



**Recommendations on the Optimal Qualitative and Quantitative
Composition of the Board of Directors**

*Pursuant to Article 12, paragraph 1, of Decree No. 169 dated 23 November 2020 of the Italian
Minister of Economy and Finance, Bank of Italy Circular No. 285/2013, and Article 2,
Recommendation No. 7, of the Corporate Governance Code for Listed Companies*

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INTRODUCTION

The composition of the corporate bodies plays a central role in the effective fulfilment of the tasks entrusted to them pursuant to law, Supervisory Provisions 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, pursuant to Recommendation No. 23 of the Corporate Governance Code (as defined hereunder), the Board of Directors expresses its guidance regarding the optimal qualitative and quantitative composition of the body, in light of the outcome of the self-assessment process. The guidance of the outgoing Board of Directors: (i) is published on the Company’s website suitably in advance of the publication of the notice calling the Shareholders’ Meeting responsible for appointing the new Board; and (ii) identifies the management and professional profiles and skills deemed necessary, including in light of the characteristics of the Company’s sector, considering the diversity criteria laid down in the Corporate Governance Code and the guidance given regarding the limits on cumulation of positions.

In accordance with Part I, Title IV, Chapter 1, Section IV of the Supervisory Provisions for Banks (as defined below), the Board of Directors must establish in advance its optimal qualitative and quantitative composition defining, with a statement of grounds, the requirements candidates ought to meet in theory. In particular, in line with the general principles of the Supervisory Provisions:

- a) from a quantitative standpoint, the number of the corporate bodies must be commensurate with the size and complexity of the Bank’s organisational structure, so as to ensure that they are capable of effectively overseeing all corporate operations in terms of management and controls;
- b) from a qualitative standpoint, the correct fulfilment of the functions requires for the bodies tasked with strategic supervision to include members who:
 - are fully aware of the powers and obligations inherent in the functions that each of them is called upon to perform (oversight or managing function, executive and non-executive functions, independent members, etc.);
 - possess professional expertise suited to the positions they fill, including in Board Committees, if present, and appropriate to the Bank’s operational characteristics and size;
 - have a wide range of skills amongst all members, duly diversified in such a way that each member — within an individual Board Committee or with respect to decisions entailing the whole Board — may also effectively contribute to, *inter alia*, identifying and implementing adequate strategies, thus ensuring effective risk management in all areas of the Bank;
 - commit adequate time and resources in light of the complexity of their offices, without prejudice to the limit of cumulation of positions envisaged by the MEF Decree;
 - commit to achieving the Bank’s overall interest, regardless of the Shareholders who voted for them or the list to which they belonged, operating with independence of mind.

In compliance with Supervisory Provisions, attention shall be paid to all members, including non-executive members: they participate in the decisions made by the entire Board and are called on to perform an important dialectic and monitoring function with regard to the choices made by the executive members. The authoritativeness and professionalism of the non-executive directors must be adequate to the effective performance of these functions, crucial to the Bank’s sound, prudent management: it is therefore fundamental that the non-executive directors also possess and manifest an adequate understanding of the banking business, trends in the economic and financial system, banking and financial regulations, and, above all, risk management and control methods, as such knowledge is essential to the effective performance of the tasks with which they are charged.

The presence of an adequate number of non-executive members with well-defined roles and tasks who effectively perform the function of counterweight to the executive directors and the Bank’s management facilitates dialogue within the body.

The body tasked with strategic supervision must also include independent directors tasked with overseeing corporate management with independence of mind, and contributing towards ensuring that this task is carried out in the company's interest and in accordance with the principles of sound and prudent management. At banks of large size or operational complexity, forming specialised committees within the body with the strategic supervision function entrusted with preliminary, advisory and recommendatory functions, and also comprising independent directors, facilitates decision-making, especially in more complex sectors of activity or in those featuring a high risk of conflicts of interest.

Article 12 of the 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 — 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: (i) foster dialogue and discussion within the bodies; (ii) facilitate the emergence of various approaches and perspectives in analysing issues and taking decisions; (iii) effectively support company processes for formulating strategies, managing activities and risks, and monitoring the work of top managers; and (iv) take account of the diverse interests that contribute to the Bank's sound and prudent management.

It bears also recalling that, pursuant to Article 16, paragraph 1(d), of the Market Regulation (as defined below), subsidiaries that are under the management and coordination of another Italian or foreign company whose shares are listed on regulated markets are required to set up a Board of Directors whose majority must be made up of independent directors and that the board committees recommended by the Corporate Governance Code must consist exclusively of independent directors.

The process of designing this qualitative and quantitative profile must be the outcome of in-depth, formalised analyses. The results of such analyses 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 Directors” (“**Recommendations**” or “**Guidance**”) — contains the guidance that the outgoing Board of Directors of Banca Generali make available to its Shareholders so as to support the process of formulating the best proposals for the quantitative and qualitative composition of the Bank's new Board of Directors. The outgoing directors hope that these proposals may be consistent with the profiles they have suggested, on the basis of their experience with the Bank's management and of the annual self-assessments carried out during their mandate. They note that these proposals must comply with sector legislation and the recommendations of the Supervisory Authorities, on which these Guidance is based.

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

- Article 147-*quinquies* 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**”);
- Regulation adopted by Consob under Resolution No. 11971 of 14 May 1999, as further amended (“**Issuers’ Regulation**”);
- Regulation adopted by Consob under Resolution No. 20249 of 28 December 2017, as further amended (“**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**”).

In addition, in its Guidelines on the Composition and Functioning of the Board of Directors in LSIs published on 29 November 2022 and 13 November 2023, the Bank of Italy identifies the main corporate governance profiles which emerged as part of transversal investigations focused on corporate governance aspects of less significant banks (which also include Banca Generali) with regard to the composition and functioning of their administrative bodies (“**LSI Guidelines**”).

1. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors plays a central role in the Bank's governance system.

As the strategic oversight body, the Board of Directors in fact leads the Bank pursuing its sustainable success, which consists in creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Bank, formulating consistent strategies for the Bank and Banca Generali Banking Group accordingly, and verifying and monitoring their implementation on an ongoing basis.

Pursuant to Article 18 of the Articles of Association, in implementing the principles of the supervisory provisions, the Board of Directors is vested with full powers of ordinary and extraordinary management of the Bank. It has the authority to resolve on all matters pertaining to the corporate purpose that do not fall under the exclusive purview of the Shareholders' Meeting.

2. POSSIBLE RECOMMENDATIONS BY THE BOARD OF DIRECTORS 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 Directors 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 Directors.

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

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

- believes that the current number of 9 members is appropriate and ought to be confirmed in view of the new appointment;
- considers it appropriate to preserve the current ratio of executive to non-executive directors, confirming a system of delegated powers structured around a single chief executive officer;
- considers the current ratio of non-independent to independent directors to be appropriate in view of both the size of the Board and the needs of the Board Committees, as well as of the proper management by the Board of any situations of conflicts of interest;
- appreciates the Board of Directors' qualitative profile, also with regard to "*Recommendations on the Optimal Qualitative and Quantitative Composition of the Board of Directors 2021*" and, in view of the new appointment, hopes that the current set of competencies and experiences of its members will be essentially maintained, save as suggested below in paragraph 3.2.3 with regard to new skills, in light of the development of the Bank's operations and considering the future challenges that the Bank will have to face;
- with regard to the Committees, deems it fit to confirm the current composition and structure, including in terms of duties and size.

3. QUALITATIVE AND QUANTITATIVE COMPOSITION OF THE BOARD OF DIRECTORS

3.1. QUANTITATIVE COMPOSITION OF THE BOARD OF DIRECTORS

The quantitative composition of the Board of Directors 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.

Pursuant to Article 15 of the Articles of Association, the Bank is managed by a Board of Directors made up of no less than seven and no more than twelve members, elected by the Shareholders' Meeting after determination of the number of members.

Members of the Board of Directors hold office for a maximum of three financial years. Their term ends on the date of the meeting called to approve the financial statements of the last financial year of said term and they are eligible for reappointment. If appointments are made during the Board's mandate, the term of the newly elected directors comes to an end together with the serving directors.

On 22 April 2021, the General Shareholders' Meeting established that throughout financial years 2021, 2022 and 2023, the Board of Directors was to be made up of 9 members.

In accordance with the recommendation made by the Supervisory Provisions for Banks on the advisability of avoiding overly large or excessive compositions of the strategic oversight body, **the current number of 9 members is confirmed as optimal and suitable to ensure the Board's functioning, as well as instrumental to guaranteeing effective dialectical discussion within the Board**; in fact, it is believed that this number of members may ensure both the combined presence within the Board of Directors of the various necessary professional backgrounds and the body's functionality.

The proper size of the administrative body is also determined as a function of the number and composition of the Board Committees. In this regard, the Board, taking account of the experience gained during its last term, recommends that:

- the Nomination, Governance and Sustainability Committee, the Remuneration Committee, the Control and Risk Committee and the Credit Committee be confirmed;
- all the above Committees be composed of all non-executive, independent members;
- the Control and Risk Committee be composed of four members, and the other Committees of three members;
- all the above Committees be distinguished by at least one member and, where a director is elected by minority shareholders, this director be part of at least one committee;
- each Committee include at least one member belonging to the less represented gender;
- the Chairperson of the Control and Risk Committee be not the same person as the Chairperson of the body with strategic oversight function or as the Chairperson of the other Committees.

For the above purposes, it is recommended that in the quantitative definition, as in the qualitative definition, when lists are presented, adequate consideration be taken of all the above criteria to ensure a balanced composition of the Board of Directors

3.2. QUALITATIVE COMPOSITION OF THE BOARD OF DIRECTORS

The members of the Board of Directors must be fit to perform their duties, 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 the law and the Articles of Association 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 Directors of the Bank must meet the integrity requirements laid down in Article 3 of the MEF Decree.

In addition to meeting the aforementioned integrity requirements, and without prejudice to satisfaction of the requirements indicated above, 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 Director unfit, 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 Directors, 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 and, *inter alia*, pursuant to Article 7 of the MEF Decree, candidates for management and direction functions must meet certain professionalism requirements according to whether they occupy executive or non-executive positions.

More specifically:

1. directors holding **executive positions** are chosen from among persons who have performed, including on an alternative basis, one or more of the following for **at least three years**:
 - a) management or control activity or executive duties in the credit, financial, securities or insurance sector;
 - b) management or control activity or executive duties at listed companies or companies of a greater or similar size and complexity (in terms of revenues, nature and complexity of the organisation or activity performed) to that of the bank in which the position is to be filled;
2. directors holding **non-executive positions** are chosen from among those who meet the requirements set out in the foregoing point or who have performed, including on an alternative basis, one or more of the following for **at least three years**:
 - 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 7, paragraph 3, the **Chairperson of the Board of Directors** must be a non-executive Director who has an overall experience of **at least two years more than that required by paragraphs 1 or 2** of that same Article and set out in points 1 and 2 above.

The candidate called to hold the position of **Chief Executive Officer and General Manager** is instead chosen from among those with specific experience in credit, financial, securities or insurance matters, deriving from management or control activity or executive duties for a period of **no less than five years in the credit, finance, securities or insurance sector**, or at listed companies or at companies of size or complexity greater than or similar to (in terms of revenues, nature and complexity of the organisation or activity performed) that of the bank at which the position is to be filled.

For the purposes of satisfaction of the above requirements, account must be taken of **experience gained in the 20 years prior to acceptance of the position**; experience gained contemporaneously in multiple functions will be 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 Bank's Director must meet the competence criteria laid down in Article 10 of the MEF Decree, aimed at proving that they are fit to take 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 director'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 Director and any delegated powers or specific assignments, including participation in committees;
 - the characteristics of the Bank and the 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 Directors, including in light of the criteria of diversity and the future challenges that the Bank will face, the outgoing Board of Directors, taking into account the outcome of the self-assessment process conducted in the last year of its term, highlights that it is advisable for candidates for the Bank's new Board of Directors represent a balanced composition of theoretical and/or technical experience and knowledge from a managerial and/or entrepreneurship standpoint, also considering the following areas (in addition to those listed above):

- experience and knowledge of the markets of reference on which Banca Generali Group operates, or at least experience with markets and investments with an international perspective;
- knowledge of innovation, fintech and/or alternative investment matters;
- knowledge of digital, ICT and/or cybersecurity matters;
- understanding of the global dynamics of the economic and financial system;
- expertise in and knowledge of strategy and/or business models relevant to the Bank;
- ESG expertise and knowledge;
- experience with human capital/human resources and remuneration policies;
- knowledge in the lending area.

At the same time, the outgoing Board also recommends to appropriately take into consideration the possession of adequate knowledge, skills and experience to understand the money-laundering risks associated with the Bank's activity and business model, in light of the recent developments to the anti-money laundering regulations (cf. "Bank of Italy's Provisions on the organisation, procedures and internal controls aimed at preventing money laundering" of 26 March 2019, amended through Order of 1 August 2023).

Furthermore, for the position of **Chairperson of the Board of Directors**, the assessment will also extend to the experience gained in coordination, guidance or management of human resources, so as to ensure effective performance of his or her functions of coordination and guidance of the Board's work, promotion of its adequate functioning, including in terms of the circulation of information, efficacy of dialogue and stimulation of internal discussion and the body's adequate overall composition.

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 lack of fitness to hold the position. By contrast, in the event of specific, limited deficiencies, the competent body may take the measures necessary to remedy them.

In addition, pursuant to the Corporate Governance Code, specific competencies are required from the **members of the Board Committees**, each for the matters under his or her purview. Particular attention will be devoted to members serving as Chairperson of the above-mentioned committees since they must also have specific experience and specific knowledge and skills in the issues falling under the purview of the Committee to which each belongs. In fact, in order to ensure the effectiveness of the activities of the Board Committees to be appointed, it would be advisable for the Board of Directors to comprise:

- at least one independent Director with appropriate knowledge of and experience in human resources and remuneration policies;
- at least one independent Director with appropriate knowledge of and experience in corporate governance, ESG or nomination processes;
- at least one independent Director with appropriate knowledge of and experience in lending activities; and
- at least one independent Director with appropriate knowledge of and experience in accounting and finance, or risk management.

Accordingly, in remarking the aspect of its overall fitness in light of the provisions of Article 11 of the MEF Decree and thus the importance that its members, executive and non-executive, are collectively able to take informed decisions, the Board of Directors invites the Shareholders to present lists containing candidates with skills such as to permit an optimal combination of profiles with the characteristics described above so as to ensure the development of internal dialogue, efficient functioning and the overall fitness of the Board as of a whole and of its Board Committees.

The outgoing Board of Directors agrees on the benefits of a proper turnover of directors over time, aimed, on the one hand, to maintain a suitable number of directors who are already serving to ensure continuity of Board of Directors and Board Committees operations and, on the other hand, to foster the inclusion of new expertise and professional skills able to guarantee an adequate level of understanding of the Bank and of the evolution of the business in which it operates. In light of the Bank's distinctive features, this principle is also ensured by the fact that the Board of Directors shall be made up by a majority of independent directors, who shall comply with a maximum number of reappointments to ensure the independence requirement. In any event, the outgoing Board of Directors recommends that the evolution of market best practices be monitored so as to constantly identify the most effective methods to ensure a proper turnover of directors.

3.2.4. PERSONAL SKILLS

In addition to the professionalism requirements set out above, the outgoing Board of Directors recommends that the personal characteristics and soft skills also be appropriately considered when selecting candidates.

In this regard, in addition to the personal characteristics as indicated by the EBA/ESMA Guidelines (the English version of which, available on the ESMA website, is reproduced in an annex hereto for appropriate information), following specific analysis conducted during its self-assessment and with a view to defining the ideal profile of Banca Generali's future Director, the outgoing Board of Directors deemed it appropriate to consider the following characteristics as relevant and fundamental:

- independence of mind and integrity;
- ability to teamwork;
- ability to interact with management;
- ability to manage conflicts constructively;
- adequate time and energy available in view of the person's other commitments;
- alignment with regard to the person's strategic role;

- ability to integrate sustainability matters into the vision of the business.

3.2.5. KEY FUNCTION HOLDERS

When performing its self-assessment, the Bank's outgoing Board of Directors, aware of the high relevance of certain roles within the administrative body, specifically evaluated the optimal profiles of the candidates to serve as Chairperson of the Board of Directors and Chief Executive Officer.

In addition to the foregoing, it thus deems appropriate to formulate for the Shareholders some specific recommendations with regard to these positions.

a) Chairperson of the Board of Directors:

- authoritativeness, leadership and independence in the interests of all Shareholders, to ensure the proper functioning of the Board;
- specific knowledge of corporate governance;
- previous experience in leading the Boards of Directors of listed companies or administrative and control bodies in companies (including foreign companies) of complexity comparable to Banca Generali;
- knowledge of the sector in which Banca Generali Banking Group operates and its markets of reference.

b) Chief Executive Officer:

- specific expertise relating to the business segments relevant to Banca Generali Banking Group;
- experience as Chief Executive Officer or, in any event, in a top position at a company (including a foreign company) of comparable complexity to Banca Generali;
- a high level of credibility and authoritativeness in the Bank's markets of reference;
- strategic vision and result-oriented approach;
- leadership in people management combined with the ability to set up and lead high-level teams.

The Board of Directors also emphasises the importance of a complementary relationship between the position of the Chairperson and that of the Chief Executive Officer to ensure the effective functioning of the Board, and, more generally, the governance of the Company.

3.2.6. 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 required, in order to ensure an adequate balance of aspects relating to diversity and inclusion, Banca Generali:

- ensures proper turnover of Board members;
- recommends that the Shareholders take into consideration candidates belonging to different age ranges;
- recommends that Shareholders consider the candidature of a suitable number of Directors who are already serving to ensure continuity in the operations of the Board of Directors and Board Committees;
- establishes that — where a different rate is not provided for by law — at least a third of Directors belong to the less represented gender;
- guarantees that the less represented gender has access to the Board of Directors, 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 Directors has decided not to set limits, believing that the age of the members of the Board of Directors constitutes an important element of diversity that, combined with the others, enriches and enhances the Board of Directors, contributing to forming a balance of experiences that otherwise would not be guaranteed.

As for gender diversity, reference is made to Article 147-ter, paragraph 1-ter, of TUF, which requires compliance with a gender composition criterion for the Board of Directors, according to which the less represented gender must be reserved at least two-fifths of the seats on the Board, rounded up, where necessary, pursuant to Article 144-undecies.1, paragraph 3, of the Issuers' Regulation. This gender quota requirement is higher than provided for by both the Corporate Governance Code for Listed Companies and the Supervisory Provisions.

3.2.7. INDEPENDENCE REQUIREMENTS

As already mentioned, since Banca Generali is subject to management and coordination by another Italian company with shares listed in regulated markets, the Board of Directors must consist of a majority of Independent Directors, pursuant to the provisions of Article 16, paragraph 1(d), of the Market Regulation.

Consequently, in light of the choice indicated for the Board to be optimally comprised of nine Directors, five of the latter must possess the independence requirements, as referred to herein, and will be tasked with overseeing corporate management with independence of mind, thus contributing to ensuring that business operations are conducted in the interest of the Company and in accordance with the principles of sound and prudent business management.

With regard to the criteria for assessing the independence of Directors, in accordance with past practice in respect of previous Board appointments, the Board will assess the independence of its members placing greater emphasis on substance than on form, and, in any event, deeming to be independent all those Directors who meet the requirements of independence set forth in:

- Article 147-ter, paragraph 4, and Article 148, paragraph 3, of TUF;
- Article 13 of the MEF Decree;
- Article 2, Recommendation 7, of the Corporate Governance Code.

3.2.7.1. INDEPENDENCE OF MIND

All candidates for the position of Director 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.

3.2.8. TIME COMMITMENT AND NUMBER OF POSITIONS

3.2.8.1. TIME COMMITMENT

Members of the Board of Directors 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:

- 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.

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, along with the time needed to travel from home to the location of each meeting. In addition, the time needed to participate in induction meetings, recurring training and any additional offsite meetings over the three-year period must also be considered.

The Board also wishes to call attention to the expected participation threshold for meetings of the Board of Directors and Board Committees, which must not be lower than 80% at an annual level (in 2021, participation was 94%, in 2022 it was 95%, whereas in 2023 it was 97.5%), with attendance at such meetings preferably in person, except for extraordinary situations.

Accordingly, the Board of Directors 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, which also contemplate those listed by the European Central Bank:

- number of meetings, including induction meetings;
- average duration of meetings;
- time needed for proper preparation for participation in meetings;
- time needed for Directors to participate as guests in Committees on which they do not sit;
- time needed for any travel and preparation in view of corporate events;
- the nature of the Director's specific position and responsibilities.

Time commitment for the Board of Directors	
Office held	Estimated time days per year
Chairperson of the Board of Directors	40 days
Chief Executive Officer	<i>Full time</i>
Non-executive Director	23 days In case of participation: <ol style="list-style-type: none"> 1) to the Control and Risk Committee, the commitment required of 23 days mentioned above is reduced by 4 days; 2) to the Nomination, Governance and Sustainability Committee, the commitment required of 23 days mentioned above is reduced by 1 day; 3) to the Remuneration Committee, the commitment required of 23 days mentioned above is reduced by 1 day; 4) to the Credit Committee, the commitment required of 23 days mentioned above is reduced by 2 days. The reductions mentioned above shall be summed up if the Non-executive Director holds positions in more than one Committee.
Time commitment for the Committees (*)	
(*) in addition to the time commitment required for the role of Non-executive Director, it being understood that the different quantifications here below are to be summed up if the Director holds position in more than one Committee	
Office held	Estimated time days per year
Chairperson of the Control and Risk Committee	19 days
Member of the Control and Risk Committee	12 days

Chairperson of the Nomination, Governance and Sustainability Committee	11 days
Member of the Nomination, Governance and Sustainability Committee	7 days
Chairperson of the Remuneration Committee	9 days
Member of the Remuneration Committee	5 days
Chairperson of the Credit Committee	13 days
Member of the Credit Committee	7 days

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

In consideration of the foregoing, the Board of Directors recommends that the candidates accept the position when they believe that they can dedicate the necessary time and energy to it, 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 the time available to them.

3.2.8.2. NUMBER OF POSITIONS

In line with the provisions of Article 17 of the MEF Decree, candidates for the office of Directors 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 positions;** 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 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 Article 4(1), point 36, of 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 Director 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 Director's ability to commit adequate time to the position within Banca Generali to fulfil the requisite functions effectively.

The Board of Directors 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 Directors.

3.2.9. 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 Director shall also comply with the interlocking ban established by Article 36 of the Save Italy Decree.

The Board of Directors 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

In addition, in accordance with (i) the provisions of Article 12 of the MEF Decree and (ii) the recommendations of the Supervisory Provisions for Banks, as well as (iii) in light of the EBA/ESMA Guidelines, the outgoing Board promotes the participation of the directors in specific training initiatives aimed at:

- providing all directors with an in-depth understanding of the sectors in which the Bank and its Group operate, and ensuring the continuity and protection of the experience gained, over the years, by the Board of Directors;
- providing personalised in-depth insights based on the specific interests of each Director or responsibilities that the latter may take up within Board Committees.

The outgoing Board of Directors thus recommends that future Directors, and in particular those who have been newly appointed, benefit from an adequate induction process, in continuity with what the Bank has already done with all Directors.

5. PROCEDURES FOR THE APPOINTMENT OF THE BOARD OF DIRECTORS

The procedures for the appointment of the Board of Directors are regulated under Article 15 of the Articles of Association, which provide for:

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

In order to ensure that qualified minorities are adequately represented, a list of candidates for the appointment of the members of the Board of Directors by the General Shareholders' Meeting may be submitted by any and all Shareholders who, on their own or in conjunction with others, hold the percentage of share capital envisaged for the Bank by current applicable regulations (currently, for Banca Generali, 1% of share capital).

Moreover, as mentioned above, the lists must contain a number of candidates: (i) capable of ensuring gender balance; (ii) no higher than the number of members to be elected; (iii) listed by progressive

number; and (iv) with a specific indication of the candidates who meet the statutory requirements of independence. Each candidate may appear on only one list, upon penalty of ineligibility.

Should only one list be submitted, all the members of the Board of Directors shall be appointed from said list.

Should, on the other hand, two or more lists be submitted, the first candidates on the list obtaining the greatest number of votes, equal to eight ninths of the number of members of the Board of Directors determined by the Shareholders' Meeting — with rounding down in the case of split number — will be elected Board members.

In the case where the number of Board members belonging to the gender less represented, and appearing on the list that obtained the highest number of votes, is lower than the number required under applicable statutory provisions, the elected candidate with the highest serial number, and belonging to the more represented gender, shall be excluded. The eliminated candidate shall be replaced by the following candidate belonging the gender less represented and appearing on the same list as the excluded candidate. In the case where it is not possible to draw from the list obtaining the highest number of votes the required number of Directors belonging to the gender less represented, the Board seats in question will be filled by appointments made by the General Shareholders' Meeting, by majority vote. The remaining Directors shall be drawn from the other lists not linked in any way, not even indirectly, with the shareholders who submitted or voted for the list that gained the highest number of votes.

To ensure that the Board of Directors comprises the required number of Independent Directors, Article 15 of the Articles of Association provides for a replacement mechanism that is triggered in the event the number of elected Board members who satisfy independence requirements is not sufficient to ensure compliance with the regulatory provisions applicable to the Bank.

Milan, 22 February 2024

THE BOARD OF DIRECTORS

ANNEX — PERSONAL SKILLS ENVISAGED BY THE EBA/ESMA GUIDELINES

- a) **Authenticity:** is consistent in word and deed and behaves in accordance with own stated values and beliefs. Openly communicates his or her intentions, ideas and feelings, encourages an environment of openness and honesty, and correctly informs the supervisor about the actual situation, at the same time acknowledging risks and problems.
- b) **Language:** is able to communicate orally in a structured and conventional way and write in the national language or the working language of the institution's location.
- c) **Decisiveness:** takes timely and well-informed decisions by acting promptly or by committing to a particular course of action, for example by expressing his or her views and not procrastinating.
- d) **Communication:** is capable of conveying a message in an understandable and acceptable manner, and in an appropriate form. Focuses on providing and obtaining clarity and transparency and encourages active feedback.
- e) **Judgement:** is capable of weighing up data and different courses of action and coming to a logical conclusion. Examines, recognises and understands the essential elements and issues. Has the breadth of vision to look beyond his or her own area of responsibility, especially when dealing with problems that may jeopardise the continuity of the undertaking.
- f) **Customer and quality-oriented:** focuses on providing quality and, wherever possible, finding ways of improving this. Specifically, this means withholding consent from the development and marketing of products and services and to capital expenditure, e.g., on products, office buildings or holdings, in circumstances where he or she is unable to gauge the risks properly owing to a lack of understanding of the architecture, principles or basic assumptions. Identifies and studies the wishes and needs of customers, ensures that customers run no unnecessary risks and arranges for the provision of correct, complete and balanced information to customers.
- g) **Leadership:** provides direction and guidance to a group, develops and maintains teamwork, motivates and encourages the available human resources and ensures that members of staff have the professional competence to achieve a particular goal. Is receptive to criticism and provides scope for critical debate.
- h) **Loyalty:** identifies with the undertaking and has a sense of involvement. Shows that he or she can devote sufficient time to the job and can discharge his or her duties properly, defends the interests of the undertaking and operates objectively and critically. Recognises and anticipates potential conflicts of personal and business interest.
- i) **External awareness:** monitors developments, power bases and attitudes within the undertaking. Is well-informed on relevant financial, economic, social and other developments at national and international level that may affect the undertaking and also on the interests of stakeholders and is able to put this information to effective use.
- j) **Negotiating:** identifies and reveals common interests in a manner designed to build consensus, while pursuing the negotiation objectives.
- k) **Persuasive:** is capable of influencing the views of others by exercising persuasive powers and using natural authority and tact. Is a strong personality and capable of standing firm.
- l) **Teamwork:** is aware of the group interest and makes a contribution to the common result; able to function as part of a team.
- m) **Strategic acumen:** is capable of developing a realistic vision of future developments and translating this into long-term objectives, for example by applying scenario analysis. In doing so, takes proper account of risks that the undertaking is exposed to and takes appropriate measures to control them.
- n) **Stress resistance:** is resilient and able to perform consistently even when under great pressure and in times of uncertainty.

- o) **Sense of responsibility:** understands internal and external interests, evaluates them carefully and renders account for them. Has the capacity to learn and realises that his or her actions affect the interests of stakeholders.
- p) **Chairing meetings:** is capable of chairing meetings efficiently and effectively and creating an open atmosphere that encourages everyone to participate on an equal footing; is aware of other people's duties and responsibilities.