control functions:** the Head of the Compliance and Anti-Financial Crime Department, the Head of the Internal Audit Department, the Head of Risk Management Department;
- E) Main Managers operating in the Bank's distribution networks:** Sales Managers, 9 Area Managers, the Head of Business Development Top Wealth Advisors/Top Private Bankers, the Recruiting Trainer Italy, the Head of Recruiting, the Head of Advisory;
- F)** in addition, in accordance with the provisions of point 6, Section I, Chapter 2, Title IV of the Bank of Italy Regulations, the Banking Group has decided to include the following within the scope of Key Personnel:
 - a. the Head of Banca Generali's Marketing and External Relations Department, in consideration of the important role played in internal and, above all, external communications processes;

⁸ In detail, the results of the process of identifying Key Personnel are detailed and recorded in the Self-Assessment Document prepared by the Bank each year and approved by the Board of Directors.

- b. the Head of the Administrated Savings Department, in view of the important role played in the development of this type of business, which is constantly expanding, and its direct impact on revenues;
- c. the Head of the Private Equity Investments Service, who also holds the position of Corporate, Real Estate & Art Advisory Service, in view of the important role played in the development of the related business area;
- d. the General Manager of the subsidiary BG Valeur S.A. and the Chief Executive Officer of BG Suisse S.A. to keep enhanced oversight of the rules and mechanisms that govern remuneration among non-EU companies to which European rules do not apply directly.

In addition, Key Personnel have been determined according to quantitative criteria and in light of the applicable provisions of the Supervisory Provisions and Article 6(i), paragraph 1, of the Regulation, with regard to any member of personnel, whether an employee or Financial Advisor, who has a substantial impact on the entity's risk profile, if one of the two following quantitative criteria is met, in addition to the criterion established in paragraph 6(c)(i) of the Supervisory Provisions:

- a) he or she was assigned total remuneration of euros 750,000.00 or more in the previous or current financial year;
- b) where the institution has over 1,000 members of staff, the staff members are within the 0.3% of staff, rounded to the next higher integral figure, which has, within the institution, been awarded the highest total remuneration in or for the preceding financial year on an individual basis, and (ii) paragraphs 2 to 4, which set out the cases and conditions for potential exclusion and the related notification/authorisation methods.

The Bank has decided not to apply to exclude any staff members with total remuneration equal to or greater than euros 750,000.00 or among the 0.3% of staff assigned the highest total remuneration in the previous year from Key Personnel. The same rule is applied to Financial Advisors, in that the Bank decided, on a cautionary basis not to request exclusion from the category of Key Personnel, regardless of the assessments of the exceptional nature of the overrunning of this threshold.

In this respect:

- › in the case of employees:
 - the application of Article 6, paragraph 1, letter a), did not result in the identification of additional names not already among Key Personnel determined in application of the Regulations and Article 5 of Commission Delegated Regulation (EU) No. 923 of 25 March 2021;
 - the application of Article 6, paragraph 1, letter b), did not result in the identification of additional names not already among Key Personnel determined in application of the Regulations and Article 5 of Commission Delegated Regulation (EU) No. 923 of 25 March 2021;
- › in the case of Financial Advisors:
 - as mentioned previously, the quantitative criteria set out in Article 6, paragraph 1, of the Regulation are applied without exceptions to Financial Advisors authorised to make off-premises offers who fall within the 0.3% of staff who, within the entity, have been assigned, on an individual basis, the highest overall remuneration during the prior financial year or for that year and to Financial Advisors who, at the end of the previous year, collected total remuneration (including recurring and incentive components) of euros 750,000.00 or more.

Accordingly:

- the Bank identifies as Key Personnel 45 Financial Advisors who at the end of the previous year had collected total remuneration (including both the recurring and incentive components) equal to or greater than euros 750,000.00;
- pursuant to Article 6 of the Regulation, the personnel identified above include Financial Advisors falling within the 0.3% of personnel within the entity, rounded up to the next whole number, who were assigned, on an individual basis, the highest overall remuneration in 2022;
- with regard to Financial Advisors with remuneration equal to or greater than the lesser of i) euros 500,000.00 and ii) the total average remuneration granted to members of the body with strategic supervision and management function and to the top management, and less than euros 750,000.00, one Financial Advisor is included among Key Personnel in light of their professional activity with a significant impact on the risk profile of the operating/business unit of reference. In application of the quantitative criteria (allocation of internal capital to operational risk of less than 2%; risk score assigned by the Network Control Function, integrated, where appropriate, by specific assessments; no operating losses attributable to individual Financial Advisors) and qualitative criteria (positioning outside the organisational structure, not attributable to market and credit risk and an absence of powers of representation), 126 Financial Advisors, identified by application of the same criteria, do not fall within the category of Key Personnel, in light of their professional activity with no significant impact on the risk profile of the operating/business unit of reference.

In total, in 2023 the Banca Generali Group included 92 individuals among Key Personnel, compared to the 99 identified in 2022. This change is due mainly to a decrease in the number of Financial Advisors included among Key Personnel, on the basis of the quantitative criteria.

A summary table is reported here below:

CLUSTER	DEFINITION	KEY PERSONNEL 2023	
1) Non-executive Directors	Non-executive Board members, including the Chairman	8	
2) Directors with executive powers	Chief Executive Officer/General Manager* (part of the governing body in his management function)	1	Managers with Strategic Responsibilities
3) Top Management	Deputy General Manager Wealth Management, Markets and Products*; Deputy General Manager Commercial Networks, Alternative and Support Channels* (hereinafter also referred to as "DGM")	2	
4) Heads of internal control functions	Head of the Compliance and Anti-Financial Crime Department*; Head of the Anti-Financial Crime Service; Head of the Internal Audit Department*; Head of Risk Management Department*	4	
5) Other Key Personnel	<p>a) The members of personnel with managerial responsibility on the relevant operating/business units of the entity: Head of the CFO & Strategy Area*; Head of the Finance Department; Head of the Lending Department; Head of the PRM Area; Head of the Financial Advisor Networks Area; Head of the Alternative and Support Channels Area; Head of the Asset Management Area who also holds the role of Executive Director of BGFML; General Manager of BGFML; Head of the Wealth Management Area;</p> <p>b) The members of personnel responsible for the functions listed under letter a) of the above-mentioned Article 5: Head of the General Counsel & Sustainability Area*; Head of the Anti-Financial Crime Service (already indicated in the section on control functions); Head of the Human Resources Department*; Head of the COO & Innovation Area*.</p> <p>c) In addition, in accordance with the provisions of point 6, Section I, Chapter 2, Title IV of the Bank of Italy Provisions, the Banking Group has decided to include the following within the scope of Key Personnel:</p> <p>a. the Head of the Marketing and External Relations* of Banca Generali;</p> <p>b. the Head of the Administrated Savings Department;</p> <p>c. the Head of the Equity Private Investments Service/Corporate, Real Estate & Art Advisory Service;</p> <p>d. the General Manager of the subsidiary BG Valeur S.A. and the Chief Executive Officer of BG Suisse S.A.</p>	17	
6) Main managers operating in the Bank's distribution networks	Sales Managers; 9 Area Managers; Head of Business Development Top Wealth Advisors/Top Private Bankers; Recruiting Trainer Italy; Head of Recruiting; Head of Advisory	14	
9) Employees and collaborators with high remuneration falling outside the previous categories	<p>Employees and collaborators:</p> <p>a) who were assigned a total remuneration of euros 750,000.00 or more in the previous or current financial year;</p> <p>b) who are within the 0.3% of staff, rounded to the next higher integral figure, which has, within the institution, been awarded the highest total remuneration in or for the preceding financial year on an individual basis;</p> <p>c) who are assigned a remuneration equal to or greater than the lesser of i) euros 500,000.00 and ii) the total average remuneration granted to members of the body with strategic supervision and management functions and to top management, and lower than euros 750,000.00</p>	46	

* The Key Personnel scope includes all individuals qualifying as Top Key Personnel pursuant to the Supervisory Provisions, namely "Executive Directors, General Manager, Joint General Managers, Deputy General Managers and other individual in similar positions, and the Heads of the main business areas (and of areas with a higher risk profile, such as investment banking), corporate functions or geographical areas, as well as those who report directly to corporate bodies with supervisory, strategic, management and control functions".

2.2 Identification of Managers with Strategic Responsibilities⁹

Pursuant to CONSOB Resolution No. 18049 of 23 December 2011, the term “Managers with Strategic Responsibilities” is to be construed in line with the definition set forth in Attachment 1 to CONSOB Regulation No. 17221 of 12 March 2010, as further amended.

Against this background, those persons having authority and direct or indirect responsibility for planning, directing, and controlling the activities of the company fall in the category of Managers with Strategic Responsibilities. In line with Company’s corporate Policy, this category shall include all the Company’s directors (whether executive or otherwise), the acting members of the Board of Statutory Auditors, the members of the Top Management as specified above.

All persons falling within the category of Managers with Strategic Responsibilities are also included among Key Personnel.

⁹ For the intents and purposes of this document, the generic term “managers” must be construed in its technical sense, and therefore, may not be deemed to refer to company directors and acting members of the Board of Statutory Auditors, it being understood that where the context demands, the meaning to be attributed to the said term will be appropriately specified.

3. Bodies involved in Defining, Approving, Revising where Necessary, and Implementing the Remuneration Policy 2023

The roles of the various corporate functions involved in defining, approving, implementing and subsequently assessing the Remuneration Policy — defined according to provisions on processes and corporate functions involved within the Policy for determining the Banking Group's Remuneration and incentive Policy” —, are outlined below.

3.1 General Shareholders' Meeting

The Board of Directors drafts and submits the Remuneration Policy to the Shareholders' Meeting at least annually and is responsible for the proper implementation of that same Policy. In this context, it (i) establishes the remuneration and incentive systems for the executive directors, general managers, joint general managers, deputy general managers and similar positions, Key Personnel and the heads and top-level staff of company control functions and (ii) ensures that those systems are consistent with the bank's overall decisions in terms of risk assumption, strategies, long-term objectives, corporate governance structure and internal controls.

3.2 Board of Directors

The Board of Directors drafts and submits the Remuneration Policy to the Shareholders' Meeting at least annually and is responsible for the proper implementation of that same Policy. In this context, it (i) establishes the remuneration and incentive systems for the executive directors, general managers, joint general managers, deputy general managers and similar positions, Key Personnel and the heads and top-level staff of company control functions and (ii) ensures that those systems are consistent with the bank's overall decisions in terms of risk assumption, strategies, long-term objectives, corporate governance structure and internal controls.

Tasks of the Board of Directors

Within the framework of the resolutions passed by the Shareholders' Meeting, and with the support of the Remuneration Committee — having heard the opinion of the Board of Statutory Auditors, where necessary — it performs, *inter alia*, the following activities:

- a) it identifies the scope of Key personnel and approves the results of any procedure for excluding such Key personnel (pursuant to Part One, Title IV, Chapter 2, Section I, Paragraph 6.1 of the Supervisory Regulations) and periodically revises the related criteria;
- b) it ensures that the Remuneration Policy is adequately documented and accessible within the company structure and that personnel are aware of the consequences of any violations of laws, regulations or codes of ethics or conduct;
- c) it ensures that the competent company functions (in particular risk management, compliance, human resources and strategic planning) are adequately involved in the process of formulating Remuneration and Incentive Policies in such a way as to ensure an effective contribution and preserve the autonomy of judgment of functions required to perform *ex post* and other controls; accordingly, the involvement of the compliance function in this phase consists of expressing an assessment as to whether the remuneration and incentive policies are consistent with the regulatory framework;
- d) it approves the criteria for formulating the compensation of all Key Personnel, as identified by the Board of Directors from time to time;
- e) it ensures that such systems are consistent with the Bank's overall choices in terms of the assumption of long-term risks, strategies and goals, corporate governance structure and internal controls;

- f) it ensures, inter alia, that remuneration and incentive systems are appropriate to ensuring compliance with the law, regulations and the Articles of Association, together with any codes of ethics or conduct, by promoting compliant behaviour.

The Board of Directors is supported in its work by the Remuneration Committee and, for the purposes of a correct application of the principles and criteria envisaged by the regulation, by the relevant company functions, i.e., the Human Resources Department, the General Counsel & Sustainability Area, the Compliance and Anti-Financial Crime Department, the CFO & Strategy Area (Planning and Control Department, Sales Planning and Control Service), the Risk Management Department.

Please refer to the Rules of the Board of Directors and the Board Committees adopted by the Bank for a comprehensive illustration of the Board of Directors' responsibilities.

The Directors on whose remuneration the Board of Directors is called on to express an opinion do not participate in the discussion and on the deliberations relating to the remuneration concerned.

3.3 Remuneration Committee

Banca Generali has instituted a Remuneration Committee within the Board of Directors. The Remuneration Committee is tasked with assisting the Board of Directors in laying down Company's policies in respect of the determination of the remuneration of the Company's Key Personnel holding the highest offices and those responsible for control functions. The above-mentioned Committee is currently composed of three non-executive, independent members of the Board of Directors, and is responsible for advising and making recommendations to the Board of Directors on matters pertaining to remuneration. The foregoing is without prejudice to the fact that, in accordance with the Corporate Governance Code for Listed Companies and the Committee's Internal Regulations, the Directors on whose remuneration the Committee is called on to express an opinion do not participate in the related discussion.

The Remuneration Committee is afforded unhindered access to any and all the corporate information and functions it may deem necessary or useful for the proper discharge of its assigned tasks. The Committee puts forward advisory opinions and recommendations on matters falling within its purview, on a regular basis, and draws up the minutes of meetings and the reports required to ensure the conduct of the Bank's business.

The Committee in office at the reporting date was appointed by the Board of Directors on 22 April 2021 and is made up as follows:

Members of the Remuneration Committee



Vittorio Emanuele Terzi
Chairman
Independent Director



Roberta Cocco
Member
Independent Director



Alfredo Maria De Falco
Member
Independent Director

Committee's cycle of activities

The Committee meets, when convened by its Chairman, at least once a quarter on average and, in any event, whenever it is necessary to discuss the matters within its purview. In particular, the governance cycle of the Remuneration Policy and remuneration systems is illustrated below:

January-April

- › Analysis and support to the Board of Directors on strategic decisions regarding remuneration policy and short and long-term incentive plans
- › Preliminary analysis and assessment in support of the remuneration report
- › Self-assessment and monitoring of analyses to identify "Key Personnel" of the Banca Generali Group
- › Key Personnel benchmarking and possible revision of remuneration packages in line with market practices

May-August

- › Goal setting 2023 with reference to short-term incentive system of the "Key Personnel"
- › Identification of long-term incentive plans beneficiaries

September-December

- › Gender-neutral remuneration policies updated

Tasks of the Remuneration Committee

Pursuant to the Supervisory Regulations, the Remuneration Committee:

- a) has advisory tasks on the definition of criteria for determining the compensation of all Key Personnel, as identified by the Board of Directors from time to time;
- b) has proposal duties regarding the remuneration of personnel whose remuneration and incentive systems are decided by the Board of Directors pursuant to Article 6, point 3, (vii), letter e), of these Rules;
- c) expresses an opinion – including on the basis of information received from the competent company functions, of the results of the process of identifying Key Personnel, including any exclusions, pursuant to Section II, para. 6.1, of the Supervisory Regulations;
- d) directly oversees the correct implementation of rules governing the remuneration of the heads of corporate control functions, in close coordination with the Board of Statutory Auditors;
- e) is responsible for preparing the documentation to be submitted to the Board of Directors for the related decisions;
- f) collaborates with the other committees internal to the Board of Directors, and in particular with the Internal Audit and Risk Committee;
- g) ensures the involvement of the competent company functions in the process of preparing and controlling Remuneration Policies and practices;
- h) on the basis of the information received from the competent company functions, expresses opinions on the achievement of the performance objectives to which incentive plans are tied, and on the assessment of the other conditions established for the disbursement of remuneration;
- i) provides adequate feedback concerning the activity performed including the General Shareholders' Meeting.

Pursuant to the Corporate Governance Code, the Remuneration Committee:

- j) assists the Board of Directors in preparing the Remuneration Policy;
- k) presents proposals or expresses opinions on the remuneration of the executive directors or other directors who occupy particular positions, as well as on the setting of performance targets relating to the variable component of such remuneration;
- l) monitors the concrete application of the Remuneration Policy, and in particular verifies the effective achievement of performance targets;
- m) periodically assesses the adequacy, overall consistency and concrete application of the Remuneration Policy applicable to Directors and Top Management.

In addition to the competencies set out in the foregoing points, the Remuneration Committee:

- n) formulates proposals regarding plans, targets, rules and company procedures relating to social and environmental issues and, more generally, sustainability, in line with applicable legislation, (i) promoting the progressive adoption of short and medium-to-long-term qualitative and quantitative indicators focused on ESG issues; (ii) the identification of performance targets, to which the provisions of predetermined, measurable variable components tied to a significant extent to a long-term horizon, consistent with the Bank's strategic objectives and designed to promote its Sustainable Success, also including non-financial pa-

- rameters, where relevant; (iii) integrating compliance with laws governing sustainable finance; and (iv) contributing to the preparation of a Remuneration Policy consistent with sustainability risk, from the standpoint of both individual performance and of alignment with the interests of shareholders, investors and stakeholders;
- o) provides opinions on the determination of severance indemnities to be offered in the event of early termination of the contract or the post (so-called golden parachutes"); assesses the possible effects of departure on the rights assigned in the context of incentive plans based on financial instruments;
 - p) expresses non-binding opinions and proposals for any stock options plans and shares allotment or other share-based incentive systems, also suggesting the objectives associated with the provision of such benefits and the criteria for assessing the achievement of those objectives; monitors the evolution and application over time of any plans approved by the General Shareholders' Meeting on the Board's proposal;
 - q) provides opinions to the Board of Directors regarding the motions on remuneration of the Directors holding special positions in companies in which the Bank holds a Strategic Equity Investment, pursuant to Article 2389 of the Italian Civil Code, as well as the remuneration of General Managers and Managers with Strategic Responsibilities of such companies.

3.4 Governing Body

Identifying the objectives to be assigned to individual Managers, other than those for which the Board of Directors is responsible, is the responsibility of the governing body (identified based on the powers assigned) as part of the Remuneration Policy determined by the General Shareholders' Meeting and the parameters identified by the Board of Directors, supported by the Human Resources Department, the General Counsel & Sustainability Area, the CFO & Strategy Area, the COO & Innovation Area, the Compliance and Anti-Financial Crime Department, and the Risk Management Department, each for the parts within their respective remit.

The process of assigning the objectives to be met in order to receive variable remuneration and determining the maximum amount of such variable component is formally conducted and documented.

3.5 Board of Statutory Auditors

The Board of Statutory Auditors is tasked with expressing opinions on the remuneration of directors holding special offices, and the members of Board Committees, it being pointed out that the said opinions are provided even with regard to the remuneration of the Chief Executive Officer and the General Manager.

The Board of Statutory Auditors also expresses an opinion on the remuneration of heads of control functions.

3.6 Company Control Functions

Without, in any event, exceeding the bounds of their respective spheres of competence, the Bank's control functions collaborate to ensure the appropriateness, regulatory conformity and proper implementation of all remuneration policies and practices.

More specifically:

- › the Compliance function, supported by the Compliance and Anti-Financial Crime Department is tasked, *inter alia*, with verifying that the corporate incentive system is in line with objectives of compliance with applicable regulations, the Articles of Association and the self-regulatory provisions, with a view to appropriately containing the legal and reputational risks that arise, above all, in the course of dealings and relationships with customers. The function submits the results of its assessments to the relevant company boards, recommending corrective action where appropriate, it being understood that the said results are also reported to the General Shareholders' Meeting on an annual basis;
- › the Risk Management Function, which is performed by the Risk Management Department, contributes, *inter alia*, to ensuring that the remuneration and incentive system is consistent with the Bank's risk appetite framework of reference (the "RAF"), including by defining the risk indicators to be used for corrective mechanisms (on an *ex ante* and *ex post* basis) and expresses a position on the proper activation of such mechanisms;
- › the Internal Audit function, supported by the Internal Audit Department, is in charge, *inter alia*, of verifying, at least once a year, the compatibility of remuneration practices with the ap-

proved Remuneration Policy and industry-specific regulations. This function also submits the results of its assessments to the relevant company boards, recommending corrective actions where appropriate, it being understood that the said results are also reported to the General Shareholders' Meeting on an annual basis.

3.7 Human Resources and Other Functions

The Human Resources Department provides technical assistance and prepares the support materials that inform remuneration policies and their implementation. The Department provides support for the activities performed by the Compliance function (see the previous paragraph), by ensuring, inter alia, the consistency of human resource management policies and procedures and the Bank's remuneration and incentive systems.

The Planning & Control Department and the Commercial Planning & Control Service are involved in defining remuneration policies, identifying, respectively, the quantitative parameters pertaining to the strategic objectives to which the variable component of remuneration is to be correlated, determining the expense budget, and defining the policies relating to Financial Advisors.

The Project Governance, Outsourcing and Data Management Department is involved in identifying the qualitative parameters associated with company projects, relating to the strategic objectives to be associated with the variable component.

The General Counsel & Sustainability Area and the Administration Department also perform an advisory function for their respective areas of responsibility in legal, corporate, accounting and tax matters.

The Subsidiaries and the other Areas/Departments collaborate by providing access to all data and supporting documents necessary to identifying and monitoring the parameters relating to the strategic objectives to be associated with the variable component.

Market practices and remuneration benchmarks

The remuneration patterns are monitored, taking due account of trends recorded both internally and on the reference markets and of the fixed and variable remuneration components, availing, for key managers and professionals, of the service of external independent consultancy firms (Mercer Italia, Morrow Sodali and Willis Towers Watson). More specifically:

- › with regard to Key Personnel, specific analyses in relation to a group of peers, determined as indicated in the foreword, on the basis of Banca Generali's profile, are carried out, including upon request by the Remuneration Committee;
- › industry-specific surveys and specific benchmark analyses are used for all other personnel.

With reference to job grading, a model incorporating Willis Towers Watson job levelling methodology is currently applied. The main corporate managerial positions have already been weighted using the aforesaid methodology.

In addition, the main benefits of the Banking Group's managers, executives and professional areas (specified, where applicable, in their respective supplementary employment contracts) have been established in light of policies defined by the Group to which they belong.



4. Temporary Derogations in Exceptional Circumstances

In accordance with the applicable legislation, the Bank may, in “exceptional circumstances”, temporarily derogate from the Remuneration Policy.

“Exceptional circumstances” shall cover situations that can be traced back to the general cases provided for by article 123-ter of the Consolidated Finance Law, i.e., in which derogation is necessary to serve the long-term interests and sustainability of the Company as a whole and in order to assure its viability.

In the event of such “exceptional circumstances”, the Board of Directors, as proposed by the Remuneration Committee and subject to reasoned favourable opinion by the Related Parties Committee, may resolve on specific temporary derogations, without prejudice in any event, to compliance with legal and regulatory constraints. Derogation may exclusively regard the following elements of the Remuneration Policy:

- a) the economic parameters, performance objectives and levels, and gates of the incentive system and other forms of variable remuneration;
- b) the economic parameters, performance objectives and levels, and gates of the Group long-term incentive plan.

The Bank will provide information on any derogations from the Remuneration Policy granted in exceptional circumstances in Section 2 of the Report of the following year.

5. 2023 Remuneration Policy

Remuneration package¹⁰ of employees is made of fixed and variable components which, in the case of certain Managers, may include participation in Long Term Incentive plans designed to link remuneration to the long-term performance of the Banking Group and the Assicurazioni Generali Group.

5.1 Fixed Components of Remuneration for Employees

The fixed components refer to the remuneration of the role, responsibilities and managerial and technical skills of employees used to perform the roles assigned to them, in order to ensure managerial continuity and pursue effective and fair internal remuneration policies that are competitive in respect of the external market, consistently with what has been defined in paragraph “The Objectives of the Remuneration Policy”.

The fixed component accounts for a sufficient proportion of total remuneration to attract and retain resources and simultaneously 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 risk propensity, with a view to meeting short and medium-to-long-term targets.

Among the fixed components of remuneration, the bank has introduced a Service Allowance. This is a component of fixed remuneration that is in addition to traditional gross annual remuneration and is tied to the specific nature of several roles. The allowance is assigned to compensate a specific role and/or the related responsibilities; it may be renegotiated, with annual or other frequency, according to changes in the specific requirements of the role, but entitlement to collect it ceases if the beneficiary is assigned to a role within the company to which a service allowance does not apply.

The total fixed remuneration provided to personnel includes not only gross annual remuneration, but also service allowances, director’s remuneration, as well as the benefits package as described below.

In fact, a significant portion of fixed remuneration components consists of the benefits package, which represents a significant element in terms of fixed remuneration (about 25% for executives and professional areas, and around 30% for managers).

In detail, for managers this includes health cover (which in specific circumstances provided for in internal collective regulations may also be retained following severance), supplementary pension benefits, life insurance, as well as insurance for accidents at work and outside work, and a company car.

The National Collective Labour Agreement for Credit Institutions, supplemented by the Supplementary Company Contract, is applied for executives and professional areas. Social security coverage and pension benefits are therefore uniformly regulated for each different category of staff, in strict compliance with the provisions set forth in applicable collective bargaining labour agreements.



¹⁰ Remuneration packages and the related provisions and benefits have been formulated while also taking account of the legislative and market scenario applicable to subsidiaries, in accordance with local and industry legislation.

5.2 Variable Components of Remuneration for Employees

Variable components are intended to reward short, as well as medium-to-long term results.

Performance is assessed — taking due account of the population segment and time-span in question — on the basis of the results attained by beneficiaries and the corporate structures they serve and the results achieved by the company/group as a whole.

The aim of the annual variable components of remuneration and long-term incentives is to balance directly the interests of the shareholders and those of management.

Variable incentive-oriented remuneration linked to the performance of the Bank and the Banking Group is determined taking due account of the risks assumed and the liquidity required to cover ongoing business operations, and with a view to avoiding conflicts of interest. It envisages access gates, whereby failure to meet pre-set stability targets entails forfeiture of the related bonus, but also malus and claw-back mechanisms, as described below.

By way of example but without limitation, the following are included among the variable components of remuneration:

- › short-term incentives: Balanced Scorecards and Management by Objectives;
- › medium-to-long term incentive plans: Long Term Incentive plans;
- › entry bonuses and one-off benefits, where provided.

Moreover, in accordance with Bank of Italy's Provisions, variable remuneration also includes:

- › stability pacts, extended notice agreements and non-competition agreements (the latter in respect of the share in excess of one year of fixed remuneration);
- › amounts paid in view of or concurrently with termination of the relationship¹¹ (described in detail in paragraph 6.1).

5.2.1 Ratio of the Variable to Fixed Component of Remuneration and related Mechanism



In the Supervisory Provisions, particularly important is for Key Personnel the cap of 1:1 ratio of the variable to fixed component of remuneration is particularly important. Its aim is to ensure compliance with the ratio of total variable to total fixed remuneration (including all forms of payment or benefit disbursed, directly or indirectly, in cash, financial instruments, or assets in kind not linked to the achievement of individual or company performance results, or the award of which is subject to annual qualitative assessment or other parameters, such as term of service).

The Bank has taken the following measures to ensure that this ratio is maintained:

- › in general, a ratio of variable remuneration to total fixed remuneration less than or equal to this threshold for the above-mentioned personnel;
- › for specific individual company personnel (Chief Executive Officer/General Manager, Deputy General Managers, Head of the Asset Management Area, Head of the Marketing and External Relations Department, Head of the Alternative and Support Channels Area, Head of the Wealth Management Area, Head of the COO & Innovation Area, Head of Equity Private Investments, Head of Financial Advisor Networks Area; Head of the Administrated Savings Department, one Sales Manager, nine Area Managers and one Head of Business Development Top Wealth Advisor/Top Private Banker, one Recruiting Trainer Italy, and one Head of Advisory), a reasoned proposal for the General Shareholders' Meeting to deviate from the 1:1 ratio of variable to fixed remuneration, by increasing it up to a maximum of 2:1.

This proposal, submitted by the deadline set by the Bank of Italy, is based on the grounds set out in the specific report, and in particular on the consideration that in a specialist market such as that in which the bank operates, where it must compete with international players, a remuneration package competitive with those of its competitors, for individuals in key roles in its company organisation or managerial roles in its commercial areas, allows the bank to attract and retain individuals with the professionalism and skills suited to the Company's needs and ensure that its business results are achieved, in a manner consistent with applicable regulations.

¹¹ In addition to termination indemnity and legal and contractual notice indemnity.

The cap mechanism ensures that the ratio of total variable remuneration paid in relation to a given year (including both up-front and deferred payments) to total fixed remuneration in that same year does not exceed 1:1 (or, where expressly authorised, 2:1). In the event of variable remuneration under long-term incentive plans with a duration of more than five years, including the deferral period, for which a provision is set aside during the year to which it refers and payment is deferred until a later year, the cap mechanism always applies on a cash basis at the time of the actual payment, using (i) as the basis of calculation of fixed remuneration that paid during the year of accrual of the provision and (ii) as the variable remuneration attributable to each year the total amount of the variable remuneration attributed to each year of the plan according to a linear pro-rated approach.

The mechanism refers to the variable remuneration instruments assigned starting in the year in which the cap mechanism was introduced.

Likewise, if the 1:1 (or, where expressly authorised, 2:1) ratio of variable to fixed remuneration is in future modified in an unfavourable manner for one or more individuals, having regard to the year in which the ratio of variable to fixed remuneration is changed, all shares of variable remuneration accrued in years prior to the year concerned, but not yet disbursed due to deferral, will be sterilised for the purposes of the calculation.

For the remaining personnel, the ratio of the variable to total fixed components of remuneration is commensurate with the employee's job description and the strategic responsibilities inherent to his or her position within the organisational structure: For managers it generally does not exceed 80%, while for the professional areas and executives it generally does not exceed 40%. For certain categories of personnel, it may reach 100%¹². In particular, it may reach:

- › the level of 100% (or higher in cases of entry or expiry plans based on net inflow/revenue targets and without guaranteed minimums) for persons operating in operating units of a commercial nature;
- › the level of 100% for “portfolio managers” within the framework of asset management activities, if the assigned results are achieved in full.

Paragraph 8.2 below provides a breakdown of the components of the remuneration packages of the other persons included among Financial Advisors, distinguishing between fixed and variable components.

5.2.2 Bonus Pool and Access Gates

The bonus pool is the total amount allocated to the payment of the variable component of personnel costs. It is defined annually by the Board of Directors by applying a bottom-up approach.

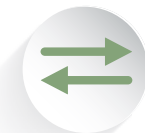
The actual bonus pool available for the payment of the variable component is determined in the year after that of reference and may be disbursed when the requirements are met for each company position, and in any event subject to verification of “access gates”.

The access gate has a twofold objective:

- › taking account of current and prospective risks, the cost of capital and the cash required to undertake the business engaged in within the Banking Group;
- › basing variable remuneration on long-term performance indicators.

For 2023, said mechanism provides for two ratios:

- › capital ratio: Common Equity Tier 1 ratio¹³, aimed at measuring the extent of the Bank's capital in relation to the degree of risk of the assets held — minimum target ratio of 11%¹⁴;



¹² Or higher for certain categories of personnel operating on particular markets, for which percentage is defined in accordance with the market context.

¹³ Common Equity Tier 1 ratio meaning the ratio of CET1 (consisting mainly of the ordinary capital paid-in) to risk-weighted assets (credit, market and operational risks).

¹⁴ Threshold subject to revision in the event of exceptional, unforeseeable changes in macroeconomic conditions or of deterioration of financial conditions. In the event of extreme discontinuity, the Board of Directors will reassess the fairness and consistency of incentive systems.

- › liquidity ratio: Liquidity Coverage Ratio¹⁵, to increase short-term resilience of the liquidity risk profile of the Bank, while ensuring it has sufficient, high-quality liquid assets to overcome any 30-day long acute stress situation — minimum ratio of 150%¹⁶.

An on/off threshold is set for each ratio. The levels associated with the respective ratios have been identified according to a logic of prudence and medium-to-long-term sustainability. In particular, gates were identified at thresholds above the Bank's tolerance, incorporating stress scenarios involving a combination of particularly adverse events classifiable as systemic in nature and events specific to the Banking Group.

The condition for the bonus pool to be activated is that both ratios are above the minimum threshold set when the final earnings figures for the year are recorded.

The total bonus pool may not be increased based on the Company's performance, but it may be eliminated if the access gates are not reached.

The access gate does not only condition the bonus for the year in question, but also acts as a malus mechanism, from one year to the next, the portions of bonuses accrued in previous years and paid out on a deferred basis in subsequent years.

5.2.3 Malus and Claw-back Mechanisms

With reference to all types of variable remuneration, the following is envisaged:

- › the application of the malus mechanism, whereby it is not paid, in whole or in part, in addition to the failure to pass the access gates indicated above in paragraph 5.2.2. (referring to financial position and liquidity performance), even in the presence of elements that have resulted in a significant deterioration in performance levels, net of the risks actually assumed (in the case of $RoRAC \leq 0$). Furthermore, the malus mechanism applies, in whole or in part, in the event of i) proved engagement in behaviour, such as behaviour not in accordance with laws, regulations, articles of association, codes of ethics or codes of conduct applied by a bank (hereinafter a "compliance breach"), constituting wilful misconduct or gross negligence to the detriment of customers or the Bank, ii) proved engagement in behaviour, such as compliance breaches (as defined above), resulting in a significant loss for the Bank, iii) disciplinary measures or pending non-routine inspections¹⁷, and iv) failure to comply with rules concerning banking transparency and remuneration policy, in accordance with the Supervisory Provisions for Banks and/or with sustainable finance regulations;
- › the application of a claw-back mechanism whereby the Bank is entitled to demand the full or partial return of variable remuneration up to five years after it is paid in the event of i) proved engagement in wilful misconduct or gross negligence, such as compliance breaches, to the detriment of customers or the Bank, ii) proved engagement in behaviour, such as compliance breaches, resulting in a significant loss for the Bank, iii) disciplinary proceedings, and iv) failure to comply with rules concerning banking transparency, anti-money laundering and remuneration policy, in accordance with the Supervisory Provisions for Banks and/or with sustainable finance regulations.

Likewise, the Bank may demand the return of bonuses paid in cases of material errors in figuring the items used to calculate the Group's specific objectives and/or access gates.

¹⁵ Liquidity Coverage Ratio meaning the ratio between the stock of [1] high-quality liquid assets (that is to say, easily disposed of for cash on the open market, even during periods of tension, and ideally, subject to placement with a central bank) and [2] the sum total of net outflows during the 30 calendar days following a specified stress scenario; the figures used for calculation purposes are those reported to the Bank of Italy and drawn from the consolidated financial statements as at the end of the year.

¹⁶ Threshold subject to revision in the event of exceptional, unforeseeable changes in macroeconomic conditions or of deterioration of financial conditions. In the event of extreme discontinuity, the Board of Directors will reassess the fairness and consistency of incentive systems.

¹⁷ In the event of disciplinary proceedings in progress when variable remuneration is to be paid, payment will be suspended until the disciplinary proceedings are complete. At the end of the proceedings, if the person in question is found to have engaged in the alleged misconduct and is punished accordingly, the malus mechanisms apply.

5.2.4 Prohibition of Hedging Strategies and Disclosure of Transactions

Personnel may not avail themselves of personal hedging or insurance strategies in respect of their remuneration or other aspects that may alter or undermine the effects of alignment with risk inherent in remuneration mechanisms.

Key personnel are required to follow the existing procedure — revised as appropriate to reflect the most recent update to the Supervisory Provisions — to disclose transactions and financial investments involving financial instruments issued by companies of the Banking Group or by the Parent Company of the Assicurazioni Generali Group (including derivatives with such instruments as their underlying) that could affect risk alignment mechanisms and, more generally, the pursuit of the aims of the Provisions.

5.2.5 Principle of Propriety and the Containment of Reputational Risks

With specific regard to distribution networks, remuneration and incentive systems are inspired by criteria of diligence, transparency and correctness in relations with customers, containment of legal and reputational risks, customer protection and retention and observance of any applicable self-governance rules, in accordance with transparency provisions. In particular, to this end the Banca Generali Group formulates a Remuneration Policy consistent with the foregoing, using specific formal, quantifiable and verifiable rules and indicators (such as the number of complaints, the fulfilment of the anti-money laundering obligations, the completion of the remediation required by the control functions, the provision of training courses, etc.), which affect the right to receive the incentive component of remuneration.

5.3 Short-term incentives

5.3.1 Balanced Scorecards and Management by Objectives

Short-term variable remuneration is based on the Balanced Scorecards (BSC) mechanism, aimed at the achievement of the earnings and financial results indicated by the budget for the reference year.

The following are normally subject to the Balanced Scorecards mechanism:

- › Chief Executive Officer/General Manager,
- › Key Personnel;
- › executives who do not qualify as Key Personnel, certain middle managers of administrative and staff departments and relationship managers and portfolio managers with managerial roles.

By contrast, employees without managerial roles with relationship manager and portfolio manager duties are typically subject to a different mechanism, Management by Objectives (MBO). For this mechanism, which is in any case based on incentive sheets allowing the use of variables to measure performance and risks as consistent as possible with the decision-making powers of each beneficiary, quantitative objectives established in terms of the results carried in the consolidated financial statements of the Banking Group may be replaced by individual quantitative objectives.

The adoption of Balanced Scorecards is intended to translate the strategies set forth in the industrial plan into a set of objectives, which take due account of company risks and are able to materially influence the Banking Group's overall performance. The objectives are assigned to the individual recipients on an annual basis on individual Scorecards.

The purpose of this mechanism is to achieve maximum strategic alignment of management, as all the positions which are BSC or MBO recipients help to create shareholder value by achieving both financial and non-financial objectives that are in any event measurable.

The objectives and the relevant targets are defined based on the guidelines, differentiated according to the sphere of work and responsibility attributed, and identifying the impact of individual positions on the achievement of the respective targets.



Variable remuneration is tied on a straight-line basis to the degree of achievement of the targets established for individual objectives or the annual and non-recurring assessment of special projects with a significant impact on the development of the business and company performance.

As regards the variable remuneration of most of executives and employees belonging to the professional areas (other than those included in any of the categories specified above), the system used for the calculation of the bonuses, which takes place at annual intervals, is linked to the performance appraisal process and decided on a discretionary basis (as specified in paragraph 5.5).

5.3.2 Performance Indicators and the Main Parameters Used



Variable remuneration is linked on a straight-line basis to the degree to which the targets set for each objective are achieved, since the BSC and the MBO mechanism is based on defining and allocating specific, well defined objectives, each one of which is attributed a target value, and each with a weight indicating its level of priority when compared to the others, as well as performance levels (minimum, target and maximum) expressed through appropriate indicators.

Expected levels of performance are indicated, for each objective, together with the minimum access gate to be achieved to qualify for bonus entitlements, the maximum access gate in case of overperformance, and any and bonus cap achievable.

The objectives and the relevant targets are defined based on the guidelines differentiated according to the sphere of work and responsibility attributed.

A percentage of the variable remuneration, as stated below, is linked to quantitative financial objectives (with possible normalisation of the performance fee component) pertaining to the results of the Banking Group.

In particular, the following objectives may be assigned:

- › profit and loss account/profitability objectives such as, including, without limitation, Fee Income, Cost/Income, Consolidated Net Profit, Return on Risk-Adjusted Capital (RoRAC), Recurring Net Profit, core Net Banking Income;
- › cost control objectives and commercial development Objectives such as, including, without limitation, Net Inflows, Revenues or similar and Fee Growth, complemented by risk-adjustment measures.

These objectives may contribute to determining up to 70% of the short-term variable remuneration of the Chief Executive Officer/General Manager; up to 35% for that of other managers and executives. The percentage in question may also be higher for sales personnel for whom commercial development objectives represent function-specific objectives.

The remaining portion of the short-term variable remuneration is linked to the attainment of quantitative and qualitative objectives — financial and non-financial — established based on the position held, with a view to using performance measuring variables that are, as far as possible, consistent with the decision-making powers vested in each manager.

In particular, in relation to the position filled, the quantitative objectives refer to net inflows, revenues and/or cost objectives for which the beneficiary of the individual scorecard is responsible based on the company budget for the reference year.

The exceptions to these general criteria are the objectives assigned to the Manager in charge of preparing the company's financial reports, the Heads of control functions, and the Head of the Human Resources Department, who are not linked to the earnings results of the Bank and/or of the Banking Group.

The qualitative objectives, which usually set valuation criteria, refer to projects concerning the Banking Group and require the collaboration of all the beneficiaries of individual scorecards, each one regarding the area within his/her remit, or projects falling under the responsibility of individual departments, but which are of general importance.

The Balanced Scorecards of all Key Personnel include indicators tied to the implementation of strategic projects for the achievement of the Plan's objectives.

In addition to these, there are two further specific focuses, assessed by management on the basis of key performance indicators (KPIs) correlated to ESG (Environmental, Social, Governance) objectives relating to:

- › People Value;
- › Sustainability Commitment.

PEOPLE VALUE

An objective set each year in view of personal development in line with the Group's strategy: recognition and celebration of diversity, favouring inclusion, showcasing the individual contribution and the success of the organisation, while also discouraging conduct that leads to excessive exposure to risk.

For 2023, initiatives included in the People Strategy relating to the following may be included in the objective:

- › Key People retention;
- › upskilling training initiatives;
- › GPM (Group Performance Management) implementation and definition/dissemination of the Next Normal rules;
- › initiatives promoting Diversity, Equity & Inclusion;
- › participation in the Digital Minds Programme;
- › promotion of a high level of participation in the Global Pulse Survey and definition of supporting initiatives.

The objective may include a specific reference to individual initiatives involving:

- › Effective management of the structures coordinated
- › Collaboration with other company functions
- › Other people management initiatives

SUSTAINABILITY COMMITMENT

An objective set annually in line with the priorities of the Strategic plan, which includes a series of diversified sustainability initiatives, correlated directly and indirectly with all ESG (environmental, social and governance) components, identified in detail in the individual modules.

For 2023, the objective may include initiatives related to four different pillars:

- › sustainable products, with objectives aimed at increasing the penetration of sustainable investments in client portfolios, with a focus on the selection of UCITS within the retail distribution platform, and financial and insurance wrappers;
- › sustainable processes, with a focus on strengthening processes and procedures aimed at optimising and increasing the efficacy of the ESG governance with regard to both procedures and data;
- › sustainable plans, with a focus on tangible measures aimed at achieving the climate and community targets set out in the Plan, with particular regard to financial and sustainable education;
- › sustainable people, with a focus on advanced ESG training for the Financial Advisor network and on employees, also through advanced training sessions conceived for teams involved in strategic sustainability-related projects.

For bonus assignment purposes, the performance obtained in respect of each objective is verified and duly weighted in the financial year following the year of reference. The sum of the weighted performance levels achieved in respect of each objective then constitutes the overall performance which serves as the basis for quantifying the bonus due, subject to satisfaction of the pre-established access gates to be met in order to qualify for bonuses (attainment of the minimum threshold affording access to bonus entitlements, with the inclusion of mechanisms preventing certain off-setting effects). The foregoing procedure is designed to ensure a close correlation between results obtained and bonuses earned.

The performance levels identified in the objectives are directly linked to the forecasts of the budget approved by the Board of Directors and the achievement of the results, when linked to the P&L results, is verified based on the consolidated financial statements of the Banking Group.

Except as specified above, with reference to the MBO mechanism, with a view to measuring performance and risks through variables that are as consistent as possible with the decision-making powers vested in each beneficiary, quantitative objectives established in terms of the results carried in the consolidated financial statements of the Banking Group may be replaced by individual quantitative objectives associated with the individual function discharged within the Group (without prejudice to the application of the access gates described herein).

5.3.3 Pay-out: Deferral and Share-based Variable Remuneration

The methods of payment of variable remuneration are governed by precise instructions in the Supervisory Regulations with regard to remuneration, with particular regard to deferral obligations, the type of payment instruments and the retention period applicable to the portion, if any, paid in financial instruments.

Where disbursement of an accrued bonus is deferred, instalments paid in cash on a deferred basis are increased by a return at market rates when disbursed.

In the event of termination of employment or service with companies of the Banca Generali Group, beneficiaries lose their entitlement to portions of bonuses that have not yet been disbursed, without prejudice to cases of retirement, death or permanent disability, a new position within the Generali Group (including a change of contract from employment to agency, as in the case of a Banca Generali Financial Advisor), another working relationship entailing ongoing professional service for the company, or termination of employment by the company due to company reorganisation (without prejudice, in any event, to the possibility of retaining deferred portions within the framework of agreements for the consensual termination of a relationship).

In the event of death or total disability with respect to the agreed employment services, by way of partial departure from the foregoing, any deferred bonus payments due will be paid immediately, without waiting until the access gate conditions for subsequent years are met.

The Materiality Threshold

In view of the changes brought on by the Bank of Italy Regulations, where the actual bonus accrued to Key Personnel is equal to or less than 50,000.00 euros and, simultaneously, one-third of the beneficiary's total remuneration, it will be paid in full in the year after that of reference (fully in cash), after the Board of Directors verifies financial performance in the year of accrual and satisfaction of access gate requirements.

Variable remuneration of particularly high value

Within the Banking Group, in accordance with the regulations, the particularly high amount used as a benchmark for determining deferral periods and the percentage of shares used to pay the deferred portion is set at 25% of the average total remuneration of Italian high-earners, according to the most recent report published by the EBA (424,000.00 euros in the 2023 EBA report). Where variable remuneration of particularly high value is paid to the persons indicated in paragraph 2.1 and in point 4, third inset, of the Supervisory Regulations, deferral periods and payment in financial instruments will apply as specified hereunder.

Determination of the number of shares to be assigned

In calculating the number of shares to be assigned, a method is applied where: the numerator is defined as 50% (or a higher percentage, where applicable) of variable remuneration accrued for the actual achievement of targets set for the year of reference, and the denominator consists of the share price (calculated as the average price of the share over the three months preceding the Board of Directors' meeting called to approve the draft Financial Statements and the Consolidated Financial Statements for the year prior to that in which the cycle in question starts).

Key Personnel

For Key Personnel the variable component is at least 40% subject to deferred payment systems for a period of time of no less than four years;

The variable component linked to short-term objectives of Top and Non-Top Key Personnel whose variable remuneration is not of particularly high value, will be 50% paid in Banca Generali shares according to the following assignment and retention mechanism¹⁸:

- › 60% of the bonus will be normally paid by the first half of the year after that of reference, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
- › 40% of the bonus will be paid, according to a linear pro-rated approach, after a further four years from the payment of the first instalment: 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year.



¹⁸ Without prejudice, in any event, to fulfilment of any additional retention obligations in accordance with the Corporate Governance Code.

The scheme for the payment and vesting of portions of the bonus is shown below:

	2024	2025	2026	2027	2028	2029	TOTAL
Top and Non-Top Key Personnel with a bonus > 50,000.00 euros and < 424,000.00 euros	Payment						
	Cash (50%)	30%	5%	5%	5%		50%
	Shares (50%)	30%	5%	5%	5%		50%
		60%	10%	10%	10%		
	Availability						
	Cash (50%)	30%	5%	5%	5%		50%
	Shares (50%)	-	30%	5%	5%	5%	50%
		30%	35%	10%	10%	5%	

Key Personnel with variable remuneration of particularly high value

For non-Top Key Personnel with a particularly high amount of variable remuneration the variable component is at least 60% subject to deferred payment systems for a period of time of no less than 4 years;

For such personnel, 50% of the variable remuneration linked to short-term objectives will be paid in Banca Generali shares, according to the following assignment and retention mechanism¹⁹:

- > 40% of the bonus will be normally paid by the first half of the year after that of reference, 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
- > 60% of the bonus will be paid, according to a linear pro-rated approach, after a further four years from the payment of the first instalment: 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year.

The scheme for the payment and vesting of portions of the bonus is shown below:

	2024	2025	2026	2027	2028	2029	TOTAL
Non-Top Key Personnel with bonus > 424,000.00 euros	Payment						
	Cash (50%)	20%	7.5%	7.5%	7.5%		50%
	Shares (50%)	20%	7.5%	7.5%	7.5%		50%
		40%	15%	15%	15%		
	Availability						
	Cash (50%)	20%	7.5%	7.5%	7.5%		50%
	Shares (50%)	-	20%	7.5%	7.5%	7.5%	50%
		20%	27.5%	15%	15%	7.5%	

Top Key Personnel with variable remuneration of particularly high value

For Top Key Personnel whose variable remuneration is a particularly high amount (424,000.00 euros), the variable component is normally at least 60% subject to deferred payment systems for a period of time of no less than 5 years.

For Top Key Personnel, more than 50% of the variable remuneration linked to short-term objectives will be paid in Banca Generali shares, according to the following assignment and retention mechanism²⁰:

- > 40% of the bonus will be normally paid by the first half of the year after that of reference, 45% in cash and 55% in Banca Generali shares, which will be subject to a retention period of one year;
- > 60% of the bonus will be paid after a further five years from the payment of the first instalment, 44% in cash and 56% in Banca Generali shares, which will be subject to a retention period of one year.

¹⁹ Without prejudice, in any event, to fulfilment of any additional retention obligations in accordance with the Corporate Governance Code.

²⁰ Without prejudice, in any event, to fulfilment of any additional retention obligations in accordance with the Corporate Governance Code.

The scheme for the payment and vesting of portions of the bonus is shown below:

	2024	2025	2026	2027	2028	2029	2030	TOTAL*
Top Key Personnel with bonus > 424,000.00 euros	Payment							
	Cash (45%)	18%	5.3%	5.3%	5.3%	5.3%	5.3%	44%
	Shares (55%)	22%	6.7%	6.7%	6.7%	6.7%	6.7%	56%
		40%	12%	12%	12%	12%		
	Availability							
	Cash (45%)	18%	5.3%	5.3%	5.3%	5.3%	5.3%	44%
	Shares (55%)	-	22%	6.7%	6.7%	6.7%	6.7%	56%
		18.0%	27.3%	12.0%	12.0%	12.0%	12.0%	6.7% 100%

* Rounded total.

In the event of severe market disruption (such as material changes in macroeconomic conditions or worsening of the financial context), the Board of Directors may reassess the incentive system's fairness and overall consistency within the framework of its remuneration governance processes, by implementing the appropriate and/or necessary correction measures, also with specific regard to the reference objectives, and the related assessment metrics and conditions, without prejudice to the limits and general principles of this Policy and of the regulatory framework, and to the maintenance, also in the future, of capital and liquidity levels.

5.4 Medium-to-long Term Incentive Plans: Long Term Incentive



The medium-/long-term incentive plans described below are one of the instruments that make up the overall variable component of reference of the Group's top management, and in particular that intended to remunerate and reflect the Group's medium-/long-term objectives, prepared in coordination with the Generali Group's objectives, in formulating the variable remuneration of the persons indicated above, to be paid fully in shares of the Bank.

Plans currently underway

The medium-to-long term variable remuneration provided by Banca Generali, with regard to ongoing plans launched in previous years, the recipients of which are the Chief Executive Officer/General Manager, several Managers with Strategic Responsibilities and other managers identified by virtue of the significance of their roles, consists of long-term plans, launched in each year and based on Banca Generali shares: Banca Generali's Long Term Incentive.

The assignment of shares relating to the 2021 and 2022 LTI plans will occur in 2024 and 2025, respectively.

2023 LTI Plan

A new long-term incentive plan based on shares of Banca Generali, the Banca Generali Group Long Term Incentive Plan (2023 LTI Plan), is in place for 2023.

In accordance with applicable laws and regulations, and with best practice in this area, the plan aims to pursue the goal of increasing the value of Banca Generali's shares and the value for the other stakeholders, 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, investors, customers, suppliers and, in general, the broader ecosystem, 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 annual variable components and long-term variable components;

- › to increase management retention at the level of the Banking Group.

In keeping with market practice and investors' expectations, it is expected that the shares will be assigned and made available to the beneficiaries over an adequate deferred long-term period, contingent on the achievement of performance conditions by the Banca Generali Group and the Generali Group and verification of achievement of the related access gates, as detailed below.

The plan is based on the following fundamental aspects:

- › the incentive linked to the satisfaction of objectives is disbursed through the assignment of ordinary shares of Banca Generali S.p.A.;
- › the right to receive the shares is linked to verification of satisfaction of an access gate set by the Board of Directors and constituting a condition precedent in this sense;
- › the overall assessment of performance is based on Banca Generali Group objectives (with a weight of 80%) and additional Generali Group objectives (with a weight of 20%), as shown in the tables below.

Beneficiaries

The beneficiaries of the Long Term Incentive (LTI) plan include the Chief Executive Officer/General Manager, the Deputy General Managers, the General Managers of the Banca Generali Group's subsidiaries, the Areas/Departments heads reporting to the Chief Executive Officer and the Deputy General Managers, and other managers, excluding control functions.

The beneficiaries are identified by the Board of Directors upon the launch of the Plan, in light of the significance of the role played within the Banking Group, provided that such role is also significant for the Generali Group.

Plan structure and mechanisms

The Plan states that the number of shares actually assigned at the end of the performance period is directly correlated with the achievement of the Banking Group Objectives and Generali Group Objectives.

In light of the use of Banca Generali treasury shares, it was deemed necessary to assign a greater weight to the Banking Group's performance, i.e., 80% for the indicators of the Banca Generali Group and 20% for those of the Generali Group.

The following objectives were identified:

- › Banking Group objectives, tied to objectively measurable indicators such as tROE²¹ and Adjusted EVA²², and AUM ESG²³, and
- › Generali Group objectives, tied to objectively measurable indicators: relative TSR²⁴, Net Holding Cash Flow²⁵ and ESG²⁶.

²¹ With reference to the Banking Group, this indicator links net profit with adjusted net equity

²² With reference to the Banking Group, this indicator expresses the value creation by adjusting recurring net profit for cost of capital

²³ With reference to the Banking Group, this indicator measures the ratio of managed assets to the AUM invested in (i) financial and insurance products/services as per Article 8 or 9, qualifying as "eligible" according to the MIFID-ESG approach and (ii) funds which, though not qualifying within discretionary mandates or insurance policies as per Article 8 or 9, in any case qualify as per Article 8 or 9 with a >3 MIFID-ESG score.

²⁴ With regard to the Generali Group, the total return on shareholder investment is calculated as the change in the market price of the Generali Group's shares, in which distributions or dividends reinvested in the shares are included, as compared to a peer group (Ageas, Allianz, ASR Nederland, AXA, Baloisesholding AG, Intesa Sanpaolo, Mapfre, NN Group, Poste Italiane, Powszechny Zakład Ubezpieczeń (PZU) Swiss Life Holding AG, Unipol, Uniqa, Vienna Insurance Group, Zurich).

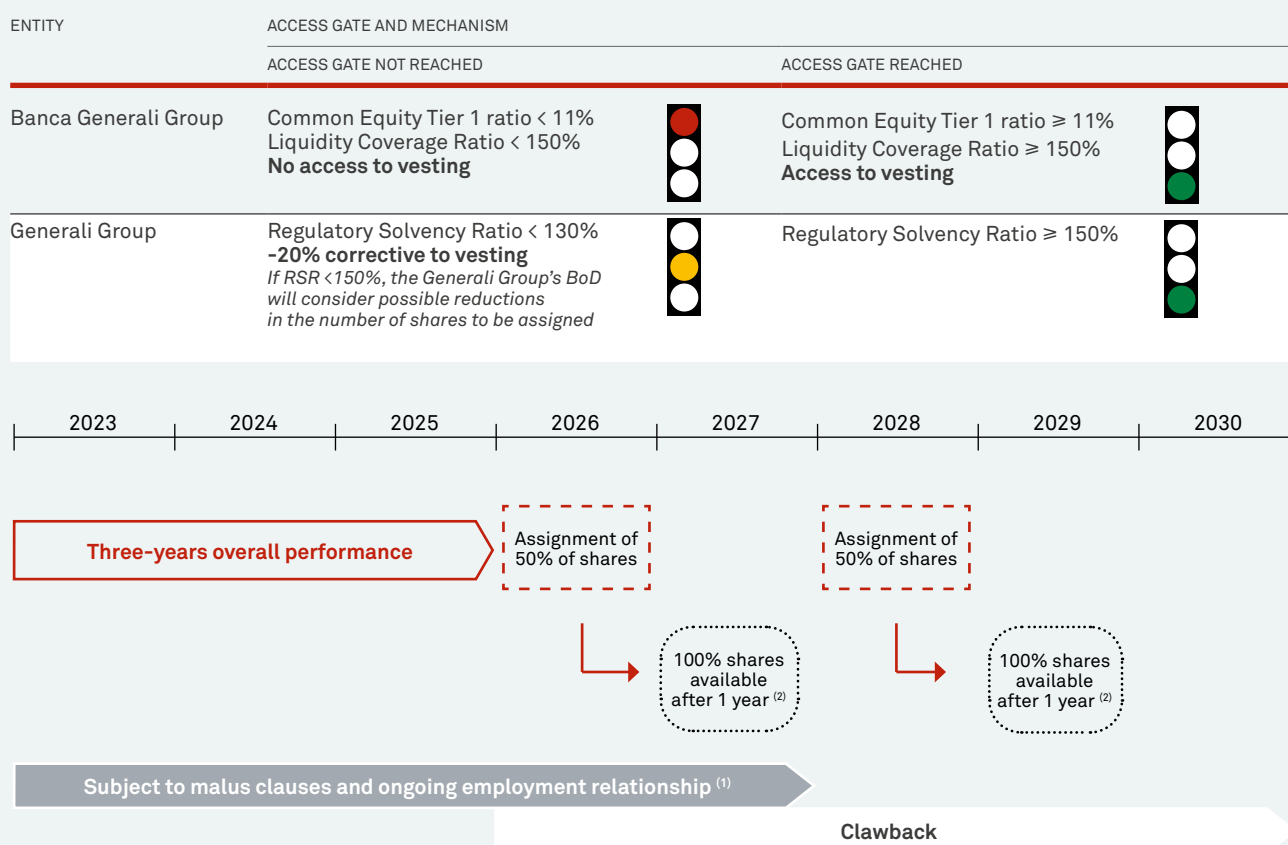
²⁵ With regard to the Generali Group, net cash flows available at the level of the parent company in a given period, after holding expenses and interest costs. Its main components, from a cash perspective, are remittances from subsidiaries; the result of centralised reinsurance; interest on borrowings; and expenses and taxes paid or reimbursed at the level of the Parent Company.

²⁶ The Generali Group's ESG objectives relating to: i) the CO2 Emissions Reduction Target for Group Operations, which refers to the percent reduction in CO2-equivalent emissions generated by the Group's operations, measured comparing the year 2025 with the 2019 baseline. This category of emissions includes those produced by the Group's buildings, data centres, transport and paper, and are calculated as part of the Group's Environmental Management System (EMS). CO2-equivalent emissions relating to the insurance and investment portfolios are not included in this scope; ii) % women managers, which refers to the percentage of women in management positions out of total management positions, defined as employees with at least one direct report and not included in strategic positions (Group Management Committee, Generali Leadership Group and their first reporting line); the sales force and fixed-term contracts do not fall within the scope of application.

The access gate conditions consist of:

- › two indicators representing the specific access gates for the Banking Group tied to the Common Equity Tier 1 ratio and Liquidity Capital Ratio, on which the right to assignment of the shares (100%) is contingent; in each year of the plan and at the end of the three-year performance period, the level of achievement of the access gates is assessed;
- › an indicator representing an access gate for the Generali Group linked to the Regulatory Solvency Ratio, on which the right to the assignment of the part of the shares tied to the satisfaction of the Generali Group Objectives (20%) is contingent. In each year of the plan and at the end of the three-year performance period, the level of achievement of the access gate is assessed. The access gate is set in terms of a Regulatory Solvency Ratio of 130%²⁷ or the different percentage set by the Board of Directors from time to time²⁸.

The plan structure is as follows:



(1) Without prejudice to the cases of 'Good Leaver'.

(2) Net of the shares assigned that could be disposed of by Beneficiaries in order to enable them to bear the tax charges related to the assignment.

In keeping with market practice and investors' expectations, the shares are to be assigned and vest for the beneficiaries over a total period of seven years.

During the vesting period, in each year of the plan and at the end of the three-year period, the Board of Directors assesses the level of achievement of the Banking Group access gates and the Generali Group access gate indicated above.

Once it has been determined that the access gates have been reached, it is then assessed whether the objectives of the Banking Group (80% weight) and the Generali Group (20% weight) have been achieved.

²⁷ This percentage will be applied to all outstanding incentive plans.

²⁸ This assessment represents a malus mechanism whereby the number of shares to be definitively assigned may be reduced or completely eliminated (for the share of 20% of the objectives) if the value of the Regulatory Solvency Ratio is below the established threshold.

The performance level is stated as a percentage in terms of achievement of objectives, determined with regard to independent baskets, relating to adjusted EVA, tROE, net holding cash flow and rTSR, respectively.

The final results of the baskets are calculated using the linear interpolation method. In the specific case of the Generali Group's rTSR, the related payment applies if the position in the ranking is equal to or above the market median.

The maximum performance level is an overall 175% for members of the top management, whereas it is 87.5% overall for the other beneficiaries²⁹.

Banca Generali Group (80%) ^(*)				
	40%		40%	20%
LTI VESTING	ADJUSTED EVA	+	tROE	AUM ESG
0%	< 170 MLN		< 27%	< 27%
Target vesting	180 MLN		30%	32%
Maximum vesting	≥ 190 MLN		≥ 33%	≥ 37%

(*) Banca Generali targets are stated net of the one-off component of the contributions to bank rescue funds (FITD/BRRD).

Generali Group (20%)				
	55%		25%	20%
LTI VESTING	rTSR	+	Net Holding Cash Flow	ESG
				CO ₂ Emissions Reduction Target for Group Operations (10%) + % Women managers (10%)
0%			≤ 8.2 BLN	< 25% < 40%
Target vesting	≥ 50° perc.		≥ 8.7 BLN	≥ 35% ≥ 41.5%
Maximum vesting	≥ 90° perc.		≥ 9.7 BLN	≥ 40% ≥ 44%

Values of reference: final calculation based on linear interpolation in line with the method used in the previous year.

Assignment of share

The maximum number of shares that may be assigned is determined at the start of the plan.

The potential maximum bonus to be paid in shares corresponds to 175% of the gross annual remuneration of the plan participants for Top Managers³⁰ and to 87.5% for other beneficiaries.

Consequently, the maximum number of shares that may be assigned is calculated as the ratio of the maximum amount of the bonus to share value, the latter calculated as the average price of the share during the three months prior to the session of the Board of Directors called to approve Banca Generali's draft financial statements and the consolidated financial statements for the year prior to the start of the plan.

The final assessment of the effective achievement of the defined objectives is conducted at the end of a three-year period.

²⁹ The performance targets are 100% for the Top Management (including the Chief Executive Officer/General Manager) and 50% for the other beneficiaries.

³⁰ The details of the maximum number of shares assigned to the Top Management from one year to the next is presented in Section 2 of this Report, paragraph 2.3.

The shares actually accrued will be assigned according to the following scheme:

- › at the end of the three-year performance period, 50% of the shares accrued on the basis of the results achieved are to be assigned; said shares are subject to a retention period of one year³¹;
- › the remaining 50% of the shares accrued will be subject to an additional two years' deferral, during which the portion accrued may be reduced to zero if the Banking Group's gates set in the Plan are not reached, and/or if a malus event occurs, and provided that the Relationship with the Banking Group continues as at that date; shares are subject to a retention period of one year³².

The retention periods of the shares, as indicated above, will remain in effect even after the termination of the relationship with the beneficiary, without prejudice to the power of the Board of Directors, or of a specifically authorised director, to redefine the terms and conditions of all the restrictions indicated above, including on the basis of assessment of the beneficiary's overall remuneration, or of the shares assigned in execution of the various incentive plans. The foregoing is without prejudice to any other retention obligations imposed by the Corporate Governance Code.

The plan does not include dividend equivalent mechanisms, in accordance with the law and common practice in the banking sector.

Specific rules apply to the consequences of the termination of the relationship on the rights assigned to beneficiaries, as illustrated in detail in the information document prepared pursuant to Article 114-*bis* TUF.

For the purposes of implementation of the Plan, the ordinary shares assigned at no cost to the beneficiaries of the plan will derive, in whole or in part, from the treasury shares that the Company purchases under specific authorisation from the Shareholders' Meeting pursuant to Articles 2357 and 2357-*ter* of the Italian Civil Code.

If there are factors that may influence the constituent elements of the plan (including, without limitation, extraordinary transactions involving Banca Generali and/or the Banking Group and/or the Generali Group, capital transactions, amendments to the laws or changes in the scope of the Banking Group and/or the Generali Group, compliance with specific industry legislation, changes to long-term strategic plans, etc.), the Board of Directors may make the amendments and additions to the structure of the plan deemed necessary or appropriate in order to maintain its substantive and economic content unchanged, within the limits of the legislation in force from time to time.

In addition, in the event of severe market disruption (such as material changes in macroeconomic conditions or worsening of the financial context), the Board of Directors may reassess the incentive system's fairness and overall consistency within the framework of its remuneration governance processes, by implementing the appropriate and/or necessary correction measures, also with specific regard to the reference objectives, and the related assessment metrics and conditions, without prejudice to the limits and general principles of this Policy and of the regulatory framework, and to the maintenance, also in the future, of capital and liquidity levels.

In accordance with applicable sector legislation, the Company may also pay individual plan beneficiaries — in lieu and in replacement of part or all of the assignment of the shares — a cash payment calculated on the basis of the value of the shares in the month prior to the assignment date, without prejudice to satisfaction of the other relevant terms and conditions of the plan.

Award and actual payment will be subject to malus and claw-back clauses.

As resolved by the Shareholders' Meeting with regard to the limit on the ratio of the variable to fixed component of remuneration, the cap mechanism provided for in the Remuneration Policy is applied to Key Personnel, where appropriate.

³¹ The Beneficiary may nonetheless alienate only a number of shares equivalent in value to the amount of tax charges borne by the Beneficiary in respect of the assignment.

³² Without prejudice to the possibility for the Beneficiary to transfer only a number of shares equivalent in value to the amount of tax charges borne by the Beneficiaries in respect of the assignment.

5.5 One-off Payments

Any one-off payments, which must be of limited amounts, determined on a discretionary basis in the performance assessment process, may be made annually to employees in the categories of executives and white-collars who are not beneficiaries of the BSC/MBO mechanism.

In addition, modest one-off amounts may be granted to the remaining employees in respect of particular activities performed and the commitment shown to implementing projects not already included in the BSCs/incentive documents for the year of reference. These amounts will be subject to all rules applicable to the Bank's variable remuneration in relation to the category to which the beneficiary belongs (e.g., deferral and retention obligations; payment in financial instruments; malus and claw-back mechanisms).

5.6 Entry Bonuses

On an exceptional basis, so as to attract key figures from the market, specific one-off incentive payments may also be granted at the time of recruitment. These incentive payments, that are envisaged in exceptional cases only, may be granted exclusively in case of recruitment of new staff, and solely during the first year of service. They are not granted to the same person more than once, whether by the Bank or by other Banking Group companies. In accordance with the Bank of Italy's Provisions, entry bonuses are not subject to the rules governing the structure of variable remuneration; when they are paid in a lump sum upon entry, they are not considered when calculating the limit on the ratio of variable to fixed remuneration.

5.7 Retention Bonuses

On an extraordinary basis, in view of retaining key figures from the market, specific one-off treatments may also be agreed where there are motivated, documented reasons relating to the retention of personnel (retention bonus). Such retention bonuses are paid no earlier than the end of the predetermined period or occurrence of the established event and, while not linked to performance objectives, consist of forms of variable remuneration and are thus subject to all rules applicable such forms, including those on the limit on the ratio of variable to fixed remuneration and *ex ante* and *ex post* correction mechanisms (e.g., in the event of conduct not in keeping with laws, regulations, the articles of association or any codes of ethics or conduct applicable to the Bank). Retention bonuses cannot be used to indemnify personnel against a reduction or absence of variable remuneration due to *ex ante* and *ex post* correction mechanisms, nor may they lead to a situation in which total variable remuneration is no longer linked to the performance of the individual, the single business unit or the bank and the group to which it belongs. Multiple retention bonuses cannot be paid to the same staff member, except in exceptional, appropriately justified cases (i.e., retention bonuses are paid at different times and there are specific reasons for paying each of them).

6. Other Features of the Remuneration System³³

6.1 Term of Contracts, Advance Notice and Indemnity Mechanisms in the Event of Early Termination of the Relationship

This section sets out the limits, criteria and conditions of disbursement of the economic benefits, if any, that may be granted — in addition to termination indemnity and legal and contractual notice indemnity (where applicable) — in the event of termination of employment or service and/or early departure from office (hereinafter also “severance”).

In this regard, the following should be noted:

- a) Directors (who are not also employees of the Bank) operate under a three-year company mandate. They normally do not have any contract or agreement with the Company, nor are they subject to any notice period, in keeping with the nature of the relationship;
- b) Managers with Strategic Responsibilities (who fall into the broader category of Key Personnel) normally operate under permanent executive contracts. The applicable notice period, required by law in the event of termination by the company (without cause), is normally calculated according to the provisions of the collective contract currently applied by the Company (National Collective Labour Agreement for Credit Sector Executives).

The current Chief Executive Officer and General Manager holds both a directorship (with a term of three years, subject to renewal from time to time by the Shareholders’ Meeting) and a permanent position as an employed manager (governed, as in the case of the other Managers with Strategic Responsibilities, by the Collective Contract for Credit Sector Executives, to which a notice period of the length provided for in the said collective contract thus applies in accordance with the law).

The individual contract in place at the reporting date with the Chief Executive Officer/General Manager contains a specific standard termination clause that — in specifically identified cases of termination of employment as an executive (or revocation of the position or delegated authority)³⁴ — provides for the disbursement, in addition to the notice period required by law and the collective contract³⁵, of an amount to be calculated on the basis of the pre-defined formula illustrated below.

The contract also provides, following termination (except for some specific cases³⁶), for a non-competition agreement of six months, in return for consideration equal to the fixed remuneration provided for the corresponding period of reference and a penalty of twice that amount.

The total severance payment will be calculated according to the limits indicated below.

There are no current agreements governing *ex ante* the termination of other Key Personnel (who also include non-executive directors and Managers with Strategic Responsibilities).

Any agreements reached with any Key Personnel upon termination (and any new contracts entered into governing termination *ex ante* following the approval of this Policy) are drawn up within the limits and according to the criteria set out below.

³³ Remuneration packages and the related provisions and benefits have been formulated while also taking account of the legislative and market scenario applicable to subsidiaries, in accordance with local and industry legislation.

³⁴ In line with the provisions applying to all the employees, the Chief Executive Officer and General Manager may be granted a severance indemnity exclusively in the event of termination of relationship due to withdrawal by the Company without cause or in case of resignation for cause (this specific case includes the event of substantial negative change in the role held or the weight in the organisational structure, including after removal from office or revoking of powers).

³⁵ Or the disbursement of the applicable indemnity in lieu of notice, calculated in accordance with the law and the collective contract.

³⁶ In particular, cases of termination at the Company’s initiative without cause or resignation for cause.

The Bank defines severance pursuant to the legislation in effect from time to time and according to the following general criteria³⁷ (weighted and balanced in the light of the particularities of each concrete case):

- › length of the relationship;
- › the performance, net of risks, of the person concerned and the said person's individual behaviour;
- › the bank's performance, net of risks, and of capital and liquidity levels;
- › the age and other particular conditions of the person concerned;
- › the company's interest in securing consensual termination of the relationship;
- › the reasons for terminating the relationship and risk of litigation in the alternative case of unilateral withdrawal by the Bank.

In the event of early termination of the employment and/or service, the interested party may be accorded³⁸, in compliance with current provisions of laws and contracts and in addition to the notice period provided for by applicable laws and/or the national collective labour contract, an all-inclusive lump-sum indemnity for an amount equivalent to a maximum of 24 months of the so-called "Recurring Remuneration"³⁹ (defined as (i) gross annual remuneration increased by the average amount actually collected by way of the short-term component of variable remuneration (BSC/MBO) in the past three years, and (ii), for Financial Advisors, the average of their recurring remuneration⁴⁰ of the latest period). The aforementioned maximum limit of 24 months' remuneration is to be understood as also inclusive of any non-competition agreements (as indicated below in paragraph 5.2).

In the event that the positions of Chief Executive Officer and General Manager are filled by the same person, when calculating the amount, account shall be taken of the total sum of amounts due by way of gross annual remuneration, compensation for the office of director and the average amount actually collected by way of the short-term component of variable remuneration in the past three years for each of the offices concerned.

The use of Recurring Remuneration to calculate the monthly severance payment permits the Bank to quantify severance in a way that takes into account the performance of the person in question over time, since it is this performance, as stated above, that determines the value of the variable remuneration, if any, paid to the said person during the three years prior to termination of the relationship.

In accordance with the Bank of Italy's Provisions, where severance is determined according to predefined formulae, within the framework of an agreement intended to settle a current or potential dispute, severance is not considered when calculating the maximum ratio of variable to fixed remuneration set for Key Personnel. The Bank has thus created the following predefined formula for Key Personnel (without prejudice to the clarification provided below), in accordance with the laws and regulations in effect from time to time, and subject to the criteria and limits set out above:

Base Amount +/- Corrective Factors

The Base Amount is calculated on the basis of seniority of company service, as follows:

- › up to 3 years: 6 months of Recurring Remuneration;
- › over 3 years, up to 6 years: 8 months of Recurring Remuneration;
- › over 6 years, up to 10 years: 10 months of Recurring Remuneration;
- › over 10 years, up to 15 years: 12 months of Recurring Remuneration;
- › over 15 years: 15 months of Recurring Remuneration.

³⁷ In cases in which it is not determined by an independent third party (e.g., judge or arbitrator).

³⁸ No benefits are granted in the event of withdrawal for cause by the Company or the voluntary resignation/withdrawal (without cause) by the interested party.

³⁹ This amount may not in any case exceed the maximum value of 3.5 million euros.

⁴⁰ As defined — for Financial Advisors acting as agents — in the Supervisory Regulations.



In the case of the Chief Executive Officer and General Manager only, at the reporting date the Base Amount is calculated according to the following formula: $24 \times (\text{Recurring Remuneration}^{41}/12)$.

The Bank may, at its discretion, also decide to apply the predefined formula⁴² to Financial Advisors with agency contracts with the Bank classified as Key Personnel. Where applied, the Base Amount for such individuals is equal to the maximum amount set out in paragraph 3 of Article 1751 of the Italian Civil Code, calculated considering the overall Recurring Remuneration, as defined above, as remuneration, in lieu of fees.

As indicated in the predefined formula, the Base Amount may be reduced or increased⁴³ by a certain percentage as a result of the application to each individual severance package of specific Corrective Factors relating to:

- › the person's average performance over the last three years;
- › the Bank's performance, with particular regard to capital and liquidity levels;
- › age;
- › qualification for pension benefits, where applicable;
- › concrete risk of an adverse outcome at trial (taking account of any information provided by the courts or arbitrators and/or external legal counsel);
- › strategic importance of the role/position held;
- › individual behaviour (with particular regard to the presence of any proved compliance breaches).

The Bank has a specific internal document that lays down detailed criteria for applying the Corrective Factors, assigning each a percent weight decreasing or increasing the Base Amount.

Ad hoc Corrective Factors⁴⁴ are identified for Financial Advisors and duly listed in and regulated by the specific internal document.

Without prejudice to the maximum limit on severance set out above, the application of the Corrective Factors may give rise to an increase of up to +60%⁴⁵ and/or a decrease of up to -100%⁴⁶ of the total amount of the severance.

In accordance with the Bank of Italy's Provisions, where severance is determined according to the above formulas, within the framework of an agreement intended to settle a current or potential dispute, severance is not considered when calculating the maximum ratio of fixed to variable remuneration.

Severance is paid in accordance with the aforementioned Bank of Italy's Provisions in effect from time to time and the Bank's Remuneration Policies. In particular, where so provided, the payment of the severance benefit is subject to deferral and partly settled in financial instruments⁴⁷.

⁴¹ Calculated, as indicated above, also including compensations paid within the context of the directorship (fixed and average of the short-term variable compensation for the last three years).

⁴² In any event, even where the above predefined formula is not applied, the amount of any severance paid, in addition to notice, will be subject to the maximum limits and general criteria indicated above (in addition to being paid in accordance with the applicable ratio of fixed to variable remuneration, where paid to Key Personnel).

⁴³ In any event, up to the above-indicated maximum limit of 24 monthly instalments.

⁴⁴ With the aim, *inter alia*, of taking account of the particular nature of the legal relationship (that of agent rather than that of employee) with the persons concerned.

⁴⁵ With the exception of Financial Advisors with agency agreements with the Bank, for which this percentage may be increased by an additional 40%, without prejudice to the maximum severance limit set out above.

⁴⁶ In particular, the decrease may extend to -100% in the event of failure to reach the Group's access gates or in cases of proved engagement in individual behaviour of sufficient severity to constitute cause for dismissal. In addition, the severance benefit may be reduced in amount or eliminated altogether where the malus and claw-back mechanisms are triggered.

⁴⁷ For the purposes of severance benefits, share price is calculated as the average prices in the three months prior to the signing of the agreement under which the severance benefits are to be paid (or in the three months prior to the date of termination of the working relationship where the agreements are entered into on an ex-ante basis). Where variable remuneration is paid to the persons indicated in paragraph 2.1, point 4, third indent, of the Circular, in a "particularly high amount" (as identified in the Remuneration Policies), payment thereof will be made in accordance with the criteria specifically indicated in the Remuneration Policies (in terms of deferral period and the percentage of shares devoted to payment of the deferred portion).

Severance is subject to access gates and *ex post* corrective mechanisms (malus and claw-back) provided for in severance agreements, covering, *inter alia*, any acts of fraud or gross negligence to the detriment of the bank and the group (and, in any event, defined in accordance with both the regulatory framework and the particular nature and characteristics of severance)⁴⁸.

The agreement governing the payment of the severance shall include clauses calling for a general waiver of all rights related in any manner, directly and/or indirectly, to the employment relationship or the office of Chief Executive Officer and the severance thereof, as well as of all rights, claims and/or actions against the company and other Group companies in any capacity directly or indirectly related to the employment relationship or the office of Chief Executive Officer and the definitive, accepted severance thereof. The waiver extends to rights relating to compensation for damages, as well as rights of an economic nature associated with the above relationships and the termination thereof.

For information on the effects of termination on incentive plans, see paragraph 5.3 (for the short-term variable component) and paragraph 4.4 (for the medium-/long-term variable component).

Consulting contracts are not normally entered into for a period subsequent to termination of employment. However, this may be done where it meets demonstrated needs to continue to rely on the skills and contributions of personnel, in the company's interest, for a limited period of time following termination, for the performance of specific, pre-determined activities (in return for compensation formulated to suit the nature and scope of the requested activity).

See paragraphs 5.1 and 5.3 below for information regarding the award and maintenance of monetary benefits for the post-employment period.

6.2 Stability Pacts, Extension of Notice and Non-Competition Agreements

In specific situations, and mainly for retention purposes, employees, including Key Personnel, and Financial Advisors can be required to enter into stability pacts and extension of notice agreements, in compliance with the Bank of Italy's provisions.

Non-competition or special confidentiality agreements extending into the post-severance period may also be entered into upon hiring, in the course of employment or upon severance, as provided for with regard to the Chief Executive Officer/General Manager. Consideration for such agreements — which must always be of limited duration — is calculated, pursuant to applicable regulations, in proportion to the duration and geographical scope of the covenant and the potential harm to the Company and/or the Banking Group if the person concerned were to compete with the Company and/or with the Banking Group or were to disclose information (even where not qualifying as confidential under the law) that might also cause harm to the Company and/or the Banking Group, while also taking account of the previous role and responsibilities of the person concerned. In any event, such consideration may not exceed the maximum limit of the amount of recurring remuneration last collected by the person concerned, in proportion to the term of the agreement.

In accordance with the Supervisory Provisions, the consideration for non-competition agreements is not subject to the rules set out in this section in respect of the portion that does not exceed the most recent annual fixed remuneration of the person concerned. In addition, the share of such consideration that for each year of the term of the agreement does not exceed the most recent annual fixed remuneration of the person concerned is not considered when calculating the limit on the ratio of variable to fixed remuneration. In any event, such consideration is taken into account when calculating the maximum limit on severance indicated above of 24 months of Recurring Remuneration.

⁴⁸ The foregoing is without prejudice to the exceptions and derogations described in Title IV, Chapter 2, Section III, paragraph. 2.2.3 ("Derogations") of Circular No. 285.

6.3 Generali Group Employee Share Scheme

With the ambition of promoting a meritocratic environment able to promote alignment with the strategic objectives and the participation of all employees in the value creation process, in 2023 the Bank personnel — as defined by the Board of Directors from time to time — (except for Managers with Strategic Responsibilities and Key Personnel) might be invited to participate in a Generali Group employee share scheme, where approved by the competent bodies of the Parent Company, which would allow employees to purchase Generali shares at favourable conditions, according to the terms to be indicated in detail in the documentation published by Assicurazioni Generali (to which reference is made).

7. The Pay Mix by Role and Functions⁴⁹

7.1 Company Bodies

7.1.1 Members of the Board of Directors

Board member's remuneration is determined at the time of appointment by the General Shareholders' Meeting, in accordance with Article 2389, Paragraph 1, of the Italian Civil Code, as a fixed sum plus refund of any out-of-pocket expenses incurred in the performance of their duties, also taking due account of industry-specific surveys and analyses.

Non-executive directors (including the Chairman) and independent members of the Board of Directors are entitled only to fixed remuneration, in addition to a refund of out-of-pocket expenses incurred for the performance of their duties, and, accordingly, are not entitled to any form of variable remuneration linked to the attainment of specific objectives. Directors who are not vested with delegated executive powers (including the Chairman) are not entitled to any form of share-based incentives.

Directors who also sit on Board Committees are entitled to additional emoluments — in the form of either a pre-established lump-sum, or otherwise, attendance fees for each Board meeting they attend — over and above the remuneration they receive as Board members, in light of the tasks assigned to the Board Committees in question, and the commitment that membership of such committees entails, especially in terms of attendance at meetings and preparatory activities to be completed ahead of committee meetings; said additional emoluments must be established taking due account of industry-specific surveys and analyses of the remuneration of directors, and more specifically, directors sitting on Board Committees.

The Remuneration Policy applicable to the Chairman provides for fixed annual remuneration, determined also on the basis of comparative analysis of the remunerative practices prevailing within the industry for such positions.

The Policy applicable to the Chief Executive Officer is discussed in the relevant paragraph of this document.

Lastly, it must be pointed out that all Board of Directors' members are covered by D&O liability insurance, as illustrated below.

7.1.2 Members of the Board of Statutory Auditors

The remuneration of the Chairman of the Board of Statutory Auditors and other members of the Board of Statutory Auditors is set by the General Shareholders' Meeting at the time of appointment and for the whole term of office. Standing members of the Board of Statutory Auditors are not entitled to any form of variable remuneration.

They are entitled to refund of the expenses incurred in performance of their duties. The members of the Board of Statutory Auditors also receive further remuneration, in addition to their compensation as members of the Company's control body, pursuant to currently applicable regulations, in consideration of the fact that the said Board also discharges the tasks and functions of the Supervisory Board instituted pursuant to Legislative Decree No. 231/2001.

Lastly, members of the Board of Statutory Auditors are covered by D&O liability insurance, as illustrated below.

7.1.3 Directors' and Officers' (D&O) Liability Insurance

In line with generally accepted best practices on financial markets and taking due account of the features of the Bank's and Group's business operations, on 24 April 2007, the General Shareholders' Meeting authorised the Board of Directors to provide general liability insurance cover to the

⁴⁹ The Remuneration Policy for the different employee categories is also formulated in view of the legislative and market scenario of the subsidiaries in accordance with local and industry legislation.

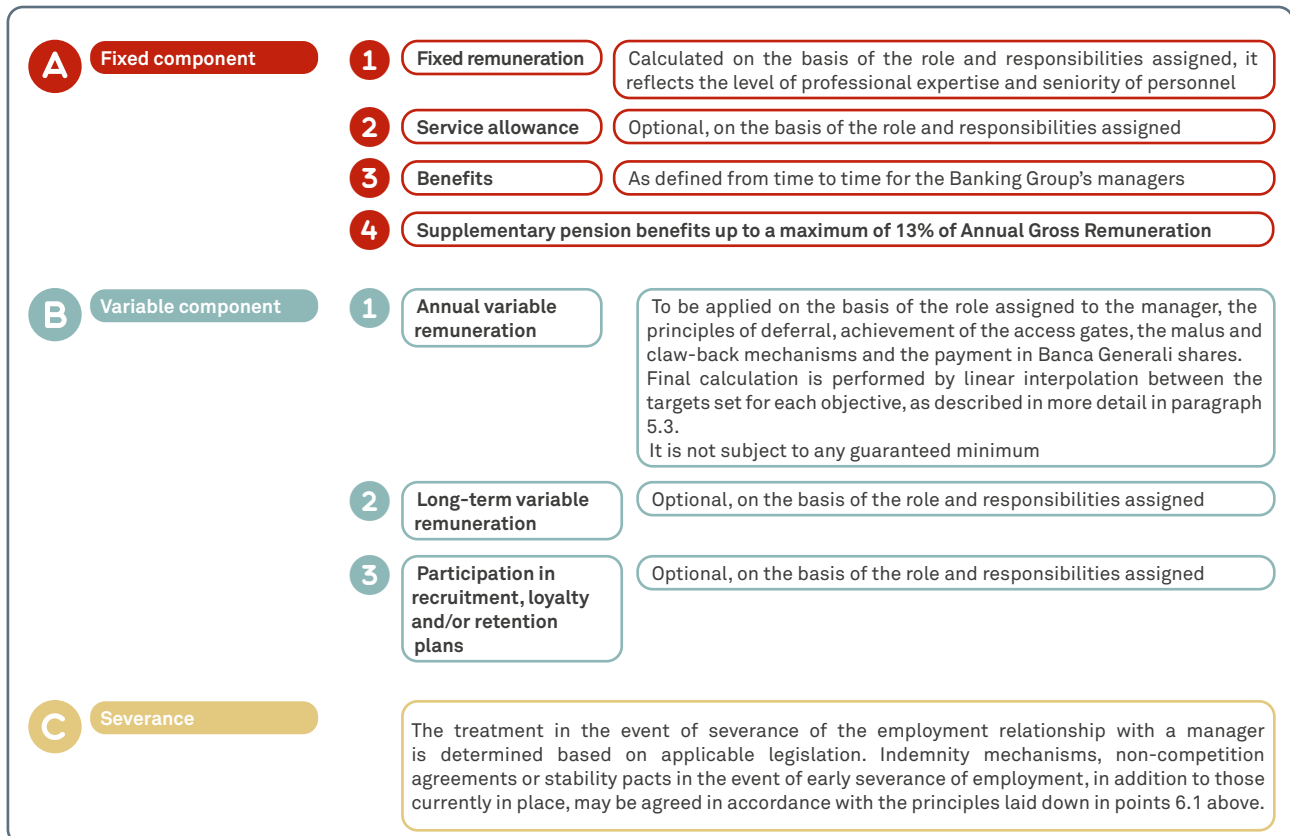
Company's Directors, the members of the Board of Statutory Auditors and General Manager (D&O Liability Insurance), featuring the following main terms and conditions:

- › duration: 12 months renewable on an annual basis, until the General Shareholders' Meeting resolves to revoke its authorisation;
- › maximum insured amount: 10 million euros per claim/year, for all the insured persons, with sub-limits for claims based on labour law violations;
- › non-applicability of cover in the event of wilful misconduct or gross negligence.

7.2 Employees

7.2.1 Managers

The remuneration package of persons falling within this category is structured as follows:



Managers with Strategic Responsibilities

In addition to the foregoing, with specific regard to the positions of Chief Executive Officer and General Manager (currently filled by the same person), total remuneration consists of:

- › a recurring fixed remuneration component as Chief Executive Officer and all-inclusive annual remuneration (Annual Gross Remuneration) as General Manager;
- › a short-term variable remuneration, linked to the degree to which the performance objectives — expressed in the relevant Balanced Scorecard — are achieved. This may reach a maximum of 75% of the Annual Gross Remuneration (equal to a 60% ratio of the short-term variable remuneration to the total fixed remuneration), if the maximum level of total performance is achieved and does not provide for any guaranteed minimum. Said variable remuneration is subject to the access gate scheme, the bonus deferral scheme and the payment in Banca Generali shares, as well as the malus and claw-back mechanisms;
- › a Long Term Incentive, which may reach a maximum of 175% of the fixed component;
- › possible participation in retention and/or loyalty plans.

The ratio of the variable to fixed component of the remuneration shall not exceed 2:1; any amount in excess shall be subjected to the cap mechanism described above.

The BSC is structured as follows:

PERSPECTIVE	KPI	WEIGHT	ASSESSMENT	TARGET REFERENCE (*)
Risk-adjusted economic and financial performance	Net inflows for commercial activities	10%	Financial	100% budget
	Recurring Net Profit	25%		100% budget
	Structural costs	10%		100% budget
	Return on Risk Adjusted Capital (RoRAC)	15%		100% budget
People Value		10%	Non-financial, qualitative/quantitative assessment based on specific KPIs	
Sustainability commitment		10%		
Efficiency & Business Transformation		20%		

(*) Two additional performance levels apply (under-performance and over-performance).

At the reporting date an agreement is in force with the Chief Executive Officer/General Manager, providing for the application of the principles set forth in point 6.1 above, in the event of early termination of the contract.

In addition to paragraph 5.2 (“Variable components of remuneration for employees”), with specific regard to the position of Deputy General Manager remuneration consists of:

- › a fixed remuneration;
- › an annual variable remuneration, linked to the degree to which the performance objectives — expressed in the relevant Balanced Scorecard — are achieved, and subject to the access gate scheme, the bonus deferral scheme, the payment in Banca Generali shares, as well as the malus and claw-back mechanisms, as provided for the Chief Executive Officer and General Manager. Said remuneration may reach a maximum of 100% of the Annual Gross Remuneration (equal to a maximum ratio of the short-term variable remuneration to total fixed remuneration of approximately 85%), if the maximum level of total performance is achieved and does not provide for any guaranteed minimum;
- › a Long Term Incentive, the bonus range for which is set at between 0% and 175% of the fixed component, as provided for the Chief Executive Officer and General Manager;
- › participation in any recruitment incentives and expiry plans based on net inflows/revenue objectives.

The ratio of the variable to fixed component of the remuneration, subject to Shareholders’ approval, shall not exceed 2:1; any amount in excess shall be subjected to the cap mechanism described above.

Other Key Personnel

The remuneration package of Other Key Personnel consists of the components described in paragraph 7.2.1.

Depending on the weight and complexity of the job description, short-term variable remuneration may reach:

- › no more than 80% of annual gross remuneration (equal to a maximum 65% ratio of the short-term variable remuneration to the total fixed remuneration) in the case of Banca Generali Group managers;
- › 100% of annual gross remuneration (equal to a maximum 85% ratio of the short-term variable remuneration to the total fixed remuneration) for positions in the sales area and/or linked to the asset management business.

The variable remuneration for the HR function and the Manager in charge of the company’s financial reports is kept to a limited amount in accordance with recent regulations.

The principles of deferral, payment in Banca Generali shares, achievement of the access gates, as well as the malus and claw-back mechanisms illustrated above, apply to such variable remuneration.

In addition to the foregoing, for some of the aforesaid managers the Board of Directors may also extend the variable component of remuneration to include participation in a Long Term Incentive plan. Bonus entitlements under the said LTI range from 0% to 87.5% of the fixed component of remuneration.

The ratio of the variable to fixed component of the remuneration of those managers shall not exceed 1:1; however, the Shareholders' Meeting has the power to raise the aforesaid ratio to 2:1 for some of them. Any amount in excess shall be subjected to the cap mechanism described above.

Heads of control functions

The remuneration package of the persons falling within this category consists of the components described in paragraph 7.2.1.

According to the weight and complexity of the position filled, the annual variable remuneration may be equal to no more than 33.3% of the total fixed remuneration, provided the maximum level of performance objectives be attained. No guaranteed minimum is provided for.

The established objectives are consistent with the tasks assigned and are independent of the results achieved by the Bank; rather, they consist of project and service completion objectives, as well as company sustainability objectives.

The principles of deferral, achievement of the access gate, as well as the malus and claw-back mechanisms apply to such variable remuneration.

The participation in the Long Term Incentive plan is not envisaged for Heads of control functions.

Other Managers

The remuneration package of the persons falling within this category consists of the components described in paragraph 7.2.1.

According to the weight and complexity of the position filled, the annual variable remuneration may reach a maximum of 80% (which may be increased to 100% in limited cases relating to internal transfers) of the Annual Gross Remuneration, provided the maximum level of performance objectives has been attained. No fixed guaranteed minimum is provided for.

Said variable remuneration is subject to the principles of deferral, achievement of the access gates, as well as the malus and claw-back mechanisms illustrated above.

In addition, for some of the aforesaid managers the Board of Directors may also extend the variable component of remuneration to include participation in a Long Term Incentive plan. Bonus entitlements under the said LTI range from 0% to 87.5% of the fixed component of remuneration.

7.2.2 Executives and professional areas

The remuneration of other employees is regulated pursuant to the collective bargaining labour agreements applicable to credit companies, supplemented by the Supplementary Company Contract with specific regard to remuneration, as well as the Additional Agreements on regulatory and other benefits, entered into on the same date.

Some Executives can be assigned a short-term variable remuneration, linked to the degree of satisfaction of performance objectives expressed in the relevant Balanced Scorecards. This component of remuneration is conditional upon the achievement of the access gates, and subject to deferral, as well as to the malus and claw-back mechanisms illustrated above. According to the weight and complexity of the position filled, variable remuneration may range from a minimum of 10% to a maximum of 40% of the Annual Gross Remuneration, provided the maximum level of performance objectives has been attained. No fixed guaranteed minimum is provided for.

Participation in retention and/or loyalty plans may also be approved by resolution duly supported by a statement of grounds for all executives and professional areas.

7.2.3 Relationship Manager

Their remuneration is made up of:

- › a fixed annual remuneration (Annual Gross Remuneration, all inclusive for managers);
- › an annual variable remuneration, linked to the degree to which the performance objectives expressed in the relevant Incentive Sheets (BSC or MBO) are achieved. The principles of deferral and achievement of the access gate illustrated above apply to such variable remuneration.

Variable remuneration may extend to a maximum of 100% of gross annual remuneration (or higher levels in cases of entry or expiry plans based on net inflow/revenue objectives) and is not subject to any guaranteed minimum.

Participation in retention and/or loyalty plans may also be approved by resolution duly supported by a statement of grounds and the use of stability pacts, extension of notice and/or non-competition agreements in the event of early severance of employment is widespread.

Given that the most significant aspect of the job description of Relationship Managers involves the pursuit of the best interests of customers in strict compliance with the rules and regulations governing the distribution of investment products and services, any and all business activities on which incentive portions of remuneration may be earned, must be conducted scrupulously in accordance with all applicable principles of professionalism and propriety in all customer relations, including with a view to enhancing customer loyalty. Towards such end, alongside traditional targets set in terms of net inflows and revenues, additional targets of propriety and regulatory compliance in all transactions, as well as specific malus and claw-back mechanisms, have been introduced.

Managers belonging to this category also enjoy supplementary pension benefits up to 13% of Annual Gross Remuneration and the benefits package provided for the Banking Group's managers.

The current treatment in the event of severance of employment is determined based on applicable legislation. Indemnity mechanisms, non-competition agreements or stability pacts in the event of early severance of employment, in addition to those currently in place, may be agreed in accordance with the principles laid down in points 6.1 and 6.2 above.

7.2.4 Portfolio managers

Their remuneration is made up of:

- › a fixed annual remuneration (Annual Gross Remuneration, all-inclusive for managers);
- › a variable remuneration linked to a specific MBO or BSC plan. The principles of deferral, achievement of the access gates, as well as the malus and claw-back mechanisms illustrated above, apply to such variable remuneration.

The variable remuneration may reach a maximum of 100% of the annual gross remuneration. No guaranteed minimum is provided for.

Participation in retention and/or loyalty plans may also be approved by resolution duly supported by a statement of grounds.

The current treatment in the event of severance of employment is based on applicable legislation. Indemnity mechanisms, non-competition agreements or stability pacts in the event of early severance of employment, in addition to those currently in place, may be agreed in accordance with the principles laid down in points 6.1 and 6.2 above.

7.3 Remuneration of the Network: Focus on Transparency in the Sale of Banking Products and Services

In application of the Bank of Italy provisions on the “Transparency of banking and financial transactions and services – correctness of relationships among intermediaries and customers”, Banca Generali has identified the Relevant Personnel for the sale of banking products and services. At the date of preparation of this Report, there were 2.313 individuals, of which 39 are Area Managers or similar management personnel.

For such individuals, remuneration policies and practices do not grant incentives that would induce the sales network to pursue their own interests, or those of the Bank, in a manner detrimental to the client.

In further detail, the variable component of remuneration of the above-mentioned Relevant Personnel:

- › is consistent with the Group's objectives and values, as well as with its long-term strategies;
- › is inspired by the criteria of diligence, transparency and correctness in relations with customers, customer protection and retention, containment of legal and reputational risks,

- › is based on quantitative and qualitative criteria;
- › does not provide an incentive to offer a specific product, or a specific category or combination of products, inappropriate to the client's objectives and financial needs;
- › is adequately balanced with respect to the fixed component of remuneration;
- › is subject to corrective mechanisms that allow it to be reduced (including to a significant degree) or eliminated, in the event of conduct that has caused, or has contributed to causing, significant damage to clients.

In accordance with the regulatory framework, remuneration policies and practices:

- › establish specific indicators for personnel responsible for handling complaints that take account of the results achieved in complaint management and the quality of client relations;
- › ensure prudent risk management for personnel responsible for assessing creditworthiness.

To contain exposure within the limits set by the Banking Group's risk management policy and taking account of the applicable regulatory requirements, the remuneration and incentive systems of personnel responsible for assessing creditworthiness also include indicators for monitoring prudent risk management, with particular regard to credit risk.

The overall assessment considers the results of monitoring of the structures responsible for verifying proper customer relations and provides for remedial measures relating to the assessment of other compliance and quality indicators (including, without limitation, customer due diligence, regularisation measures and completion of mandatory training courses).

The results of audits by company Control Functions are also considered.

These elements, intended for assessing proper individual conduct (compliance with the law and internal procedures and transparency towards clients), are taken into due account when assigning the variable component.

8. Financial Advisors Authorised to Make Off-Premises Offers

8.1 Information on the Type of Relationship

The Financial Advisors, with the exception of Relationship Managers, are linked to the company by an agency contract whereby the Financial Advisor is appointed permanently (and without representation) to promote and place in Italy, as part of his/her advisory service, and in an autonomous manner — on the Company's behalf and, on the Company's instructions, also in the interest of third party principal companies — financial instruments and services, banking products and services, insurance products and other products indicated in the contract, and also to provide customer service for customers acquired and/or assigned — with all the due diligence required to achieve company objectives.

The relationship may come to an end (as well as due to the occurrence of termination events provided for by the law) as a result of consensual resolution or a declaration of withdrawal of one of the two parties, in accordance with the notice periods specified, unless a breach of such gravity occurs that prevents the relationship continuing even on a temporary basis.

Deputy General Manager Commercial Networks, Alternative and Support Channels is responsible for the activities of the Private Banker and Financial Planner Networks, the Wealth Management Network and the Financial Planner Agents Network.

Within the Private Banker and Financial Planner Networks, Financial Advisors are classified according to rising levels of experience as Junior Financial Planner, Financial Planner, Private Banker, Senior Private Banker and Top Private Banker. The allocation to each one of the categories takes into account both the experience and the assets under management. Coordination of the Financial Advisors is delegated to a second-tier managerial structure consisting of the District Managers — responsible for individual local operating points and the related groups of Financial Advisors, who are assisted in some cases by supervisors, the Executive Managers — and a first-tier structure, Area Managers, who in some cases are supported by Deputy Area Managers. The Financial Advisor network known as Financial Planner Agents carries out also insurance business on behalf of Generali Group companies, and reports to a second-tier managerial structure represented by FPA Managers, who in turn report to a first-tier managerial structure represented by a Sales Manager.

Within the Wealth Management network, individual Financial Advisors are coordinated by a first-tier managerial structure, consisting of Area Managers – Wealth Management, assisted by Deputy Area Managers – Wealth Management.

These professional posts receive a special remuneration package as part of a common system of rules. The general principles are set out below.

8.2 Remuneration of Financial Advisors and Managers

The remuneration of Financial Advisors — who, unlike employees, serve the Bank pursuant, not to employment contracts, but to independent agency agreements — is by definition subject to fluctuation over time, as specified above. Therefore, past remuneration is no guarantee of future reward in all such cases, and even more so, in respect of temporary entry plans.

The remuneration of Financial Advisors consists of fees of various kinds, which are influenced by the type of activity performed, the range of products placed and the distribution agreements in place with the management companies.

A Financial Advisor's remuneration is considered business income, which is figured by deducting variable or fixed business expenses (consider, for example, the costs of remunerating the advisor's own employees), and is subject to an entirely different tax treatment from salaries, to which it is not easily comparable.

The remuneration system is established at a general level, for all Financial Advisors belonging to a given category, and is not therefore directly tied to the share of the intermediary's risk profile attributable to the individual Financial Advisor. It has to combine the need to pay the Financial Advisors a remuneration proportionate to the Company's revenues, in line with rates commonly applied in the reference market, with the need to avoid situations of potential conflict of interest.

The remuneration of Banca Generali's Financial Advisors consists of the following main items:

- i. sales fees: the Bank pays the Financial Advisor a portion of the fees paid by the customer at the time the financial products are subscribed. These fees differ according to the various types of product and may vary in relation to the amount paid and/or the client's assets. A percentage of these fees is generally paid back to the Financial Advisors, on the basis of their professional roles and responsibilities;
- ii. management and maintenance fees: advisory and after-sales services rendered to customers are remunerated by way of monthly fees established not only in light of the value of the investments held by the customers in question, but also in function of the type of investment product involved and the professional roles and responsibilities covered by each Financial Advisor;
- iii. recurring fees: these are similar to the previous fees, but relate specifically to the management fees paid by customers for the portfolios managed;
- iv. consultancy fees: these are similar to the above, but refer to the specific consultancy services rendered against payment.

The fees in question are recurring and thus are not regarded as incentives.

Given that the most significant aspect of the job description of Financial Advisors involves the pursuit of the best interests of customers in strict compliance with the rules and regulations governing the distribution of investment products and services, all the related professional activities must be conducted scrupulously in accordance with the relevant principles of professionalism and correctness in respect of customer relations, including with a view to building customer loyalty. Towards such end, objectives of propriety and regulatory compliance have been introduced, with each Financial Advisor being subjected to the obligation to provide customers with adequate after-sales services. The contract regulating the relationship between the Financial Advisor and the Bank therefore includes mechanisms of recurring fee reduction in the case when the Financial Advisor does not carry out this activity as required.

With reference to the remuneration of the direct promotion activities carried out by the Managers, the fees are apportioned in a manner similar to that of Financial Advisors mentioned above; the same general rules apply, with specific percentages, to the calculation of the fees they are entitled to for their promotion activities carried out through their supervision.

Given that, also the activity of Managers involves the pursuit of the best interests of customers in strict compliance with the rules and regulations governing the distribution of investment products and services, all the related professional activities must be conducted scrupulously in accordance with the relevant principles of professionalism and correctness in respect of customer relations, including with a view to building customer loyalty. Towards such end, objectives of propriety and regulatory compliance have been introduced for Managers as well, with the obligation of ensuring that all Financial Advisors they supervise provide customers with adequate after-sales services. The contract regulating the relationship between the Manager and the Bank therefore include mechanisms of recurring fee reduction if the Financial Advisors placed under their supervision do not carry out this activity as required. Moreover, within the framework of a process of gradually increasing the responsibilities of Managers in coordination and supervision activity, there are economic mechanisms aimed at contemplating any specific risks that emerge in the area being coordinated, including for the purpose of determining recurring remuneration.

Annual incentive systems are also provided for the Financial Advisors and Managers, based on identified individual objectives for Financial Advisors and group objectives for Managers. These systems focus on net inflows and services and products designed to promote risk diversification/

containment, with distinctions being drawn on the basis of the various service levels through which the said goals are pursued.

For the period 2022-2024, in addition to annual incentives, a monetary incentive system applies, which is intended to reward all those who stand out for excellent performance on an ongoing basis, in line with the bank's growth and profitability objectives.

The three-year incentive system also focuses on net inflows and services and products designed to promote risk diversification/containment, with distinctions being drawn on the basis of the various service levels through which the said goals are pursued.

The accrual of the bonus is contingent on achieving both the Banking Group's overall goals and excellent individual performance targets at the end of the observation period.

In keeping with the short-term incentive system, the three-year objectives must be achieved in accordance with the principle of correctness in relations with customers and containment of legal and reputational risks.

The beneficiaries include the Financial Advisors who were present within the Banking Group until 31 December 2019

The bonuses accrued will be subject to a deferral period of one year in order to verify ongoing maintenance of the individual or group performance level achieved at the end of the three-year incentive plan.

The three-year bonus will constitute a payment of an extraordinary, discretionary and non-contractual nature and under no circumstances may be considered an integral part of the normal remuneration of each of the beneficiaries.

The bonus for Key Personnel is subject to all the more detailed rules provided for in this Remuneration Policy with regard to the variable and fixed components of remuneration, the deferral mechanism, the payment of a portion in financial instruments and *ex post* adjustment mechanisms.

Said goals must always be achieved while observing the need to maintain proper relations with customers and contain legal and reputational risks.

All the incentives are paid out only on condition that, on the dates scheduled for the payments, the agency relationship is properly in place, the notice period is not running and all the conditions required for achieving the result objectives set have occurred.

Moreover, given that the activity involves the pursuit of the best interests of customers in strict compliance with the rules and regulations governing the distribution of investment products and services, any and all business activities on which incentive portions of remuneration may be earned must be conducted scrupulously in accordance with all applicable principles of professionalism and propriety in all customer relations, including with a view to enhancing customer loyalty. Towards such end, alongside traditional targets set in terms of net inflows and revenues, additional targets of propriety and regulatory compliance in all transactions, as well as specific malus and claw-back mechanisms, have been introduced.

The right to collect the bonuses deriving from the aforementioned systems is contingent not only on the actual result achieved, but also on the reaching of the Banking Group's access gates, as discussed in point 5.2.2 above.

By resolution duly supported by a statement of grounds, Financial Advisors' and Managers' participation in retention and/or loyalty plans and possible stipulation of non-competition agreements (see also paragraphs 5.6 and 6.2) may also be approved.

In light of the Bank of Italy's Supervisory Provisions, for the intents and purposes of this document, the remuneration components included under items (i) and (iv) are to be deemed fixed remuneration components (i.e. recurring remuneration), whilst bonuses disbursed under incentive programmes and/or stock option plans, where applicable, are to be considered equivalent to the variable salary component of employees (i.e. non-recurring remuneration or incentive).

8.3 Positions Falling within Key Personnel

As mentioned above, the coordination of the Financial Advisors in the Private Banker and Financial Planner Networks is entrusted to Area Managers, whereas that of the Financial Advisors in the Wealth Management Area is entrusted to Wealth Management Area Managers.

Managers in these categories are subject to the same Remuneration and Incentive Policies and rules outlined above.

However, given the importance of the role of oversight and coordination assigned to Area Managers, these positions are regarded as Key Personnel. Accordingly, their variable remuneration, linked to incentive plans, is subject to the same bonus deferral schemes, payment in Banca Generali shares and access gates, as well as malus and claw-back mechanisms — specific for this category — illustrated above, as applicable to Key Personnel.

Participation in retention and/or loyalty plans may also be approved for these functions by resolution duly supported by a statement of grounds.

The ratio of the recurring and incentive components of the remuneration paid to such individuals, with the approval of the General Shareholders' Meeting, may not exceed 2:1. Any amount in excess shall be subjected to the cap mechanism described above.

Moreover, pursuant to the quantitative criteria imposed by the Supervisory Provisions and the Commission Delegated Regulation (EU) No. 923/2021, a total of 46 Financial Advisors falling into the following categories were included among Key Personnel, with the provisions set out in paragraph 1.1:

- › Financial Advisors who at the end of the previous year had collected total remuneration (including both the recurring and incentive components) equal to or greater than 750,000.00 euros;
- › Financial Advisors who at the end of the previous year had collected total remuneration (including both the recurring and incentive components) equal to or greater than 1,000,000.00 euros;
- › Financial Advisors with remuneration equal to or greater than the lesser of i) 500,000.00 euros and ii) the total average remuneration granted to members of the body with strategic supervision and management functions and to top management, and lower than 750,000.00 euros, in light of their professional activities with a significant impact on the risk profile of the operating/business unit of reference.

Their variable remuneration, linked to incentive plans, is subject to the same bonus deferral schemes, payment in Banca Generali shares and access gates, as well as malus and claw-back mechanisms — specific for this category — illustrated above, as applicable to Key Personnel.

The ratio of fixed to variable components of the remuneration paid to such individuals shall not exceed 1:1; any amount in excess shall be subjected to the cap mechanism described above.

8.4 Additional Benefits to the Recurring Remuneration

The Financial Advisors and Managers benefit from accident, health and permanent disability insurance covers and receive social security and termination benefits provided for under legislation. The above package is supplemented by a specific insurance policy covering the costs of Long Term Care in the event of disability or infirmity.

These measures are aimed at ensuring that, in addition to ordinary remuneration, Financial Advisors and Managers are also provided with a series of protections and insurance covers designed to consolidate their professional relationship with the Bank, whilst also encouraging consistent results over time, in line with the Bank's conviction that these supplementary benefits are conducive to a more effective and relaxed relationship with customers.

8.5 Retention Policies

A number of alternative loyalty-building schemes are used for Financial Advisors, as described below:

- › the deferred loyalty bonuses, under which a predetermined amount is invested in a capitalisation policy and may be paid out seven years after 5 or 7 years of the recruitment date and on condition that, on the settlement date, the Financial Advisor has maintained his professional relationship with the Banking Group and has achieved a significant objective in terms of the quantity and quality of the assets managed.

In addition to the above loyalty-building programmes, specific loyalty-building mechanisms may apply to managers.



On this occasion, the photographer's lens focused on investigating the situation related to Sustainable Development Goal (SDG) number 14 "Conserve and sustainably use the oceans, seas and marine resources for sustainable development." To analyse the situation, the photographer went to explore some corners of the Maldives away from the big organized travel circuits to discover cooperative projects aimed at preserving marine fauna and flora. In, Dharavandoo, for example, the Manta Trust is an association that works for the conservation of mobulids, a species that is highly threatened by litter in the seas. In Dhigurah, on the other hand,

the Whale Shark Research Program protects whale sharks, a native species facing extinction due to changes in Maldivian marine ecosystems. Intensive beach exploitation, on the other hand, is increasingly reducing space for turtles that do not know where to lay their eggs, but help is coming from the Olive Ridley Project in Dhuni Kholu, which cares for these species before they become endangered. Tourism, however, is not the only problem facing the Maldives. Another major challenge for the archipelago is climate change.



SECTION 2

REPORT ON THE APPLICATION OF THE REMUNERATION AND INCENTIVE POLICIES OF THE BANKING GROUP IN 2022



Introduction

Section 2 describes the application of the Remuneration Policy and Incentives Paid in 2022 approved by the General Shareholders' Meeting on 21 April 2022.

The first part is qualitative disclosure aimed at representing the structural elements of the remuneration of members of the Board of Directors and Board of Statutory Auditors, the Chief Executive Officer and General Manager, Managers with Strategic Responsibilities and other specific categories of personnel, as detailed below.

For the purposes of a clearer representation of the elements of the short- and long-term variable remuneration of the Chief Executive Officer and General Manager and Managers with Strategic Responsibilities, a summary is provided of both the implementation of the 2022 Incentive System and 2020 LTI plan, for which 2022 is the final year of measurement of long-term performance.

The second part, which is quantitative in nature, discloses, pursuant to the Consob Regulation and Bank of Italy Circular, the 2022 remuneration figures for the Board of Directors, Chief Executive Officer and General Manager, other Managers with Strategic Responsibilities and the remaining Key Personnel of the Banking Group.

The section also includes what has emerged from dialogue with shareholders and proxy advisors, with additional disclosures of certain key elements of remuneration systems relevant to investors.

General information and, in particular, information on any derogations from the Remuneration Policy

The policies adopted by the Bank ensures compliance with the regulatory capital requirements set forth in Regulation (EU) No. 575/2013 (CRR) and Circular No. 285 of 17 December 2013, in line with the European Central Bank's recommendations (Letter dated 26 November 2015 concerning variable remuneration policies), and the European Banking Authority (EBA) Guidelines on Sound Remuneration Policies.

The Remuneration Policy was implemented consistently with the Bank's corporate values and objectives, long-term strategies and risk management policies.

For 2022 as well, incentive systems and remuneration mechanisms were effective in the actual performance-incentives correlation.

More specifically, overall remuneration is made of fixed and variable components, the weight of which is correlated with the strategic weight of the position held, and, in the case of certain managers, includes benefits arising under Long Term Incentive (LTI) plans envisaging long-term performance of the company or corporate group to which it belongs.

All types of variable remuneration, defined both based on incentive plans through objectives linked to the performance of the Bank and the Banking Group, and on a discretionary basis through a process linked to that of performance assessment, are correlated with indicators, which aim at appreciating the weighting of risks of the company or corporate group to which they belong, and are determined taking due account of the risks assumed and the liquidity required to cover ongoing business operations, and with a view to avoiding conflicts of interest.

In 2022, the Bank did not apply any derogations from the Remuneration Policy in force.

1. Verification of the 2022 Incentive System and 2020 Long Term Incentive Plan

Access gates

In order to base variable remuneration on long-term performance indicators and to take account of current and prospective risks, the cost of capital and the liquidity required to undertake the activities carried out within the framework of the Banking Group, for all employees with variable remuneration, the right to receive a bonus is conditional on not only the actual result achieved, but also the reaching of an access gate composed of the following two indicators: (i) the Total Capital Ratio, measuring the extent of the Bank's capital in relation to the degree of risk of the assets held, and the (ii) Liquidity Coverage Ratio, aimed at increasing short-term resilience of the Bank's liquidity risk profile, while ensuring it has sufficient, high-quality liquid assets to overcome any 30-day long acute stress situation.

The Banking Group's access gate also plays a role in the cycles of the LTI plans, pursuant to the same mechanism and subject to the same thresholds imposed for entitlement to short-term variable remuneration.

The Banking Group's ratios defined above were both exceeded in 2022. Actual figures at 31 December 2022 were as follows:

- › Total Capital Ratio of the Banca Generali Group: 16.7% (threshold: 13%);
- › Liquidity Coverage Ratio of the Banca Generali Group: 338% (threshold: 130%).

Passing the access gate entitled the beneficiary to:

- › collecting the bonuses for 2022 on the basis of the individual performance and the performance of the Banking Group;
- › being assigned 50% of shares accrued under the 2020 LTI plan of the Banking Group;
- › collecting i) the bonuses for 2022 (for Key Personnel, this refers to the up-front portion) and ii) the bonuses for 2020 and 2021, whose payment was deferred to 2023;
- › satisfaction of the annual access conditions for the vesting of the cycle of the Banca Generali's 2021 LTI and 2022 LTI plans.

Deferral and share-based payment of variable short-term remuneration

The methods of payment of variable remuneration for 2022 are shown below, in accordance with the 2022 Remuneration Policy, broken down by category of personnel:

- › for Key Personnel with annual variable remuneration less than or equal to 50,000 euros and, concurrently, to 1/3 of total annual remuneration, it is paid in full in cash in the year after that of reference;
- › for Key Personnel, the variable remuneration that does not qualify as "a particularly high amount" (euros 435,000,00⁵⁰) is paid as follows:
 - 60% (up-front portion) is paid 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
 - 40% is deferred, according to a linear pro-rated approach, in equal tranches for 4 years from the payment of the up-front portion, 50% paid in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;

⁵⁰ In the Banking Group, in accordance with the regulations, for 2022 it has been set at 25% of the average total remuneration of Italian high-earners, according to the 2019 EBA report (435,000 euros).

- › for Key Personnel, the variable remuneration that qualifies as “a particularly high amount” is paid as follows:
 - 40% (up-front portion) is paid 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
 - 0% is deferred, according to a linear pro-rated approach, in equal tranches for 4 years from the payment of the up-front portion, 50% paid in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
- › for Top Key Personnel, the variable remuneration that does not qualify as “a particularly high amount” will be paid:
 - 60% (up-front portion) is paid 50% in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
 - 40% is deferred, according to a linear pro-rated approach, in equal tranches for 4 years, 50% paid in cash and 50% in Banca Generali shares, which will be subject to a retention period of one year;
- › for Top Key Personnel, the variable remuneration that qualifies as “a particularly high amount” will be paid:
 - 40% (up-front portion) is paid 45% in cash and 55% in Banca Generali Shares, which will be subject to a retention period of one year;
 - 60% is deferred, according to a linear pro-rated approach, in equal tranches for 5 years, 44% paid in cash and 56% in Banca Generali shares, which will be subject to a retention period of one year.

Where disbursement of an accrued bonus is deferred, instalments paid in cash on a deferred basis are increased by a return at market rates recognised upon disbursement.

In calculating the number of shares to be assigned, a method is applied where: the numerator is defined as 50% (or a higher percentage, where applicable) of variable remuneration accrued for the actual achievement of targets set for the year of reference, and the denominator consists of the share price (calculated as the average price of the share over the three months preceding the Board of Directors’ meeting called to approve the draft Financial Statements and the Consolidated Financial Statements for the year prior to that in which the cycle in question starts).

Malus and Claw-back Mechanisms

Variable remuneration earned by all staff under BSC and MBO mechanism and/or on a discretionary basis, as well as by network managers and Financial Advisors serving the Banking Group, shall be subject to specific malus and claw-back mechanisms entailing the non-payment and/or the restitution of bonuses already paid, upon the occurrence of certain specific conditions set forth in the approved Remuneration Policies.

The above mechanisms do not apply to any beneficiaries of variable remuneration within the scope of Managers with Strategic Responsibilities in 2022.

Principle of Propriety and the Containment of Reputational Risks

The remuneration and incentive systems for the distribution networks have also been formalised according to criteria of propriety in dealings with customers and the containment of legal and reputational risks through the inclusion of specific malus and claw-back clauses, which also called for the evaluation of the number of complaints attributable to the activity of each Relationship Manager and each Financial Advisor when determining the bonus accrued, in addition to the assessment of special situations in cases of disciplinary measures, extraordinary inspections and reputational damages.

2022 Incentive System

The following details of the performance achieved are provided with regard to the calculation of the 2022 Short-term Incentive Plan of the Chief Executive Officer and General Manager:

PERSPECTIVE	KPI	WEIGHT	ACHIEVEMENT VS TARGET			RESULT
			MIN	TARGET	MAX	
Risk-adjusted economic and financial performance	Net inflows for commercial activities	10%	85%	100%	115%	85.17%
	Recurring Net Profit	25%	95%	100%	105%	Vastly exceeded: 121.85%
	Total General Expenses	10%	102%	100%	98%	Exceeded: 97.83%
	Return on Risk Adjusted Capital (RoRAC)	15%	90%	100%	110%	Vastly exceeded: 129.62%
	Banca Generali Strategy Plan Projects	20%	1	2	3	Exceeded: 2.96%
Sustainability Commitment	Sustainable Products (30%)	10%	MIN	TARGET	MAX	Vastly exceeded
	Sustainable Processes (20%)					
	Sustainable Plan (35%)					
	Sustainable People (15%)					
People Value	Digitalization	10%	MIN	TARGET	MAX	Vastly exceeded
	DEI					
	People Survey					
	Next Normal					

Final calculation was performed by linear interpolation between the targets set for each objective, as described in more detail in the Section 1 of the Remuneration Policy. The performance target corresponds to 100% of the budget for the year of reference.

The non-financial results/ESG targets refer to projects whose implementation was classified as a priority in the Strategic Plan and have an overall weight of 40%. In detail, in 2022 these projects mainly focused on objectives related to **Efficiency & Business Transformation, People Value and Sustainability Commitment**. The following is an account of the **results achieved** in the various areas.

The Efficiency & Business Transformation

- › KPI focused on completing projects of general interest relating to the targets of the Banking Group's Strategic Plan.

The People Value

- › KPI focused on completing projects representing a priority for the success of the Banking Group's People Strategy. In particular, the details of the results achieved in the areas of activity are provided below:
 - Digitalization: the digital training sessions envisaged in the three-year Plan have been launched. The project's training activities will continue in 2023 as well;
 - Diversity, Equity & Inclusion: the initiatives introduced were aimed at inclusiveness, the development of cross-generation and support for women's leadership;
 - Engagement Survey: the Bank conducted an internal survey to identify areas with room for improvement and took supporting actions to close any gaps;
 - Next Normal: in this regard, the Bank took all measures necessary to support the new hybrid approach to work ("Next Normal") across its various structures.

The Sustainability Commitment

- › KPI concerned the completion of 15 projects, divided into four areas of sustainability: Products, Processes, Plan and People. The Products area saw the finalisation of three projects focused on developing new sustainable solutions in service of reaching the ESG assets growth target. Projects in the Processes area were conducted and completed in four particularly important fields, relating to ESG data architecture, MiFID-ESG preference issues and the integration of climate risks into the Bank's strategies. The Sustainable Plan was divided into five projects in service of the Strategic Plan, such as the Principles for Responsible Investment, to which Banca Generali formally became a signatory in December, the engagement of financial partners in achieving environmental targets, constant dialogue with raters, and specialist training for the Board of Directors. In the People area, the three objectives relating to reaching the training targets for employees and the network and hiring under-35 employees were also broadly reached.

The Board of Directors expressed a favourable opinion of the results achieved by the KPIs described above with respect to the expectations laid down in the Strategic Plan for the year in question. The details of the initiatives completed in 2022 are presented in the 2022 Annual Integrated Report.

2020 Long-Term Incentive Plan

Since the eligibility condition for accrual of the 2022 share of the incentive for both the Banking Group and Generali Group was met for the 2020 Long-Term Incentive Plan, the performance levels reached during the three years for the formulation of the bonus, which will be paid according to the terms and conditions of the plan, are set out below:

PERSPECTIVE	KPI	ACHIEVEMENT VS TARGET		
		< 30%	33%	≥ 39%
Banking Group (80%)	tROE (50%)			
	Adjusted EVA (50%)			
Assicurazioni Generali (20%)		0%	TARGET	MAX

In the case of Assicurazioni Generali's objectives, the overall level of achievement of the objectives set for the 2020-2022 LTI Plan — Net Holding Cash Flow and rTSR — is represented.

2. Information on Remuneration by Role and Functions

2.1 Remuneration of Company Directors

The remuneration for members of the Board of Directors, including members of the Board Committees, was determined by following the procedures defined and described in the presentation of Remuneration Policies for 2022. Non-executive Directors, including the Chairman of the Board of Directors, were not entitled to any form of variable remuneration linked to the attainment of specific objectives nor to share-based incentive plans.

The relevant year-end figures — including the information concerning the position of the Chairman of the Board of Directors — are set forth in detail in Table 1 – Compensations Paid to Members of the Governing and Control Bodies, General Managers and Other Managers with Strategic Responsibilities, to which the reader is referred.

A D&O policy has been contracted covering the members of the Board of Directors, as illustrated in the document presenting the Remuneration Policies for 2022.

2.2 Remuneration of Members of the Board of Statutory Auditors

The remuneration of the members of the Board of Statutory Auditors was established by the General Shareholders' Meeting at the time of the appointment of the said Board. The members of the Board of Statutory Auditors also receive further and different remuneration, in addition to their compensation as members of the Company's control board, in consideration of the fact that the said Board also discharges the tasks and functions of the Supervisory Board instituted pursuant to Legislative Decree No. 231/2001.

Acting Auditors were not entitled to any form of variable remuneration.

The relevant year-end figures are set forth in detail in Table 1 – Compensations Paid to Members of the Governing and Control Bodies, General Managers and Other Managers with Strategic Responsibilities, to which the reader is referred.

A D&O policy has been contracted covering the members of the Board of Auditors, as illustrated in the document presenting the Remuneration Policies for 2022.

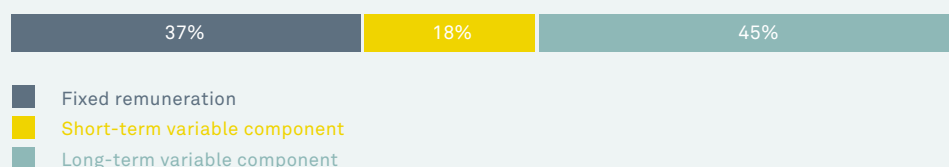
2.3 Remuneration of the Chief Executive Officer and General Manager

In accordance with the principles of the Group's Remuneration Policy, the remuneration package of the Chief Executive Officer and General Manager included the following elements in the year of reference (2022):

- › gross annual remuneration, in the capacity of executive, of 638,461.55 euros, and gross annual compensation, in the capacity of Chief Executive Officer, of 50,000 euros;
- › a short-term variable component of remuneration with payment of a bonus associated with annual objectives, with a maximum level of 433,333.00 euros, gross;
- › a long-term variable component in view of which, upon the achievement of the assigned objectives, a total target amount of 100% of the current fixed remuneration may be paid in the event of over-performance;
- › other benefits and severance provisions: in line with what is defined by the guidelines and the limits imposed by the Group's Policy.

With particular regard to the variable components of remuneration (as shown in the image), the Chief Executive Officer/General Manager became entitled to the following in the year of reference (2022):

- › a short-term variable component: on the basis of the results achieved, the amount of the annual portion of the variable component is believed to be 410,870.36 euros, gross, an amount that was determined in view of the degree of achievement of the objectives set by the Board of Directors in the individual module, the level of achievement of which is described in the foregoing section;



- › a long-term variable component: upon the conclusion of the performance period of the 2020 LTI plan, and on the basis of the degree of achievement of the objectives concerned, it was resolved to assign 33,459 shares, equal to 994,194.03 euros (at the assignment price), considering a maximum amount of 1,050,000.00 euros equal to 35,337 shares (at the date of assignment). Of the 33,459 shares, 50% will be awarded in April 2023, and the remaining 50% can be potentially assigned at the end of two additional years of deferral (in 2025), subject to the terms and conditions laid down in the plan regulations and the retention period set out in the plan. In the case of the 2021-2023 LTI plan (for which assignable shares amount to 23,566 upon achievement of the target) and the 2022-2024 LTI plan (for which assignable shares amount to 19,446 upon achievement of the target), as provided for in the plan regulation, the related shares will accrue at the end of the three-year period of reference of the respective plans.

The remuneration also includes 136,632.40 euros of other remuneration and benefits provided for the managers of the Banking Group.

2.4 Remuneration of Other Managers with Strategic Responsibilities

This personnel category includes:

- › the DGM Wealth Management, Markets and Products;
- › the DGM Commercial Networks, Alternative and Support Channels.

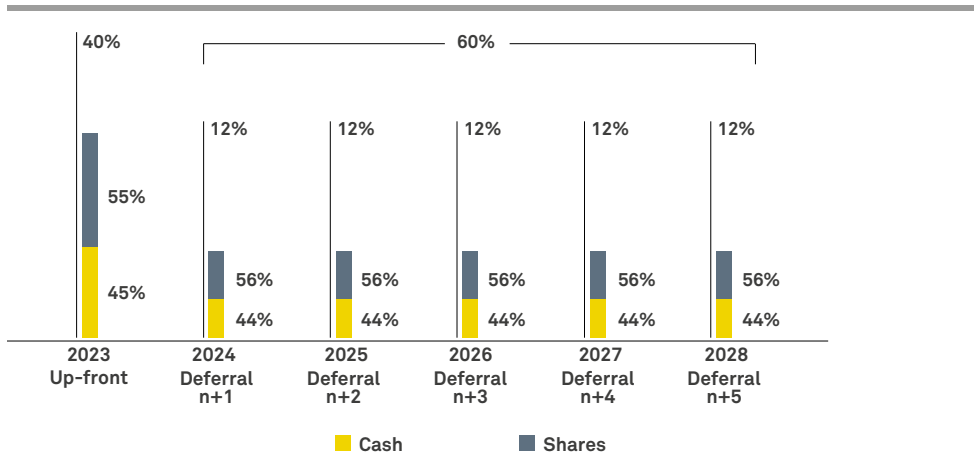
Their remuneration consists of all-inclusive annual remuneration (Annual Gross Remuneration), a position-related indemnity, where applicable, a variable remuneration linked to the degree of satisfaction of performance objectives, and other remuneration and benefits related to the position of Managers of the Banking Group.

With particular regard to the year of reference (2022), remuneration included:

- › all-inclusive total annual remuneration, including position indemnities, where applicable, of 629,999.97 euros;
- › a total short-term variable component accrued in view of the results achieved, with regard to the position of strategic manager, of 364,144.28 euros;
- › a long-term variable component: upon the conclusion of the performance period of the 2020 LTI plan, and on the basis of the degree of achievement of the objectives concerned, a total of 28,998 shares were assigned (compared to a maximum amount assignable of 30,626 shares). Of the 28,998 shares, 50% will be assigned in April 2023, and the remaining 50% can be potentially assigned at the end of two additional years of deferral (in 2025), subject to the terms and conditions laid down in the plan regulations and the plan retention period. With regard to the 2021-2023 LTI plan (for which a total of 19,940 shares may be assigned upon achievement of the target) and the 2022-2024 LTI plan (for which a total of 17,084 shares may be assigned upon achievement of the target).

The total remuneration of personnel included in this category is also comprised of 188,066.88 euros of other remuneration and benefits provided for the managers of the Banking Group.

The following graph summarises how BSC is disbursed to Top Managers (Chief Executive Officer/ General Manager, Deputy General Managers Wealth Management, Markets and Products and Deputy General Manager Commercial Networks, Alternative and Support Channels).



2.5 Remuneration of other Key Personnel

In 2022, management changes entailed the total presence, for the year in question, for the year or fraction of the year, of 88 individuals in the category of Key Personnel.

A breakdown of remuneration of Key Personnel for financial year 2022 is presented in *Attachment Article 450 CRR, letter h) Aggregate Quantitative Information on Remuneration, Broken Down by Category of Key Personnel* which refers to the remuneration of personnel that, pursuant to the Company's internal self-assessment process, has been identified as belonging to such category.

Members of Key Personnel with remuneration exceeding 1 million euros are a total of 26, of whom 18 in the bracket from 1 to 1.5 million euros, 7 in the bracket from 1.5 to 2 million euros, and 1 in the bracket from 2.5 to 3 million euros.

2.6 Remuneration for Other Employees

Turning to the remuneration of employees not considered Key Personnel, the following is an account of the main aggregates for the professional families of Relationship Managers (Relationship Managers di Banca Generali and BG Valeur), Asset Managers (Asset Managers of Banca Generali and BG Fund Management Luxembourg) and other employees.

In particular, in the following figures the fixed portion refers to the gross annual remuneration collected, whereas the variable portion refers to the remuneration linked to the Balanced Scorecard (BSC), the Management by Objectives (MBO) mechanisms and the discretionary variable remuneration also tied to the annual performance evaluation for those not benefiting from BSC/MBO mechanisms, as well as to other one-off remuneration associated with achievement of objectives.

The Relationship Manager's variable remuneration presented below does not include entry plans.

	NO. OF BENEFICIARIES	FIXED REMUNERATION (EUROS)	VARIABLE REMUNERATION (EUROS)
Relationship Managers	84	7,175,666.52	3,832,075.21
Asset Managers	35	3,564,458.58	1,930,553.32
Other employees	956	43,121,107.26	4,554,672.67

The table set out below represents the change, from 2019 to 2022, in the Company's results, in the compensation of individuals for whom remuneration is disclosed by name and in remuneration of employees:

	2020 VS 2019	2021 VS 2020	2022 VS 2021
Company results (€/mln)			
Net Recurring	6.9%	11.2%	25.1%
AUM Reported	7.9%	15.1%	-3.1%
Chairman BoD			
Fancel Giancarlo (in office until 22.04.2021)	0.0%		
Cangeri Antonio (in office from 22.04.2021)		n.a.	n.a.
Chief Executive Officer and General Manager ¹			
Mossa Gian Maria	-14.2%	10.1%	-6.7%
Director ²			
Brugnoli Giovanni (in office until 22.04.2021)	10.6%		
Gervasoni Anna (in office until 22.04.2021)	6.5%		
Lapucci Massimo (in office until 18.11.2022)	11.7%	17.9%	
Pescatori Annalisa (in office until 15.07.2022)	7.8%	20.4%	
Terzi Vittorio Emanuele	7.7%	21.5%	4.4%
Cocco Roberta (in office from 22.04.2021)		n.a.	n.a.
Caprio Lorenzo (in office from 22.04.2021)		n.a.	n.a.
Romagnoli Ilaria (in office from 13.10.2022)			
Rustignoli Cristina	0.0%	0.0%	0.0%
Caltagirone Azzurra	0.0%	0.0%	0.0%
Cremona Massimo (in office until 22.04.2021)	0.0%		
Freddi Natale (in office from 22.04.2021)		n.a.	n.a.
Anaclerio Mario Francesco	0.0%	12.9%	4.7%
Minutillo Flavia	0.0%	12.9%	4.7%
Company employees ³	1.9%	3.1%	0.9%

¹ Fixed remuneration, benefits, short-term variable remuneration in the years of accrual and fair value of the portions of the LTI plans accrued during the years, per Table 3A, column 12. The change is due to the valuation of the long-term component (LTI), updated on the basis of the characteristics and conditions of the currently existing plans.

² Figure linked to the number of attendance tokens.

³ Average fixed gross annual remuneration, based on full-time Banca Generali employees.

With the aim of promoting a culture of ownership and empowerment and fostering staff loyalty in line with the remuneration policy, 2019 saw Banca Generali take part in We SHARE, the share ownership plan launched by the Generali Group with the aim of promoting alignment with the strategic objectives and the participation of all people in the value creation process.

The Plan ended on 31 October 2022 with an average monthly final price of Generali shares lower than the price defined at the Plan's launch. This outcome, mainly due to the deterioration of the general macroeconomic scenario, had significant repercussions on the entire market, despite the fact that the Generali Group demonstrated its solidity and resilience in terms of results, with the achievement of the objectives of its strategic plan.

Based on the provisions of the Plan's regulations and timing, the Plan ceased to have effect without giving rise to the free allocation of shares and participants were refunded their individual contribution, according to the protection mechanism provided.

3. Information on the Remuneration of Financial Advisors

Financial Advisors serve the Bank pursuant to an agency agreement providing for, *inter alia*, variable remuneration directly linked to various types of revenues, on a percentage basis. The said variable remuneration is however recurrent, insofar as it is directly linked to the assets entrusted to each Financial Advisor and the related advisory and placing activities. A small proportion also derives from fees on individual sale transactions. Moreover, Financial Advisors may also qualify for further remuneration under various incentive plans implemented by the company at its discretion, primarily with a view to rewarding excellence in professional performance during the relevant accounting period.

By way of general information, it should be noted that the weight of fee expense in 2022 (almost entirely related to fees paid to Financial Advisors) on overall fee income was as shown in the table below. The numerator of the total payout ratio also includes fee expenses, which, with effect from the fourth quarter of 2022, will be paid back to the sales network based on net interest income (1.2% of net interest income). At 31 December 2022, these fees accounted for 0.19% of total payout ratio.

	2022
Network' total payout (with performance fees)	45.2%
Network's total payout (without performance fees)	46.1%

Pay out including the provisions for incentive fees and recruitment.

With regard to the substantially recurrent component of the remuneration of the network, the following factors have been confirmed: (i) the mechanisms aimed at reducing the fees payable to Financial Advisors and their Managers in the event of substandard after-sales services to customers during 2022; (ii) within the framework of a process of gradually increasing the accountability of network managers in coordination and oversight activity, the mechanisms aimed at contemplating any specific risks that emerge in the area being coordinated, including for the purpose of determining recurring remuneration.

Turning to the fee component tied to incentive systems, based on the identification of individual objectives (and group objectives, for Managers), it is confirmed that it accounts on the whole for a modest overall percentage of the Financial Advisors' total remuneration that rises as a function of the managerial position filled, and that the sales objectives rewarded for Financial Advisors related to net inflows associated with macro-aggregates. The use of such macro-aggregates allows incentive policies to be prevented from fostering the distribution of the Group's products over the products of third parties and from resulting in efforts to sell single products.

More specifically, in the case of Financial Advisors serving in managerial positions at the end of 2022, incentives accounted for about 10% of overall pay-out.

On the other hand, in light of their crucial coordination and supervisory responsibilities, the variable remuneration of Sales Managers and Area Managers determined pursuant to incentive plans has been subjected to both access gates relating to the Banking Group and the partial deferral of bonus payments.

Accordingly, the total variable remuneration accrued in 2022 for such personnel amounting to 3,922,557 euros will be paid out in accordance with the 2022 Remuneration Policy, depending on the categories of Key Personnel to which it refers, as described in section "*Deferral and share-based payment of variable short-term remuneration*" herein.



Financial Advisors and Managers who are found to have wilfully engaged in conduct harmful to the Bank or its customers will lose all entitlements to pay-outs due under incentive plans. Moreover, the Bank reserves the discretionary right to refuse to make bonus pay-outs to Financial Advisors who (i) are subjected to disciplinary measures or pending non-routine inspections; and/or (ii) as a result of their conduct, manifestly occasion reputational harm to the Bank. Furthermore, pursuant to specific provisions, in the event of malfeasance on the part of a Financial Advisor that results in monetary liability for the Bank for any reason or cause whatsoever, the Bank is entitled to claw back bonus payments made during the year in which the malfeasance was committed, as well as the preceding year.

4. Tables

4.1 Tables prepared pursuant to Consob Resolution No. 18049

Table 1

Compensations Paid to Members of the Administrative and Control Bodies, General Managers and Other Managers with Strategic Responsibilities

Table 2

Stock Options Granted to Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities

Table 3A

Incentive Plans for Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities based on Financial Instruments Other than Stock Options

Table 3B

Monetary Incentive Plans for Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities

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Table 1 – Shares Held by Members of the Administrative and Control Bodies and General Managers

Table 2 – Shares Held by Other Managers with Strategic Responsibilities

4.2 Tables prepared in accordance with the Bank of Italy provisions – 7th update of Circular No. 285 of 17 December 2013, Part I, Title IV, “Corporate Governance, Internal Controls, Risk Management” – Chapter 2, “Remuneration and Incentive Policies and Practices” – Section VI – Article 450 CRR (Reg. EU No. 575/213)

Annex Article 450 CRR, Letter g)

Aggregate Quantitative Information on Remuneration, Broken Down by Business Areas, Concerning “Key Personnel”

Annex Article 450 CRR, Letter h)

Aggregate Quantitative Information on Remuneration, Broken Down by Category of “Key Personnel”

4.1 Tables prepared pursuant to Consob Resolution No. 18049

Table 1 - Compensations Paid to Members of Administrative and Control Bodies, General Managers and Other Managers with Strategic Responsibilities

(A)	(B)	(C)	(D)	
SURNAME AND NAME	OFFICE HELD	PERIOD FOR WHICH OFFICE WAS HELD	TERM OF OFFICE	NOTES
Cangeri Antonio	Director/Chairman of the BoD	01.01-31.12.22	Approval of 2023 Financial Statements	
Mossa Gian Maria	Director/Chief Executive Officer	01.01-31.12.22	Approval of 2023 Financial Statements	1
	General Manager	01.01-31.12.22	3 / 4
Lapucci Massimo	Director	01.01-18.11.22	Approval of 2023 Financial Statements	2
Pescatori Annalisa	Director	01.01-15.07.22	Approval of 2023 Financial Statements	2
Terzi Vittorio Emanuele	Director	01.01-31.12.22	Approval of 2023 Financial Statements	2
Cocco Roberta	Director	01.01-31.12.22	Approval of 2023 Financial Statements	2
Romagnoli Ilaria	Director	13.10-31.12.22	Approval of 2023 Financial Statements	2
Caprio Lorenzo	Director	01.01-31.12.22	Approval of 2023 Financial Statements	2
Rustignoli Cristina	Director	01.01-31.12.22	Approval of 2023 Financial Statements	1
Caltagirone Azzurra	Director	01.01-31.12.22	Approval of 2023 Financial Statements	
Freddi Natale	Chairman of the Board of Statutory Auditors	01.01-31.12.22	Approval of 2023 Financial Statements	5
Anaclerio Mario Francesco	Acting Auditor	01.01-31.12.22	Approval of 2023 Financial Statements	5
Minutillo Flavia	Acting Auditor	01.01-31.12.22	Approval of 2023 Financial Statements	5
Managers with Strategic Responsibilities	Deputy General Managers (No. 2)	01.01-31.12.22	
I) Remuneration in the company preparing the Financial Statements				3 / 4
II) Remuneration from subsidiaries and associates				
III) Total				

NOTES

- 1 Pays back/waiver of fixed remuneration for the position to the company by which the person is employed.
- 2 The following table provides a breakdown of the remuneration received for sitting in Committees, accrued in the reporting year.

SURNAME AND NAME	REMUNERATION COMMITTEE		NOMINATION COMMITTEE	
	FIXED REMUNERATION	ATTENDANCE FEES	FIXED REMUNERATION	ATTENDANCE FEES
Caprio Lorenzo			2,137 ^(a)	2,000
Cocco Roberta	10,000	16,000	10,000	14,000
Lapucci Massimo ^(b)	8,863	16,000	13,295	12,000
Pescatori Annalisa ^(c)			5,411	8,000
Romagnoli Ilaria ^(d)			2,192	2,000
Terzi Vittorio Emanuele	15,000	16,000		
Total	33,863	48,000	33,035	38,000

Amounts are reported net of VAT and social security contributions, where applicable.

- 3 The item relating to non-monetary benefits and that relating to other remuneration includes the payment of premiums and miscellaneous social security and assistance contributions, as well as other fringe benefits, such as the use of a company car.
 - 4 Total bonuses and other incentives are equal to the total amount of the items 2A, 2B and 4, line III, of the following Table 3B.
 - 5 Remuneration for sitting on the Supervisory Board is included (Legislative Decree No. 231).
- (a) Remuneration accrued for the period between 28 July and 13 October 2022.
 (b) Remuneration accrued by M. Lapucci refers to the period between 1 January - 18 November 2022.
 (c) Remuneration accrued by A. Pescatori refers to the period 1 January - 15 July 2022.
 (d) Remuneration accrued by I. Romagnoli refers to the period between 13 October - 31 December 2022.
 (e) Remuneration takes account of the fact that, in the period between 28 July and 13 October 2022, V.E. Terzi served as Chairman of the Credit Committee.

It should be noted that the lack of figures implies that no amount has been paid to the persons indicated.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)					
FIXED REMUNERATION					NON-EQUITY VARIABLE REMUNERATION							
FIXED REMUNE- RATION	OFFICES AS PER ART. 2389, PARA. 3, OF THE ITALIAN CIVIL CODE	ATTEN- DANCE FEES	LUMP-SUM EXPENSE REFUND	FIXED REMUNE- RATION AS EMPLOYEES	REMUNE- RATION FOR SITTING ON COMMIT- TEES	BONUSES AND OTHER INCENTIVES	PROFIT SHARING	NON-MON- ETARY BENEFITS	OTHER REMUNE- RATION	TOTAL	FAIR VALUE OF EQUITY REMUNE- RATION	END-OF- TERM AND SEVERANCE INDEMNI- TIES
100,000										100,000		
45,000	50,000									95,000		
			531	638,462		182,426		123,750	12,882	958,051	677,449	
39,883					87,453					127,336		
24,349					55,643					79,992		
45,000					97,068					142,068		
45,000					54,137					99,137		
9,863					16,768					26,631		
45,000					74,137					119,137		
45,000										45,000		
45,000										45,000		
95,000										95,000		
65,000										65,000		
65,000										65,000		
			1,668	630,000		161,680		164,682	23,385	981,414	588,028	
-			1,668	630,000		161,680		164,682	23,385	981,414	588,028	

INTERNAL AUDIT AND RISK COMMITTEE		CREDIT COMMITTEE		TOTAL
FIXED REMUNERATION	ATTENDANCE FEES	FIXED REMUNERATION	ATTENDANCE FEES	
20,000	24,000	10,000	16,000	74,137
		2,137 ^(a)	2,000	54,137
13,295	24,000			87,453
8,116	16,000	8,116	10,000	55,643
3,288	4,000	3,288	2,000	16,768
15,000	24,000	11,068 ^(c)	16,000	97,068
59,699	92,000	34,609	46,000	385,206

Table 2 - Stock Options Granted to Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities

SURNAME AND NAME	OFFICE HELD	PLAN	OPTIONS HELD AT YEAR-START		
			NUMBER OF OPTIONS	STRIKE PRICE	EXPECTED VESTING PERIOD
i) Remuneration in the company preparing the Financial Statements			-		
ii) Remuneration from subsidiaries and associates			-		
iii) Total			-		

Table 3A - Incentive Plans for Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities Based on Financial Instruments Other than Stock Options

A	B	(1)	
		FINANCIAL INSTRUMENTS GRANTED IN PREVIOUS YEARS AND NOT VESTED DURING THE REPORTING YEAR	
SURNAME AND NAME	OFFICE HELD	PLAN (1)	TYPE OF FINANCIAL INSTRUMENTS
Mossa Gian Maria			
I) Remuneration in the company preparing the Financial Statements	Chief Executive Officer and General Manager	LTI 2020-2022 (2)	Ord. sh. Banca Generali
	Chief Executive Officer and General Manager	LTI 2021-2023 (4)	Ord. sh. Banca Generali
	Chief Executive Officer and General Manager	LTI 2022-2024 (5)	Ord. sh. Banca Generali
	Chief Executive Officer and General Manager	BSC 2020	Ord. sh. Banca Generali
	Chief Executive Officer and General Manager	BSC 2021 (6)	Ord. sh. Banca Generali
	Chief Executive Officer and General Manager	BSC 2022 (6)	Ord. sh. Banca Generali
II) Remuneration from subsidiaries and associates			
III) Total			
Other Managers with Strategic Responsibilities (11)			
I) Remuneration in the company preparing the Financial Statements	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	LTI 2020-2022 (2)	Ord. sh. Banca Generali
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	LTI 2021-2023 (4)	Ord. sh. Banca Generali
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	LTI 2022-2024 (5)	Ord. sh. Banca Generali
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	BSC 2020	Ord. sh. Banca Generali
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	BSC 2021 (6)	Ord. sh. Banca Generali
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels	BSC 2022 (6)	Ord. sh. Banca Generali
II) Remuneration from subsidiaries and associates			
III) Total			

NOTES:

- (1) For LTI plans: the date of assignment and the market price at assignment refer to the dates of Shareholders' resolutions approving the plans by the General Shareholders' Meeting of Banca Generali S.p.A. (2020-2022 LTIP Shareholders' resolution dated 21 April 2020; 2021-2023 LTIP Shareholders' resolution dated 22 April 2021; 2022-2024 LTIP Shareholders' resolution dated 21 April 2022).
- (2) Number of shares that will be attributed in April 2023 at the end of the plan vesting period based on the achievement of objectives set for the 2020-2022 three-year period. The overall value of the shares at vesting was reported considering the official price of the share at 8 March 2023, i.e., the date when the Board of Directors of Banca Generali approved the draft Financial Statements and the Consolidated Financial Statements related to the previous year. As provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral.
- (3) Number of total non-attributable shares in relation with the performance achieved in the three-year period.
- (4) Maximum number of shares that may potentially be attributed at the end of the vesting period (2021-2023), provided that plan objectives are achieved and subject to the terms and conditions of the plan. As provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral.
- (5) Maximum number of shares that may potentially be attributed at the end of the vesting period (2022-2024), provided that plan objectives are achieved and subject to the terms and conditions of the plan. As provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral.

Options Granted During the Year					Options Exercised During the Year			Options Expired	Options Held at Year-End	Options Accrued in the Year
Number of Options	Strike Price	Expected Vesting Period	Fair Value at Assignment Date	Market Price of the Underlying Shares at the Assignment of Options	Number of Options	Strike Price	Market Price of the Underlying Shares at the Assignment of Options	Number of Options	Number of Options	Fair Value
					-			-		
					-			-		
					-			-	-	

	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FINANCIAL INSTRUMENTS GRANTED IN PREVIOUS YEARS AND NOT VESTED DURING THE REPORTING YEAR							FINANCIAL INSTRUMENTS VESTED DURING THE REPORTING YEAR AND NOT ASSIGNED	FINANCIAL INSTRUMENTS VESTED DURING THE REPORTING YEAR THAT CAN BE ASSIGNED		FINANCIAL INSTRUMENTS FOR THE REPORTING YEAR
	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	VESTING PERIOD ⁽¹⁾	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	FAIR VALUE AT ASSIGNMENT DATE	VESTING PERIOD	ASSIGNMENT DATE ⁽¹⁾	MARKET PRICE AT THE ASSIGNMENT DATE ⁽¹⁾	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	NUMBER AND TYPE OF FINANCIAL INSTRUMENTS	VALUE AT THE MATURITY DATE	FAIR VALUE
	16,730 shares that may potentially be attributed (7)	2020-2024						1,878 non-attributable shares (3)	16,730 attributable shares (8)	541,439	124,758
	41,240 shares that may potentially be attributed (9)	2021-2025									219,468
			34,030 shares that may potentially be attributed (10)	725,207	2022-2026	21.04.2022	32.35				193,389
	622	2021-2023							667	21,587	3,539
			6,346	176,740	2022-2027	21.04.2022	32.35		622	20,131	13,015
									3,835	124,118	123,280
				901,947						707,275	677,449
	14,499 shares that may potentially be attributed (7)	2020-2024						1,628 non-attributable shares (3)	14,499 attributable shares (8)	469,250	108,122
	34,896 shares that may potentially be attributed (9)	2021-2025									185,707
			29,898 shares that may potentially be attributed (10)	637,151	2022-2026	21.04.2022	32.35				169,907
									610	19,742	3,236
	564	2021-2023							564	18,253	11,802
			5,624	156,640	2022-2027	21.04.2022	32.35		3,400	110,049	109,254
				793,791						617,294	588,020

- | | |
|------|--|
| (6) | The information on the financial instruments assigned during the year refer to the overall maximum number of shares attributable at the end of the vesting period (2022-2028), subject to the satisfaction of the access gates of the Banking Group. |
| (7) | Maximum number of shares that may potentially be attributed at the end of the two additional years of deferral (in 2025), subject to the terms and conditions laid down in the plan regulations. |
| (8) | Number of shares to be assigned in April 2023 as approved by the Board of Directors of Banca Generali at the end of the first three-year performance period of the plan and based on the level of achievement of the objectives set for the three-year period 2020-2022. The overall value of the shares at vesting was reported considering the closing price of the share at 8 March 2023, i.e., the date when the Board of Directors of Banca Generali met and verified the level of achievement of the three-year period objectives. |
| (9) | Maximum number of shares that may potentially be attributed at the end of the first three-year performance period and the two additional years of deferral (2021-2025), provided that plan objectives are achieved and subject to the terms and conditions of the plan. |
| (10) | Maximum number of shares that may potentially be attributed at the end of the first three-year performance period and the two additional years of deferral (2022-2026), provided that plan objectives are achieved and subject to the terms and conditions of the plan. |
| (11) | The information refers to the position shown in the table. No variables related to other previous positions are reported, unless they fall in the category of Managers with Strategic Responsibilities. |
| (*) | Overall period including the performance period and any additional years of deferral, subject to verification of further conditions. |

Table 3B - Monetary Incentive Plans for Members of the Administrative Body, General Managers and Other Managers with Strategic Responsibilities

A	B
SURNAME AND NAME	OFFICE HELD
Mossa Gian Maria	
I) Remuneration in the company preparing the Financial Statements	Chief Executive Officer/General Manager
II) Remuneration from subsidiaries and associates	
III) Total	
Other Managers with Strategic Responsibilities (**)	
I) Remuneration in the company preparing the Financial Statements	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels
	DGM Wealth Management, Markets and Products; DGM Commercial Networks, Alternative and Support Channels
II) Remuneration from subsidiaries and associates	
III) Total	

NOTES:

(*) The amount represents the cash portion for the 2020 BSC, 2021 BSC and 2022 BSC.

(**) The information refers to the position shown in the table.

For variable remuneration based on BSC and MBO, individual instalments paid on a deferred basis are increased by a return at market rates when paid out.

(1)	(2)			(3)			(4)
	BONUS FOR THE YEAR			PRIOR YEARS BONUS			OTHER BONUSES
	A	B	C	A	B	C	
	PLAN	PAYABLE/PAID	DEFERRED	DEFERMENT PERIOD	NO LONGER PAYABLE	PAYABLE/PAID	
2020 BSC (*)				2022-2023		59,497	
2021 BSC (*)				2023-2024		51,490	51,490
2022 BSC (*)		73,957	108,470	2024-2028			
		73,957	108,470			110,987	51,490
2020 BSC (*)				2022-2023		54,387	
2021 BSC (*)				2023-2024		46,662	46,662
2022 BSC (*)		65,546	96,134	2024-2028			
		65,546	96,134		-	101,049	46,662

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Table 1 - Shares Held by Members of the Administrative and Control Bodies and General Managers

SURNAME AND NAME	OFFICE HELD	INVESTEE COMPANY	NO. OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NO. OF SHARES PURCHASED (1)	NO. OF SHARES SOLD	NO. OF SHARES HELD AT THE END OF THE CURRENT YEAR
Rustignoli Cristina	Director	Banca Generali	1,728	-	-	1,728
Lapucci Massimo	Director (in office until 18.11.2022)	Banca Generali	1,000	-	-	n.a.
Mossa Gian Maria	Chief Executive Officer and General Manager	Banca Generali	50,466	51,362	33,325	68,503

(1) Changes also refer to the payment of bonuses in shares.

Table 2 - Shares held by other managers with strategic responsibilities

NO. OF MANAGERS WITH STRATEGIC RESPONSIBILITIES	INVESTEE COMPANY	NO. OF SHARES HELD AT THE END OF THE PREVIOUS YEAR	NO. OF SHARES PURCHASED (1)	NO. OF SHARES SOLD	NO. OF SHARES HELD AT THE END OF THE CURRENT YEAR
2 *	Banca Generali	39,624	44,748	19,941	64,431

* Other Managers with Strategic Responsibilities who have held shares: 1 DGM Wealth Management, Markets and Products, and 1 DGM Commercial Networks, Alternative and Support Channels.

(1) Changes also refer to the payment of bonuses in shares.

4.2 Tables prepared in accordance with the Bank of Italy provisions – 7th update of Circular No. 285 of 17 December 2013, Part I, Title IV, “Corporate Governance, Internal Controls, Risk Management” – Chapter 2, “Remuneration and Incentive Policies and Practices” – Section VI – Article 450 CRR (Reg. EU No. 575/213)

Annex Article 450 CRR, letter g): aggregate quantitative information on remuneration, broken down by business lines, concerning “key personnel”

COMPANY	BUSINESS LINES *	NO. OF BENEFICIARIES	FIXED REMUNERATION **	2022 VARIABLE REMUNERATION ***	NOTES
Banca Generali	Member of the administrative body	1	875,726	410,870	(1)
Banca Generali	Control Functions	4	690,590	160,838	(2)
Banca Generali	Corporate Functions	7	2,334,071	1,325,740	(3)
Banca Generali/BG Valeur	Investment Banking	75	50,353,701	17,678,684	(4)
Banca Generali	Retail Banking	2	436,068	215,135	
Banca Generali/BGFML	Asset management	2	630,442	369,000	

* Business lines envisaged by the data collection of the Bank of Italy/EBA.

** The item also includes fringe benefits.

*** The 2022 variable component is calculated based on: i) the Balanced scorecard (BSC) system, with application of the deferral mechanism, where applicable, and ii) several bonuses/agreements/one-off payments.

(1) Information relating to Mr. Mossa, who holds the position of Chief Executive Officer and General Manager.

(2) Information relating to the Head of the Risk Management Department, Head of the Compliance and Anti-Financial Crime Department and Head of the Internal Audit Department.

(3) Information relating to the Deputy General Manager Wealth Management, Markets and Products; Head of the CFO & Strategy Area; Head of the COO & Innovation Area; Head of the General Counsel & Sustainability Area; Head of the Wealth Management Area; Head of the Human Resources Department; Head of the Marketing and External Relations Department (for the latter, remuneration paid for the partial secondment to Assicurazioni Generali is not included).

(4) Information on: Deputy General Manager Commercial Networks, Alternative and Support Channels; Head of the Private Relationship Manager Area; Head of the Financial Advisor Networks Area; Head of the Finance Department; Head of the AUC Department; Head of Equity Private Investments; General Manager of BG Valeur S.A.; CEO of BG Suisse S.A.; and the following main network managers: 1 Sales Manager Italy; 6 Area Managers of the Private Banker and Financial Planner Division; 3 Area Managers of the Wealth Management Division; 1 Recruiting Trainer Italy; 1 Head of Recruiting; 1 Head of Business Development Top WA/PB; 1 Head of Advisory; and 53 Financial Advisors.

Annex Article 450 CRR, letter h): Aggregate Quantitative Information on Remuneration, Broken Down by Category of "Key Personnel"

With indication of:

- i) amounts of remuneration for the year, broken down by fixed and variable component and number of beneficiaries;
- ii) amounts and types of the variable component of remuneration, broken down by cash, shares, share-based instruments and other types;
- iii) amounts of existing deferred remuneration, broken down by shares assigned and not assigned;
- iv) amounts of deferred remuneration acknowledged during the year, paid and reduced by means of corrections of performance;
- v) new payments for recruitment benefits and termination severance made in the year and number of beneficiaries;
- vi) amounts paid for severance indemnities accrued during the year, number of beneficiaries and highest amount paid to an individual person.

A) Top Management

Banca Generali: CEO (Mr. Mossa); Top Management: General Manager (Mr. Mossa); Deputy General Manager Wealth Management, Markets and Products and Deputy General Manager Commercial Networks, Alternative and Support Channels.

COMPANY	PERSONNEL CATEGORY	NO. OF BENEFICIARIES	I) REMUNERATION			II) AMOUNTS AND TYPES OF VARIABLE COMPONENT (**)			
			FIXED (*)	VARIABLE 2022	TOTAL	CASH	SHARES	SHARE-BASED INSTRUMENTS	OTHER TYPES
Banca Generali	CEO	1	1	50,000	-	50,000	-	-	-
Banca Generali	Top Management	3	3	1,645,461	950,015	2,595,475	421,807	528,208	-

With reference to the 2020-2022 LTIP, verification of the level of achievement of the objectives set and satisfaction of the access gates at the end of the three-year period led to the determination of 33,459 Banca Generali shares to be awarded to Mr. Mossa and 28,998 to the other two Top Managers. 50% of these shares is subject to an additional deferral period.

With reference to the 2021-2023 LTIP, which benefits Mr. Mossa and two Top Managers, as provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral period.

With reference to the 2022-2024 LTIP, which benefits Mr. Mossa and two Top Managers, as provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral period.

B) other key personnel

Heads of key operating/company units (main business lines): Head of CFO & Strategy Area, Head of the Finance Division, Head of the Lending Department, Head of the AM Area who also covers the role of Executive Director of BGFML and General Manager of BGFML.

Heads regarded as having an impact on company risk due to their activities, autonomy and powers: Head of the PRM Area; Head of the Commercial Networks, Alternative and Support Channels Area; Head of the COO & Innovation Area; Head of the General Counsel & Sustainability Area; Head of the Human Resources Department; Head of the Wealth Management Area; Head of the Marketing and External Relations Department; Head of the AUC Department; Head of Equity Private Investments; General Manager of BG Valeur S.A.; and CEO of BG Suisse S.A.

COMPANY	NO. OF BENEFICIARIES	I) REMUNERATION			II) AMOUNTS AND TYPES OF VARIABLE COMPONENT (**)			
		FIXED (*)	VARIABLE 2022	TOTAL	CASH	SHARES	SHARE-BASED INSTRUMENTS	OTHER TYPES
Banca Generali/BG Valeur/BGFML (a) (b)	17	5,029,157	3,396,042	8,425,199	1,971,469	1,424,573	-	-

(a) With reference to the Head of the AM Area, the amounts reported in the table also include the compensation and variable remuneration paid for the position of Executive Director of BGFML.

(b) With reference to the Head of the Marketing and External Relations Department, the amounts reported in the table do not include remuneration paid for the partial secondment to Assicurazioni Generali.

With reference to the 2020-2022 LTIP, verification of the level of achievement of the objectives set and satisfaction of the access gates at the end of the three-year period led to the determination of 23,144 Banca Generali shares to be awarded to 4 managers falling in the category of "Other Key Personnel". 50% of these shares is subject to an additional deferral period.

With reference to the 2021-2023 LTIP, which benefits 7 managers falling in the category of "Other Key Personnel" at the launch of the plan, as provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral period.

With reference to the 2022-2024 LTIP, which benefits 7 managers falling in the category of "Other Key Personnel" at the launch of the plan, as provided for in the plan regulation, shares will vest at the end of the three-year period of reference and 50% of the shares that may be assigned at the end of the three-year period will be subject to an additional deferral period.

III) DEFERRED REMUNERATION (***)		IV) DEFERRED REMUNERATION (***) (****)				V) INDEMNITIES		VI) SEVERANCE INDEMNITIES			
ASSIGNED	NOT ASSIGNED	AWARDED	PAID OUT	REDUCED	AT BEGINNING	NO. OF BENEFI- CIARIES	AT END	NO. OF BENEFI- CIARIES	AWARDED	NO. OF BENEFI- CIARIES	HIGHEST AMOUNT
-	-	-	-	-	-	-	-	-	-	-	-
422,714	200,869	422,714	-	-	-	-	-	-	-	-	-

III) DEFERRED REMUNERATION (***)		IV) DEFERRED REMUNERATION (***) (****)				V) INDEMNITIES		VI) SEVERANCE INDEMNITIES			
ASSIGNED	NOT ASSIGNED	AWARDED	PAID OUT	REDUCED	AT BEGINNING	NO. OF BENEFI- CIARIES	AT END	NO. OF BENEFI- CIARIES	AWARDED	NO. OF BENEFI- CIARIES	HIGHEST AMOUNT
901,776	516,391	901,776	-	-	-	-	-	-	-	-	-



C) managers in charge of control functions

Banca Generali: Head of Risk Management Department, Head of Internal Audit Department, Head of Compliance and Anti-Financial Crime Department and Head of Anti-Financial Crime Service.

COMPANY	NO. OF BENEFICIARIES	I) REMUNERATION			II) AMOUNTS AND TYPES OF VARIABLE COMPONENT (**)			
		FIXED (*)	VARIABLE 2022	TOTAL	CASH	SHARES	SHARE-BASED INSTRUMENTS	OTHER TYPES
Banca Generali	4	690,590	160,838	851,428	131,145	29,693	-	-

D) main managers operating in the bank's distribution networks

Banca Generali: 1 Sales Manager Italy; 6 Area Managers of the Private Banker and Financial Planner Division; 3 Area Managers of the Wealth Management Division; 1 Recruiting Trainer Italy; 1 Head of Recruiting; 1 Head of Business Development Top WA/PB; 1 Head of Advisory; and 53 Financial Advisors.

COMPANY	NO. OF BENEFICIARIES	I) REMUNERATION			II) AMOUNTS AND TYPES OF VARIABLE COMPONENT (**)			
		FIXED (*)	VARIABLE 2022	TOTAL	CASH	SHARES	SHARE-BASED INSTRUMENTS	OTHER TYPES
Banca Generali	67	47,905,390	15,653,373	63,558,764	8,832,333	6,821,041	-	-

- (*) For 2022, the fixed remuneration is calculated based on the gross annual remuneration, any service allowance, emoluments and fringe benefits.
- (**) The 2022 variable component is calculated based on: i) the Balanced scorecard (BSC) system, with application of the deferral mechanism, where applicable, and ii) several bonuses/agreements/one-off payments.
- (***) "Assigned/Awarded": deferred instalments of the variable remuneration accrued in 2020 and 2021, for which the achieving of the access gate has been verified and which will be paid in 2023 to personnel in service.
 "Not assigned": deferred instalments of the variable remuneration accrued in 2021 and not yet assigned. In line with EBA's guidelines, data include exclusively prior years' deferred payments and not those referring to the current year.
- (****) The amounts indicated in the corresponding item of the previous year's tables have been duly paid in 2022, in compliance with the deadlines envisaged contractually for the personnel in service.

Upon payment, the individual deferred instalments will bear interest in line with market rates.

III) DEFERRED REMUNERATION (***)		IV) DEFERRED REMUNERATION (***) (****)					V) INDEMNITIES		VI) SEVERANCE INDEMNITIES		
ASSIGNED	NOT ASSIGNED	AWARDED	PAID OUT	REDUCED	AT BEGINNING	NO. OF BENEFI- CIARIES	AT END	NO. OF BENEFI- CIARIES	AWARDED	NO. OF BENEFI- CIARIES	HIGHEST AMOUNT
-	-	-	-	-	-	-	-	-	-	-	-

III) DEFERRED REMUNERATION (***)		IV) DEFERRED REMUNERATION (***) (****)					V) INDEMNITIES		VI) SEVERANCE INDEMNITIES		
ASSIGNED	NOT ASSIGNED	AWARDED	PAID OUT	REDUCED	AT BEGINNING	NO. OF BENEFI- CIARIES	AT END	NO. OF BENEFI- CIARIES	AWARDED	NO. OF BENEFI- CIARIES	HIGHEST AMOUNT
6,351,429	4,305,513	6,351,429	-	-	-	-	-	-	-	-	-



VERIFICATION OF CONTROL FUNCTIONS



Compliance Function's Review of 2023 Remuneration Policies for Compliance with Applicable Regulations

Foreword

The Provisions on remuneration and incentive policies and practices (see Bank of Italy Circular No. 285 of 17 November 2013, hereinafter also the “Provisions”), provide that, when such policies are being formulated, the Compliance Function shall assess the correspondence of Remuneration and Incentive Policies with the legislative framework of reference. In accordance with said Provisions, the Compliance Function is tasked, *inter alia*, with reviewing whether the company incentive system is consistent with the objectives of compliance with the law, the Articles of Association and any codes of ethics or other standards of conduct applicable to the Bank, so as to ensure that any legal and reputational risks — and particularly those inherent in relationships with customers — are appropriately contained.

On the basis of the foregoing, the Compliance Function, when defining the remuneration policies for 2023, conducted a preliminary review of the consistency of such Policies with the aforementioned Provisions and internal and external regulations on the subject, taking into consideration that Banca Generali qualifies as a bank of “*smaller size and lesser operational complexity*”, as defined in the said Provisions. In this context, particular attention was paid not only to the legal framework of reference, but also to the underlying process aimed at identifying Key Personnel with special reference to the characteristics linked to the identification of Key Personnel falling within the category of Financial Advisors authorised to make off-premises offers and the process aimed at excluding some of these Financial Advisors from the personnel category in question.

The assessment of the Compliance Function has also taken into account the provisions of the regulation implementing Legislative Decree No. 58 of 24 February 1998 (Consolidated Finance Law) concerning Rules for Issuers, in the version in force from time to time. This takes into consideration the fact that the proposed remuneration policies are intended to ensure comprehensive compliance with the Provisions and the Rules for Issuers.

Therefore, in light of the Provisions, the regulatory standards for determining Key Personnel on the basis of the qualitative and quantitative criteria laid down in Commission Delegated Regulation (EU) No. 2021/923 of the European Commission of 25 March 2021, the “Guidelines on sound remuneration policies” published by EBA and the Bank of Italy provisions on the “Transparency of banking and financial services and transactions, and the propriety of relationships between intermediaries and customers”, the Compliance Function's review took into account the applicable regulations currently in force.

Situation identified

From a general standpoint, it must be pointed out that the Remuneration and Incentive Policies:

- › ensure an appropriate balance between the fixed and variable components of remuneration, while also taking account of the position filled (or a balance between the recurring and the incentive components of Financial Advisors' remuneration). In this regard, the policies envisage the implementation of mechanisms designed to ensure compliance with the limits required by law on the ratio of the variable to fixed components of Key Personnel's remuneration;
- › define and properly implement a self-assessment process with the aim of identifying the Company's Key Personnel, to whom the more detailed measures of the Provisions apply;
- › apply the technical standards as per the Provisions and Commission Delegate Regulation (EU) No. 923 of 25 March 2021, as subsequently amended, in order to identify Key Personnel;
- › define criteria for calculating the bonus pool;
- › are designed so that the bonus entitlement is tied not only to the actual results achieved, but also, for the parties identified in the Remuneration Policy and without prejudice to compliance with applicable regulations, to the satisfaction of a Banking Group access gate with the aim of (i) basing variable remuneration on long-term performance indicators, and (ii) taking account

of current and prospective risks, the cost of capital and the liquidity necessary to undertake the business engaged in within the Banking Group;

- › in line with the Provisions, define specific rules for deferring the payment of variable remuneration until a pre-determined bonus access gate has been achieved;
- › in accordance with the Provisions, establish that a portion of variable remuneration be paid in shares;
- › establish malus and claw-back ex-post corrective mechanisms based on criteria of propriety;
- › indicate how the Remuneration Policy contributes to the corporate strategy, long-term interests and sustainability of the Banking Group;
- › for the remuneration of distribution network, are inspired by criteria of propriety in relationships with customers and containing legal and reputational risks through the use of specific, formally stated, quantifiable and verifiable rules;
- › define the conditions and methods whereby the Bank, in “exceptional circumstances”, may temporarily derogate from the Remuneration Policy, in line with the provisions of the Shareholders Rights Directive II (SRD II) as transposed into the Italian law system.

In addition, the incentive system adopted by the Banking Group:

- › shows a suitable balance between qualitative and quantitative objectives;
- › with reference to the activity of the distribution network, promotes a customer-oriented approach that places the customer's interests and satisfaction of the customer's needs at the centre of the system;
- › does not call for incentives for the distribution of individual products or products of the Group;
- › does not provide for the assignment, to the Heads of the company control functions, of objectives linked to the Bank's and/or Banking Group's economic results.

Conclusions

On the foregoing basis, it may be stated that the Banking Group's Remuneration and Incentive Policies are consistent and compliant with the provisions of current internal and external regulations.

Compliance and Anti-Financial Crime Department

Excerpt from the Audit Report on the review of the compliance of the remuneration practices with the policies approved and regulations currently in force

Conclusions

Bank of Italy Circular No. 285 of 17 December 2013 (as subsequently amended and extended) concerning “Supervisory Provisions for Banks” introduced specific instructions for the remuneration and incentive policies and practices of banks and banking groups, implementing Directive 2013/36/EU of 26 June 2013 (hereinafter “CRD IV”) and Directive 2019/878/EU of 20 May 2019 (hereinafter “CRD V”) with regard to remuneration and incentive policies and practices and taking into account internationally recognised guidelines and criteria, including those of EBA and FSB.

With regard to the Internal Audit Department, the statutes require that: *the Internal Audit function verifies, inter alia, at least once a year, the compatibility of remuneration practices with approved policies and applicable regulations in force. Any and all failures, anomalies and irregularities whatsoever identified shall be reported to relevant bodies and functions so that they can promptly implement appropriate corrective measures.*”

On the basis of the checks performed and the related outcomes, it should be noted that:

- › the remuneration and incentive model is properly linked to the achievement of access gates aimed at measuring the Bank’s capital in relation to the risk inherent in the assets held (Total Capital Ratio) and its liquidity risk profile (Liquidity Coverage Ratio);
- › all forms of remuneration comply with the Company’s objectives and values, including sustainable finance, internal fairness, consistency, propriety, meritocracy and performance. Environmental, risk and governance (ESG) factors are considered and observed;
- › Balanced Scorecards ensure the transparency of information by providing a target record, including a detailed description of the same, any notes and comments, the calculation criteria applicable and the assignment criteria. They also specify the control and approval owner;
- › remuneration plans are consistent with the remuneration policies approved by the General Shareholders’ Meeting and the overall amount of remuneration (ratio of the variable to fixed component) was found to be compliant with established parameters;
- › the malus and claw-back mechanisms were duly incorporated in the Policies;
- › the self-assessment process aimed at identifying “Key Personnel” was defined and properly implemented;
- › the corporate functions, including control functions, involved in the remuneration process showed an effective level of integration and understanding of their tasks;
- › the disclosure and reporting obligations established by Bank of Italy regulations have been fulfilled;
- › the regulatory framework is adequate to ensure sound and prudent management.

Audit opinion

Auditing of the remuneration and incentive policies confirmed that the Banking Group's organisational and governance structure ensures that remuneration practices comply adequately with the policies approved. Testing performed on the design and efficacy of controls indicate that the control system is effective and adequate to mitigating operational, strategic and reputational risks, while also taking account of relevant ESG factors.

The analyses conducted indicate that, within the framework of its remuneration and incentive policies, the Bank devotes adequate attention to ESG factors such as climate change, regulatory complexity, transparency and purpose-driven businesses, and women and minorities inclusion, also through the implementation of dedicated projects included in the various Balanced Scorecards.

Accordingly, the audit grade is 'adequate'.

Internal Audit

Remuneration Committee's Report on Activities Carried Out with Regard to the Remuneration Policy

In 2022, the Remuneration Committee met nine times. On average, the meetings lasted approximately 45 minutes. In the year underway, a total of 11 Committee meetings are scheduled; since the beginning of the year as at the date of this Report, four meetings have been held.

During the meetings held in 2022 and in the first quarter of 2023, the Committee has performed the tasks it was assigned by the Rules governing the activities of the said Committee.

In detail, with reference to the process for defining and implementing the remuneration and incentive policies, the Remuneration Committee, *inter alia*, (i) participated in the process of reviewing the proper application of remuneration policies in 2022, adopted by the Company for its Directors, Key Personnel, both employed and collaborators other than company employees, (ii) provided advisory support to the Board of Directors for the determination of the remuneration of company officers and criteria for the remuneration of other employees; (iii) expressed its opinion concerning the determination of the criteria for the remuneration of the Chief Executive Officer/General Manager, personnel having a material impact on the risk profile of the Bank and the Heads of internal control functions; (iv) provided consulting support for assigning the Long-Term Incentive Plan in accordance with the provisions set forth by the remuneration policies approved; (v) verified the involvement of the competent company functions in the process of preparing and controlling remuneration and incentive policies and practices; (vi) expressed an opinion, based on the information received from the competent company functions, on the achievement of the performance objectives to which incentive plans for Managers with Strategic Responsibilities and Heads of control functions are tied, and on the review of the other conditions established for the payment of remuneration; and (vii) reviewed the report on the application of approved remuneration policies in 2022. The Remuneration Committee also reviewed: (i) the self-assessment process, aimed at identifying Key Personnel, as defined by supervisory regulations, carried out taking into account the principles set forth in Chapter 2 "Remuneration and incentives policies and practices" included in Part I, Title V "Corporate Governance, Internal Controls, Risk Management" of Circular No. 285 of 17 December 2013 and in line with EBA's RTSs, as endorsed by the Commission Delegated Regulation (EU) No. 923 of 25 March 2021; and (ii) the proposal for remuneration and incentive policies for 2023, which it found to be consistent with both the Bank of Italy's Provisions and Consob regulations. The Committee believes that the policies proposed seek to achieve the greatest possible alignment between the interest of the Banking Group's shareholders and that of Management, including from a long-term perspective, through attentive management of company risks.

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Registered office
Via Machiavelli 4 - 34132 Trieste

Share capital
Authorised 119,378,836 euros
Subscribed and paid 116,851,637 euros

Tax code and Trieste register
of companies: 00833240328
VAT number: 01333550323

Company managed and coordinated
by Assicurazioni Generali S.p.A.
Bank which is a member of the Interbank Deposit Protection
Fund Registration
with the bank register of the Bank
of Italy under No. 5358
Parent Company of the Banca Generali Banking Group
registered in the banking group register
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