(This English version is a courtesy translation from the Italian original document which remains the definitive version)

UBI BANCA SPA

Proposal to the Shareholders' Meeting regarding the criteria and limits for determining remuneration to be agreed in the event of the early termination of an employment relationship or early retirement from corporate office.

Dear Shareholders,

Pursuant to Circular 285 of 17th December 2013 (Supervisory Regulations for Banks, 7th update of 18th November 2014 concerning remuneration policies and practices) the Shareholders' Meeting has responsibility for defining the criteria and limits for determining remuneration in the event of the early termination of the employment relationship or of the position held.

Following along substantially the same lines as the resolution approved by the Shareholders' Meeting in 2016, the Supervisory Board resolved, in its meeting of 7th March 2017, to submit the approval of the following decisions concerning the setting of criteria and limits on the maximum number of years for the said remuneration and the methods by which it is to be paid to the Shareholders' Meeting, without prejudice to the provisions of the above Regulations under subsection 2.2.3 - Exceptions.

Considering that special payments (golden parachutes) are neither generally nor according to regulations provided for the early termination of the employment relationship or of the position held, any individual agreements, on an exceptional basis, shall be linked to qualitative and quantitative indicators to reflect actual and long-term results and the relative payments:

a) may be made up to a maximum amount of 24 months' fixed salary and up to a maximum amount calculated on the basis of the remuneration for the specific position;

b) will be subject to deferment conditions and to possible retention, where they are to be paid in financial instruments, according to the category of "Identified Staff" to which the person concerned belongs, as defined by the Group Remuneration and incentives policies currently in force;

c) will be subject to mechanisms of ex post correction (clawback and malus) to cover the risk of fraudulent behaviour or serious misconduct that could damage the Bank.

If the Bank initiates the termination of the employment relationship (dismissal) - as long as it has no just cause for withdrawing from the contract pursuant to Art. 2119 of the Italian Civil Code and without prejudice to any lower limits set as part of collective bargaining rules, whether or not at company level, or in legislation that also applies to senior management - in the event of a legal challenge or request for arbitration made by the senior manager in relation to the relative provision, and where transactions within the limits stated above have not been possible, if the Bank loses the case it may involve a payment, for various reasons (currently up to 41 months' fixed salary) pursuant to the national trade union agreement in addition to any compensation paid based on general principles. In such cases the Company will have to comply with whatever is ordered by the judge or Board of Arbitrators, in terms of amounts and payment procedures, subject to all appropriate objections or appeals.

If the employment relationship is ended on any other basis such as, for example, mutual consent, formalised in a settlement agreement to be signed in a "protected place" (before a judge, at a provincial office of employment or in the presence of a trade union representative) as long as there is no just cause for withdrawing from the contract pursuant to Art. 2119 of the Italian Civil Code and as long as this takes place at the Bank's initiative or in any event in the Bank's interest - without prejudice to any lower limits set as part of collective bargaining rules, whether or not at company level, that also apply to senior management – a limit is set on the amount equal to the value of a further maximum twelve months remuneration, in addition to the period of notice required by law and by the national trade union agreement in force. That amount corresponds to a reasonable neutralisation of the risk should a further "supplementary indemnity" be due under Art. 30, paragraph 16 et seq of the aforementioned national agreement. Any payments in excess of those limits fall under the provisions laid down in the preceding points a), b) and c).

Any graduation of payments (always within the above mentioned limits) shall be, without prejudice to compliance with the applicable law and supervisory regulations, on the basis of a prudent assessment of all the circumstances of the individual cases in question, without the possibility of any automatic adjustment or minimum payment obligation, without prejudice to the constraints required by law and the national trade union agreement.

Job-security agreements and non-competition agreements may be signed at the start of or during the employment relationship, normally paid as items of periodic indemnity or on a continuous basis, and therefore forming part of fixed remuneration, as specific tools for the protection and safeguarding of the Bank's professional and business assets which can therefore be paid without limitations.

If the need to defend commercial goodwill and customer retention requires this and makes it advisable, the Bank may make use of specific non-competition agreements, which may also be signed immediately before or at the time of the early termination of the employment relationship. In this case the limit on the payment is set at twelve month's salary, the payment of which will be subject to the provisions of Art. 2125 of the Italian Civil Code and to deferment conditions defined by the Group Remuneration and incentives policies currently in force for a period of twelve months and to possible retention, where it is to be paid in financial instruments, according to the category of Identified Staff to which the person concerned belongs. That amount is always subject to clawback mechanisms to cover the risk of fraudulent behaviour or serious misconduct that could damage the Bank.

In accordance with the provisions of subsection 2.2.3 - Exceptions pursuant to Circular No. 285 of 17th December 2013, 7th update of 18th November 2014 concerning remuneration policies and practices, redundancy incentives, including those connected with extraordinary operations (e.g. mergers) or corporate restructuring, also relate to Identified Staff in accordance with the terms, conditions and limits set by collective bargaining rules, whether or not at company level, or by law applicable to senior management.

With regard to the above, a structured approval process is followed for decisions regarding Identified Staff. More specifically, the Management Board, supported by the competent internal functions of the Bank, submits the measures adopted and the relative reasons, within the bounds of the criteria and limits set by a Shareholders' Meeting, to the Supervisory Board for appropriate verification of compliance, after prior consultation with the Remuneration Committee.

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Dear Shareholders,

In relation to the above, the Supervisory Board proposes that the Ordinary Shareholders' Meeting approves the following resolution:

"The Shareholders' Meeting of Unione di Banche Italiane Spa,

- *having considered the proposal of the Supervisory Board,*
- *with due consideration for the current applicable regulations,*

RESOLVES

to approve the terms for setting the criteria and limits set for determining remuneration and the methods by which it will be paid, to be agreed in the event of the early termination of the employment relationship or of the position held.”

7th March 2017

THE SUPERVISORY BOARD