
Report of the Board of Directors

Item 4 on the agenda

Remuneration and own shares:

b) Determination of the remuneration of Board Directors pursuant to Articles 16.2 - 16.3 of the Articles of Association

Distinguished Shareholders,

following the appointment of the Board of Directors for the financial years 2019/2020/2021 and based on the resolution made by this Meeting on the previous item on the agenda concerning the Remuneration policies in respect of Board Directors, it is necessary to determine the remuneration due to the members of this Body.

In this regard, we remind you that, pursuant to Article 16.1 of the Articles of Association, “members of the Board of Directors are entitled to reimbursement of expenses incurred due to their office”; in addition, pursuant to Article 16.2, “upon appointing the Board of Directors, the Shareholders’ Meeting determines the remuneration of Directors in a fixed amount, in accordance with applicable laws and regulations, for the entire period of their office, as well as the additional remuneration for the office of Chairman and Deputy Chairperson”.

Finally, Article 16.3, states that “upon the appointment of the Management Control Committee and for the entire period of its office, the Shareholders’ Meeting is responsible for determining specific remuneration for the Committee’s members, which must always be of a fixed, equal amount for each member, but with a specific additional amount for the Chairman”. In respect of the foregoing, we hereby invite you to make accurate decisions on the remuneration to be recognised to the Board Directors for the entire term of their office; in particular, we hereby invite you to set, without prejudice to the reimbursement of the expenses incurred in connection with the office:

- the remuneration in favour of each Board Director who is not also a member of the Management Control Committee;
- the additional remuneration for the post of Chairman of the Board;
- the additional remuneration for the post of Deputy Chairperson of the Board;
- the specific remuneration for each Board Director who is also a member of the Management Control Committee;
- the additional remuneration for the Chairman of the Management Control Committee.

In favour of the Board of Directors there would also be the extension of the “D&O” insurance policy, as proposed under Remuneration policies in respect of Board Directors.

Finally, we hereby inform you that, pursuant to the provisions of the Bank of Italy in relation to remuneration and incentive policies and practices, contained in Circular Letter no. 285/2013, “the members of the control body may not receive any variable remuneration”.

The Shareholders are therefore kindly requested to make their decisions on this item.

19 March 2019

For the Board of Directors
the Chairman – Gian Maria Gros-Pietro

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