



This document is a courtesy in-house translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

Board of Directors' Report on item 3 on the agenda of the ordinary session of the Extraordinary and Ordinary Shareholders' Meeting convened for 29 May 2020 in one call, regarding the Report on the Remuneration Policy and compensation paid

(drafted pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented, and article 84-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented)

This document is a courtesy in-house translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

Foreword

Dear Shareholders,

the Board of Directors of Banca CARIGE S.p.A. (hereinafter, "**Banca CARIGE**" or the "**Bank**" or the "**Company**") has called you to attend an Ordinary Shareholders' Meeting at the Bank's Head Office in Genoa, Via Cassa di Risparmio 15, for 29 May 2020 at 10:30 a.m., in one call to discuss and vote, among other aspects, on the following item on the agenda:

Report on the Remuneration Policy and compensation paid

This report ("the **Report**") was drafted pursuant to article 125-ter of Legislative Decree no. 58 of 24 February 1998, as subsequently amended and supplemented (the Consolidated Law on Finance - "**TUF**") and article 84-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the "**Issuers' Regulation**").

Rationale and proposal

Having regard to the provisions of the prevailing Supervisory instructions on "Remuneration and Incentive Policies and Practices", under Part One, Title IV of Bank of Italy Circular no. 285 of 17 December 2013, Update no. 25 of 23 October 2018 (hereinafter the "Supervisory instructions"), it should be noted that:

- in addition to determining the remuneration payable to the bodies it appoints, the Ordinary Shareholders' Meeting approves:
 - (i) the remuneration and incentive policies for members of strategic supervision, management and control bodies and remaining personnel;
 - (ii) the criteria for determining compensation to be paid to all personnel in the event of early termination of the employment relationship or early termination of office,

This document is a courtesy in-house translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

including limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, in compliance, for Identified Staff, with the provisions set forth in Section III, para. 1.2 and para. 2.2.2 of the afore-mentioned Supervisory instructions;

- the same Shareholders' Meeting receives, at least once a year, a clear and complete report on the remuneration and incentive systems and practices containing:
 - (i) information disclosed pursuant to article 450 of EU Regulation no. 575 of 26 June 2013 (“CRR Regulation”);
 - (ii) information on the total remuneration of the chair of the strategic supervision body and each member of the management body or top management pursuant to article 450, letter j) of the above CRR Regulation;
 - (iii) information on the implementation of the Supervisory instructions.

In addition, under the combined provisions of articles 123-ter of the TUF and 84-quarter of Consob Issuers' Regulation, listed companies are required to annually submit a ‘Report on the Remuneration Policy and compensation paid’ to the Shareholders' Meeting, providing information on the implementation of the remuneration policies in force during the financial year and illustrating the remuneration policies of the Group for the following year.

Given the aforesaid framework of primary legislation, regulations and supervisory instructions, the Shareholders' Meeting is therefore submitted the “Report on the Remuneration Policy and compensation paid”, which illustrates the remuneration policies of the Carige Group for financial year 2020, as approved by the Board of Directors' meeting of 22 April 2020 and describes, in Section II, the implementation of the remuneration policies applied in the course of financial year 2019.

Attached to the foregoing Report is the document “Criteria for the determination of compensation to be agreed for all personnel in the event of early termination of the employment relationship or early termination of office”, which sets the criteria for determining the aforesaid

This document is a courtesy in-house translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

compensation, including limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, in compliance, for the Identified Staff, with the provisions set forth in Section III, para. 1.2 and para. 2.2.2 of the Bank of Italy's Supervisory Regulations on remuneration and incentive policies and practices.

Finally, notice is hereby given that, under the annual audit it carried out, the Bank's Internal Auditing function expressed an opinion of overall appropriateness of the remuneration practice adopted, in line with both the policies approved by the Shareholders' Meeting and the supervisory regulations in force.

- 0 -

Given all of the above, the following proposal is submitted to the Shareholders' Meeting for approval:

Resolution concerning section I of the Report on the Remuneration Policy and compensation paid (binding vote)

"The Ordinary Shareholders' Meeting of BANCA CARIGE S.p.A. - Cassa di Risparmio di Genova e Imperia of 29 May 2020, taking into account the detailed information on the Group's remuneration policy provided in the "Report on the Remuneration Policy and compensation paid", and in the attachment "Criteria for the determination of compensation to be agreed for all personnel in the event of early termination of the employment relationship or early termination of office",

resolves

- to approve the remuneration policy of the Banca Carige Group for the next financial year and its implementation procedures, as well as the criteria for the determination of compensation to be agreed in the event of early termination of the employment relationship or early termination of office", all of which as described in the 'Report on the Remuneration Policy and compensation paid', inclusive of all attachments, as per the

This document is a courtesy in-house translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

Board of Directors' Report on the relevant item on the agenda of the Ordinary Shareholders' Meeting".

-0-

Given all of the above, the following proposal is additionally submitted to the Shareholders' Meeting for approval:

Resolution concerning section II of the Report on the Remuneration Policy and compensation paid (advisory vote)

"The Ordinary Shareholders' Meeting of BANCA CARIGE S.p.A. - Cassa di Risparmio di Genova e Imperia of 29 May 2020, taking into account the detailed information on the Group's remuneration policy provided in the "Report on the Remuneration Policy and compensation paid",

resolves

- to take note of the report submitted by the Board of Directors on the implementation of the remuneration policies in force during the previous financial year (Section II, part I), and the report on compensation paid in 2019 (Section II, part II), prepared pursuant to art.123-ter, para.4 of the Consolidated Law on Finance.

Genoa, 29 April 2020

for the BOARD OF DIRECTORS
THE CHAIRMAN
Vincenzo Calandra Buonauro