

ENGLISH COURTESY TRANSLATION



**Information Document
Concerning a Transaction of Greater Importance
with Related Parties**

prepared pursuant to Article 5 and in compliance with the scheme set out in Annex 4 to the Regulations containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of 12 March 2010, as further amended and supplemented)

Distribution of new products and increase in the ceiling for certain initiatives under the Distribution Agreement with insurance companies of the Generali Group

Information Document made available to the public at Banca Generali S.p.A.'s registered offices (Via Machiavelli 4, 34132 – Trieste) and through the authorised storage mechanism (www.emarketstorage.it), as well as on the Banca Generali S.p.A. website (www.bancagenerali.com)

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DEFINITIONS

Below is a list of the main terms used in the Information Document and their definitions. These terms and definitions, unless otherwise specified, have the meanings set out below.

Distribution Agreement or Bancassurance Agreement	The agreement dated 20 March 2018, entered into between Banca Generali and Generali Italia, and joined also by Genertellife on the same date, concerning the distribution by the Company, through its financial advisor network, of life insurance products, pension products and non life insurance products issued by Generali Italia or other companies of the Generali Group, as well as pension funds units of Generali Italia and its subsidiaries.
Assicurazioni Generali	Assicurazioni Generali S.p.A., with registered offices in Trieste, Piazza Duca degli Abruzzi 2, Tax code and registration number in the Trieste Register of Companies 00079760328, Group VAT code No. 01333550323, registered with the Register of Italian Insurance and Reinsurance Companies, Section 1, under No. 1.00003, parent company of the Generali Group registered with the Register of Insurance Groups under No. 026.
Banca Generali or Company or Issuer	Banca Generali S.p.A., with registered offices in Trieste, Via Machiavelli 4, Tax code and registration number in the Trieste Register of Companies 00833240328, Group VAT code No. 01333550323, registered with the Rolls of Banks under No. 5358, parent company of the Banca Generali Banking Group registered with the Banking Group Register under No. 3075, member of the Interbank Deposit Protection Fund and of the National Guarantee Fund, company incorporated under Italian laws with shares listed in Italy on Euronext Milan (organised and managed by Borsa Italiana S.p.A.), and subject to the management and coordination of Assicurazioni Generali.
Internal Audit and Risk Committee or Committee or IARC	The Internal Audit and Risk Committee of Banca Generali, made up of four non-executive Directors satisfying the independence requirements pursuant to the combined provisions of Article 147-ter, paragraph 4, and Article 148, paragraph 3, of TUF, the implementing regulations of Article 26 of TUB and the Corporate Governance Code for Listed Companies. This Committee is tasked, <i>inter alia</i> , with functions regarding related party and connected party transactions in accordance with the RPT Procedure.

Information Document	This Information Document, prepared pursuant to Article 5 and in compliance with the scheme provided for in Annex 4 to the RPT Regulation.
Information Document concerning the Original Transaction	With regard to the entering into, <i>inter alia</i> , of the Bancassurance Agreement, it is the information document concerning transactions of greater importance with related parties made available to the public on 27 March 2018 at the Banca Generali's registered offices, on its website (www.bancagenerali.com) and at the registered offices of Borsa Italiana S.p.A.
Generali Italia	Generali Italia S.p.A., with registered offices in Mogliano Veneto (Treviso), Via Marocchesa 14, Tax code and registration number with the Treviso Register of Companies 0040992584, VAT code No. 00885351007.
Genertellife	Genertellife S.p.A., with registered offices in Mogliano Veneto (Treviso), Via Ferretto 1, Tax code and registration number with the Treviso Register of Companies 00979820321, VAT code No. 06515871009.
Transaction	It shall have the meaning specified in the Foreword.
Original Transaction	It shall have the meaning specified in paragraph 2.1.
RPT Procedure	The Procedure for Related Party and Connected Party Transactions adopted by Banca Generali, as lastly amended on 22 June 2021.
Review of Existing Products	It shall have the meaning specified in the Foreword.
RPT Regulation	The Regulation adopted by Consob with Resolution No. 17221 of 12 March 2010, as subsequently amended and supplemented.
Consolidated Law on Finance or TUF	Italian Legislative Decree No. 58 of 24 February 1998 (Consolidated Law on Financial Intermediation – TUF), as subsequently amended and supplemented.
TUB	Italian Legislative Decree No. 385 of 1 September 1993 (Consolidated Law on Banking).

FOREWORD

This Information Document has been prepared by Banca Generali pursuant to Article 5 and in accordance with the scheme set out in Annex 4 of the RPT Regulation, as well as the RPT Procedure, to provide its shareholders and the market with exhaustive information on the approval by Banca Generali of the transaction concerning (i) the distribution of new insurance products as part of the existing Distribution Agreement among Banca Generali, Generali Italia and Genertellife, and, again as part of the above-mentioned Distribution Agreement, (ii) the increase in the ceiling for retention initiatives concerning existing traditional life insurance products (collectively referred to as the “**Transaction**”). For a more detailed description of the characteristics, procedures, terms and conditions of the Transaction, please refer to paragraph 2.1 below.

As explained in greater detail hereunder, the Transaction is a related party transaction by virtue of the control exercised by Assicurazioni Generali over the entities involved in the Transaction, namely:

- Banca Generali (also through Generali Italia and Genertellife);
- Generali Italia; and
- Genertellife.

In detail, the Transaction is a transaction of “greater importance” with related parties pursuant to the RPT Regulation and the RTP Procedure, as the equivalent-value relevance ratio — as defined in Article 1.1(a) of Annex 3 “*Identification of transactions of greater importance with related parties*” to the RPT Regulation, and calculated on the basis of the estimates set out in paragraph 2.2 below — shows that the 2.5% threshold has been exceeded (for further information see paragraph 2.2 “*Related parties involved in the transaction, the nature of the relationship, and extent of the interests of such parties in the transaction*”).

In light of the foregoing, on 19 April 2023, the Board of Directors of the Company approved the Transaction, upon the prior binding favourable opinion of the Internal Audit and Risk Committee on the Company’s overall interest in the completion of the Transaction and the convenience and substantial correctness of the underlying terms. The aforementioned favourable opinion of the Internal Audit and Risk Committee, issued on 17 April 2023, is appended hereto as **Annex “A”**.

This Information Document was drawn up following the above-mentioned approval of the Transaction by the Board of Directors and was made available to the public, within the terms provided for in Article 5, paragraph 3, of the RPT Regulation, at Banca Generali’s registered offices in Trieste, Via Machiavelli 4, through the authorised storage mechanism (www.emarketstorage.it), and on the Banca Generali website (www.bancagenerali.com).

Although the Transaction qualifies, *per se*, as a transaction of greater importance, it should be noted that during this financial year, prior to the approval of the Transaction, the Company approved another transaction pertaining to the Distribution Agreement, qualified as a transaction of lesser importance. The aforesaid transaction concerned the revision of the financial terms of some products already placed under the Distribution Agreement, limited to specific maximum ceilings — defined jointly by Genertellife and the Bank — including the ceiling devoted to retention initiatives in favour of clients who had subscribed traditional life insurance products (the “**Review of Existing Products**”). In particular, the Bank’s Board of Directors approved the Review of Existing Products on 27 March 2023, upon the prior non-binding favourable opinion of the Internal Audit and Risk Committee issued on 23 March 2023 and appended hereto as **Annex “B”**, setting a fee threshold of 18 million euros as ceiling on the relevant distribution

activity, then removed as part of the Transaction. Given that the Review of Existing Products falls within a single framework together with the Transaction, responding to similar commercial and distribution needs, it will be referred to in this Information Document to the extent necessary for a better understanding of the Transaction.

1. WARNINGS

1.1. Risks related to potential conflicts of interest arising from the Transaction

Pursuant to the RPT Procedure, the Transaction under this Information Document is a related party transaction by virtue of the control relationships in place among the companies involved therein.

In detail, Banca Generali is controlled by Assicurazioni Generali, which holds, directly and indirectly — including, *inter alia*, through its subsidiaries Generali Italia and Genertellife — a total equity interest of 50.1714% in the share capital of the Issuer, over which it exercises management and coordination activity¹. The two counterparties of the Company in the Transaction, namely Generali Italia and Genertellife, directly hold an interest in the Company of approximately 33.0109% and 4.8173%, respectively, of its share capital.

Therefore, the Transaction entails a potential risk of conflicts of interest mainly as to its convenience for the Issuer and the adequacy and substantial correctness of the underlying terms; however, also considering that the Transaction is an update of broader agreements in place for several years (already compliant with the rules that govern related party transactions and disclosed to the market in the Original Transaction Information Document), in Banca Generali's opinion there are no particular risks related to potential conflicts of interest other than those typically inherent in related party transactions, nor risks other than those generally underlying transactions of a similar nature.

To the extent necessary, it should be noted that the above comments also apply to the Review of Existing Products.

In addition, it is noted that Bank's Directors Cangeri, Rustignoli and Terzi, in light of the positions held within Generali Italia (Chairman of the Board of Directors, General Counsel and member of the Board of Directors, respectively) declared, also pursuant to Article 2391 of the Italian Civil Code and Article 8.4.1 of the RPT Procedure, to hold an interest in the Transaction and therefore abstained from voting.

In its meetings held on 23 March 2023 and 19 April 2023, the Board of Directors of the Issuer resolved unanimously, with Directors Cangeri, Rustignoli and Terzi abstaining, to approve the Review of Existing Products and the Transaction, respectively, granting the Chief Executive Officer and General Manager, Gian Maria Mossa, all of the necessary and appropriate powers, including the power to sub-delegate, to act in the name and on behalf of the Bank in order to implement the resolutions passed.

¹ Source: <https://www.bancagenerali.com/en/governance/ownership-structure>

2. DETAILS ON THE TRANSACTION

2.1. Characteristics, formalities, terms and conditions of the Transaction

Foreword

On 20 March 2018, Banca Generali entered into agreements with Assicurazioni Generali and its subsidiaries, including Generali Italia, with the aim of defining and governing the main financial relations with Assicurazioni Generali, in order to stabilise their terms over a medium/long-term period, adapting their contents to the business expansion and the significant changes occurred within the Assicurazioni Generali Group, in the macroeconomic environment and in the relevant sector (collectively, the "**Original Transaction**"). The agreements included, *inter alia*, the Distribution Agreement between Banca Generali and Generali Italia, joined also by Genertellife on the same date.

The Original Transaction, which qualified as a transaction of greater importance, was disclosed to the market through the Information Document concerning the Original Transaction.

The Transaction

Within the alignment committees established pursuant to the Distribution Agreement, the parties discussed the methods and timing for implementing certain commercial initiatives targeted to customers and distributors and aimed at retaining customers and encouraging new subscriptions, while achieving greater protection of policyholder clients and a competitive advantage for new clients.

Initially, in March 2023, given the changed market conditions resulting from the sudden interest rate rise, the parties focused on the terms applicable to some products already distributed under the Distribution Agreement and of some additional products existing prior to the Distribution Agreement that were no longer distributed but were still present in the clients' portfolios. In this respect, some changes were made (applicable up to certain ceilings) to the cost structure of the products — which was reduced to be more attractive and competitive — and, consistently, also to the rebates to the Bank for its distribution and post-sales services. These activities led to the Review of Existing Products. In particular, a reduction in the fees paid by clients on traditional life insurance products and hybrid products was proposed to the Banca Generali Group as well as to other third-party distributors used by the Generali Group. At the same time, in order to stimulate distribution activities, a proposal was made for a partial revision of rebates to the Bank for distribution and post-sales services.

Subsequently, the revision focused on new products and on the increase of one of the ceilings already approved in March 2023 linked to the possibility of applying fee discounts to clients up to a certain amount.

More specifically, as part of the initiatives described above, pursuant to Article 5.4.1 of the Distribution Agreement, which governs the creation of new products, Banca Generali and the insurance companies agreed upon the development of:

- (i) two new "Stile Libero" Hybrid Products, in the base and private versions; and
- (ii) a new traditional life insurance product.

Overall, the new policies provide for a reduction of the fees paid by clients compared to existing policies, while the rebates to the Bank are regulated as follows:

- (i) with regard to the two new “Stile Libero” Hybrid Products:
 - traditional life insurance component (segregated portfolio): rebates in line with the rebate percentages already assessed as part of the Distribution Agreement;
 - Unit Linked component (External funds/ETFs): rebates partially revised compared to those already assessed as part of the Distribution Agreement since, although the percentage of rebates to Banca Generali is higher — thereby keeping an almost neutral financial effect — the fees paid by clients decrease for the first 2 years, whereas they are in line with the terms of the Distribution Agreement starting from the third year and with regard to the private version and the discounted versions of the two policies;
- (ii) with regard to the new traditional life insurance product: the percentage of rebates is in line with the rebate percentages already assessed as part of the Distribution Agreement.

In addition, again taking into account the market context and with the main objective of limiting any redemptions, the parties also considered to increase from 250 million euros to a total of 750 million euros the ceiling (meaning the overall amount invested by clients in traditional life insurance products) for retention initiatives concerning existing traditional life insurance products, therefore increasing the total value of the Review of Existing Products approved by the Board of Directors on 27 March 2023.

2.2. Related parties involved in the Transaction, nature of the relationship, and extent of the interests of such parties in the Transaction

Pursuant to the RPT Regulation and the RPT Procedure, an entity is related to the Company if “*the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others)*”.

Accordingly, the Transaction under this Information Document (and previously the Review of Existing Products) is a related party transaction since, as specified in paragraph 1.1 above, Assicurazioni Generali holds, directly and indirectly (including through its subsidiary Generali Italia), a total equity interest of 50.1714% in the share capital of Banca Generali, and therefore qualifies as majority shareholder of the Company. In turn, Generali Italia directly holds an equity interest in the Issuer's share capital equal to approximately 33.0109%. In addition, Assicurazioni Generali controls Genertellife, which is also included in the Bancassurance Agreement and, in turn, directly holds 4.8173% of Banca Generali's share capital.

In addition, it is noted that Bank's Directors Cangeri, Rustignoli and Terzi, in light of the positions held within Generali Italia (Chairman of the Board of Directors, General Counsel and member of the Board of Directors, respectively) declared, also pursuant to Article 2391 of the Italian Civil Code and Article 8.4.1 of the RPT Procedure, that they held an interest in the Transaction and they therefore abstained from voting.

In its meetings held on 23 March 2023 and 19 April 2023, the Board of Directors of the Issuer resolved unanimously, with Directors Cangeri, Rustignoli and Terzi abstaining, to approve the Review of Existing Products and the Transaction, respectively, granting the Chief Executive Officer and General Manager, Gian Maria Mossa, all of the necessary and appropriate powers, including the power to sub-delegate, to act in the name and on behalf of the Bank in order to implement the resolutions passed.

The Transaction is a transaction of “greater importance” with related parties pursuant to the RPT Regulation and the RPT Procedure, as the equivalent-value relevance ratio, as defined in Article 1 of the RPT Procedure, shows that the 2.5% threshold has been exceeded with regard to the Transaction. In fact, the overall value of the Transaction — calculated on the basis of the estimated maximum rebates to the Bank for the remaining term of the Distribution Agreement (i.e., until 2028) in relation to both the distribution of new products and as a result of the increase in the ceiling of retention initiatives towards clients who have subscribed traditional life insurance products — exceeds the 2.5% threshold of consolidated own funds² that was equal to 19,053,975.00 at 31 December 2022³.

The Review of Existing Products, on the other hand, was qualified as a transaction of lesser importance, as its original maximum fee amount was below the above-mentioned threshold.

2.3. Economic rationale and company suitability of the Transaction

The Transaction is part of initiatives instrumental to implementing the Distribution Agreement and to adapting such Agreement to the changes in the market environment — in particular the rise in interest rates — and commercial conditions.

In particular, the actions undertaken aim at retaining clients and stimulating new subscriptions, while also ensuring greater protection of policyholders, greater alignment with the new market context and a competitive advantage for new clients.

On the one hand, these initiatives envisage the reduction of the fees paid by clients on traditional life insurance products and Hybrid products and, on the other, a partial revision of rebates to the Bank for distribution and post-sales services, with a view to developing these activities.

With regard to existing products, again taking into account the market context and in order to limit any redemptions by clients, the initiatives provide for an increase up to a total of 750 million euros of the ceiling of retention initiatives for clients who subscribed traditional life insurance products.

In this respect, the Transaction completes the updating launched with the Review of Existing Products, through which the terms of some existing policies were revised, reducing the costs for clients and keeping — or even improving — the remuneration terms for the Bank, again with the aim of retaining customers by offering more attractive terms that are also in line with the market context.

Both the Transaction and the previous Review of Existing Products were not influenced by the activity of management and coordination exercised over the Bank by Assicurazioni Generali. The Committee nonetheless considered that the overall result of the Transaction and of the Review of Existing Products, taking into account the market context, is positive compared to the alternative scenario of maintaining exactly the same conditions as those currently in place.

² The threshold applicable to transactions with Assicurazioni Generali or with its related parties that are in turn related to the Company.

³ At 31 December 2022, consolidated own funds amounted to 762,159,000 euros.

2.4. Methods of determining the consideration for the Transaction and assessments regarding its adequacy in relation to market values of similar transactions

The pricing of the new policies — i.e., the clients' cost — was agreed between the parties by reducing it compared to that applied under the *status quo*. As mentioned above, the reason for the deviation was the market environment and the need to keep the attractiveness of the range of insurance products and to attract new clients. A similar need — this time in terms of retention of existing clients — justified the ceiling set for initiatives in favour of clients who subscribed traditional life insurance products.

With regard to the Bank's remuneration, the rebates provided for in the Distribution Agreement were confirmed for the new products, with the sole exception of the new Unit Linked policies indicated in paragraph 2.1, where the relevant percentage was increased due to the temporary decrease of the fees payable by clients. In the case of the Review of Existing Products, the remuneration terms for the Bank remained unchanged, except in a few cases, where they were revised more favourably.

The Committee examined the financial terms of the Transaction (and of the prior Review of Existing Products), as far as possible also based on comparisons with some of the transactions/policies deemed comparable with those distributed by the Company, taking into account the absence of reliable information on similar agreements of other operators and the heterogeneity of products and agreements available on the market.

It should also be noted that the same commercial strategy underlying the Transaction also involves other third-party distributors used by the Generali Group to market its insurance products: a circumstance that was considered by the Committee in its assessment of the fairness of the Transaction and of the absence of detrimental effects or unjustified advantages for the related parties.

2.5. Illustration of the economic and financial effects of the Transaction

The Transaction — like the Review of Existing Products effected in March 2023 — is part of the periodic review and updating of the Bancassurance Agreement and aims to ensure that the product offering remains competitive, both through the extension of the range of insurance products offered to clients and through modifications of the terms of existing products.

Therefore, it is expected that both the Transaction and the Review of Existing Products will enable the Company to increase its distribution activities under the Bancassurance Agreement, and therefore the net inflows arising therefrom, although the benefits that can be achieved in practice cannot be quantified precisely as they also depend on exogenous variables — first and foremost, the clients' response to the initiatives put in place.

2.6. Changes in the amount of compensation for members of the Board of Directors of the Company and/or of its subsidiaries as a result of the Transaction

No changes in the compensation of the members of the Board of Directors of Banca Generali and its subsidiaries are expected as a result of the Transaction (nor, to the extent applicable, as a result of the Review of Existing Products).

2.7. Members of the Managing and Control Bodies, Top Executives and Directors of the Company, if any, involved in the Transaction as related parties

In the Transaction (and, where necessary, in the Review of Existing Products), no members of the Managing and Control Bodies, top executives and directors of the companies involved in the Transaction qualify as a related party.

2.8. Assessment and approval procedures for the Transaction

Pursuant to Article 8 of the RPT Regulation and Article 8 of the RPT Procedure, transactions of greater importance with related parties and connected parties are approved by the Board of Directors of Banca Generali, following the prior, reasoned, binding opinion of the Internal Audit and Risk Committee on the Company's interest in undertaking the Transaction and the convenience and substantial correctness of the underlying terms. The aforementioned provisions require that the Committee, also through one or more of its members, be involved in the negotiation and initial inquiry by receiving a complete, up-to-date flow of information regarding the Transaction, with the ability to request information and submit remarks.

Committee's activities

The Committee carried out the tasks assigned to it by the applicable provisions in its reduced composition of three unrelated independent members not involved in the Transaction (i.e., Directors Caprio, De Falco and Romagnoli), as provided for in Article 5.1.1(i) of the Bank's RPT Procedure. Director Terzi did not take part in the Committee's work due to his position in Generali Italia, as explained in paragraphs 1.1 and 2.2 above.

As soon as during its meeting of 23 March 2023, the Committee was informed of the commencement of negotiations among the parties involved in the Transaction and was subsequently updated with prompt and complete information flows from the competent functions.

In detail, the Committee was involved to carry out the activities under its purview and express its binding opinion on the approval of the Transaction by the Board of Directors of Banca Generali. The Committee exercised the right to request information and submit remarks, also with a view to collecting all the necessary information to formulate its opinion.

The Committee did not deem it necessary to call on support of independent experts.

The Committee received a complete, adequate flow of information regarding the various aspects of the Transaction and met on 17 April 2023 to issue its opinion.

At that meeting, the Committee issued, with the unanimous consent of the members participating in the meeting, its binding favourable opinion on: (i) Banca Generali's interest in completing the Transaction, (ii) the convenience of the underlying terms, and (iii) the substantial correctness of the underlying terms and of the procedures adopted. In compliance with Article 5 of the RPT Regulation, a copy of the Committee's opinion is appended hereto as **Annex "A"**.

Board of Directors' approval of the Transaction

On 19 April 2023, based on the preliminary documentation received and taking into account the opinion of the Internal Audit and Risk Committee, the Board of Directors — having agreed with the reasons and rationale underlying the Transaction and having also assessed the Company's interest in completing the Transaction, as well as the convenience and correctness of the underlying terms — approved the Transaction by unanimous vote, with the only abstention of Directors Cangeri, Rustignoli and Terzi, in light of the positions held within Generali Italia (Chairman of the Board of Directors, General Counsel and member of the Board of Directors, respectively).

Information on the process for assessment and approval of the Review of Existing Products

To the extent necessary, it should be noted that the Review of Existing Products, as a transaction of lesser importance, was subject to the rules set forth in Article 7 of the RPT Regulation and Article 7 of the RPT Procedure.

In this case as well, the Committee carried out its tasks in its reduced composition of three unrelated, independent members not involved in the Transaction in question (i.e., Directors Caprio, De Falco and Romagnoli), as provided for in Article 5.1.1(i) of the Bank's RPT Procedure. Director Terzi did not take part in the Committee's work in light of the position held in Generali Italia, as explained in paragraphs 1.1 and 2.2 above.

In particular, on 23 March 2023, the Internal Audit and Risk Committee — which did not deem it necessary to call on the support of independent experts — expressed, in the aforementioned reduced composition, its unanimous, non-binding opinion on (i) Banca Generali's interest in completing the Review of Existing Products, (ii) the convenience of the underlying terms, and (iii) the substantial correctness of the underlying conditions and the procedures adopted. A copy of the above-mentioned opinion is appended hereto as **Annex "B"**.

On 27 March 2023, based on the preliminary documentation received and taking into account the non-binding opinion of the Internal Audit and Risk Committee, the Board of Directors of Banca Generali — having agreed with the reasons and rationale underlying the Review of Existing Products and having also assessed the Company's interest in completing the Transaction, as well as the convenience and correctness of the underlying terms — approved the Transaction by unanimous vote, with the only abstention of Directors Cangeri, Rustignoli and Terzi, in light of the positions held within Generali Italia (Chairman of the Board of Directors, General Counsel and member of the Board of Directors, respectively).

2.9. Significance of the Transaction resulting from the cumulation of transactions, as per Article 5, paragraph 2, of the RPT Regulation

The Transaction qualifies as a transaction of greater importance on a stand-alone basis and not as a result of cumulation with other transactions.

However, for the reasons set forth in the Foreword, this Information Document also refers to and describes the other transaction — called Review of Existing Products — related to the Distribution Agreement and approved by the Company's Board of Directors on 27 March 2023, with an operational limit then removed as part of the subsequent approval of the Transaction.

ANNEXES

Annex “A”: Opinion of the Internal Audit and Risk Committee on the Transaction

Annex “B”: Opinion of the Internal Audit and Risk Committee on the Review of Existing Products



Internal Audit and Risk Committee's binding opinion on the distribution of new products and the increase in the ceiling for some initiatives under the Distribution Agreement with insurance companies of the Generali Group

pursuant to Article 8 of the Regulations containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of 12 March 2010, as further amended and supplemented), Article 3.2 of Section III, Chapter 11, Part 3, of Supervisory Provisions for Banks (adopted by Bank of Italy with Circular No. 285 of 17 December 2013, as further amended) and Article 8.2 of the Procedure for Related Party and Connected Party Transactions adopted by Banca Generali

Milan, 18 April 2023

On 17 April 2023, the Internal Audit and Risk Committee of Banca Generali S.p.A. (hereinafter “**Banca Generali**” or “**Bank**”) examined the proposal (i) for distributing new products under the distribution agreement in place between Banca Generali, Generali Italia S.p.A. (“**Generali Italia**”) and Genertellife S.p.A. (“**Genertellife**”), and, again in the context of the said agreement, (ii) for increasing the ceiling of retention initiatives concerning traditional life insurance products already approved by the Bank’s Board of Directors on 27 March 2023 (collectively, the “**Transaction**”).

Qualification of the Transaction

The aforementioned Transaction qualifies as a transaction with related parties, namely Generali Italia and Genertellife.

In detail, at the date hereof Banca Generali is controlled by Assicurazioni Generali S.p.A., which holds, directly and indirectly — including, *inter alia*, through its subsidiaries Generali Italia and Genertellife — a total equity interest of 50.1714% in the share capital of the Bank, over which it also exercises management and coordination activity. Generali Italia and Genertellife, counterparties of Banca Generali in the Transaction, hold directly an interest in the Bank equal to 33.0109% and 4.8173%, respectively, of its share capital.

The overall value of the Transaction — calculated on the basis of the foreseeable maximum rebates to the Bank for the remaining term of the distribution agreement (i.e., until 2028) in relation to both the distribution of new products and as a result of the increase in the ceiling of retention initiatives concerning traditional life insurance products, and assuming the total use of the ceilings assigned — exceeds 2.5% of the Bank’s consolidated capital for regulatory purposes recorded on a quarterly basis ⁽¹⁾. Therefore, the Transaction qualifies as a transaction of greater importance and requires that the Internal Audit and Risk Committee issues a binding opinion, in compliance with the Regulation adopted by Consob Resolution No. 17221 of 12 March 2010, as further amended (“**Consob Regulation**”), and with Bank of Italy Circular No. 285 of 17 December 2013, as further amended (“**Bank of Italy Circular**”).

Background and description of the Transaction

In March 2018, a distribution agreement concerning insurance products was entered into between Banca Generali and Generali Italia (“**Distribution Agreement**” or, in short, “**Agreement**”), with the possibility for other Generali Group companies offering insurance products to subsequently join the Agreement (including Genertellife, which joined it concurrently with the signing of the Distribution Agreement). The Agreement has a term of 10 years (automatically renewable for an equal period, unless terminated by six months’ notice) and provides for the Bank’s distribution of life insurance products, pension products and nonlife insurance products issued by Generali Italia and by other participating insurance companies of the Generali Group, as well as of pension funds units of Generali Italia and its subsidiaries.

The Agreement was subject to the assessment and approval procedures envisaged for transactions of greater importance in the Procedure for Related Party and Connected Party Transactions and for highly significant transactions in the procedure for highly significant transactions adopted by the Bank and in force at the time. Accordingly, the transaction was approved by the Board of Directors on 20 March 2018, following the prior binding favourable opinion of the Internal Audit and Risk Committee in office at the time, and was subsequently disclosed to the public through a specific information document prepared pursuant to Article 5 of the Consob Regulation.

In light of changed market and commercial conditions, and especially of the rise in interest rates, within the alignment committees established pursuant to Article 10 of the Distribution Agreement, the parties discussed the methods and timing for implementing a series of commercial initiatives proposed by Genertellife, targeted to clients and distributors and aimed at retaining clients and stimulating new

⁽¹⁾ Based on the financial results approved at 31 December 2022, the significant reporting threshold amounts to 19,053,975.00 euros.

subscriptions, while also achieving greater protection of policyholder clients and a competitive advantage for new clients.

In particular, a reduction in the fees paid by clients on traditional life insurance products and hybrid products was proposed to Banca Generali, as well as to other third-party distributors used by the Generali Group. At the same time, to stimulate distribution activities, a proposal was made for a partial review of the rebates to the Bank for distribution and post-sales services.

More specifically, as part of the initiatives described above, pursuant to Article 5.4.1 of the Distribution Agreement, which governs the creation of new products, Banca Generali and the insurance companies agreed upon the development of:

- (i) **two new “Stile Libero” Hybrid Products**, in the base and private versions; and
- (ii) **a new traditional life insurance product**.

Overall, the new policies provide for a reduction of the fees paid by clients compared to existing policies, while the rebates to the Bank are regulated as follows:

(i) **with regard to the two new “Stile Libero” Hybrid Products:**

- traditional life insurance component (segregated portfolio): rebates in line with the rebate percentages already assessed as part of the Distribution Agreement;
- Unit Linked component (External funds/ETFs): rebates partially revised compared to those already assessed as part of the Distribution Agreement since, although the percentage of rebates to Banca Generali is higher — thereby keeping an almost neutral financial effect — the fees paid by clients decrease for the first 2 years, whereas they are in line with the terms of the Distribution Agreement starting from the third year and with regard to the private version and the discounted versions of the two policies;

(ii) **with regard to the new traditional life insurance product:** the percentage of rebates is in line with the rebate percentages already assessed as part of the Distribution Agreement.

In addition, again taking into account the market environment and with the main objective of limiting any redemptions, the parties also considered to increase from 250 million euros to a total of 750 million euros the ceiling (meaning the overall amount invested by clients in traditional life insurance products) for retention initiatives concerning existing traditional life insurance products, therefore increasing the total value of the initiative already approved by the Board of Directors on 27 March 2023 (the “**Review of Existing Products**”). It should further be noted that these initiatives mainly concern the application of a reduction of the fees paid by clients.

Preliminary analysis and documentation examined by the Committee

The Committee carried out the tasks assigned to it by the applicable provisions in force in its reduced composition of three unrelated, independent members not involved in the Transaction (i.e., Directors Caprio, De Falco and Romagnoli), as provided for in Article 5.1.1(i) of the Bank’s RPT Procedure. Director Terzi did not take part in the Committee’s work by virtue of his position as member of the Board of Directors of Generali Italia.

Upon its meeting of 23 March 2023 — during which the Committee had already examined the Review of Existing Products, issuing a non-binding favourable opinion — the Committee was informed by the Bank’s relevant functions of the starting of more extensive assessments instrumental to updating the Distribution Agreement, also in light of the market context.

Subsequently, the Committee was informed about the specific terms of the Transaction, by means of a detailed information report and of comparisons with similar transactions, where possible, taking into account the absence of reliable information on similar agreements of other operators and the heterogeneity of products and agreements available on the market.

The Committee examined the Transaction based on the above-mentioned documents provided by the Bank’s structures and in light of the discussion held at the collegial meeting on 17 April 2023.

The Committee was able to interact with the Bank's management, receiving immediate and precise feedback to its requests for clarification and more in-depth insights.

The Committee did not deem it necessary to call on the support of independent experts.

Impact of the proposed Transaction and assessment of the interest, convenience and correctness of the Transaction for Banca Generali.

Based on the analysis of the documentation received and on the discussions with the functions in charge of the negotiations, the Committee deems that most of the considerations already made in the Review of Existing Products also aptly apply to the Transaction, also taking into account that the two initiatives were developed in rapid chronological succession, in a comparable market context, and are based on substantially the same assumptions and rationale.

Therefore, recalling, as far as necessary, its opinion of 23 March 2023, the Committee firstly holds it necessary to clear up the possible misunderstanding that the reduction in the pricing of policies applied to clients automatically implies a reduction in rebates for the Bank and, therefore, in the profitability of the distribution activity.

In the Committee's view, such reasoning would be incorrect because it would not take due account of changed market conditions and signals from clients, which suggest that maintaining the *status quo* — i.e., applying conditions identical to those of existing policies to new products — would probably have adverse impacts, especially for the following reasons:

- in 2022, net inflows from insurance products declined, also as a result of the fact that the fees applied to clients were no longer in line with those of competitors or with the changed market conditions;
- without a competitive product range, the likelihood of redemption of hybrid products and traditional life insurance products, as well as the risk that Banca Generali's clients turn to other institutions in search for such solutions would increase.

Therefore, a revision of the terms of the offering is fully reasonable and, indeed, necessary for retention purposes, given current market conditions.

The Committee also notes that in order to offset the hypothetical reduction in Banca Generali's fees, the discussions that took place within the alignment committee, established pursuant to Article 10 of the Distribution Agreement, led in some cases to more favourable rebate percentages for the Bank, precisely in order to mitigate any theoretical adverse impacts as described above.

On the other hand, it should be noted that net outflows from the segregated accounts underlying traditional life insurance products would further adversely affect policy returns, to the detriment of clients who continue to remain invested.

In summary, in light of the above preliminary analysis and of management views, the Committee believes that the terms proposed for the new products allow for competitive remuneration conditions to be maintained for the Bank: in fact, against a pricing reduction for the client, the Bank's remuneration terms would remain unchanged or, in some cases, would even improve.

The approval of the Transaction would also allow for the stabilisation of returns of the existing traditional life insurance products, with new liquidity that could be invested at more advantageous market rates.

Last but not least, taking into account the overall structure of relations with the Generali Group, it is necessary to ensure continuity of business relations with other Group insurance companies, while maintaining a balance with respect to the specific needs and economic and commercial interests of the parties.

With particular regard to the increase in the ceiling for retention initiatives concerning existing traditional life insurance products, this falls within that same commercial expansion rationale that drives the creation of new products. It is therefore in line with it, thus completing the process launched in March 2023 of adjusting the Distribution Agreement to the new market context.

The Committee then observes that (i) as confirmed by the management, the process of developing new products has followed the procedure set forth in the Distribution Agreement; and (ii) the changes with respect to the assessments made under the Distribution Agreement concern financial terms and do not affect the legal framework of the contractual arrangements, so that there are no material issues to be reported concerning the substantial correctness of contractual terms other than purely financial ones.

In addition, following the confirmation received from the management, the Committee notes that the same commercial strategy underlying the Transaction involves not only Banca Generali, but also other third-party distributors used by the Generali Group to market its insurance products: also for this reason, the Transaction is balanced and does not give rise to detrimental effects or unjustified advantages for the related parties.

Lastly, with regard to procedural aspects, as already noted, the Transaction was prepared by the Bank's relevant structures and submitted to the Committee in accordance with the Procedure for Related Party and Connected Party Transactions adopted by the Bank.

In light of the foregoing, the Committee, by unanimous vote of those present:

- (i) having considered that the described Transaction is supported by well-founded financial, commercial and profitability reasons and is consistent with the interest of the Bank, as well as convenient with respect to the alternative scenario of maintaining the same distribution conditions also for new products, and is correct from both a formal and procedural standpoint;
- (ii) having assessed that there are no impediments to proceed with the proposed Transaction;
- (iii) having considered that, although Banca Generali is subject to management and coordination by Assicurazioni Generali S.p.A., the Transaction is not influenced by the latter, and that in any case the overall result of the Transaction, taking into account — as explained above — the market situation, is positive compared to the alternative option of placing new products on the basis of terms that are identical to those currently applied;
- (iv) having referenced Article 8 of the Consob Regulation, Article 3.2 of Section III, Chapter 11, Part 3, of Bank of Italy Circular and Article 8.2 of the Bank's RPT Procedure;

issues for the benefit and support of the Board of Directors:

A BINDING FAVOURABLE OPINION

regarding approval of the Transaction in light of the reasons illustrated above.

This opinion is issued at the end of the Committee meeting held on 17 April 2023. The relevant corporate structures are invited to make it available to the Bank's Board of Directors for the required follow-up at the next Board meeting to be held on 19 April 2023.

Milan, 18 April 2023

Chairman of the Internal Audit and Risk Committee

signed Lorenzo Caprio



**Non-binding opinion of the Internal Audit and Risk Committee on the
review of some terms and conditions concerning certain insurance
products distributed under the Distribution Agreement with Generali
Group insurance companies**

pursuant to Article 7 of Regulations containing provisions relating to transactions with related parties (adopted by Consob with Resolution No. 17221 of 12 March 2010, as further amended and supplemented) and Article and Article 7.2 of the Procedure for Related Party and Connected Party Transactions adopted by Banca Generali

Milan, 23 March 2023

On 23 March 2023, the Internal Audit and Risk Committee of Banca Generali S.p.A. (hereinafter referred to as the “**Bank**”) examined the proposal for reviewing the terms and conditions of some insurance products distributed (the “**Transaction**”) under the distribution agreement between Banca Generali and Generali Italia S.p.A., entered into in 2018 (joined also by Genertellife S.p.A.).

Qualification of the Transaction

The distribution of the products subject to the proposed review is a transaction with related parties (*i.e.* Generali Italia S.p.A. and Genertellife S.p.A.).

The total estimated value of the Transaction amounts to approximately 18 million euros overall, calculated on the basis of the maximum foreseeable rebates to the Bank for the distribution of the products subject to the aforementioned review for the remaining term of the agreement (*i.e.*, until 2028), also taking into account the full use of the ceilings assigned to individual initiatives.

In light of the said value, the Transaction is a transaction of lesser importance ⁽¹⁾ and as such requires the Internal Audit and Risk Committee to issue a non-binding opinion, pursuant to the Regulation adopted by Consob Resolution No. 17221 of 12 March 2010, as further amended (“**Consob Regulation**”).

Background and changes in the terms and conditions for some products under review

In March 2018, an insurance product distribution agreement was entered into between Banca Generali S.p.A. and Generali Italia S.p.A. (the “**Agreement**”) that enables other Generali Group companies offering insurance products to subsequently join it (including Genertellife, which joined it concurrently with the signing of the Agreement). The Agreement has a term of 10 years (automatically renewable for an equal period, unless terminated by six months’ notice) and provides for the Bank’s distribution of life insurance products, pension products and non life insurance products issued by Generali Italia and by other participating insurance companies of the Generali Group, as well as of pension funds units of Generali Italia and its subsidiaries.

The Agreement was approved by the Bank’s bodies as a transaction of greater importance pursuant to the Procedure for Related Party and Connected Party Transactions and as a highly significant transaction pursuant to the Procedure for highly significant transactions. Accordingly, the transaction was approved by the Board of Directors on 20 March 2018, following the prior binding favourable opinion of the Internal Audit and Risk Committee, and was disclosed to the public through a specific information document prepared pursuant to Article 5 of Consob Regulation.

In light of the changed market and commercial conditions, and particularly of the rise in interest rates, the Bank and the insurance companies reviewed the terms and conditions of certain products to keep the offer competitive, including a different structure of the rebates to the Bank for the distribution and assistance services provided to clients. The products under review are: (i) BG Stile Libero 40 Plus, (ii) BG Stile Libero 40 Plus Private Insurance, (iii) BG Oltre, (iv) BG Custody, and (v) additional products existing prior to the Distribution Agreement that are no longer distributed but are still present in the clients’ portfolios. These changes, which can be applied up to specific ceiling amounts, were summarised during the meeting of this Committee which examined the Transaction.

⁽¹⁾ Transactions exceeding the threshold of transactions of smaller amount and below the threshold of transactions of greater importance, as recorded on a quarterly basis, *i.e.*, in the range of 0.05% to 2.5% of the consolidated capital for regulatory purposes recorded on a quarterly basis; based on the financials approved at 31 December 2022, transactions whose value range from 381,079.00 euros to 19,053,975.00 euros.

Impact of the proposed transaction and assessment of the interest, convenience and correctness of the Transaction for Banca Generali

The Committee carried out the tasks assigned to it by the applicable provisions in force in its reduced composition of three unrelated, independent members not involved in the Transaction (i.e., Directors Caprio, De Falco and Romagnoli), as provided for in Article 5.1.1(i) of the Bank's RPT Procedure. Director Terzi did not take part in the Committee's work in light of his position as member of the Board of Directors of Generali Italia.

The Committee examined the Transaction based on the documents provided by the Bank's structures and of the discussion held in a collegial meeting. The discussion highlighted in particular that, in principle, i.e., merely considering the possible fee inflows that would be generated by continuing to distribute the products in question under identical conditions and assuming an unchanged market and commercial scenario, the net effect of the changes would lead to a reduction of fees for the Bank in the amount of approximately 13 million euros. However, such a calculation would ignore the changed market conditions and the signals from clients, which suggest that maintaining the *status quo* would or could have, in reality and in fact, negative impacts on the Bank for the reasons stated below. Notwithstanding the revised fees applied to the clients and the consequent apparent (but theoretical) negative change in the estimated fees that can be collected by the Bank, the transaction may still be considered as meeting Banca Generali's interests and be deemed substantially convenient and correct, at least in light of the following elements.

Firstly, in 2022 net inflows from insurance products declined, also as a result of the fact that the fees applied to customers were no longer in line with those of competitors or with the changed market conditions. There is therefore a need to offer competitive products to avoid the risk of significant redemptions of hybrid products and traditional life insurance products and the risk that Banca Generali's customers turn to other institutions in search for such solutions. In particular, according to management views, based on public information, fees paid by the client fall, in some cases, within a reduced and advantageous range of 0.50% to 0.80% for an initial period and reach 1.20% or 1.30% after the first two or three revaluations, while, in other cases, with regard to traditional life insurance products, fees paid by the client amount to 0.70%. Therefore, it seems fully reasonable that the terms of the offer should be reviewed.

On the other hand, it should be noted that net outflows from the segregated accounts underlying traditional life insurance products would further adversely affect policy returns, to the detriment of clients who continue to remain invested.

The proposed changes still allow competitive remuneration terms to be maintained for the Bank. In fact, against a reduction in the fees charged to customers, the rebate percentages for the Bank would remain unchanged or, in some cases, would even improve (e.g., with reference to the "Stile Libero 40 Plus" product, fees paid by the client will be fully rebated to the Bank, whereas under the current terms the rebate percentage retained by the company is 0.50%).

The approval of the Transaction, and thus the ongoing distribution of the products at stake, also allows for the stabilisation of returns of the existing traditional life insurance products, with new liquidity that can be invested at more advantageous market rates.

It is then noted that the changes mainly concern the economic terms of the relationships and do not modify the legal framework of contractual agreements.

Lastly, with regard to procedural aspects, the Transaction was prepared by the Bank's relevant structures and submitted to the Committee in accordance with the Procedure for Related Party and Connected Party Transactions adopted by the Bank.

In light of the foregoing, the Committee, by unanimous vote of those present:

- (i) having considered that the changes to the conditions described above are (i) supported by well-founded financial, commercial and profitability reasons and consistent with the interest of the Bank, (ii) convenient compared to the alternative scenario of unchanged conditions, considering that the review of the agreement does not entail unfavourable changes for Banca Generali in terms of the rebate percentage generated by the insurance products in question and that in the long term — after the first two years during which, due to customer retention purposes, terms

will be applied on the basis of a temporary commercial action (in line with competitors' commercial actions) — rebates remain in line with market standards, and (iii) correct from a formal and procedural standpoint;

- (ii) having assessed that there are no impediments to proceed with the proposed Transaction;
- (iii) having considered that, although Banca Generali is subject to management and coordination by Assicurazioni Generali S.p.A., the Transaction is not influenced by the latter, and that in any case the overall result of the Transaction, taking into account — as explained above — the market situation, is positive compared to maintaining the *status quo*;
- (iv) having referenced the provisions of Article 7 of Consob Regulation and Article 7.2 of the Bank's RPT Procedure;

issues for the benefit and support of the Board of Directors:

A NON-BINDING FAVOURABLE OPINION

regarding approval of the Transaction in light of the reasons illustrated above.

This opinion is issued at the end of the Committee meeting held on 23 March 2023. The relevant corporate structures are invited to make it available to the Bank's Board of Directors for the required follow-up at the next Board meeting called on 27 March 2023.

Milan, 23 March 2023

Chairman of the Internal Audit and Risk Committee

signed Lorenzo Caprio