



**Recommendations on the Optimal Qualitative and Quantitative
Composition of the Board of Statutory Auditors**

*Pursuant to Article 12, paragraph 1, of Decree No. 169 dated 23 November 2020 of the Italian
Minister of Economy and Finance*

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INTRODUCTION

The composition of the corporate bodies plays a central role in the effective fulfil of the tasks entrusted to them pursuant to laws, Supervisory Provisions (as defined below) and the Articles of Association (“**Articles of Association**”) of Banca Generali S.p.A. (“**Banca Generali**” or “**Bank**”, parent company of “**Banca Generali Banking Group**”).

In view of each re-election of the control body, Article 12 of MEF Decree (as defined below) provides that each body – thus to be construed as referring to both the Board of Directors and the Board of Statutory Auditors – must identify its optimal qualitative and quantitative composition in advance. Specifically, Article 11 of the MEF Decree provides that the composition of administrative and control bodies must be adequately diversified, so as to:

- foster dialogue and discussion within the bodies;
- facilitate the expression of multiple approaches and perspectives in analysing issues and taking decisions;
- effectively support company processes for formulating strategies, managing activities and risks, and monitoring the work of top managers;
- take account of the diverse interests that contribute to the Bank’s sound and prudent management.

Similarly, the Rules of Conduct (as defined below) require that, in view of the appointment of the new control body, the outgoing Board of Statutory Auditors provide shareholders with its recommendations on the professional profiles and competencies that integrate the qualitative composition of the Board of Statutory Auditors, as well as the time commitment required to perform the related duties.

The process of designing this qualitative and quantitative profile must be the outcome of in-depth, formalised analysis. The results of such analysis shall be submitted to the shareholders’ attention in a timely manner so that the selection of candidates may take account of the requested professional characteristics.

For the above purposes, this document — titled “Recommendations on the Optimal Qualitative and Quantitative Composition of the Board of Statutory Auditors” (hereinafter “**Recommendations**” or “**Guidelines**”) — contains the guidance that the Banca Generali's outgoing Board of Statutory Auditors makes available to the Shareholders with the purpose to support the process of defining the best proposals for the quantitative and qualitative composition of the Bank's new Board of Statutory Auditors.

The outgoing Statutory Auditors hope that these proposals may be consistent with the profiles they have suggested, on the basis of their experience and the annual self-assessments conducted during their mandate. They also remind that these proposals must also comply with sector legislation and the recommendations of the Supervisory Authorities, on which these Guidelines are based.

The following is a summary of the applicable Italian and European legislation, including soft law:

- Article 148 of Italian Legislative Decree No. 58 of 24 February 1998, as further amended (Consolidated Law on Finance or “**TUF**”);
- Article 26 of Italian Legislative Decree No. 385 of 1 September 1993, as further amended (Consolidated Law on Banking or “**TUB**”);
- Article 36 of Italian Decree-Law No. 201 of 6 December 2011 “*Urgent measures for growth, equity and the consolidation of the public finances*” converted with amendments by Law No. 214 of 22 December 2011, so called “Interlocking Directorship” (“**Save Italy Decree**”) and “Criteria for the application of Article 36 of the “Save Italy” Law-Decree (so-called “interlocking ban”)” published by the Bank of Italy, Consob and IVASS on 20 April 2012, as further amended and extended;
- Decree of the Italian Minister of Economy and Finance No. 169 of 23 November 2020 “Regulation on the requirements and criteria for suitability to serve as member of the management of banks, financial intermediaries, guarantee consortia, electronic payment institutions, payment institutions and depositor guarantee systems” (“**MEF Decree**”);

- Part I, Title IV, Chapter 1, Section IV (Composition of the company bodies) of the Bank of Italy’s Circular No. 285 dated 17 December 2013, as further amended (“**Supervisory Provisions for Banks**”);
- Corporate Governance Code for Listed Companies, approved by the Corporate Governance Committee on 31 January 2020 and promoted by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria (“**Corporate Governance Code**”);
- Rules adopted by Consob under Resolution No. 11971 of 14 May 1999, as further amended (“**Issuers’ Regulation**”);
- Rules adopted by Consob under Resolution No. 20249 of 28 December 2017, as amended further (“**Market Regulation**”);
- Regulation (EU) No. 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as further amended (“**CRR**”);
- Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, as further amended (“**CRD**”);
- “*Guide to fit and proper assessments*” dated 15 May 2017 as lastly updated in December 2021 (“**ECB Guidelines**”);
- EBA Guidelines on internal governance dated 22 November 2021;
- Joint EBA and ESMA guidelines on the assessment of the suitability of members of the management body and key function holders, last published on 2 July 2021 (“**EBA/ESMA Guidelines**”).
- “*Rules of Conduct of the Board of Statutory Auditors of Listed Companies*” adopted by the Italian National Roll of Certified Public Accountants and Commercial Experts, last updated on 21 December 2023 (“**Rules of Conduct**”).

1. ROLE OF THE BOARD OF STATUTORY AUDITORS

When preparing this qualitative and quantitative profile of the Board of Statutory Auditors, the control body's role and functions were taken into consideration.

In this regard, it must be considered that, within the governance system adopted by Banca Generali, the Board of Statutory Auditors is the body responsible for supervising compliance with the laws and the Articles of Association, observance of the principles of sound management, and the adequacy of the organisational, administrative and accounting structure.

The Board of Statutory Auditors thus carries out the control tasks and performs the related functions provided for in legislation applicable from time to time and Article 20 of the Articles of Association to which reference is made.

In addition, in accordance with the Supervisory Provisions for Banks and the Corporate Governance Code, the Board of Statutory Auditors performs the functions of Supervisory Board pursuant to Legislative Decree No. 231/2001.

2. POSSIBLE RECOMMENDATIONS BY THE BOARD OF STATUTORY AUDITORS IN VIEW OF THE GUIDELINES TO BE SUBMITTED TO THE FORTHCOMING GENERAL SHAREHOLDERS' MEETING

The approval of the financial statements for the year ended 31 December 2023 marks the end of the term of Banca Generali's Board of Statutory Auditors appointed on 22 April 2021. Accordingly, at the next General Shareholders' Meeting, the Shareholders will be called on, *inter alia*, to appoint the new members of the Board of Statutory Auditors.

In light of the foregoing and of the outcome of the self-assessments carried out in 2023 by the outgoing Board of Statutory Auditors, there is a broad consensus on the importance of maintaining the Board of Statutory Auditors' current profile in terms of quantitative composition, competencies, professional profiles and experience of its members.

In detail, without prejudice to what is specified more precisely in the following sections of this document, the outgoing Board of Statutory Auditors:

- believes that the current number of three members is appropriate and ought to be confirmed in view of the new appointment;
- appreciates the Board of Statutory Auditors' qualitative profile, also with regard to "*Recommendations on the Optimal Qualitative and Quantitative Composition of the Board of Statutory Auditors 2021*" and, in view of the new appointment, hopes that the current set of competencies and experiences of its current members will be essentially maintained, also in light of the Bank's size and operational complexity and considering the future challenges that the Bank will have to face.

When preparing this profile, the experience gained in the course of the term with regard to the methods of operation of the control body, the most relevant topics covered and the outcome of the annual self-assessments carried out in the three-year period were also considered.

This document is therefore made available to the Shareholders in a timely manner so that they may take account of it when selecting candidates.

3. QUALITATIVE AND QUANTITATIVE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

3.1. QUANTITATIVE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

The quantitative composition of the Board of Statutory Auditors plays a central role in the effective fulfilment of the tasks entrusted to it pursuant to the law, Supervisory Provisions, self-regulations and the Articles of Association.

Article 20, paragraph 1 of Banca Generali's Articles of Association establishes that the Board of Statutory Auditors is made up of 3 regular Auditors, one of whom acting as Chairperson of the said Board, and 2 alternate Auditors.

As mentioned above, the outgoing Board of Statutory Auditors believes that the current number of 3 members is appropriate and ought to be confirmed in view of the new appointment.

3.2. QUALITATIVE COMPOSITION OF THE BOARD OF STATUTORY AUDITORS

The candidates for the position of Statutory Auditor must be fit to perform their duties, in accordance with applicable legislation in force from time to time and the Articles of Association, and in particular, they must meet the requirements of professionalism, integrity and independence and satisfy the criteria of competence, propriety and time commitment, as well as comply with the specific limits on the cumulation of positions established by applicable legislation in force from time to time.

3.2.1. INDIVIDUAL INTEGRITY REQUIREMENTS AND CRITERIA OF PROPRIETY

Considering the importance that integrity requirements play from the standpoint of reputation, candidates for the position of Statutory Auditor of the Bank must meet the integrity requirements laid down in Article 3 of the MEF Decree.

Moreover, it should be noted that, pursuant to Article 20 of the Articles of Association, in addition to meeting the requisites required by laws and regulations, candidates for the position of Statutory Auditor should not have been convicted in relation to any offence referred to in Legislative Decree No. 231/01, nor should they have been convicted for any other malicious offence. Similarly, candidates for the position of Statutory Auditor should not be committed for trial in relation to the same offences, being the said trial still ongoing.

In addition to meeting the aforementioned requirements, failure to meet which automatically entails dismissal from office, candidates shall also meet the criteria of propriety in past personal and professional conduct, in accordance with Article 4 of the MEF Decree.

The situations indicated in Article 4 of the MEF Decree will not automatically render a Statutory Auditor unsuitable, but will require an assessment — according to one or more of the parameters indicated in Article 5 of the MEF Decree — by the Board of Statutory Auditors, conducted taking into account the principles of sound and prudent management and the protection of the Bank's reputation and public trust.

The propriety criterion is not met when one or more of the situations indicated in Article 4 of the MEF Decree outline a serious, precise and consistent framework of conduct in conflict with the objectives set out in paragraph 1 of the above Article.

3.2.2. INDIVIDUAL PROFESSIONALISM REQUIREMENTS

On the basis of the applicable legislation (*inter alia*, Article 9 of the MEF Decree), candidates for the position of Statutory Auditor must meet certain professionalism requirements.

In particular, pursuant to Article 9, paragraph 1, of the MEF Decree, at least one of the regular Statutory Auditors, where three in number, and at least one of the alternate Auditors, are chosen from among those enrolled in the register of statutory auditors who have performed statutory auditing activity for a period of no less than three years.

Pursuant to Article 9, paragraph 2, of the MEF Decree, the other members of the Board of Statutory Auditors are chosen from among persons who have performed legal auditing activity or one of the activities set out in Article 7, paragraph 2 of the MEF Decree for at least three years (including on an alternative basis), i.e., persons who have performed (including on an alternative basis), for at least three years, either:

- a) professional activities in a field related to the credit, financial, securities or insurance sector, or otherwise functional to the Bank's activity; the professional activity must be marked by adequate levels of complexity, including as regard the beneficiaries of the services rendered, and must be performed continuously and to a significant degree in the sectors mentioned above;
- b) university teaching activity, as a first- or second-level lecturer, in laws or economics or in other subject-matters otherwise functional to activity in the credit, financial, securities or insurance sector;
- c) management, executive or top management functions, howsoever designated, in public entities or public administrations relating to the credit, financial, securities or insurance sector and provided

that the entity at which such functions were performed has size and complexity comparable to that of the bank in which the position is to be held.

It should be noted that pursuant to Article 9, paragraph 3, the **Chairperson of the Board of Statutory Auditors** must be chosen from among persons meeting the requirements laid down by paragraph 1 or paragraph 2, respectively, of Article 9 of the MEF Decree — as mentioned above — who have professional experience of at least two years more than that required by those same paragraphs.

For the purposes of satisfaction of the above requirements, for Statutory Auditors who are not enrolled in the register of statutory auditors, account must be taken of experience gained in the 20 years prior to acceptance of the position; experience gained contemporaneously in multiple functions is counted solely for the period in which such functions were performed, and not cumulatively.

3.2.3. COMPETENCE CRITERIA

In addition to the professionalism requirements mentioned above, candidates for the position of Statutory Auditor must meet the competence criteria laid down in Article 10 of the MEF Decree, aimed at proving that they are fit for taking up the position, considering the tasks inherent in their role and the Bank's size and operational characteristics.

Theoretical knowledge, derived from study and training, and practical experience gained by in previous or current professional activity are considered for this purpose. In particular, pursuant to Article 10, paragraph 2, of the MEF Decree:

- a) theoretical knowledge and practical experience gained in one or more of the following areas will be taken into consideration:
 - financial markets;
 - banking and financial sector regulations;
 - guidance and strategic planning;
 - organisational structures and corporate governance;
 - risk management (identification, assessment, monitoring, control and mitigation of the main types of risks to which a bank is exposed, including the statutory auditor's responsibility in such processes);
 - internal control systems and other operational mechanisms;
 - banking and financial activity and products;
 - accounting and financial reporting;
 - information technology;
- b) it will be analysed whether the theoretical knowledge and practical experience indicated above is suited for:
 - the duties inherent in the role of Statutory Auditor and any delegated powers or specific assignments, including participation in committees;
 - the characteristics of the Bank and Banca Generali Banking Group, in terms, *inter alia*, of size, complexity, type of activity performed, the associated risks, markets of reference and countries in which they operate.

In addition, in order to ensure the overall fitness of the Board of Statutory Auditors, including in light of the criteria of diversity and the future challenges that the Bank will face, the outgoing Board of Statutory Auditors, taking into account the outcome of the self-assessment process conducted in the last year of its term, stresses that it is advisable for candidates for the Bank's new Board of Statutory Auditors represent a balanced composition of theoretical and/or technical experience and knowledge, also considering the following areas (in addition to those listed above):

- experience and knowledge of the markets of reference on which Banca Generali Banking Group operates, or at least experience with markets and investments with an international perspective;
- knowledge of digital, innovation, fintech and/or alternative investment issues;

- expertise in and knowledge of strategy and business models;
- ESG expertise and knowledge.

In addition, with regard to the role of **Chairperson of the Board of Statutory Auditors**, and without prejudice to all the criteria laid down above, the outgoing Board of Statutory Auditors hopes that it will continue to be held by a candidate of recognised authority and standing and with a competence profile deriving from previous experience as a top manager of listed companies of comparable complexity to Banca Generali.

The competence criterion is not satisfied when the information obtained regarding theoretical knowledge and practical experience outlines a serious, precise and consistent framework of the person's unfitness for the position. In the event of specific, limited deficiencies, the competent body (i.e., the Board of Statutory Auditors) may take the measures necessary to remedy them.

3.2.4. PERSONAL SKILLS

In addition to the professionalism requirements set out above, the outgoing Board of Statutory Auditors recommends that the personal characteristics and soft skills also be appropriately considered when selecting candidates. In this regard, following a specific analysis conducted during its self-assessment and with a view to defining the ideal profile of Banca Generali's future Statutory Auditor, the outgoing Board of Statutory Auditors deemed it appropriate to consider the following characteristics as relevant and fundamental:

- independence of mind and integrity;
- leadership;
- ability to communicate;
- balance in building consensus;
- ability to manage conflicts constructively;
- ability to teamwork;
- ability to interact with management;
- ability to integrate sustainability matters into the business vision.

3.2.5. DIVERSITY AND GENDER QUOTAS

In line with Banca Generali's *Diversity Policy for the Members of the Company Bodies*, in addition to the set of professional skills and competencies indicated in the Guidelines, in order to ensure an adequate balance of diversity and inclusion aspects, Banca Generali:

- recommends that the Shareholders take into consideration candidates belonging to different age ranges;
- recommends that the Shareholders consider the candidature of a suitable number of Statutory Auditors who are already serving to ensure continuity in the operations of the Board of Statutory Auditors (in accordance with the maximum number of reappointments);
- has established that — where a different rate is not provided for by law — at least a third of Statutory Auditors belong to the less represented gender;
- guarantees the less represented gender with access to the Board of Statutory Auditors, establishing that the lists, apart from those including fewer than three candidates, must contain a sufficient number of candidates to ensure an adequate gender balance.

As regards diversification by age group in particular, the outgoing Board of Statutory Auditors has decided not to set limits, believing that the age of the members of the Board of Statutory Auditors constitutes an important element of diversity that, combined with the others, enriches and enhances the Board of Statutory Auditors, contributing to forming a balance of experiences that otherwise would not be guaranteed.

As for gender diversity, reference is made to Article 148, paragraph 1-*bis*, of TUF, which requires compliance with a gender composition criterion for the Board of Statutory Auditors, according to which

the less represented gender must be reserved at least two-fifths of the seats on the Board. In this regard, pursuant to Article 144-*undecies.1*, paragraph 3, of the Issuers' Regulation, where the application of the gender division criterion does not result in a whole number of members of the administrative or control body belonging to the least represented gender, this number is rounded up, except for the corporate bodies made up of three members, for which the rounding takes place by default to the lower unit.

The gender quota mentioned above (i.e., at least two-fifths of the members elected, rounded to the lower unit in the case at hand) is in line — in view of the rounding — with the provisions of the Corporate Governance Code, as well as with the provisions of Banca Generali's *Diversity Policy for the Members of the Company Bodies*, and therefore implements the recommendation by the outgoing Board of Statutory Auditors concerning the optimal composition of such Board with regard to gender balance.

3.2.6. INDEPENDENCE REQUIREMENTS

The Board of Statutory Auditors must meet the independence requirements set by applicable legislation, and in particular those set out in:

- Article 148, paragraph 3, of TUF;
- Article 14 of the MEF Decree;
- Article 2, Recommendation No. 9 (which refers to Recommendation No. 7) of the Corporate Governance Code.

The foregoing is without prejudice to the possibility for a member of the Board of Statutory Auditors to concurrently hold the position of Statutory Auditor in one or more Banca Generali Banking Group companies.

3.2.6.1. INDEPENDENCE OF MIND

All candidates for the position of Statutory Auditor are required to act, *inter alia*, in accordance with Article 15 of the MEF Decree, with full independence of mind and awareness of the duties and rights inherent in the office, in the interest of the sound and prudent management of the Bank and in accordance with applicable legislation in force from time to time and shall provide the information required pursuant to Article 15, paragraph 2, of the MEF Decree and the reasons why any cases relevant pursuant to this provision do not concretely undermine their independence of mind.

3.2.7. TIME COMMITMENT AND NUMBER OF POSITIONS

3.2.7.1. TIME COMMITMENT

Members of the Board of Statutory Auditors must ensure adequate time commitment to perform their duties at Banca Generali. With specific regard to Banca Generali, it should be noted, on an informational basis, that in the 2021-2023 three-year period the following were held on average for each year:

- 20 meetings of the Board of Statutory Auditors of an average duration of approximately 1 hour and 10 minutes;
- 6 meetings of the Board of Statutory Auditors in its capacity of Supervisory Board, of an average duration of approximately 30 minutes;
- 16 meetings of the Board of Directors of an average duration of approximately 3 hours and 40 minutes;
- 15 meetings of the Control and Risk Committee of an average duration of approximately 3 hours and 15 minutes;
- 9 meetings of the Nomination, Governance and Sustainability Committee of an average duration of approximately 50 minutes;
- 10 meetings of the Remuneration Committee of an average duration of approximately 45 minutes;
- 10 meetings of the Credit Committee of an average duration of approximately 50 minutes;
- 4 induction meetings of an average duration of approximately 2 hours and 30 minutes.

In this regard, it should be noted that, in the three-year period 2021-2023, the Board of Statutory Auditors attended all the meetings of the above-mentioned corporate bodies.

Account must also be taken of the time required to prepare for meetings, considering the many subjects to be discussed and the volume of the supporting documentation. In addition, the time needed to participate in induction meetings, recurring training and any offsite meetings over the three-year period must also be taken into consideration.

The Board of Statutory Auditors also calls attention to the participation threshold expected for meetings of the Board of Statutory Auditors, with regard to which Article 2404 of the Italian Civil Code prescribes that “*statutory auditors who, without justification, do not participate in two meetings of the board of statutory auditors during a single financial year shall fall from office*”. The Board of Statutory Auditors also notes that Article 149 of TUF requires, *inter alia*, that “*members of the board of auditors who fail to attend shareholders' meetings without good cause or, in any one financial year, fail to attend two consecutive meetings of the board of directors or of the executive committee shall be disqualified from office*” and therefore invites the Shareholders also to take account of the expected participation threshold for meetings of the Company’s Board of Directors and Shareholders' Meetings.

Accordingly, the Board of Statutory Auditors has prepared an estimate to be taken as a reference when assessing the minimum time deemed necessary for effectively completing the assignment on the basis of the following criteria that also contemplate those listed by the European Central Bank:

- number of meetings of the Board of Directors, including induction meetings, of all Board Committees, of the Board of Statutory Auditors and of the Supervisory Board;
- average duration of meetings;
- time needed for proper preparation for participation in meetings;
- time needed for any travel and preparation in view of corporate events;
- the nature of the specific position and the responsibilities of the member of the Board of Statutory Auditors.

Office held	Estimated time days per year
Chairperson of the Board of Statutory Auditors	78 days
Regular Auditor	65 days

In preparing the table set out above, in line with the main guidelines, a day of eight working hours has been considered.

In consideration of the foregoing, the Board of Statutory Auditors recommends that the candidates accept the position when they believe that they can dedicate the necessary time and energy to it, also taking also account of the time they will need to devote to (i) positions occupied at other companies, enterprises or entities, (ii) other work and professional activities performed, and (iii) other situations or circumstances relating to the professional life capable of affecting their time commitment.

3.2.7.2. NUMBER OF POSITIONS

In line with the provisions of Article 17 of the MEF Decree, candidates for the office of Statutory Auditor of banks of large size or operational complexity, like Banca Generali, cannot hold a number of positions in banks or commercial companies that exceeds one of the following alternative combinations:

- **1 executive position and 2 non-executive offices; or**
- **4 non-executive positions**

including the position held within the Bank. It should also be noted that Banca Generali considers the above-mentioned limits also for the purposes of recommendation No. 15 of the Corporate Governance Code.

Pursuant to Article 17, paragraph 1, of the MEF Decree, positions occupied at banks or other “commercial” companies as identified in the MEF Decree are relevant if they involve one of the activities set out in Article 2195, paragraph 1, of the Italian Civil Code, (i.e., industrial activity aimed at producing goods and services, intermediary activity in the circulation of goods, ground, water or air transport, banking or insurance activity, and other activities ancillary to the foregoing).

These also include companies having their registered office abroad and qualifying as commercial companies in application of the provisions of the relevant legal system of the country in which the registered office or head office is located.

The positions mentioned in Article 18, paragraphs 1 and 2, of the MEF Decree are instead excluded from the calculation.

When calculating the aforementioned limits on the cumulation of positions, account will be taken of the aggregation methods set out in Article 18 of the MEF Decree. Accordingly, a series of positions occupied in each of the following cases will be considered a single position:

- a) within the same group;
- b) at banks subject to the same institutional protection system;
- c) at non-group companies in which the bank holds a qualified equity interest, as defined in CRR.

Where more than one of the cases set out in the foregoing letters a), b) and c) occur concurrently, the positions are summed cumulatively with one another. In the approach taken to assess the cumulation of positions, account will be taken of the consolidated situation on the basis of the scope of accounting consolidation.

The set of positions counted as a single position is considered an executive position if at least one of the positions held in the situations set out in letters a), b) and c) above is executive; otherwise, it is considered a non-executive position.

In addition to the number of positions that a Statutory Auditor of the Bank may hold, in the alternative combinations mentioned above, it should be noted the possibility, where the requirements set out in Article 19 of the MEF Decree are met, of assuming one additional non-executive position beyond the limits indicated above, provided that it does not undermine the Statutory Auditor's ability to commit adequate time to the position within Banca Generali to effectively fulfil his or her functions.

The Board of Statutory Auditors therefore recommends that in selecting the candidates to be proposed, the Shareholders verify that they would comply with the above limits, even if they were to be appointed members of Banca Generali's Board of Statutory Auditors.

3.2.8. INCOMPATIBILITY

Without prejudice to the limits set out above, in addition to the cases of incompatibility, ineligibility and forfeiture established by law, which may affect candidature and/or acceptance and/or retention of the position — including, without limitation, those laid down in Article 2382 of the Italian Civil Code — candidates for the position of Statutory Auditor shall also comply with the interlocking ban established by Article 36 of the Save Italy Decree.

The Board of Statutory Auditors therefore recommends that the Shareholders nominate candidates whom it has first been verified are not subject to the causes of incompatibility provided for in the above legislation.

4. INDUCTION AND TRAINING

Following on (i) the provisions of Article 12 of the MEF Decree and (ii) the recommendations of the Supervisory Provisions, the outgoing Board of Statutory Auditors promotes the participation of the Statutory Auditors in specific training initiatives designed to provide an in-depth knowledge of the sectors in which the Bank and its Group operate, to ensure the continuity and protect the experience gained, over the years, by the Board of Statutory Auditors.

The Board of Statutory Auditors thus hopes that future Statutory Auditors, and in particular those who have been newly appointed, benefit from an adequate induction process, in continuity with what has been done in the past, considering that for each year of the three-year term, the Bank has always promoted a series of continuous training and induction initiatives, including those relating to issues of company relevance and sustainability-related and strategic matters.

5. METHODS FOR THE APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS

The procedures for the appointment of the Board of Statutory Auditors are regulated under Article 20 of the Articles of Association, which provide for:

- adequate representation of qualified minorities through list-voting mechanism; and
- adequate presence of different genders, via the replacement mechanism, where necessary.

Under the Articles of Association mentioned, the Board of Statutory Auditors is appointed based on lists of candidates, made up of two sections: one for the appointment of the regular Auditors and the other for the appointment of the alternate Auditors. The lists contain a number of candidates no higher than the number of members to be elected, listed by progressive number. Each of the two sections of the lists must present candidates in a manner that ensures gender balance, as required by applicable regulations.

In order to ensure that qualified minorities are adequately represented, a list of candidates for the appointment of the members of the Board of Statutory Auditors may be submitted by any and all Shareholders who, alone or in conjunction with other shareholders, represent the percentage of share capital envisaged for the Company by current applicable regulations (currently, for Banca Generali, 1% of share capital).

Each candidate may appear on only one list, upon penalty of ineligibility.

Candidates whose situations are incompatible pursuant to law or those exceeding the limits on the cumulation of positions set forth by regulations in force, as also recalled herein, may not be appointed to the Board of Statutory Auditors, and if so appointed, will fall from office.

The following will be elected:

- the first two candidates on the list obtaining the highest number of votes and the first candidate on the list obtaining the highest number of votes from amongst the lists submitted and voted by shareholders who are not associated, not even indirectly, with the shareholders who submitted and voted for the list obtaining the highest number of votes shall be deemed elected regular Auditors;
- the first candidate on the list obtaining the highest number of votes and the first candidate on the list obtaining the highest number of votes from amongst the lists submitted and voted by shareholders who are not associated, not even indirectly, with the shareholders who submitted and voted for the list obtaining the highest number of votes shall be deemed elected alternate Auditors.

In the case where the number of regular Auditors belonging to the gender less represented falls short of the threshold established under applicable law provisions, the candidates appearing in the regular Auditor section of the list obtaining the highest number of votes will be replaced following the order in which the candidates were presented for election.

The first candidate on the list obtaining the highest number of votes, from amongst those lists submitted and voted by shareholders who are not associated, not even indirectly, with the shareholders who submitted and voted for the list obtaining the highest number of votes on the overall, shall be elected Chairperson of the Board of Statutory Auditors.

In the case where only one list is submitted, the entire Board of Statutory Auditors is appointed from the said list. Should no list be submitted, the Shareholders' Meeting shall appoint the Board of Statutory Auditors and the Chairperson thereof by majority of the votes cast, in accordance with law.

Milan, 19 February 2024

THE BOARD OF STATUTORY AUDITORS