

*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 long-term (multi-year) 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 the long-term (multi-year) variable component of remuneration for “Identified Staff” in financial instruments; proposal to authorise the purchase of treasury shares 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.

In order to support the new Business Plan, an Incentive Scheme for the period 2020-2022 has been put in place for “*Identified Staff*” of the Group with the exception of “*Members of the Governing Bodies*”, Corporate Control Functions, Financial Advisors of IW Bank S.p.A. and other specific positions, based exclusively on the grant of UBI Banca S.p.A. shares. The aim is to bring the interests of management increasingly into line with that of shareholders over the long-term. As regards introducing the new scheme, the 2017-2020 long-term incentive scheme, which did not go ahead and for which no bonuses were paid, will be dropped.

The payment of bonuses will be related to performance measurement on the basis of specific indicators (Return On Tangible Equity, Cost:income ratio and NPL ratio) at Group level as at 31/12/2022, the performance of the UBI share against a benchmark and sustainability indicators. In order to take account of possible discontinuities in performances over the period, corrective mechanisms are in place for the overall bonus earned if specific objectives in terms of return on risk-adjusted capital are not met in 2020 and 2021.

Depending on the achievement of objectives, the payment of bonuses will be made on the basis of the following procedures.

- for personnel in the “Top IS” category: 50% (40% for bonuses higher than €430,000) up-front and 50% (60% for premiums higher than €430,000) deferred for five years on a pro rata basis, with one year of retention for each payment;
- for personnel in the “Other IS” category: 60% up-front and 40% deferred for three years on a pro rata basis, with one year of retention for each payment.

Since it is impossible at present to calculate the precise amount of the expected liability, account was taken in particular of the existence of trigger conditions and the degree to which individual objectives have been achieved and an estimate was made of the expected maximum liability over the course of the Scheme which amounted to approximately €18 million.

While the Scheme in question will replace the 2017-2020 long-term scheme and considering that approximately 4.4 million treasury shares have already been purchased to service that scheme, a proposal is submitted to the Shareholders’ General Meeting to authorise the purchase of treasury shares up to the aforementioned maximum limit of €6 million and, in any case, for a total amount and for a quantity of shares based strictly on the requirement to implement the Scheme.

The number of shares to be granted is to be calculated as the ratio of the requirement accrued, based on the achievement of the scheme’s objectives, to the official share price on the date on which the Shareholders’ General Meeting approves the Scheme.

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 immediately valid 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 €18 million over the course of the Scheme as mentioned above, all or part of the treasury shares already held in portfolio by UBI Banca S.p.A..

For all further information on the characteristics of the scheme in question, see 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 Issuers' 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.

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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, with payment of long-term variable remuneration for "Identified Staff" of the Group through the grant of ordinary shares of the UBI Banca S.p.A. for a maximum total amounting to approximately €18 million over the period of the Scheme;*
- b) *to authorise the Board of Directors to purchase treasury shares to be allocated to the Scheme in question, in one or more transactions to be undertaken within 18 months of the date of authorisation by the Shareholders' General Meeting for a maximum purchase value of €6 million and, in any case, for a total amount and for a quantity of shares based strictly on the requirement to implement the Scheme, while the number of shares to be granted will be calculated as 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 the purchases of treasury shares must take place (also in accordance with the applicable regulations) in compliance with the following conditions: (i) 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, (ii) 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 that of the purchase, and (iii) the purchases must be made in compliance with all the applicable provisions in force 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 the treasury shares already 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 €18 million over the course of the Scheme 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 – long-term (multi-year) Incentive Scheme for “*Identified Staff*”

### INTRODUCTION

In compliance 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 a long-term (multi-year) 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 with the exception of “Members of the Governing Bodies”, Corporate Control Functions, IW Bank financial advisors and other specific positions.

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 exception of the members of Governing Bodies, the Corporate Control Functions, IW Bank financial advisors and other specific positions 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 2022 and the daily average in December 2019, including the value of any dividends paid (excluding possible reinvestment of the shares). 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.

**Return On Tangible Equity (“ROTE”)** - This is an indicator of the operating profitability of the Bank and is calculated as the ratio of net profit to tangible equity (the latter is calculated as the difference between equity excluding profit/loss and intangible assets).

**Cost:income ratio** - Efficiency indicator which gives the “balance” between costs and income.

**Non-performing Loans Ratio (“NPL ratio”)** - An indicator of the quality of the Bank’s loan portfolio expressed as the ratio between the amount of non-performing exposures held in portfolio and the total loans held by the bank.

**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” of the UBI Group, with the exception of “Members of the Governing Bodies”, the Corporate Control Functions, IW Bank’s financial advisors and other specific positions, for a total of 170 positions.

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 Managers 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 “*Other Group Identified Staff*” category which includes the Areas of the Parent and roles at IW Bank and the companies which have a greater impact on the Group’s risk profile.

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 Scheme 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, the Deputy General Managers (Chief Wealth and Welfare Officer and Chief Commercial Officer), the Chief General Counsel, the Chief Lending Officer, the Head of Top Private Banking, the Head of Corporate & Investment Banking and the heads of UBI Banca’s Macro Geographical Areas, for a total of 14 beneficiaries.

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

It was decided to put a performance-related long-term incentive scheme in place for the period 2020-2022 to support the Business Plan with the objective of bringing the interests of management into line with those of shareholders, with a view to creating long-term value, in compliance with legislation and regulations in force and best market practices.

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 and in particular of the 4,346,890 shares purchased for 2017-20 long-term incentive scheme which was interrupted.

#### **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 on 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.**

If extraordinary events or events unforeseen at the time of the budget occur such as for example, but not limited to, mergers, capital increases and extraordinary accounting normalisations, the Board of Directors may make necessary or advisable changes to the structure of the Scheme in order to neutralise the effects of those operations on the "entry gate" and KPIs, while making appropriate disclosures to the Shareholders' General Meeting.

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.

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 2023.

**3.8 The market price, recorded on the aforesaid dates, for the financial instruments on which the schemes 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 provides for bonuses to be paid entirely in UBI Banca shares, which are considered the most appropriate instruments for aligning the interests of shareholders with those of Management. The shares are subject to retention and deferral clauses, as illustrated in the following point 4.2.

### **4.2 Specification of the Scheme's effective period of implementation, also with reference to any different cycles provided for.**

The period of implementation of the Scheme began in 2020 and will conclude in 2029.

If the trigger conditions have been met and the performance objectives have been achieved in the period 2020-2022, payment of the bonus will start from 2023 on the basis of the criteria illustrated as follows:

- for “*Identified Staff*” belonging to the “*Top IS*” perimeter: grant of 50% of the bonus upfront (40% for bonuses higher than €430,000) and deferral of 50% (60% for premiums higher than €430,000 ) for five years on a pro rata basis (grant of 10% of the bonus for each year from 2024 to 2028, 12% for bonuses higher than €430,000), with one year of retention for each payment;
- for “*Other Group Identified Staff*”: grant of 60% of the bonus upfront and deferral of 40% for three years on a pro rata basis (grant of 15% of the bonus for 2024 and 2025 and 10% for 2026). Retention of one year is applied for each payment.

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

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

The Scheme will come to a close in 2029 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.**

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 over the course of the Scheme and the official price of the share at the time of the approval of the Scheme in question by the Shareholders’ General Meeting, taking account of the time scales set out in section 4.2 above.

#### **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 scheme is not triggered if a normalised operating loss is recorded.

In addition to Group “gates”, triggering of the Scheme is dependent on performance measurement on the basis of specific indicators (Return On Tangible Equity, Cost:income ratio and NPL ratios), which are measured at Group level as at 31/12/2022, on the performance of the UBI share against a benchmark and on sustainability indicators.

In order to avoid performance discontinuities in the period, a negative corrective mechanism is also in place for the overall bonus earned if specific objectives in terms of return on risk-adjusted capital are not achieved in 2020 and 2021.

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, old age, or use of the industry's solidarity funds). In fact in such cases, beneficiaries normally maintain rights 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 may indicatively be quantified at approximately €18 million.

**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)  | BOX 1<br>Financial instruments other than options<br>(e.g. Stock grant)  |                              |                       |                |  |                               |                |
|------------------|---|--|------------------------------|-----------------------|----------------|--|-------------------------------|----------------|
|                  |   | Section 1<br>Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions<br>- 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 |
| Massiah Victor   | <i>- Chief Executive Officer (from 1/1/2019 to 12/4/2019 and from 16/4/2019) / General Manager of UBI Banca</i> | 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  | 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>                               |                               |                |
| Sonnino Elvio    | <i>- Member of the Management Board (until 12/4/2019) / Senior Deputy General Manager of UBI Banca</i>          | 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  | 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<br>Financial instruments other than options<br>(e.g. Stock grant)  |                              |                       |                |  |                               |                |
|---------------------------------|---|--|------------------------------|-----------------------|----------------|--|-------------------------------|----------------|
|                                 |   | Section 1<br>Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions<br>- 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<br>Financial instruments other than options<br>(e.g. Stock grant)  |                              |                       |                |  |                               |                |
|--|--|--|------------------------------|-----------------------|----------------|--|-------------------------------|----------------|
|  |  | Section 1<br>Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions<br>- 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 UCTIS       | 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 UCTIS       | 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 UCTIS       |                       |                |  |                               |                |
|  |  | 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 UCTIS       | 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 UCTIS       | 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 UCTIS       | 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 UCTIS   | 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 UCTIS   | 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<br>Financial instruments other than options<br>(e.g. Stock grant)  |  |                              |                  |  |                               |                |   |
|--|--|--|--|------------------------------|------------------|--|-------------------------------|----------------|---|
|  |  | Section 1<br>Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions<br>- 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>3</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>3</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<br>Financial instruments other than options<br>(e.g. Stock grant)  |                              |                       |                |  |                               |                |
|--|--|--|------------------------------|-----------------------|----------------|--|-------------------------------|----------------|
|  |  | Section 1<br>Instruments relating to currently valid schemes approved on the basis of previous shareholders' resolutions<br>- 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

**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)   | <p align="center"><b>BOX 1</b><br/>Financial instruments other than options<br/>(e.g. Stock grant)</p> <p align="center"><b>Section 2</b><br/>Newly granted financial instruments on the basis of a decision of the Board of Directors for submission to the 2020 Annual General Shareholders' Meeting<br/><b>Identified Staff 2020-2022 long-term incentive scheme</b></p> |   |                       |                              |  |                           |                |
|---|--|---|---|-----------------------|------------------------------|--|---------------------------|----------------|
|   |  | 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>   | <i>- Chief Executive Officer (from 1/1/2019 to 12/4/2019 and from 16/4/2019) / General Manager of UBI Banca</i> | 08/04/2020            | Ordinary shares of UBI Banca | NA   | NA                        | NA             |
| <b>Sonnino Elvio</b>  | <i>- Member of the Management Board (until 12/4/2019) / Senior Deputy General Manager of UBI Banca</i> | 08/04/2020  | Ordinary shares of UBI Banca  | NA                    | NA                           | NA   | NA                        | NA             |
| <b>Leidi Rossella</b>   | <i>- Deputy General Manager of UBI BANCA</i>   | 08/04/2020  | Ordinary shares of UBI Banca  | NA                    | NA                           | NA   | NA                        | NA             |
| <b>Geertman Frederik Herman</b>   | <i>- Deputy General Manager of UBI BANCA</i>   | 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             |

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