

*This is an English courtesy translation of the original documentation prepared in Italian language.*

*Please consider that only the original version in Italian language has legal value.*

## **Report to the Ordinary General Meeting of the Shareholders to be held on 8<sup>th</sup> April 2020**

Remuneration schemes based on financial instruments: proposal to pay a portion of the short-term (annual) variable component of remuneration for "Identified Staff" in financial instruments; proposal to authorise the purchase of treasury shares and to make them available to service the incentive scheme.

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## **Remuneration schemes based on financial instruments:**

### **proposal to pay a portion of the short-term (annual) variable component of remuneration for “Identified Staff” in financial instruments; proposal to authorise the purchase of treasury shares and to make them available to service the incentive scheme.**

Dear Shareholders,

As described in Section I of the Report on remuneration policies and wages, the Board of Directors has reviewed and updated its 2020 remuneration and incentive policies as well as the related perimeter of “Identified Staff” in accordance with applicable laws and regulations.

For the “Identified Staff” of the Group, with the exception of “Members of the Governing Bodies”, there is an (annual) short-term incentive scheme the structure of which, depending on the category of “Identified Staff”, the amount of the bonus earned and in accordance with the applicable provisions, is based on the following lines:

- the deferral for a period of three or five years of 40% to 60% of the variable component of remuneration in order to align the incentives with the Group's medium-/long-term interests;
- the grant of financial instruments comprising 50% to 55% of variable remuneration with the grant of the deferred share in financial instruments greater than the amount disbursed upfront, if the quota in financial instruments exceeds 50% of total variable remuneration.

Again with regard to “Identified Staff” payment in financial instruments is also to be made for remuneration to be disbursed in the event of the early termination of an employment relationship (“End of employment relationship payments”).

The mechanism that has been identified for granting financial instruments is based on the grant of ordinary UBI Banca S.p.A. shares to “Identified Staff” of the Group not working for Pramerica SGR S.p.A. (the Group's asset management company), with the cost charged to the individual companies in which the employee in receipt of the shares works.

With regard to the “Identified Staff” of Pramerica SGR S.p.A. specifically, shares/quotas in UCITs managed by Pramerica SGR S.p.A. and by Pramerica Management Company S.A. (the latter is also a company that forms part of the Group's asset management business) are to be granted, in accordance with the provisions of the joint Bank of Italy-Consob regulation of the 29<sup>th</sup> October 2007 and subsequent amendments, as well as shares in Prudential Financial, Inc., a company based in the United States of America, solely to the Deputy General Manager and Commercial Chief of Pramerica SGR S.p.A.

Because it is not currently possible to determine the amount of the funding requirement for the incentive scheme (taking into account the presence of trigger conditions, the mechanisms in place for managing the financial allocation – i.e. the bonus pool – and the degree to which individual objectives will be reached) and for possible end of employment relationship payments, a maximum budget requirement has been set only for the component of the incentive scheme in financial instruments, on the basis of the facts currently available. In this manner, an amount of €5.5 million has been set for the incentive scheme in UBI Banca S.p.A. shares and an amount of €1.5 million has been set for the incentive scheme in shares/quotas in UCITs managed by Pramerica SGR S.p.A. and by Pramerica Management Company S.A..

With specific regard to the component of the Incentive Scheme in UBI Banca S.p.A. shares, a proposal will be submitted to the Shareholders' General Meeting to authorise the purchase of treasury shares up to the aforementioned maximum limit of €5.5 million and, in any case, for a total amount and for a quantity of shares based strictly on the requirement to implement the Incentive Scheme.

The maximum number of shares to be purchased is to be determined as the ratio of the requirement accrued based on the annual performance targets actually reached to the official share price on the date on which the Shareholders' General Meeting approves the scheme in question.

In compliance with Art. 2357 of the Italian Civil Code, the treasury shares will be purchased, in one or more tranches, within 18 months of the date on which authorisation is granted by the Shareholders' General Meeting. The price of each purchase shall be neither 10% lower nor 10% higher than the official price of the UBI Banca S.p.A. share in the market session prior to each individual purchase transaction.

Again in accordance with Art. 2357 of the Italian Civil Code, the treasury shares shall be purchased within the limits of distributable profits and available reserves according to the most recent regularly approved financial statements, and may also be drawn on a specific equity reserve. In compliance with Art. 2357 *ter* of the Italian Civil Code, the treasury shares purchased shall be deducted from equity.

Furthermore, the treasury shares shall be purchased in compliance with Art. 132 of the Consolidated Finance Law and Art. 144-*bis* of the Issuers' Regulations as well as with Regulation (EU) No. 596/2014 and Commission Delegated Regulation (EU) No. 1052/2016. More precisely:

- the purchase shall take place on regulated markets following operational procedures which guarantee equal treatment of shareholders and do not allow direct proposals to purchase to be linked to predetermined proposals to sell;
- the daily quantity of the purchases may not be greater than 25% of the average daily volume of trades of UBI Banca S.p.A. shares on regulated markets over the 20 days of trading prior to that of a purchase.

A proposal is also submitted to the Shareholders' General Meeting to issue an authorisation to use not only shares from new purchases but also, alternatively or cumulatively, and in any case always in observance of the maximum limit of €5.5 million mentioned above, all or part of the treasury shares already held in portfolio by UBI Banca S.p.A. at the service of the treasury share component of the incentive scheme in question, as well as for any end of employment relationship payments in treasury shares.

For all further information on the characteristics of the incentive scheme, see the Section I of the above-mentioned Report on remuneration policies and wages and also the attached Information Document published in accordance with Art. 84-*bis* of Consob Regulation.

At the date of this report, the share capital of UBI Banca S.p.A. amounted to €2,843,177,160.24 and was divided into 1,144,285,146 ordinary shares with no express nominal value. UBI Banca S.p.A. holds 9,251,800 treasury shares, representing 0.81% of the share capital.

Finally, with regard to the component of the scheme for the “*Identified Staff*” of Pramerica SGR S.p.A., it is underlined that the quantity of financial instruments to be granted will be set as the ratio of the requirement accrued based on the annual performance targets actually achieved on the basis of end of employment relationship payments subscribed to the value of the financial instruments as at the date on which the bonus is awarded.

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Dear Shareholders,

In relation to the above, the Board of Directors therefore proposes, subject to a prior opinion in agreement from the Remuneration Committee, that the Shareholders' General Meeting approves the following resolution:

*“The Shareholders' General Meeting of UBI Banca S.p.A.,*

- *having considered the proposal of the Board of Directors;*
- *having regard to laws and regulations governing the purchase of treasury shares, including those of EU regulations*

*RESOLVES*

- a) *to approve the Incentive Scheme based on financial instruments for 2020, which calls for a quota of the short-term variable component of the remuneration of “Identified Staff” to be in the form of the grant of (i) ordinary shares of the parent UBI Banca S.p.A. to “Identified Staff” of the Group not belonging to Pramerica SGR S.p.A. (a company that forms part of the Group's Asset Management Business) for a maximum amount of €5.5 million and (ii) shares/quotas in the UCITs managed by Pramerica SGR S.p.A. and by Pramerica Management Company S.A. to “Identified Staff” belonging*

*to Pramerica SGR S.p.A., and also, solely for the Deputy General Manager and Commercial Chief of Pramerica SGR S.p.A., shares in Prudential Financial, Inc. for a maximum total value of €1.5 million, or in accordance with the terms procedures described in this report;*

- b) to authorise the Board of Directors to purchase, in one or more transactions to be undertaken within 18 months of the date of authorisation by the Shareholders' General Meeting and for a maximum purchase value of €5.5 million and, in any case, for a total amount and for a quantity of shares based strictly on the requirement to implement the Incentive Scheme, treasury shares to be allocated to the UBI Banca S.p.A. share component of the Short-term Incentive Scheme based on financial instruments (in addition to any end of employment relationship payments to be made in UBI Banca S.p.A. shares) on the basis of the maximum number of treasury shares resulting from the ratio between the actual required amount on the basis of the bonuses earned as a result of performances achieved to the official price of the UBI Banca S.p.A. share on the date of the resolution to approve the scheme passed by the Shareholders' General Meeting and (also in accordance with the applicable regulations) in compliance with the following conditions: (a) the price of each purchase may not be 10% lower or 10% higher than the official price of the UBI Banca S.p.A. shares during the market session prior to the purchase, (b) the daily quantity of purchases may not exceed 25% of the daily average volumes of trading in UBI Banca S.p.A. shares on regulated markets during the 20 trading days prior to each purchase, and (c) the purchases must be made in compliance with all the applicable provisions governing treasury shares, and in particular with Art. 2357 of the Italian Civil Code, Art. 132 of the Consolidated Finance Law, Art. 144 bis of the Consob Issuers' Regulations, Regulation (EU) 596/2014 and Commission Delegated Regulation (UE) 1052/2016;*
- c) to authorise the Board of Directors, in accordance with and for the purposes of Art. 2357-ter of the Italian Civil Code, to make use, in whole or in part, and on one or more occasions, of the treasury shares that will be purchased on the basis of this resolution – and also of any remaining treasury shares held in portfolio by UBI Banca S.p.A. – by allocating them to the purposes specified in this report, again in compliance with the maximum value of €5.5 million as specified under point b) above;*
- d) to confer all powers, none excluded, on the Board of Directors needed to implement this resolution, inclusive therein of the power to make any amendments whatsoever – provided they are not of a substantial nature – that may be required by any authority whatsoever.”*

5<sup>th</sup> March 2020

THE BOARD OF DIRECTORS

## Information document pursuant to Art. 84-bis of the Issuers' Regulations – short-term (annual) incentive scheme for “Identified Staff”

### INTRODUCTION

In accordance with market disclosure rules for share-based remuneration schemes pursuant to Art. 114-bis of Legislative Decree No. 58 of 24<sup>th</sup> February 1998 (the “Consolidated Finance Law”) and Art. 84-bis of the Issuers' Regulations adopted by Consob by Resolution No. 11971 of 14<sup>th</sup> May 1999 (the “**Issuers' Regulations**”), this information document (the “**Information Document**”) has been drafted in view of the implementation of an (annual) short-term incentive scheme based on ordinary shares in UBI Banca without nominal value (the “**Scheme**”) for the benefit of the “*Identified Staff*” of the UBI Banca Group other than “*Members of the Governing Bodies*” and “*Identified Staff*” of the UBI Banca Group's *Asset Management* company. This latter category of “*Identified Staff*” is to be granted quotas/shares of UCITs managed by Pramerica SGR S.p.A. or by its subsidiary Pramerica Management Company S.A. and, in the sole case of the Deputy General Manager and Commercial Chief of Pramerica SGR S.p.A., shares in Prudential Financial, Inc.

In particular, this Information Document has been prepared in accordance with Schedule 7 of Annex 3A of the Issuers' Regulations.

### DEFINITIONS

The meanings of some terms used in the Information Document are given below.

**Shareholders' General Meeting** - The Shareholders' General Meeting of UBI Banca that will approve the Scheme.

**Bonus pool** - Allocated budget linked to incentive schemes.

**Clawback** - Mechanism that provides for the repayment of a bonus that has already been paid out.

**Remuneration Committee** - One of the internal board committees provided for in the Bank of Italy Regulations and Corporate Governance Code for Listed Companies issued by Borsa Italiana S.p.A., as also set out in the Corporate Governance Report pursuant to Art. 123-bis of the Consolidated Finance Law and in the Report on remuneration policies and wages pursuant to Art. 123-ter of the Consolidated Finance Law.

**Common Equity Tier 1 (“CET1”) Ratio** - The ratio of highest quality regulatory core capital (composed of the total ordinary shares issued that satisfy the regulatory classification criteria, share premium reserves, retained profits, valuation reserves and other reserves recognised) net of the deductions required by the regulations and Risk Weighted Assets (RWAs).

**Beneficiaries** - Personnel of the UBI Banca Group belonging to the “*Identified Staff*” perimeter at Group level, with the exclusion of the Governing Bodies, in accordance with the provisions of the 2020 Group Remuneration and incentives policy.

**“Gate”** - Condition required to trigger incentive schemes, related to Group capital stability and liquidity indicators.

**The Leverage Ratio (“LR”)** - Leverage calculated as the ratio of the Tier 1 capital (capital measurement) to the total exposure of the Group (exposure measurement) which includes all the assets and off-balance sheet items not deducted to calculate the capital measurement according to the provisions of the CRR - Art. 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26/06/2013 as amended by the Delegated Act (EU) No. 62/2015 .

**Liquidity Coverage Ratio (“LCR”)** - Indicator designed to ensure that a Bank maintains sufficient high quality liquid assets available which can be converted into cash to meet liquidity commitments over a period of 30 days in a stress scenario defined by the Supervisory Authority. It is defined as the ratio of the stock of “available high quality liquid assets” and the sum of “net cash outflows over a time horizon of 30 days, estimated over a 30 calendar day period of stress”.

**Net Stable Funding Ratio (“NSFR”)** - Indicator of structural balance designed to monitor and contain risk associated with the transformation of maturities. It is the ratio of funding (liabilities) to weighted lending (assets), which takes account of the stability of the liabilities and the degree of liquidity of the assets.

**Targets** - Performance indicators defined in the 2020 Group Remuneration and Incentive Policies and detailed in the regulations of each beneficiary, the achievement of which (subject to the triggering of entry thresholds or “gates”) is a condition for the financial instruments to be granted.

**Top Identified Staff** - “*Identified Staff*” contains a specific “Top” category which includes UBI Banca's senior executives, the highest levels of the functions of the Parent (with the exclusion of the Control Functions), the Chief of Investment Banking and the senior management of the main legal entities in the Group.

**“Other Group IS” Identified Staff** - “*Identified Staff*” contains a specific “Other Group Identified Staff” category which includes the Control Functions, the Areas of the Parent and roles in IW Bank and the companies which have a greater impact on the Group’s risk profile.

**Total Shareholder Return (TSR)** – Defined as the increase in the value of the share, calculated for the purpose of the incentive scheme, as the percentage difference between the daily average in December 2020 and the daily average in December 2019, including the value of any dividends paid (excluding the possibility that they could be reinvested). They are compared with banks in the reference benchmark listed on regulated markets, on the basis of the quartile positioning of the UBI Group. The method provides for normalisations in the event of exceptional circumstances (e.g. increases in capital, mergers).

**Return On Risk-Adjusted Capital (RORAC)** - Calculated as the profitability in percentage terms of capital at risk calculated as the ratio of NOPAT (net operating profit after tax) to the average allocated (budgeted) capital or average absorbed (actual) capital.

**Profit on continuing operations before tax (POCBT)** - It is profit considered net of extraordinary and non-recurring items.

**Normalised net profit (NNP)** – It is profit considered net of non-recurring extraordinary items and the cost relating to incentives schemes.

**Normalised net profit, adjusted for the cost of capital “delta”** – Calculated as the algebraic sum of the net profit in the income statement - net of non-recurring extraordinary items and the cost relating to incentive schemes - and of the (positive or negative) difference between the absorbed and allocated capital, measured on the basis of the cost of capital.

## **1. THE BENEFICIARIES**

### **1.1 The names of the beneficiaries who are members of the Board of Directors or the Management Board of the issuer of the financial instruments, of the companies controlling the issuer, and of the companies controlled, directly or indirectly, by the issuer.**

The Scheme is intended for personnel of UBI Banca and of subsidiaries who fall within the perimeter of “*Identified Staff*” at the Group level, with the exception of “Members of the Governing Bodies”, for a total of 185 positions for 2020.

Furthermore, the beneficiaries of the Scheme include the Chief Executive Officer and General Manager of UBI Banca, Victor Massiah, who is also a member of UBI Banca’s Board of Directors.

In addition, the Scheme's beneficiaries include employees of UBI Banca Group companies – including UBI Banca itself – who also fill positions on the governing bodies of subsidiaries of UBI Banca. Considering that such persons benefit from the Scheme in their capacities as employees of UBI Banca Group companies, they are not listed by name. Rather, reference is made to the information provided below regarding the categories of employees and associates.

### **1.2 The categories of employees or associate workers of the issuer of the financial instruments and of the companies controlling or controlled by the issuer.**

The following categories of UBI Banca staff and the staff of certain Group companies within the “*Identified Staff*” perimeter are eligible for the Scheme:

- the “*Top*” category, which includes, in addition to the Chief Executive Officer, the Senior Deputy General Manager and the Deputy General Managers, other individuals at the highest levels of the

functions of the Parent (with the exception of Control Functions), the Chief of Investment Banking and senior positions at the Group's main companies;

- the category “*Other Group Identified Staff*”, which includes the Control Functions, the Areas of the Parent, the roles of IW Bank and companies with the greatest impact on the Group's risk profile, in addition to the financial advisors of IW Bank, where they have significant assets under management or a remuneration level in excess of €500,000;
- the “*Identified Staff*” belonging to the Group’s Asset Management Business are not included in the two foregoing categories.

As already indicated in the introduction the “*Members of Governing Bodies*” are not included in the Scheme.

In addition to the Parent, UBI Banca, the following Group companies are involved in the Scheme: IW Bank S.p.A, UBI Sistemi e Servizi Soc.Cons.p.A., Pramerica SGR S.p.A., UBI Leasing S.p.A., UBI Factor S.p.A., Prestitalia S.p.A. and UBI Academy S.c.r.l..

### **1.3 The names of the persons who benefit from the plan belonging to the following groups:**

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

**b) other “Identified Staff” of the issuer of financial instruments which is not of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12<sup>th</sup> March 2010, where they have received total remuneration during the financial year (obtained by summing cash remuneration and remuneration based on financial instruments) that is higher than the total highest remuneration paid to members of the Board of Directors, or to the Management Board and to the General Managers of the issuer of financial instruments;**

**c) the natural persons controlling the issuer of shares, who are employees or work on contract within the issuer of shares.**

a) Victor Massiah, Chief Executive Officer and General Manager of UBI Banca.

### **1.4 Description and number, by category:**

**a) of “Identified Staff” other than those indicated in letter b) of paragraph 1.3;**

**b) for companies of “small dimensions”, pursuant to article 3, paragraph 1, letter f) of Regulation No. 17221 of 12<sup>th</sup> March 2010, information by total for all “Identified staff” of the issuer of financial instruments;**

**c) of any other category of employee or associate worker subject to different treatment under the scheme (for example, executives, middle managers, office staff, etc.).**

a) The “Identified Staff” affected, other than the General Manager, are: the Senior Deputy General Manager, Deputy General Managers (Chief Wealth and Welfare Officer and Chief Commercial Officer), Chief Financial Officer, Chief Audit Executive, Chief Risk Officer, Chief General Counsel, Chief Lending Officer, Chief Compliance Officer, Top Private Banking Manager, Chief of Corporate & Investment Banking and the heads of the Macro Geographical Areas of UBI Banca, for a total of 18 beneficiaries.

c) Amongst the various beneficiaries of the scheme, different characteristics apply to members of Control Functions, for a total of 17 beneficiaries.

## **2. THE REASONS FOR THE ADOPTION OF THE SCHEME**

For an account of the reasons for adopting the Scheme, please refer to the Report on remuneration policies and wages drafted in accordance with Article 123-ter of the Consolidated Finance Law and Article 84-quater of the Issuers' Regulations, made available to the public, inter alia, on UBI Banca's registered office and website, pursuant to applicable legislation.

### **3. APPROVAL PROCESS AND TIMING OF GRANTS OF THE INSTRUMENTS**

#### **3.1 Scope of the powers and functions assigned to the Shareholders' General Meeting and the Board of Directors for the implementation of the Scheme.**

UBI Banca's Shareholders' General Meeting will resolve on granting authorisation to the Board of Directors to purchase treasury shares to be allocated in service of the component of the Scheme in UBI Banca shares, in addition to establishing, inter alia, the following terms and conditions: (i) the maximum value of the shares that may be purchased; (ii) the maximum number of shares that may be purchased, or the criterion for determining the said maximum number, in a manner consistent, in any case, with the maximum amount set; (iii) the duration of the authorisation (in any event not to exceed 18 months from the date of grant of the authorisation); (iv) the minimum and maximum prices of purchase or, if precise identification of such prices is deferred until the moment of execution of the transaction, an indication of the precise, objective criteria for determining the said prices; all in accordance with applicable legislation, and in particular with the provisions of Article 132 of the Consolidated Finance Law and Article 144-*bis* of the Issuers' Regulations.

The Shareholders' General Meeting will also resolve on the granting of authorisation to the Board of Directors to make use, for the purposes of the Scheme, of the shares purchased by virtue of the authorisation, if granted, together with the residual shares already held by UBI Banca.

#### **3.2 Names of the parties assigned to administer the Scheme and their function and responsibilities.**

Overall administration of the Scheme has been assigned to UBI Banca's Human Resources Area.

Within the framework of management of the Scheme, mention should also be made of the efforts of the Remuneration Committee, which, as is known, is a committee formed pursuant to applicable banking legislation within the body with strategic supervision function. In particular, the said Committee, on the basis of the information received from the competent company departments, will express an opinion of the achievement of the performance objectives on which this Scheme is also contingent.

#### **3.3 Any existing procedures for the revision of the Scheme, with respect, amongst other things, to changes in the key objectives.**

In the event of significant revisions to the budget in the course of the year of reference of the Scheme, the Board of Directors may resolve on changes to the funds allocated in service of the Scheme (the "bonus pool"), in consultation with the Remuneration Committee.

Without prejudice to the above, any exceptions to the policies will be submitted to Board of Directors, subject to an opinion from the Remuneration Committee and the Management Control Committee.

#### **3.4 Description of the methods used to determine the availability and the grant of the financial instruments on which the Scheme is based.**

The mechanism provides for the use of a number of treasury shares held by the Parent. For asset management positions, purchases will be made of quotas and shares of UCITs created by Pramerica SGR and Pramerica Management Company and also, solely for the Deputy General Manager and Commercial Chief of Pramerica SGR S.p.A., of shares in the parent company of the Prudential Financial, Inc. group.

Once the Scheme's access gates have been verified and the amount of the bonus, if any, accrued to each beneficiary of the Scheme on the basis of the performances achieved has been determined, the corresponding financial instruments will be "promised" to the beneficiaries, in a specific communication, until they are actually granted. As such, the value of the bonus paid may vary according to the performance of the price/value of the financial instruments.

#### **3.5 The role filled by each Board Member in determining the features of the scheme and any situations of conflict of interest for the Directors involved.**

The Board of Directors shall submit the proposal to adopt the Scheme – representing an integral part of the 2020 Remuneration and Incentives Policies – to a Shareholders' General Meeting. After also verifying its consistency with the said Policies, the Board of Directors approved the aspects of the Scheme within its purview, on the basis of an opinion from the Remuneration Committee.

From the standpoint of possible situations of conflicts of interest, it should be noted that, as also emphasised in section 1.1 above, the beneficiaries of the Scheme include the Chief Executive Officer and General Manager of UBI Banca, Victor Massiah who is also a member of the Board of Directors of UBI Banca.

**3.6 For the purposes of the requirements of article 84-bis, paragraph 1, the date of the decision made by the body responsible for proposing the approval of the Schemes to the Shareholders' General Meeting and the proposal by the Remuneration Committee, if present.**

The Board of Directors resolved to submit the Scheme for the approval of UBI Banca's Shareholders' General Meeting on 5<sup>th</sup> March 2020, having acquired the opinion of the Remuneration Committee on 17<sup>th</sup> February 2020.

**3.7 For the purposes of the requirements of Article 84-bis, paragraph 5, letter a) the date of the decision made by the body responsible for the grant of the instruments and any proposal to the aforementioned body made by the Remuneration Committee, if present.**

Once the Scheme is approved by UBI Banca's Shareholders' General Meeting, UBI Banca's Board of Directors will resolve on the grant of UBI Banca shares to the potential beneficiaries of the Scheme, after consulting with the Remuneration Committee, at the end of the performance measurement period, and presumably by the end of the first half of 2021.

**3.8 The market price, recorded on the aforesaid dates, for the financial instruments on which the plans are based, if traded on regulated markets.**

The official prices of shares in UBI Banca as at the dates set out in section 3.6 above were as follows: €3.443 on 17<sup>th</sup> February 2020 (meeting of the Remuneration Committee) and € 3.394 on 5<sup>th</sup> March 2020 (meeting of the Board of Directors).

**3.9 For Schemes based on financial instruments traded on regulated markets, what are the terms and procedures adopted by the issuer in determining the timing of the grant of the financial instruments to take account of coincidences in the timing of:**

- i) the aforementioned grant or any related decisions taken by the remuneration committee, and**
- ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1; for example, when the information is:**
  - a. not already public and capable of positively influencing the market prices, or**
  - b. already published and capable of negatively influencing the market prices.**

Without prejudice to the fact that the execution of the Scheme will be disclosed to the market in accordance with the law, it should be noted that adequate account will be taken of the advisability of not proceeding with the grant of shares in UBI Banca in service of the Scheme concurrently with the circulation of any material information capable of significantly influencing the quoted price of the said shares.

## **4. THE CHARACTERISTICS OF THE INSTRUMENTS GRANTED**

### **4.1 Description of the structure of the remuneration schemes based on financial instruments.**

The Scheme calls for a quota of 50% to 55% of the variable remuneration linked to the incentive system to be granted in the form of financial instruments, subject to retention and deferral clauses, as illustrated in section 4.2 below.

### **4.2 Specification of the scheme's effective period of implementation, also with reference to any cycles established.**

The period of implementation of the Scheme began in 2020 and will conclude in 2026.

Specifically, accrued bonuses in excess of €430,000 will be paid on the basis of the following criteria:

- for “*Identified Staff*” belonging to the “Top IS” category, including the Chief Executive Officer, deferral of 60% for five years on a pro-rated basis and disbursement in financial instruments of 55% of total variable remuneration, subject to a one-year retention period.
- for “*Other Group Identified Staff*”, deferral of 60% for three years on a pro-rated basis and disbursement in financial instruments of 50% of total variable remuneration, subject to a one-year retention period.

Bonuses of €430,000 or less will be paid according to the following criteria:

- for “*Identified Staff*” belonging to the “Top IS” category, deferral of 50% for five years on a pro-rated basis and disbursement in financial instruments of 55% of total variable remuneration, subject to a one-year retention period.
- for “*Other Group Identified Staff*”, deferral of 40% for three years on a pro-rated basis and disbursement in financial instruments of 50% of total variable remuneration, subject to a one-year retention period.

Reference is made to Section I of the Report on remuneration policies and wages for details of the payout procedures.

It should also be noted that in cases of variable remuneration – including in the form of consideration for job-security agreements – of less than €50,000 and 25% of individual fixed remuneration, the bonuses will be disbursed exclusively upfront and in the form of cash payments and welfare benefits. In terms of the specific markets of reference and composition of the current remuneration package, positions within the asset management perimeter will receive their bonuses solely as "upfront cash payments and welfare benefits" where the bonuses accrued are less than €80,000; the financial advisors of IW Bank S.p.A. will receive their bonuses solely as "upfront cash payments" where the bonuses accrued are less than €50,000 and 33% of their fixed remuneration.

#### **4.3 End of the Scheme.**

The Scheme will come to a close in 2026 as specified above.

#### **4.4 The maximum number of financial instruments, including those in the form of options, granted in each tax year in relation to the persons identified by name or the categories listed.**

With regard to the component of the Scheme involving ordinary shares in UBI Banca, the number of shares to be granted to each beneficiary will be determined as the ratio between the requirement resulting from the bonuses earned based on the performance levels achieved and the official price of share at the time of the approval of the Scheme by the Shareholders’ General Meeting, taking account of the time scales set out in section 4.2 above.

With regard to the component of the scheme referring to the Group's asset management company, the number of quota/shares in UCITs managed by Pramerica SGR S.p.A. and Pramerica Management Company S.A. is to be determined based on the ratio between the requirement resulting from the bonuses earned based on the performance levels achieved and the price of the quotas/shares at the time of being promised.

#### **4.5 Trigger procedures and clauses for the scheme, specifying whether the grant of instruments is subject to conditions being met or the achievement of determined results, including performance related results; a description of those conditions and results.**

Triggering of the Scheme is linked to the satisfaction of appropriate conditions (entry thresholds or “gates”) that guarantee the capital stability and liquidity of the Group, as measured by the following indicators: the “Common Equity Tier 1 Ratio”, the “Net Stable Funding Ratio”, the “Liquidity Coverage Ratio” and “Leverage Ratio”. The incentive system will not be triggered in the event of a loss in the financial statements in normalised terms, without prejudice, in any event, to the possibility for the governing body to distribute, by proposal of the Remuneration Committee, a maximum of 15% of the total “bonus pool” in cases of events and variables, including of an external nature, that cannot be foreseen or determined.

In addition to the Group entry thresholds or “gates”, there are specific performance indicators at Group, company and business unit level, and more specifically RORAC at Group level and the “*Normalised net profit Adjusted for the difference between the cost of allocated and absorbed capital*” (or “*Normalised net profit*” where this is not available) at the level of individual companies and business units.

The actual participation of individual “IS” in bonus schemes take place on the basis of individual performance measured according to “balanced scorecard” principles recorded on “key performance indicator sheets”), which may contain both indicators of an operating and financial nature (profitability, growth and productivity) and of a non-financial nature (project work, CSR-related sustainability, customer satisfaction and managerial efficacy), with the exception of the control functions, the Senior Officer Responsible for the preparation of corporate accounting documents and the UBI Banca Head of the Human Resources Area for whom there are no indicators linked to operating and financial objectives.

In consideration of the segmentation of the “IS” perimeter and the importance of positions in the organisation, the individual performance indicators have differentiated percentage weightings: for the most senior positions Group or company/business unit objectives prevail over individual objectives, in consideration of their more direct impact on the former.

In addition, exclusively for the Chief Executive Officer and the Senior Deputy General Manager of UBI Banca, a share of the bonus may be adjusted on the basis of the position of UBI Banca compared with the listed banks taken as the benchmark in terms of share performance (“Total Shareholder Return”, or “TSR”).

Finally, again in order to further ensure liquidity and capital stability for the Group over time, the deferred quota of the Scheme, too, shall be paid on the condition that adequate levels of the Common Equity Tier 1 ratio and the Net Stable Funding Ratio are observed at the Group level. The deferred portion of the bonus will not be paid if these conditions are not met (termed a “malus”).

#### **4.6 Details of any restrictions on the availability of the shares, with particular reference to the periods within which the subsequent transfer to the company or to third parties is permitted or prohibited.**

The shares in UBI Banca – those included in both the upfront and deferred quotas of the bonus – will be unavailable (subject to retention) for a period of one year. In any event, the shares in UBI Banca granted in service of the Scheme may not subsequently be sold to UBI Banca.

#### **4.7 Description of any termination conditions for grants under the scheme if the beneficiaries should conduct hedging transactions that might neutralise any restrictions on the sale of the financial instruments granted, including those in the form of options, or the financial instruments resulting from the exercise of those options.**

The Scheme does not have any termination conditions of the type described above given that the grant of financial instruments to the beneficiaries is done at the end of their respective retention periods.

Furthermore, in line with the guidelines of national and international authorities and with the Group Remuneration Policy the beneficiaries are forbidden from using personal hedging or insurance strategies designed to impair the effects of alignment with the risk implicit in the remuneration mechanisms.

#### **4.8 Description of the effects of the termination of the employment relationship.**

The Scheme provides for the loss of all rights in the event of termination of employment during the period of the Scheme, with the sole exception of termination of employment due to retirement, including incentivised retirement (and based on length of service, age, or use of the industry’s solidarity funds). In fact in such cases, beneficiaries normally maintain rights to the portions earned but not yet paid, and this also occurs in the event of death of the beneficiary with payment to the heirs.

#### **4.9 Details of any other reasons for the cancellation of the Scheme.**

Fraudulent behaviour or gross negligence by a beneficiary of the Scheme will result in nullification of the Scheme for that beneficiary and the application of clawback mechanisms to recover any bonuses that may have already been paid.

#### **4.10 The reasons for the provision of any "buy-back" by UBI Banca of the shares involved in the Scheme, pursuant to Articles 2357 and following of the Italian Civil Code; the beneficiaries of the buy-**

**back, specifying whether it only applies to particular categories of employees; and the effects of the termination of the employment relationship on the redemption.**

The Scheme does not provide for any redemption of the UBI Banca shares granted under the Scheme.

**4.11 Any loans or concessions to be granted for the purchase of the shares pursuant to Article 2358, paragraph 3, of the Italian Civil Code.**

Considering that the execution of the Scheme does involve not any direct investment in shares in UBI Banca by the potential beneficiaries of the Scheme, the conditions have not been met for any loans or other concessions to be granted for the purchase of the shares in UBI Banca subject to the Scheme.

**4.12 Details of the estimates of the expected liability for the company as at the grant date, as determinable on the basis of the terms and conditions already defined, by overall amount and for each instrument of the Scheme.**

At present it is not possible to determine the precise amount of the cost of execution of the Scheme, given – as stated in section 4.5 above – the presence of Scheme trigger conditions and the need to verify the achievement of performance objectives by the Scheme's potential beneficiaries. Furthermore, it is currently estimated that the maximum funding requirement for the component of the Scheme based on shares in UBI Banca may indicatively be quantified at approximately €5.5 million, in addition to the €1.5 million relating to the component of the Scheme based on shares/quotas of UCITs managed by Pramerica SGR S.p.A. and by Pramerica Management Company S.p.A. and on shares of Prudential Financial, Inc.

**4.13 Specification of any dilution effect on share capital resulting from the grant of the shares.**

Given that the execution of the Scheme does not call for the grant of any newly issued shares in UBI Banca, there will be no dilution effect on UBI Banca's share capital.

**4.14 Any limits set on the exercise of voting rights and on the grant of economic rights.**

There are no limits on the exercise of voting rights or on the ground of economic rights in reference to UBI Banca ordinary shares subject to the Scheme.

**4.15 If the shares are not traded on regulated markets, any other information needed to properly measure the value attributable to them.**

The UBI Banca ordinary shares in service of the Scheme are traded on the *Mercato Telematico Azionario* (electronic stock exchange) of the Milan Stock Exchange.

5<sup>th</sup> March 2020

THE BOARD OF DIRECTORS

**REMUNERATION SCHEMES BASED ON FINANCIAL INSTRUMENTS**  
**TABLE NO. 1 OF SCHEME 7 OF ANNEX 3A OF REGULATION NO. 11971/1999**

Name or category	Position (to be given only for persons reported by name)	<b>BOX 1</b> Financial instruments other than options (e.g. Stock grant)						
		<b>Section 1</b> Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions - short-term incentive schemes for 2014, 2015, 2016, 2017, 2018 and 2019						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
<b>Massiah Victor</b>	- Chief Executive Officer (from 1/1/2019 to 12/4/2019 and from 16/4/2019) / General Manager of UBI Banca	10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	16,055	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	24,082	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	12,267	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	18,400	2021	3.6419	7.4047	7
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca					
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca					
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	54,822	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	82,233	2024	2.5129	3.8342	7
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	85,859	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	64,394	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	64,394	2023	2.2348	2.649	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	21,465	2024	2.2348	2.649	6
	<b>TOTAL</b>			<b>443,971</b>				
<b>Sonnino Elvio</b>	- Member of the Management Board (until 12/4/2019) / Senior Deputy General Manager of UBI Banca	10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	11,724	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	7,816	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	11,293	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	7,528	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	7,624	2017	3.4911	3.2793	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	7,184	2018	3.4911	3.4799	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	29,001	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	29,001	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	40,383	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	16,153	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	16,153	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	8,077	2023	2.2348	2.649	5
12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	8,077	2024	2.2348	2.649	6		
	<b>TOTAL</b>			<b>200,014</b>				

Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions - short-term incentive schemes for 2014, 2015, 2016, 2017, 2018 and 2019						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
<b>Leidi Rossella</b>	- Deputy General Manager of UBI BANCA	10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	8,143	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	5,428	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	5,319	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca	3,546	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca					
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	3,592	2018	3.4911	3.4799	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	11,838	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	11,838	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	18,795	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	7,518	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	7,518	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	3,759	2023	2.2348	2.649	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	3,759	2024	2.2348	2.649	6
	<b>TOTAL</b>			<b>91,053</b>				
<b>Geertman Frederik Herman</b>	- Deputy General Manager of UBI BANCA	02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca					
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	5,747	2018	3.4911	3.4799	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	23,602	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	23,602	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	33,404	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	13,361	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	13,361	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	6,681	2023	2.2348	2.649	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	6,681	2024	2.2348	2.649	6
	<b>TOTAL</b>			<b>126,439</b>				
<b>Ranica Osvaldo</b>	- Member of the Management Board (until 12/4/2019) / Member of the Board of Directors (from 12/4/2019) of UBI Banca	10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	3,057	2015	3.6419	7.3599	3
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	6,029	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca	4,019	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca					
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca					
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca					
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca					
	<b>TOTAL</b>			<b>13,105</b>				

Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions - short-term incentive schemes for 2014, 2015, 2016, 2017, 2018 and 2019						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Senior Management: Executive Board Members and General Managers of Group companies		10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	25,265	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	10,819	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	23,174	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca	8,585	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	14,980	2017	3.4911	3.2793	3
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca	6,594	2020	3.4911	3.2793	5
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	20,416	2018	3.4911	3.4799	3
		07/04/2017: short-term incentive scheme	Quotas/shares of UCITS	6,032	2018	NA	NA	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	13,851	2021	3.4911	3.4799	5
		07/04/2017: short-term incentive scheme	Quotas/shares of UCITS	6,032	2021	NA	NA	5
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	24,463	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Quotas/shares of UCITS					
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	20,636	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	52,880	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	6,092	2020	NA	NA	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	19,911	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	2,437	2021	NA	NA	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	19,911	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	2,437	2022	NA	NA	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	6,853	2023	2.2348	2.649	5
	12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	1,218	2023	NA	NA	5	
	12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	6,853	2024	2.2348	2.649	6	
	12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	1,218	2024	NA	NA	6	
	<b>TOTAL</b>			<b>300,658</b>				

Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions - short-term incentive schemes for 2014, 2015, 2016, 2017, 2018 and 2019						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Material risk-takers: Managers of the main lines of UBI business		10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	51,391	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	28,186	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	46,137	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca	29,237	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	19,058	2017	3.4911	3.2793	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	130,362	2018	3.4911	3.4799	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	36,385	2021	3.4911	3.4799	5
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	448,123	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	272,699	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	540,613	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	189,016	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	189,016	2022	2.2348	2.649	4
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	26,417	2023	2.2348	2.649	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	26,417	2024	2.2348	2.649	6
		<b>TOTAL</b>			<b>2,033,057</b>			
Material risk-takers: Managers of the main lines of Group company business		10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	36,170	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	5,683	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca					
		02/04/2016: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	18,804	2017	3.4911	3.2793	3
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca	1,556	2020	3.4911	3.2793	5
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	32,285	2018	3.4911	3.4799	3
		07/04/2017: short-term incentive scheme	Quotas/shares of UCITS	23,041	2018	NA	NA	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	4,841	2021	3.4911	3.4799	5
		07/04/2017: short-term incentive scheme	Quotas/shares of UCITS	15,361	2021	NA	NA	5
		07/04/2017: long-term incentive scheme 2017-2019/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	36,085	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Quotas/shares of UCITS	12,727	2019	NA	NA	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	10,981	2022	2.5129	3.8342	5
		06/04/2018: short-term incentive scheme	Quotas/shares of UCITS	8,485	2022	NA	NA	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	5,222	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	37,633	2020	NA	NA	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	1,741	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	12,954	2021	NA	NA	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	1,741	2022	2.2348	2.649	4
	12/04/2019: short-term incentive scheme <sup>4</sup>	Quotas/shares of UCITS	14,184	2022	NA	NA	4	
	<b>TOTAL</b>			<b>279,493</b>				

Name or category	Position (to be given only for persons reported by name)	BOX 1 Financial instruments other than options (e.g. Stock grant)						
		Section 1 Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions - short-term incentive schemes for 2014, 2015, 2016, 2017, 2018 and 2019						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date (*)	Purchase price of instruments, if applicable	Market price when granted (*)	Vesting period
Material risk-takers: Managers of the highest level of control functions		10/05/2014: short-term incentive scheme <sup>1</sup>	Ordinary shares of UBI Banca	11,047	2015	3.6419	7.3599	3
		10/05/2014: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	1,590	2018	3.6419	7.3599	5
		25/04/2015: short-term incentive scheme <sup>2</sup>	Ordinary shares of UBI Banca	23,823	2016	3.6419	7.4047	3
		25/04/2015: short-term incentive scheme	Ordinary shares of UBI Banca	15,882	2019	3.6419	7.4047	5
		02/04/2016: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	4,956	2017	3.4911	3.2793	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	76,665	2018	3.4911	3.4799	3
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca	42,983	2021	3.4911	3.4799	5
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	80,014	2019	2.5129	3.8342	3
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca	43,528	2022	2.5129	3.8342	5
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	51,453	2020	2.2348	2.649	2
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	17,151	2021	2.2348	2.649	3
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca	17,151	2022	2.2348	2.649	4
		<b>TOTAL</b>			<b>386,243</b>			
Financial Advisors		02/04/2016: short-term incentive scheme <sup>3</sup>	Ordinary shares of UBI Banca	5,905	2017	3.4911	3.2793	3
		02/04/2016: short-term incentive scheme	Ordinary shares of UBI Banca	3,937	2020	3.4911	3.2793	5
		07/04/2017: short-term incentive scheme	Ordinary shares of UBI Banca					
		06/04/2018: short-term incentive scheme	Ordinary shares of UBI Banca					
		12/04/2019: short-term incentive scheme <sup>4</sup>	Ordinary shares of UBI Banca					
	<b>TOTAL</b>			<b>9,842</b>				

(\*) Financial instruments have been promised on the date indicated, but will not be granted until the end of the vesting period.

<sup>1</sup> Financial instruments granted in 2017

<sup>2</sup> Financial instruments granted in 2018

<sup>3</sup> Financial instruments granted in 2019

<sup>4</sup> Amounts estimated on preliminary figures, but subject to modification

Name or category	Position (to be given only for persons reported by name)	<b>BOX 1</b> Financial instruments other than options (e.g. Stock grant)						
		<b>Section 2</b> Newly granted financial instruments on the basis of a decision by the Board of Directors for submission to the 2020 Annual General Shareholders' Meeting <b>Identified Staff: 2020 short-term incentive scheme</b>						
		Date of shareholder resolution	Type of financial instrument	Number of instruments	Grant date	Purchase price of instruments, if applicable	Market price when granted	Vesting period
<b>Massiah Victor</b>	- Chief Executive Officer (from 1/1/2019 to 12/4/2019 and from 16/4/2019) / General Manager of UBI Banca	08/04/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
<b>Sonnino Elvio</b>	- Member of the Management Board (until 12/4/2019) / Senior Deputy General Manager of UBI Banca	08/04/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
<b>Leidi Rossella</b>	- Deputy General Manager of UBI BANCA	08/04/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
<b>Geertman Frederik Herman</b>	- Deputy General Manager of UBI BANCA	08/04/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA
<b>Senior Management: Executive Board Members and General Managers of Group companies *</b>		08/04/2020	Ordinary shares of UBI Banca and Quotas/shares of UCITS	NA	NA	NA	NA	NA
<b>Material risk-takers: Managers of the main lines of business *</b>		08/04/2020	Ordinary shares of UBI Banca and Quotas/shares of UCITS	NA	NA	NA	NA	NA
<b>Material risk-takers: Managers of the highest level of Control Functions *</b>		08/04/2020	Ordinary shares of UBI Banca and Quotas/shares of UCITS	NA	NA	NA	NA	NA
<b>Financial Advisors</b>		08/04/2020	Ordinary shares of UBI Banca	NA	NA	NA	NA	NA

\* The names of the persons in the positions reported will be given at a later stage when the scheme is implemented.