



## **INFORMATION DOCUMENT**

(pursuant to Article 84-*bis* of Consob Regulation No. 11971 of 14 May 1999, as subsequently amended and extended)

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### **ON THE INCENTIVE SYSTEM AND OTHER SHARE-BASED VARIABLE REMUNERATION**

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Milan, 8 March 2023

## CONTENTS

DEFINITIONS.....	5
FOREWORD.....	7
1. BENEFICIARIES .....	8
1.1 Names of the Beneficiaries who sit on the Board of Directors or on the governing body of the Issuer of the financial instruments, as well as any parent companies or direct or indirect Subsidiaries thereof.....	8
1.2 Categories of employees or outside collaborators of the Issuer of the financial instruments, and/or any and all the parent companies and Subsidiaries thereof.....	8
1.3 Names of the Beneficiaries of the plan belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.....	8
1.4 Description and numerical indication of the Beneficiaries, broken down into the categories indicated in point 1.4, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.....	9
2. REASONS FOR ADOPTING THE PLAN.....	9
2.1 Goals pursued through the assignments made under the Plans.....	9
2.2 Key variables, including performance indicators, taken into consideration in making assignments pursuant to plans based on financial instruments.....	9
2.3. Elements underlying the determination of remuneration based on financial instruments, or otherwise, criteria for determining the same.....	11
2.4 Reasons for making assignments under compensation plans based on financial instruments issued by parties other than the Issuer, such as parent companies or subsidiaries of the latter, or even entities that do not belong to the same corporate group as the Issuer; in the case where the aforesaid financial instruments are not traded on regulated markets, information regarding the criteria used to determine the book value of the same.....	11
2.5 Assessments regarding significant tax and accounting implications that informed the definition of the plan.....	11
2.6 Support for the Plan, if any, from the Special Fund for incentivising workers' participation in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003.....	11
3. SHARE ASSIGNMENT APPROVAL PROCEDURE AND TIMING.....	12
3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the plan.....	12
3.2 The persons and parties in charge of managing the Plan, and the functions and powers thereof.	12
3.3 Procedures, if any, for revising the Plan, especially in light of changes in the underlying targets.	12
3.4 Description of the procedures for determining the availability and assignment of the financial instruments underlying the plans.....	13
3.5 Role played by each director in determining the characteristics of the plans; any conflicts of	

interest experienced by the directors in question.....	15
3.6 For the intents and purposes of the requirements imposed under Article 84- <i>bis</i> , paragraph 1, of the Rules for Issuers, the date of the decision adopted by the relevant corporate body to submit the plans to the Shareholders' Meeting for approval, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed. ....	15
3.7 For the intents and purposes of the requirements imposed under Article 84- <i>bis</i> , paragraph 5, letter (a), of the Rules for Issuers, the date on which the relevant corporate body approved the decision regarding the assignment of the financial instruments, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed. ....	15
3.8 The market price recorded on the aforesaid dates, in respect of the financial instruments on which the Plans are based, in the event the said financial instruments are traded on regulated markets.	15
3.9 In the case of plans based on financial instruments traded on regulated markets, the deadlines and procedures pursuant of which the Issuer takes account, in determining the timetable of the assignments made in implementation of the plan, the possible simultaneousness of: (i) said assignment or any decisions made in this regard by the Remuneration Committee; and (ii) the circulation of any relevant information pursuant to Article 17 of Regulation (EU) No. 596/2014; for example, if such information: (a) is not yet in public domain and may positively affect market prices, or (b) has already been published and is liable to negatively affect market prices. ....	15
4. FEATURES OF THE INSTRUMENTS ASSIGNED .....	16
4.1 Description of how the share-based compensation plans are structured. ....	16
4.2 Specification of the period of actual implementation of the Plan, with an indication of any other cycles that might be contemplated.....	16
4.3 End of the plan.....	16
4.4 The maximum number of financial instruments, including in the form of options, assigned during each tax year to the persons specified by name or falling within the specified categories.....	17
4.5 Implementing provisions and procedures of the Plan, indicating if the assignment of financial instruments is subject to the satisfaction of conditions precedent or the attainment of specific results, including in terms of performance; description of the said conditions precedent and results.....	17
4.6 Indication of any retention period for instruments assigned or financial instruments resulting from the exercise of options, with particular regard to the period within which subsequent transfers to the company or third parties are permitted or restricted.....	17
4.7 Description of any and all conditions pertaining to the plan assignment in the event the recipients effect hedging transactions aimed at circumventing restrictions imposed on the transferability of the assigned financial instruments, including in the form of options, or of the financial instruments subject to subscription pursuant to the exercise of the said options.....	18
4.8 Description of the effects arising from termination of the Professional Relationship.....	18
4.9 Other possible reasons for which the plans may be cancelled.....	18

4.10	The reasons for the inclusion of provisions, if any, allowing the company to “redeem” the financial instruments covered under the plans, pursuant to Article 2357 <i>et seqq.</i> of the Italian Civil Code; the beneficiaries of the redemption, indicating if the same applies only to specific categories of employees; the repercussions of the termination of the Professional Relationship on the said redemption. ....	18
4.11	Any and all loans and other facilities made available for buying-back the Shares, within the meaning of Article 2358 of the Italian Civil Code. ....	18
4.12	The company’s expected liability exposure as at the date of the assignment in question, as estimated in light of the already established terms and conditions, providing a breakdown of the overall liability exposure in question by type of security covered under the Plan. ....	18
4.13	Description of any dilutive impact the compensation plans may exert on the share capital. ....	18
4.14	Restrictions, if any, imposed on dividend entitlements and the exercise of voting rights. ....	18
4.15	If the Shares are not traded on regulated markets, any and all information useful for a full assessment of their value. ....	19
4.16	Number of financial instruments underlying each option. ....	19
4.17	Expiry of the options. ....	19
4.18	Procedures (American/European), deadlines (e.g., exercise periods), and exercise clauses (e.g., knock-in and knock-out clauses). ....	19
4.19	Strike price of the option or methods and criteria for determining the strike price, with particular regard to: a) the formula for calculating the strike price on the basis of a given market price (fair market value); and b) the methods for determining the market price of reference for determining the strike price. ....	19
4.20	If the strike price departs from the fair market value determined pursuant to the procedures set forth in point 4.19 b above, the reasons for such difference. ....	19
4.21	Grounds for applying different strike prices to various Beneficiaries or categories of Beneficiaries. ....	19
4.22	If the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the underlying financial instruments or of the criteria for determining the same. ....	19
4.23	Criteria for carrying out the adjustments required in light of extraordinary capital and other transactions entailing changes in the number of the underlying securities (capital increases, extraordinary dividend distributions, splits and reverse-splits of the underlying shares, mergers and de-mergers, transactions entailing changes in the share category of the underlying shares, etc.). ....	19

## **DEFINITIONS**

The terms indicated below have the following meanings for the purposes of this Information Document:

<b><u>Shareholders' Meeting</u></b>	General Shareholders' Meeting of Banca Generali.
<b><u>Shares</u></b>	Banca Generali ordinary Shares.
<b><u>Beneficiaries</u></b>	The Potential Beneficiaries to whom a Variable Remuneration to be paid partly in Shares is actually granted.
<b><u>Circular</u></b>	Bank of Italy Circular No. 285 of 17 December 2013, "Supervisory Provisions for Banks", Title IV, Chapter 2, <i>Remuneration and Incentive Policies and Procedures</i> , currently in force.
<b><u>Italian Civil Code</u></b>	The Italian Civil Code, approved by Royal Decree No. 262 of 16 March 1942, as subsequently amended and extended.
<b><u>Remuneration Committee</u></b>	The Bank's Remuneration Committee <i>pro tempore</i> .
<b><u>Board of Directors</u></b>	The Bank's Board of Directors <i>pro tempore</i> .
<b><u>Subsidiaries</u></b>	Without distinction, each of the companies directly or indirectly controlled from time to time by the Bank, within the meaning of Article 2359 of the Italian Civil Code, and which have a current Relationship with one or more Potential Beneficiaries.
<b><u>Information Document</u></b>	This information document drawn up pursuant to and for the intents and purposes of Article 84- <i>bis</i> , paragraph 1, of the Rules for Issuers <sup>(1)</sup> .
<b><u>Group</u></b>	Banca Generali S.p.A. and its Subsidiaries.
<b><u>Particularly High Amount</u></b>	The lesser between: <i>a</i> ) 25% of the average total remuneration of Italian high-earners, as per the most recent report published by EBA; and <i>b</i> ) 10 times the average total remuneration of the Bank's employees. The Bank's Remuneration Policy currently sets this amount at 424,000.00 euros.
<b><u>Key Personnel</u></b>	<p>The personnel identified by the Bank as Key Personnel pursuant to applicable regulations.</p> <p>For the sole purposes of this Information Document, this definition also includes individuals, other than those mentioned above, who are identified as Key Personnel by Subsidiaries that are required to adopt specific remuneration policies in compliance with local and/or industry regulations.</p>
<b><u>Top Key Personnel</u></b>	The 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.
<b><u>Remuneration Policy</u></b>	The Bank's Remuneration policy in force from time to time.
<b><u>Plan</u></b>	In includes the incentive system and other types of variable remuneration.
<b><u>Potential Beneficiaries</u></b>	Persons included among the Group's Key Personnel who, according to the Circular and Remuneration Policy, are eligible for Variable Remuneration.
<b><u>Share Portion</u></b>	The portion of Variable Remuneration to be settled in Shares pursuant to the Circular and the Remuneration Policy.

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<sup>(1)</sup> For the purposes of this Information Document, the incentives contemplated in the Long Term Incentive Plan of the Bank, as regulated by the Remuneration Policy and other related information documents Re. Article 114-*bis* of TUF, are not included herein.

**Professional Relationship**

A Relationship of employment and/or directorship and/or agency between the Beneficiaries and the Group.

**Rules for Issuers**

The Rules adopted by Consob by Resolution No. 11971 of 14 May 1999, as subsequently amended and extended.

**Variable Remuneration**

Each remuneration qualifiable as “*variable remuneration*” as defined by the Circular, thus including the variable remuneration of Financial Advisors qualifying as Key Personnel, and the Severance, to be paid in part in financial instruments pursuant to the said Circular and the Remuneration Policy (and that the Bank pays in Shares pursuant to the Remuneration Policy).

**Severance**

The amounts agreed either in view of early termination of the employment relationship or early termination of the position, in addition to the severance indemnity and allowance in lieu of notice, or on the basis of a non-competition agreement (for the portion exceeding the most recent annual fixed remuneration), regardless of the reason, legal qualification and economic grounds for which they are recognised as defined by the Remuneration Policy.

**Incentive System**

The share-based remuneration system for the year 2023, reserved for the Group’s Key Personnel.

**TUB**

Italian Legislative Decree No. 385 of 1 September 1993, as subsequently amended and extended.

**TUF**

Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended and extended.

## **FOREWORD**

The Group's Remuneration Policy — included in the Report on Remuneration Policy 2023 and subject to the required prior approval of the Shareholders' Meeting of Banca Generali S.p.A. (“**Banca Generali**” or the “**Bank**”) — provides that, in due compliance with the applicable legislation governing remuneration, a part of the Variable Remuneration of the Group's Key Personnel — as regards both the component with a typically incentivising nature and the other forms envisaged by the Bank of Italy's supervisory provisions on remuneration and incentive policies and procedures (including, but not limited to, the variable remuneration of Financial Advisors qualifying as Key Personnel, the Severance and other forms of Variable Remuneration, as approved from time to time by the Bank's relevant bodies, in accordance with the Remuneration Policy) — be paid in financial instruments and, in particular, in Shares.

Accordingly, on 8 March 2023, the Bank's Board of Directors, with the prior favourable opinion of the Remuneration Committee and the favourable opinion of the Board of Statutory Auditors, including in respect of Article 2389 of the Italian Civil Code approved — as defined below — the guidelines of a share-based Plan for 2023 reserved for the Group's Key Personnel, to be submitted for the approval of the Shareholders' Meeting convened on 19 April 2023 (first call) and, if need be, on 20 April 2023 (second call). In this regard, reference should be made to the Directors' Illustrative Report drawn up pursuant to Articles 125-ter, paragraph 1, and 114-bis, paragraph 1, of TUF and Article 84-ter of the Rules for Issuers. The said Report is made available on the Bank's website [www.bancagenerali.com](http://www.bancagenerali.com), section *Governance – AGM*. The characteristics of the Plan are consistent with applicable provisions on remuneration, and in particular with the provisions of the Circular.

This Information Document was drawn up pursuant to Article 84-bis of the Rules for Issuers and in accordance with Layout 7 of Annex 3A to the Rules for Issuers, even with the regard to the numbering of the paragraphs.

Pursuant to Article 84-bis, paragraph 5, of the Rules for Issuers, in order to reflect information not available at the moment, the Information Document may be updated and/or amended during the process of implementing the Plan, and in any event as soon as such information becomes available.

It should be noted that, for the purposes of the information set out herein, the Plan is to be regarded as “*of particular significance*” pursuant to Article 114-bis, paragraph 3, of the TUF and Article 84-bis, paragraph 2, of the Rules for Issuers.

This Information Document is available for public consultation at Banca Generali's registered office in Trieste, at Via Machiavelli 4, at the Milan operating Offices, *Direzione Affari Societari e Rapporti con le Authorities*, Piazza Tre Torri 1, as well as via the centralised regulatory data storage mechanism SDIR-NIS, managed by BIt Market Services, at [www.emarketstorage.com](http://www.emarketstorage.com) and on the Bank's website [www.bancagenerali.com](http://www.bancagenerali.com), Section Corporate Governance / AGM.

## **1. BENEFICIARIES**

The potential beneficiaries of the Incentive System, the Severance and/or other forms of Variable Remuneration to be paid partly (pursuant to Circular) in financial instruments (as approved from time to time by the Bank's relevant bodies, in accordance with the Remuneration Policy) are persons who qualify as Key Personnel of the Group.

In particular, the following is an indication of those who — as potential beneficiaries of Variable Remuneration — currently qualify as Potential Beneficiaries of the Incentive System, without prejudice to the fact that the actual Beneficiaries will be identified and indicated following the attribution to them, where applicable, of the right to receive any Variable Remuneration.

### **1.1 Names of the Beneficiaries who sit on the Board of Directors or on the governing body of the Issuer of the financial instruments, as well as any parent companies or direct or indirect Subsidiaries thereof.**

At present (and without prejudice to future changes), the Potential Beneficiaries include the Chief Executive Officer and General Manager of the Bank.

The names of the actual Beneficiaries and the other information envisaged in paragraph 1 of Layout 7 of Annex 3A to the Rules for Issuers will be provided according to the methods and terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

### **1.2 Categories of employees or outside collaborators of the Issuer of the financial instruments, and/or any and all the parent companies and Subsidiaries thereof.**

The Potential Beneficiaries are employees, collaborators and agents of the Group — without prejudice to future changes — who also fall into the categories of heads of functions and main managers of the Group.

The other information requested in this regard will be provided according to the methods and within the terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

### **1.3 Names of the Beneficiaries of the plan belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.**

#### *a) General Managers of the issuer of financial instruments*

At present (and without prejudice to future changes), the Potential Beneficiaries include the Chief Executive Officer and General Manager of the Bank.

The names of the actual Beneficiaries and the other information envisaged in paragraph 1 of Layout 7 of Annex 3A to the Rules for Issuers will be provided according to the methods and within the terms set out in Article 84-*bis*, paragraph 5, letter a), of the Rules for Issuers.

#### *b) Other managers with strategic responsibilities of the issuer of financial instruments that do not fall into the “small size” category within the meaning of Article 3, paragraph 1, point (f), of Regulation No. 17221 of 12 March 2010, if their overall remuneration (inclusive of both monetary earnings in cash, and compensation based on financial instruments) during the financial year exceeds the highest overall remuneration received by the Board members, members of the administration body or the general managers of the issuer.*

Not applicable. During the financial year, the overall remuneration of none of the managers with strategic responsibilities qualifying as Potential Beneficiaries exceeded the highest overall remuneration received by members of the Board of Directors and general managers.

#### *c) Individuals who control the issuer and are either employees of the latter or serve the issuer as outside collaborators.*

Not applicable.

#### **1.4 Description and numerical indication of the Beneficiaries, broken down into the categories indicated in point 1.4, letters a), b) and c) of Annex 3A, Layout 7, of the Rules for Issuers.**

##### *a) Managers with strategic responsibilities other than those listed in letter b) of paragraph 1.3*

At present (and without prejudice to future changes), the Potential Beneficiaries include the Deputy General Manager Wealth Management, Markets and Products and the Deputy General Manager Commercial Networks, Alternative and Supporting Channels.

The names of the actual Beneficiaries, indicated in aggregated form, and the other information envisaged in paragraph 1 of Layout 7 of Annex 3A to the Rules for Issuers will be provided according to the methods and within the terms set out in Article 84-bis, paragraph 5, letter a), of the Rules for Issuers.

##### *b) Full indication of all the managers with strategic responsibilities of the issuer falling within the “small size” category within the meaning of Article 3, paragraph 1, point (f), of Regulation No. 17221 of 12 March 2010.*

Not applicable.

##### *c) Of any and all other categories of employees or collaborators for whom differentiated features of the plan are applicable (e.g., managers, executives, office personnel, etc.).*

Not applicable.

## **2. REASONS FOR ADOPTING THE PLAN**

### **2.1 Goals pursued through the assignments made under the Plans.**

This Plan is intended to allow the Bank to comply with the provisions of the Circular, where they require that a portion of the compensation package of Key Personnel, for the different portions that compose the Variable Remuneration, be paid in financial instruments, contingent on sustainable performance conditions.

At the same time, the payment in Shares of part of the Variable Remuneration, including and particularly with regard to the Incentive System (such as the Variable Remuneration of the Financial Advisors qualifying as Key Personnel), is instrumental to ensuring a better alignment of the interests of the Group’s management and that of its all its stakeholders through an attentive management of company risks and pursuit of long-term strategies. In fact, a well-balanced system of remuneration and incentives for the Bank’s directors, management and Financial Advisors is key to boosting competitiveness and ensuring high-levels of corporate governance over time. Moreover, remuneration, especially with regard to individuals holding key positions within the company organisation, is useful in terms of attracting and retaining people with the talent and skills best suited to the Company’s needs.

To this end, the plan calls for part of the variable remuneration linked to short-term objectives of the Incentive System and of the other components of the Variable Remuneration be paid in Shares (subject to retention periods), in compliance with a deferral mechanism (defined in point 2.3 below).

### **2.2 Key variables, including performance indicators, taken into consideration in making assignments pursuant to plans based on financial instruments.**

The Remuneration Policy calls for a part of the Variable Remuneration of Key Personnel be paid in Shares (subject to retention periods), upon the satisfaction of the conditions set out in the Remuneration Policy, in compliance with a deferral mechanism (defined in point 2.3 below).

With regard to the Incentive System in particular, the related amount is linked to the degree of satisfaction of targets set for the individual objectives, inasmuch as it is based on the definition and assignment to each Potential Beneficiary of specific, clearly identified objectives, for which a target value is defined, and to each of which a weight is assigned. In further detail, a percentage portion of the Bonus envisaged in the Incentive System is linked to quantitative objectives pertaining to the results of the Group’s Consolidated Financial Statements including, without limitation, objectives linked to net inflows, fees and net profit, integrated with risk-adjustment measures. The following exceptions apply:

#### *a) for the body/bodies charged with the “management” function and for the “Deputy General*

Managers” such objectives contribute to determining a percentage of usually up to 70% of the short-term bonus envisaged in the Incentive System;

- b) for other managers and executives, such objectives contribute to determining a maximum of 35% of the short-term bonus.

The remaining portion of the short-term bonus envisaged in the Incentive System is linked to the attainment of quantitative and qualitative objectives established in light of the job description of each Beneficiary, with a view to ensuring that the indicators used to assess the performance are as consistent as possible 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 manager is responsible based on the company budget for the reference year.

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

Moreover, further parameters may be provided for in relation with the implementation of projects instrumental to the achievement of the objectives envisaged in the Incentive System, in addition to two further specific objectives, measured on the basis of non-financial qualitative and quantitative performance indicators relating to people management and sustainability.

The quantitative and qualitative objectives are formalised in individual Scorecards on an annual basis. Each objective is assigned a “weight” indicating its level of relevance 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.

As stated above, this Plan may also be used in service of the short-term and/or medium-/long-term incentive system (normally only in cash) intended for Financial Advisors, and in particular to pay the portion of this incentive in Shares, as required by the Circular, to those among them who may, in theory, qualify as Key Personnel. The objectives underlying short-term and/or medium-/long-term incentive systems — as stated in further detail in the Remuneration Policy for 2023 — may in particular include company targets (in terms of net inflows and recurring fees) and individual targets (in terms of net inflows and net inflows from Assets under Advisory), upon the achievement of which increasing bonuses as a function of the targets reached are to be paid.

The amounts of Severance and other forms of Variable Remuneration are determined from time to time in line with the criteria, limits and conditions established in the Remuneration Policy.

Further information on the objectives and the related final assessment methods are provided for the Remuneration Policy for 2023.

In accordance with the Remuneration Policy for 2023, the award of the Variable Remuneration (and thus also of the Shares), in addition to the satisfaction of performance objectives, is contingent upon the following conditions:

- a) when the final earnings results for the year are verified, a Group access gate is reached consisting of two indicators: the Common Equity Tier 1 Ratio<sup>(2)</sup> and the Liquidity Coverage Ratio<sup>(3)</sup>. The access gate does not only condition the bonus for the year in question, but also, from one year to the next, in application of the malus mechanism, the portions of bonuses accrued in previous years and paid out on a deferred basis in subsequent years;

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<sup>(2)</sup> Meaning the ratio between CET 1 (chiefly represented by the ordinary capital paid) and the risk-weighted assets (credit, market and operating risk).

<sup>(3)</sup> Meaning the ratio between the stock of [1] highly liquid assets (i.e., easily disposed of for cash on the 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 figure considered is the year-end consolidated figure reported to the Bank of Italy.

- b) the absence of *malus* mechanisms as identified in the Remuneration Policy is assessed at the time of each award;
- c) the cap mechanism (where applicable) aimed at ensuring that the ratio of total variable remuneration to total fixed remuneration remains within the pre-determined limits is observed.

**2.3. Elements underlying the determination of remuneration based on financial instruments, or otherwise, criteria for determining the same.**

The number of Shares that may be assigned to the Beneficiaries depends on the amount of Variable Remuneration granted to them.

In calculating the number of Shares to be assigned to the Beneficiaries, a method is applied where the numerator is defined as 50% (55% for the Top Key Personnel with a Particularly High Amount) of Variable Remuneration accrued for the actual achievement of objectives 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 Separate Financial Statements and the Consolidated Financial Statements for the year prior to that in which the cycle in question starts).

As regards Severance, the Share price is calculated as the average price over the 3 (three) months prior to when the agreement that envisages the entitlement to Severance is signed (i.e., in the three months prior to the date of termination of the professional relationship in the case of agreements signed *ex-ante*).

**2.4 Reasons for making assignments under compensation plans based on financial instruments issued by parties other than the Issuer, such as parent companies or subsidiaries of the latter, or even entities that do not belong to the same corporate group as the Issuer; in the case where the aforesaid financial instruments are not traded on regulated markets, information regarding the criteria used to determine the book value of the same.**

Not applicable: the Plan calls for the assignment of Shares<sup>4</sup>.

**2.5 Assessments regarding significant tax and accounting implications that informed the definition of the plan.**

There were no significant tax and accounting implications that informed the definition of the Incentive System and/or of other forms of Variable Remuneration.

It should also be noted that the accounting standards call for the assignment of Shares connected to the Variable Remuneration of Key Personnel to be recognised in the Profit and Loss Account as a cost incurred by the individual companies to which the Beneficiary renders service.

The Plan calls for the use of own Shares held or to be held by Banca Generali.

The Shares will be subject to taxation and social security contributions in accordance with the applicable legislation in each Beneficiary's country of tax residence.

**2.6 Support for the Plan, if any, from the Special Fund for incentivising workers' participation in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003.**

The Plan receives no support whatsoever from the Special Fund for incentivising workers' participation in enterprises, mentioned in Article 4, paragraph 112, of Law No. 350 of 24 December 2003.

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<sup>4</sup> Without prejudice to the possibility of issuing phantom shares instead of all or part of the Shares, as provided for in point 3.4 below).

### **3. SHARE ASSIGNMENT APPROVAL PROCEDURE AND TIMING**

#### **3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the purpose of implementing the plan.**

During its meeting of 8 March 2023, the Board of Directors resolved to submit the following proposed resolution to the ordinary session of the Shareholders' Meeting:

*“The General Shareholders' Meeting of Banca Generali S.p.A., held in ordinary session,*

- having regard to the Board of Directors' Report on this item on the Agenda;*
- having regard to the information document on the share-based incentive system, drafted pursuant to Article 114-bis of the TUF and Article 84-bis of the Rules for Issuers, to which reference is made;*
- having regard to Article 114-bis of TUF and the regulations issued by Consob;*
- having acknowledged the favourable opinion of the Board of Statutory Auditors,*
- 

*resolves*

- 1) to approve, pursuant to Article 114-bis of TUF, the adoption of the Incentive System and other share-based variable remuneration for Key Personnel, the terms, conditions and mechanisms of which are described in the pertinent Information Document attached to the report of the Board of Directors, to which reference is made;*
- 2) to grant the Board of Directors and, though it, to its Chairman and to the Chief Executive Officer, severally and not jointly, all of the powers to effect complete and full implementation of the incentive system, in accordance with the terms and conditions set out in the information document on the share-based incentive plan, to which reference is made. In passing all relevant resolutions, the Board of Directors will act on the basis of a non-binding opinion of the Remuneration Committee and — in the cases set out in Article 2389, paragraph 3, of the Italian Civil Code — after considering the opinion of the Board of Statutory Auditors.”*

The information about the criteria that are adopted by the Board of Directors for the purposes of the decisions implementing the Plan and the content of such decisions shall be reported according to the methods set out in Article 84-bis, paragraph 5, letter a), of the Rules for Issuers, and in any event in accordance with the laws and regulations applicable from time to time.

#### **3.2 The persons and parties in charge of managing the Plan, and the functions and powers thereof.**

The Plan calls for the Board of Directors to be granted all powers necessary to implement the same.

Within the limits of applicable laws and regulations, the Board of Directors may delegate its powers to the Chief Executive Officer or to another Director/other Directors, with the support of the Human Resources Department of the Bank, and/or grant specific powers to perform one or more of the activities relating to the management of the Plan.

#### **3.3 Procedures, if any, for revising the Plan, especially in light of changes in the underlying targets.**

It should be noted that the Board of Directors can amend and integrate the Plan's structure autonomously and without any further approval by the Shareholders' Meeting, all in accordance with the Remuneration Policy (as temporarily exempted pursuant to Article 123-ter of TUF, if applied). In addition to any specific amendments and adjustments expressly provided for by this document or in any event allowed by law as described here under, these amendments and integrations are those deemed necessary or appropriate as a consequence of factors that may affect the Shares, Banca Generali and/or the Group, and/or the Plan (including, by way of example and without limitation, extraordinary transactions regarding Bank and/or the Group, capital transactions, regulatory changes or changes to the remuneration policies, provisions or recommendations of supervisory authorities, changes to the scope of the Group, takeover bids or public tender offer of exchange, changes in control, compliance with specific industry regulations or international regulations applicable to each individual Banking Group

company, relevant changes to the macroeconomic conditions, changes to the international monetary policy, or changes to long-term strategic plans), in order to maintain unchanged — on a discretionary basis and in any event to the extent permitted by applicable law in force from time to time and in compliance with the Remuneration Policy — the Plan’s substantive and financial aspects, and in particular the Incentive System, the variable remuneration of Financial Advisors qualifying as Key Personnel, the Severance and other forms of variable remuneration.

The Board of Directors may also bring the Plan provisions, where necessary and/or appropriate, into line with applicable Italian and international regulations, should one or more Plan clauses be incompatible with and /or contrary to them.

In addition, in the event of high market discontinuity (e.g., due to relevant changes to the macroeconomic conditions or a worsening of the financial context), the Board of Directors — within the remuneration governance procedure and in any event to the extent permitted by applicable law in force from time to time and in compliance with the Remuneration Policy — may review the overall consistency and propriety of the incentive systems, including the Incentive System (and all other forms of variable remuneration reported above), through the implementation of the necessary correction measures, including and with particular reference to the relevant measurement metrics and assessment modalities, in that they are instrumental to maintain unchanged — to the extent permitted by applicable law in force from time to time and without prejudice to the general principles of the Remuneration Policy — the Plan’s substantive and financial aspects (so-called “Clause on Adverse Changes to Conditions”).

### **3.4 Description of the procedures for determining the availability and assignment of the financial instruments underlying the plans.**

In compliance with the Circular, the Remuneration Policy calls for a part of the Variable Remuneration of Key Personnel to be awarded in the form of Shares upon the satisfaction of the established requirements and conditions.

In compliance with the Circular and as detailed in the Remuneration Policy for 2023, the Variable Remuneration accrued is paid in accordance with the following terms and conditions.

If the annual Variable Remuneration accrued is equal to or below 50,000 euros and concurrently less than or equal to 1/3 of the annual total remuneration, it will be paid in full up in cash in the year after that of reference, once the Board of Directors has verified earnings results for the year of accrual and satisfaction of the access gate. Otherwise:

- a) for Key Personnel, at least 40% of the variable component is generally subject to deferred payment systems for a period of time of no less than four years and is 50% paid in Shares (subject to annual retention periods);
- b) for Key Personnel whose Variable Remuneration is a Particularly High Amount, the variable component is normally at least 60% subject to deferred payment systems for a period of time of no less than four years and is 50% paid in shares (subject to annual retention periods);
- c) for Top Key Personnel whose Variable Remuneration is not a Particularly High Amount, the variable component is normally at least 40% subject to deferred payment systems for a period of time of no less than four years and is 50% paid in shares (subject to annual retention periods);
- d) for Top Key Personnel whose Variable Remuneration is a Particularly High Amount, at least 60% of the variable component is generally subject to deferred payment systems for a period of time of no less than five years and is more than 50% paid in Shares (subject to one year retention periods).

In order to provide the Bank with the funds necessary to implement the above provisions, the Shareholders’ Meeting, convened on 19 April 2023 (first call) and, if need be, on 20 April 2023 (second call), will be asked to authorise the buy-back of Shares, in one or more instalments, within the limits of distributable profits and the unrestricted reserves indicated in the most recent duly approved Financial Statements pursuant to Articles 2357 and 2357-ter of the Italian Civil Code. The shareholders' resolution and subsequent buy-back of the Shares will also be subject to the granting of authorisation by the Bank

of Italy pursuant to Articles 77 and 78 of Regulation (EU) No. 575/2013.

Authorisation of the Shareholders' Meeting will be requested for a period of 18 months from the date on which the Shareholders' Meeting passes the resolution. The authorisation to dispose of the Shares in portfolio will be requested without time limits, given the absence of legislative constraints in this regard and the advisability of the utmost flexibility, including from a standpoint of timing, with regard to the disposal of such Shares.

The foregoing is without prejudice to the possibility for the Bank to obtain, in whole or in part, the Shares to be assigned to the Beneficiaries from specific share capital increases pursuant to Article 2349, paragraph 1, of the Italian Civil Code, or to use phantom shares (i.e., payment of a monetary amount benchmarked on the value of the Shares, calculated as described in point 2.3 above).

**3.5 Role played by each director in determining the characteristics of the plans; any conflicts of interest experienced by the directors in question.**

The Potential Beneficiaries of the Incentive System include (without prejudice to future changes): the Chief Executive Officer and General Manager of the Bank. The Board resolution assigning the Share Portions will be passed in accordance with the provisions of Article 2391 of the Italian Civil Code and, to the extent applicable, Article 2389 of the Italian Civil Code and Article 53, paragraph 4, of TUB.

**3.6 For the intents and purposes of the requirements imposed under Article 84-bis, paragraph 1, of the Rules for Issuers, the date of the decision adopted by the relevant corporate body to submit the plans to the Shareholders' Meeting for approval, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed.**

The Plan is subject to approval by the Shareholders' Meeting on the proposal of the Board of Directors, authorised on 8 March 2023, following a favourable opinion from the Remuneration Committee on 3 March 2023.

**3.7 For the intents and purposes of the requirements imposed under Article 84-bis, paragraph 5, letter (a), of the Rules for Issuers, the date on which the relevant corporate body approved the decision regarding the assignment of the financial instruments, as well as the date of the recommendations, if any, put forward by the Remuneration Committee, if appointed.**

The publication of the Notice of Calling of the Shareholders' Meeting convened to approve the Plan is scheduled on 17 March 2023. After this session, if the Shareholders' Meeting approves the Plan, the Board of Directors will meet to take the decisions necessary to implement the Plan.

The information required in this respect by Article 84-bis, paragraph 5, letter a), of the Rules for Issuers (or otherwise in accordance with applicable laws and regulations applicable from time to time) but not currently available will be provided in accordance with applicable legislation.

**3.8 The market price recorded on the aforesaid dates, in respect of the financial instruments on which the Plans are based, in the event the said financial instruments are traded on regulated markets.**

The price of reference of the Shares on the electronic share market (MTA) organised and managed by Borsa Italiana S.p.A. at the end of the market session on the date of the meeting of the Remuneration Committee (3 March 2023) was 32.6058 euros and on the date of the subsequent resolution passed by the Board of Directors (8 March 2023) it was 32.3643 euros.

**3.9 In the case of plans based on financial instruments traded on regulated markets, the deadlines and procedures pursuant of which the Issuer takes account, in determining the timetable of the assignments made in implementation of the plan, the possible simultaneousness of: (i) said assignment or any decisions made in this regard by the Remuneration Committee; and (ii) the circulation of any relevant information pursuant to Article 17 of Regulation (EU) No. 596/2014; for example, if such information: (a) is not yet in public domain and may positively affect market prices, or (b) has already been published and is liable to negatively affect market prices.**

The proposal to the Shareholders' Meeting concerning the adoption of the Plan was approved by the Board of Directors during the meeting of 8 March 2023.

The draft 2022 Financial Statements were approved by the Board of Directors during its meeting of 8 March 2023 and will be submitted for the approval of the General Shareholders' Meeting convened in ordinary session on 19 April 2023 (first call) and, if need be, on 20 April 2023 (second call), called to approve the Plan.

The Shareholders' Meeting that approves the Plan will not be aware of the consolidated results of the first quarter of the current year, since they will not be available at the scheduled date of the meeting.

Decisions concerning the timing of allotment of the Shares will be taken by the Board of Directors with the non-binding prior opinion of the Remuneration Committee.

The Shares will not be allotted immediately, but only when the performance objectives <sup>(5)</sup> have been achieved. The procedure for identifying the Beneficiaries and the one for assigning the Share Portions shall, in any event, comply both with the disclosure obligations to which the Bank is subject, so as to provide transparent and fair information to the market, and with the procedures adopted by Banca Generali.

The Potential Beneficiaries include individuals subject to the obligations imposed under internal dealing regulations laid down by Regulation (EU) No. 596/2014 of 16 April 2014 (and related implementing provisions), TUF and the Rules for Issuers. Should the conditions indicated in the aforementioned regulations be met, these individuals are required to make timely disclosure to the market of any and all significant transactions effected on the Shares, pursuant to the above-mentioned regulations.

In addition to the foregoing, the Potential Beneficiaries shall comply with the provisions on market abuse laid down in Regulation (EU) No. 596/2014 and the provisions set forth in the Bank's "*Code for Handling Relevant and Inside information*", to which reference is made.

#### **4. FEATURES OF THE INSTRUMENTS ASSIGNED**

##### **4.1 Description of how the share-based compensation plans are structured.**

The Plan is based on the assignment of Shares according to the methods illustrated in point 3.4 above.

The right to participate in the Plan is granted free of charge.

##### **4.2 Specification of the period of actual implementation of the Plan, with an indication of any other cycles that might be contemplated.**

The Incentive System has an annual performance period. As described in further detail in the Remuneration Policy, a long-term period of observation of achievement of objectives applies to long-term incentive systems <sup>(6)</sup>.

The Shares will then also be assigned in subsequent years as a result of the deferral mechanisms set out in the Remuneration Policy illustrated in point 2.3 above.

##### **4.3 End of the plan.**

The term of the Plan is as set out in point 4.2 above (i.e., it ends with the assignment of all Shares accrued within the various forms of Variable Remuneration, as referenced above, upon the completion of the applicable deferral or retention periods).

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<sup>(5)</sup> Or the other conditions established in the Remuneration Policy have been satisfied, in particular, with respect to Variable Remuneration other than the bonuses envisaged in the Incentive System.

<sup>(6)</sup> For the purposes of this Information Document, the incentives contemplated in the Long Term Incentive Plan of the Bank, as regulated by the Remuneration Policy and other related information documents Re. Article 114-*bis* of TUF, are not included herein.

**4.4 The maximum number of financial instruments, including in the form of options, assigned during each tax year to the persons specified by name or falling within the specified categories.**

The maximum number of Shares that may be assigned will depend on the amount of the Variable Remuneration actually granted with reference to the Plan. At present, this number can be estimated at 500,000.

**4.5 Implementing provisions and procedures of the Plan, indicating if the assignment of financial instruments is subject to the satisfaction of conditions precedent or the attainment of specific results, including in terms of performance; description of the said conditions precedent and results.**

The assignment of the Shares depends on the achievement of the Group's minimum access gates and the degree of achievement of specific quantitative and/or qualitative performance objectives assigned to each Potential Beneficiary for the purposes of the accrual of bonuses, as determined in advance by the competent bodies of the Bank according to the criteria set out in the Remuneration Policy (for further details, reference should be made to points 2.2 and 2.3 above <sup>(7)</sup>).

With regard to the criteria for the assessment of the performance levels achieved for bonus assignment purposes envisaged by the Incentive System, the performance results obtained in respect of each objective set in the Incentive System are verified and duly weighted in the financial year following the year of reference. The sum of the weighted results thus achieved in respect of each objective constitutes the overall performance level 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 at least of the minimum access gate). The foregoing procedure is designed to ensure a direct correlation between results obtained and incentive assigned. 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 earnings results, is verified based on the Consolidated Financial Statements of the Group.

However, in the case of incentive plans for Financial Advisors, including long-term plans, the level of performance achieved is verified over the time horizon of the duration of each incentive plan.

As envisaged in the Circular and the Remuneration Policy, the Bank reserves the right to implement *ex-post* corrective mechanisms suited, *inter alia*, to reflecting company performance levels net of the risks effectively assumed and to take account of individual behaviour.

In particular, as already illustrated in point 2.2., the conditions underlying the *malus* mechanism as identified in the Remuneration Policy are verified at the time of each assignment.

In addition, in the cases envisaged by Remuneration Policy, claw-back mechanisms apply to Variable Remuneration.

**4.6 Indication of any retention period for instruments assigned or financial instruments resulting from the exercise of options, with particular regard to the period within which subsequent transfers to the company or third parties are permitted or restricted.**

According to the Remuneration Policy, a part of the Share Portion is generally to be assigned in the year after the one in which the bonus vests <sup>(8)</sup> and the remainder is to be assigned on a further deferred basis, as described in point 2.3 above.

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<sup>(7)</sup> With reference to Severance and other forms of Variable Remuneration, their amount is instead determined in line with the criteria, limits and conditions established by the Remuneration Policy.

<sup>(8)</sup> Or, for other forms of Variable Remuneration, according to any different timescale established in the contractual documents.

The Shares assigned are subject to a retention period of one year <sup>(9)</sup>.

**4.7 Description of any and all conditions pertaining to the plan assignment in the event the recipients effect hedging transactions aimed at circumventing restrictions imposed on the transferability of the assigned financial instruments, including in the form of options, or of the financial instruments subject to subscription pursuant to the exercise of the said options.**

In accordance with the Circular, the Beneficiaries will be requested — through specific provisions included or referenced to in the contractual documents — not to make use of personal or insurance hedging strategies that may alter or undermine the risk alignment effects inherent in the assignment of the Shares.

**4.8 Description of the effects arising from termination of the Professional Relationship.**

Without prejudice to the resolutions passed by the Board of Directors, in the event of termination of the Professional Relationship with the companies of the Group for reasons other than retirement, death or permanent disability, new professional relationship within the Group or termination at the Company's initiative pursuant to corporate restructuring, any and all incentive systems yet to be actually awarded are deemed forfeited (without prejudice to the possibility to provide in any case for maintaining deferred tranches as part of consensual contract termination agreements).

In the case of Severance, the Shares are disbursed, by definition, after termination of the professional relationship.

**4.9 Other possible reasons for which the plans may be cancelled.**

No other reasons for which the Plan may be cancelled are envisaged.

**4.10 The reasons for the inclusion of provisions, if any, allowing the company to “redeem” the financial instruments covered under the plans, pursuant to Article 2357 *et seqq.* of the Italian Civil Code; the beneficiaries of the redemption, indicating if the same applies only to specific categories of employees; the repercussions of the termination of the Professional Relationship on the said redemption.**

The Plan does not envisage a right of redemption for Banca Generali.

**4.11 Any and all loans and other facilities made available for buying-back the Shares, within the meaning of Article 2358 of the Italian Civil Code.**

No loans or other facilities for the buy-back of the Shares within the meaning of Article 2358 of the Italian Civil Code are envisaged.

**4.12 The company's expected liability exposure as at the date of the assignment in question, as estimated in light of the already established terms and conditions, providing a breakdown of the overall liability exposure in question by type of security covered under the Plan.**

The cost to the Bank at the assignment date is limited to the use of the number of treasury Shares held and required to cover the maximum bonus payable in Shares, upon fulfilment of all applicable conditions.

**4.13 Description of any dilutive impact the compensation plans may exert on the share capital.**

Not applicable.

**4.14 Restrictions, if any, imposed on dividend entitlements and the exercise of voting rights.**

No restrictions are imposed on dividend entitlements and the exercise of voting rights.

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<sup>(9)</sup> Upon verifying that all applicable conditions have been satisfied, the Board of Directors may, at its discretion, establish whether to award, on the dates indicated in point 3.4 above, Shares subject to lock-up or only to assign Shares at the end of such lock-up periods (in such case, subject to free transfer as soon as assigned).

**4.15 If the Shares are not traded on regulated markets, any and all information useful for a full assessment of their value.**

Not applicable.

**4.16 Number of financial instruments underlying each option.**

Not applicable.

**4.17 Expiry of the options.**

Not applicable.

**4.18 Procedures (American/European), deadlines (e.g., exercise periods), and exercise clauses (e.g., knock-in and knock-out clauses).**

Not applicable.

**4.19 Strike price of the option or methods and criteria for determining the strike price, with particular regard to: a) the formula for calculating the strike price on the basis of a given market price (fair market value); and b) the methods for determining the market price of reference for determining the strike price.**

Not applicable.

**4.20 If the strike price departs from the fair market value determined pursuant to the procedures set forth in point 4.19 b above, the reasons for such difference.**

Not applicable.

**4.21 Grounds for applying different strike prices to various Beneficiaries or categories of Beneficiaries.**

Not applicable.

**4.22 If the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the underlying financial instruments or of the criteria for determining the same.**

Not applicable.

**4.23 Criteria for carrying out the adjustments required in light of extraordinary capital and other transactions entailing changes in the number of the underlying securities (capital increases, extraordinary dividend distributions, splits and reverse-splits of the underlying shares, mergers and de-mergers, transactions entailing changes in the share category of the underlying shares, etc.).**

Not applicable.

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*The disclosures required under Section 1 of Frame 1 of Table 1 of Layout 7 of Annex 3A to the Rules for Issuers, as well as under Article 84-bis, paragraph 5, of the Rules for Issuers, with regard to incentive plans under way, are available for consultation on the Bank's website at [www.bancagenerali.com](http://www.bancagenerali.com).*

*The disclosures required under Section 2 of Frame 1 of Table 1 of Layout 7 of Annex 3A to the Rules for Issuers, as well as under Article 84-bis, paragraph 5, of the Rules for Issuers, shall be made available by the deadlines and in the manner and form specified in the aforesaid Article 84-bis, paragraph 5, of the Rules for Issuers.*