Board of Directors' Report on the third item on the agenda of the Ordinary Shareholders' Meeting convened for 31 March 2016 in one call, regarding the Remuneration Policies of the Banca Carige Group

(drafted pursuant to article 114-ter and 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)

BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

Foreword

Dear Shareholders,

the Board of Directors of Banca CARIGE S.p.A. (hereinafter "**Banca CARIGE**" or the "**Bank**" or the "**Company**") has convened this Ordinary Shareholders' Meeting on 31 March 2016 at 10.30 a.m. at the Centro Congressi Magazzini del Cotone, Area Porto Antico, Sala Maestrale, Via ai Magazzini del Cotone 59, Genoa, in one call to discuss and vote, among other aspects, on the following item on the agenda:

- Remuneration Policies of the Banca Carige Group

This report (“the **Report**”) was drafted pursuant to article 114-bis and 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 of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”).

Rationale and proposal

We remind you that the prevailing remuneration policies were last approved at the Ordinary Shareholders' Meeting of 23 April 2015, in compliance with the policies to contain risk and in line with the Bank’s long-term objectives, corporate culture and the overall structure of Corporate Governance and internal controls.

In this regard, it should be noted that in relation 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, introduced with Update no. 7 of 18 November 2014 (hereinafter the “Supervisory instructions”):

- 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 corporate bodies and remaining personnel with the frequency prescribed by the prevailing legislation;
(ii) any share-based compensation plans;
(iii) the criteria for determining compensation to be agreed in the event of termination of the employment relationship or early termination of office, including limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria;

- 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 oversight 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 implementation of the Supervisory instructions.

In addition, pursuant to articles 123-ter of the TUF and 84-quarter of the Consob Issuers' Regulation, listed companies are required to submit annually to the Shareholders' Meeting a Remuneration Report providing information on the implementation of the remuneration policies prevailing during the financial year and illustrating the remuneration policies for the following year.

Finally, pursuant to articles 114-bis of the TUF and 84-bis of the Consob Issuers' Regulation the same listed companies are required to publish a specific report regarding any equity-based compensation plans, where adopted.

Given the aforesaid primary legislation, statutory and supervisory regulations, we therefore submit to the Shareholders' Meeting this “Remuneration Report”, which illustrates the remuneration policies of the Carige Group for financial year 2016, approved by the Board of Directors' meeting of 25 February 2016 and describes the implementation of the remuneration policies in force in financial year 2015.

Attached with the aforementioned report are:

- the “Statement on equity-based compensation plans”, containing a specific report on the compensation plans based on financial instruments foreseen by the remuneration policies;

- the document “Criteria and limits for the determination of compensation to be agreed in the event of early termination of employment or early termination of office”, which establishes the criteria for the determination of the aforesaid compensation, as well as the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria.

We finally inform you that the annual verification by Internal Audit that remuneration practice corresponds to the approved policies and the regulations, found that the controls and activities involved in drafting the remuneration policies and their implementation were compliant with the prevailing supervisory regulations.

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Given all of the above, we submit for the approval of the Shareholders' Meeting the following proposal:

“The Ordinary Shareholders' Meeting of BANCA CARIGE S.p.A. - Cassa di Risparmio di Genova e Imperia of 31 March 2016, taking into account the detailed information on the Group's remuneration policy provided in the "Remuneration Report", and in the attachments "Statement on equity-based compensation plans" and "Criteria and limits for the determination of compensation to be agreed in the event of early termination of employment or early termination of office", resolves:

- to acknowledge the report submitted by the Board of Directors on the implementation in the previous financial year of the remuneration policies approved by the Ordinary Shareholders' Meeting of 23 April 2015;

- to approve the remuneration policy of the Banca Carige Group for the next financial year and the implementation procedures contained within it, as well as the equity-based compensation plans and the criteria and limits for the determination of compensation to be agreed in the event of early termination of employment or early termination of office, including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, all of which as described in the ‘Remuneration Report’, inclusive of all attachments, as per the Board of Directors' Report on the relevant item on the agenda of the Ordinary Shareholders' Meeting”.

Genoa, 25 February 2016

for THE BOARD OF DIRECTORS
THE CHAIRMAN
(Cesare Castelbarco Albani)

BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

Remuneration Report

(pursuant to article 123-ter of the TUF and the Bank of Italy Supervisory Regulations)

Text approved by the Board of Directors on 25 February 2016

GRUPPO BANCA CARIGE

FOREWORD

This Remuneration Report (hereinafter "Report") was drafted pursuant to the disclosure requirements of the Bank of Italy Supervisory Regulations on remuneration and incentives policies and practices (Circular no. 285/2013, revision no. 7 of 18 November 2014, Part One, Title IV, Chapter 2: hereinafter "Circular 285/2013"), article 123-ter of Legislative Decree 58/1998 (Consolidated Law on Finance or TUF) and article 84-quarter of the Issuer Regulations (Consob resolution no. 11971/1999 and successive amendments).

The Report is submitted to the Ordinary Shareholders' Meeting and published on the Group's website www.gruppocarige.it.

The Report is made up of two sections.
The first section provides information regarding the remuneration policies adopted for 2016 (hereinafter "2016 Policies") and in particular:

- the process of definition and approval of the remuneration policies adopted by Banca Carige Group (hereinafter "Group") and the governing bodies;
- the main characteristics of the remuneration policies for the members of the governing and control bodies, Identified Staff, other employees and collaborators not bound by employment contract;
- the relationships between fixed and variable salary components;
- the mechanisms ensuring links between the variable salary component and the results, key metrics, coherence with the targets, and corporate strategies and risks;
- the deferment systems and risk correction mechanisms.

The second section of the Report concerns implementation of the remuneration policies for financial year 2015 pursuant to the aforementioned Bank of Italy Supervisory Regulations and the reporting and data transmission obligations foreseen by article 450 of Regulation 2013/575/EU of 26 June 2013 (hereinafter "CRR"). This section is made up of two parts.
The first part "Implementation of the Remuneration Policies" contains information on:

- implementation of the procedures foreseen by the Banca Carige Group staff remuneration policies (hereinafter "2015 Policies");
- salaries paid to the board members of the Parent and the Subsidiaries in 2015;
- the incentives-linked variable remuneration for 2015 and previous years;
- other types of remuneration accruing to 2015;
- remunerations over one million euros;
- the remuneration data transmission obligations to the Bank of Italy.

The second part "Analytical Description of Salaries Paid" provides the quantitative information required by regulation:

- statements of salaries paid or to be paid to "Identified Staff";
- statements on the remuneration paid or to be paid to the of members the governing and control bodies, general managers and other executives with strategic responsibilities within the Parent, pursuant to Consob Resolution 11971/1999 (and subsequent amendments);
- statement of total remuneration of the chair of the strategic oversight board and each member of the management body, and the General Manager, pursuant to the Bank of Italy Supervisory Regulations (Circular 285/2013).

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

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SECTION I

1. LEGISLATIVE CONTEXT

The Group works constantly to bring its policies and practices into line with the regulatory environment, which in the course of 2015 evolved further with the publication, on 21 December 2015, of the EBA guidelines which will officially come into effect on 1 January 2017.
With the seventh revision on 18 November 2014 of Circular 285/2013 "Supervisory Guidance for Banks", the Bank of Italy has adopted the rules on remuneration and incentives policy and practice contained in the CRD IV Package (CRD IV), which represents the legislative framework for all EU jurisdictions on the regulation and supervision of financial activity.
This document[1] defines the remuneration system for the personnel of Banca Carige Group (hereinafter "Group") for the year 2016 in accordance with prevailing Bank of Italy regulation[2], European regulation[3] and Consob[4] and the internal rules of the Group banks and companies.

2. PRINCIPLES AND AIMS

The remuneration and incentive policies are a vital tool of long- and medium-term strategy. They are designed to create value and pursue sustainable growth for the company's shareholders, employees and customers. In the definition of the Policies particular attention was paid to the possible impacts of remuneration policy on the maintenance of a robust capital base and on the containment of risk.

The aims of the 2016 Policies, identified on the basis of the strategic directions presented by the Remuneration Committee and approved by the Board of Directors' meeting of 27/10/2015, are:

- **compliance with the European and national regulatory requirements and coherence with best market practice**. Full compliance of the Carige Remuneration Policies is guaranteed by links with the Risk Appetite Framework and the constant monitoring of industry regulation, and with the involvement of the corporate control functions: Compliance, Internal Audit and Risk Management;
- **links between remuneration and position held in terms of responsibilities and duties:** in particular fixed remuneration is determined by identifying the strategic importance of the position and verified through market comparisons using uniform and significant benchmarks;
- **connection of remuneration, in particular the incentive-linked equity-based variable component, with company and individual performance:** the variable incentive is coherent with the Risk Appetite Framework and risk management and governance policies taking into account the Group's capital and liquidity levels, as well as profitability;
- **provision of a specific policy on compensation to be agreed in the event of early termination of the employment relationship (severance).** These take into account performance over the longer period, in terms of value creation for the shareholders and do not try to compensate for any failures or abuses by the individuals concerned;
- **use of additional benefits as part of an overall pay package:** the payment of benefits, such as insurance, services/goods for the person or the family, is determined on the basis of criteria of fairness and competitiveness.

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[1] The Bank was supported by the services of Deloitte Consulting S.r.l. in verifying the overall compliance of the 2016 Policies and, for certain aspects, Studio Legale Daverio & Florio.

[2] Bank of Italy Circular no. 285/2013, Part One, Title IV, Chapter 2.

[3] Commission Delegated Regulation no. 604 of 4 March 2014, for the definition of Material Risk Takers (MRTs) or Identified Staff (IS); Commission Delegated Regulation no. 527/2014 on the regulatory technical standards specifying the classes of instruments that can be used to determine variable remuneration.

[4] In particular, articles 114-bis and 123-ter of Legislative Decree no. 58/1998 (Consolidated Law on Finance) and articles 84-bis and 84-quarter of the Issuer Regulations (Consob Resolution no. 11971/1999 and subsequent amendments), as well as the joint Bank of Italy-Consob communication of 29 January 2014 "Implementation of the ESMA Guidelines on Remuneration Policies and Practices (Mifid)"; Consob communication of 19 June 2014 on the disclosure of information on allowances and benefits paid to executive directors and general managers; corporate governance code for listed companies.

The key principles of the Group Policies are:

- coherence of remuneration, position and comparable responsibility;
- attention to risk and compliance, to ensure sustainable growth for the Bank over the long term;
- valorization of merit, understood as reward for results, expertise and the upholding of Group values;
- prudence in the predisposition of rules and procedures designed to discourage conduct and behaviour in conflict with the Bank's interests or which might induce excessive risk taking;
- continual comparison with market best practice and tendencies to attract, motivate and keep the best people.

Note also that no other companies were used as benchmarks in drawing up remuneration policy, apart from the essential evaluations or comparisons of average industry pay levels.

2.1 Changes with respect to 2015

The Policies are described schematically to highlight the distinguishing elements and make it easier to understand the changes with respect to 2015 policies.
In particular, the current policies foresee:

- a more detailed description of linking to the risk profile;
- the access indicators (gates) to the incentive scheme have been re-calibrated and altered to ensure a closer alignment of performance to the Group's Risk Appetite Framework and activation of the bonus pool; the indicators for Identified Staff foresee a qualitative assessment of some or all of the processes within the remit of the individual beneficiary;
- possible activation of a multi-year incentives plan;
- possible identification of a "materiality" threshold, i.e. the gradual application of rules for the size of payment of variable remuneration in proportion to the individual's fixed remuneration.

3. GOVERNANCE, DECISION-MAKING AND CONTROL

The governance systems and rules are designed to guarantee clarity, transparency and effectiveness in the definition and implementation of the Group's remuneration policies and incentives.
Group remuneration policies are governed on two levels:

- governing bodies;
- corporate functions.

3.1 Governing Bodies

3.1.1 Parent Shareholders' Meeting

The Parent Shareholders' Meeting:

- determines the fixed salaries for the members of the Board of Directors including the attendance tokens for Board Meetings and Executive Committee Meetings;
- approves and re-examines annually the remuneration of the members of the Parent Board of Directors, Group staff and external collaborators not bound by employment contract;
- approves the criteria for determining the compensation of Identified Staff in the event of termination of employment or early retirement from office (golden parachute) including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria in compliance with the prevailing legislation and regulations (taking into account, among other things, the duration of the employment relationship),
- approves or rejects Section I of the Remuneration Report on the basis of article 123-ter of the Consolidated Law on Finance;
- approves any equity-based compensation plans.

3.1.2 Parent Board of Directors

The Board of Directors:

- draws up, submits to the Shareholders' Meeting and re-examines at least annually, the remuneration and incentives policy and is responsible for its correct implementation;
- defines the remuneration and incentive systems at least for the subjects mentioned in the first point of paragraph 5. (Identified Staff). In particular it ensures that these systems are coherent with the Bank's overall decisions in terms of risk taking, strategies, long-term goals, corporate governance structure and internal controls;
- pursuant to article 2389 of the Civil Code establishes, after hearing the opinion of the Board of Statutory Auditors, the remuneration of Directors with special duties;
- ensures that the remuneration policy is properly documented and available for access within the company.

Inside the Board of Directors the CEO resolves on remuneration matters through the system of proxies and delegated powers and in accordance with the regulation of corporate procedures.

3.1.3 Remuneration Committee

Inside the Board of Directors sits the Remuneration Committee, composed of three to five non-executive directors, in the majority independent, as stipulated by the Board of Directors' when appointing the Committee taking into account the complexity of its duties. Currently the Remuneration Committee is composed of four independent directors, including the committee chairman.
The Remuneration Committee assists the Parent Board of Directors in its duties of supervision and control, as well as in updating the rules and principles behind the remuneration policies.
The Remuneration Committee has full access to all information deemed important to carry out its duties effectively and responsibly.

The Remuneration Committee:

- makes recommendations on the compensation of staff whose remuneration and incentives are decided by the Board of Directors;
- provides advice on the determination of compensation criteria for all Identified Staff;
- directly oversees the correct application of the rules on the remuneration of the heads of the corporate control functions, in close consultation with the control function itself;
- drafts the documentation for the areas within its remit to be submitted for resolution to the Board of Directors;
- works with the other committees inside the strategic oversight body, in particular with the Risk Committee;
- verifies the effective involvement of the competent corporate functions in the drafting and control of remuneration and incentives policy and practice;
- produces a statement based on information received from the competent corporate functions on the achievement of the incentive-linked performance targets and other salary conditions;
- reports regularly on its work to the governing bodies and the Shareholders' Meeting.

3.1.4 Risk Committee

The Risk Committee verifies that the incentives underlying the remuneration and incentives system are coherent with the Group's risk propensity metrics, i.e. the Risk Appetite Framework (RAF).

3.1.5 Shareholders' Meetings of the Subsidiary Banks/Companies

The Shareholders' Meetings of the subsidiary banks approve the remuneration policies and set the salaries for the respective governing bodies on the basis of the Board of Directors' recommendations and the instructions of the relative Boards of the Parent.

They also approve the equity-based remuneration plans and/or incentives for their company, as well as the criteria and limits set for determining the compensation to be agreed in the event of termination of employment or early retirement from office.
The Shareholders' Meetings also approve, on recommendation of the respective Boards of Directors, the Parent's Annual Remuneration Report.

3.1.6 Boards of Directors of Subsidiary Banks/Companies

The Boards of Directors of the individual banks and companies adopt the recommendations of the Parent governing bodies and approve the Group's remuneration policies.

They also accept and submit for approval of their respective Shareholders' Meetings recommendations for the salaries of the governing bodies, and the criteria and limits for the determination of compensation to be agreed in the event of termination of employment or early retirement from office.

Finally they approve the Parent's annual remuneration report and direct the decisions on the management and remuneration of resources on the basis of the Parent's guidelines with the support of HR and the other competent corporate functions.

3.1.7 Parent Board of Statutory Auditors

The Board of Statutory Auditors oversees the correct application of the rules on the remuneration of the heads of the corporate control functions, in close consultation with the Remuneration Committee; It also advises the Board of Directors in the formulation of opinions as required by the prevailing legislation.
The Parent Board of Statutory Auditors, with the support of the control functions of the Parent and the individual banks/companies controlled by the Group, assesses the operational compliance of the procedures of the strategic supervision, management and control bodies and those with duties equivalent to those of general manager at the Parent and the banks/companies controlled by the Group.

In addition, the Board of Statutory Auditors assesses the work of the control function personnel and expresses a judgement on their efficiency in terms of a percentage.

3.2. Corporate Functions

Corporate functions are involved in all stages of defining and planning the remuneration policies in order to preserve independence and provide technical advice to ensure that the policies comply with the regulatory framework.
The corporate functions[5] involved in the definition of the Policies are described below.

3.2.1 Risk Management

Risk Management helps ensure that the incentive schemes are properly risk-adjusted to guarantee that the remuneration and incentive systems comply with the Risk Appetite Framework (RAF), overseeing the links between remuneration and risk-adjusted returns.

It works in close connection with Planning and Management Control to set the targets - at corporate and business unit level (gates) - for the incentive system.

3.2.2 Human Resources

Human Resources provides technical support in the definition and application of the remuneration policies, overseeing coordination at Group and individual bank/company level, for the fixed and variable salary components of the remuneration and incentive system.

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[5] Corporate control functions include: Compliance (incorporating the Anti-Money Laundering unit), Internal Audit, Risk Management and Human Resources pursuant to Bank of Italy Circular 285/2013, as well as the Manager in Charge of preparing the Corporate Financial Documents.

3.2.3. Planning and Management Control

Planning and Management Control works in coordination with the other corporate functions to define the remuneration and incentive systems.
It provides the information needed to calculate the performance indicators specified in Group Policy and the implementing regulations.

3.2.4. Compliance and Internal Audit

Compliance and Internal Audit work jointly between them and together with the Remuneration Committee, to guarantee the adequacy and conformity of remuneration policies and practices with the legislation and their proper functioning.

Compliance

The Parent Compliance Department helps guarantee the adequacy and adherence to the legislation and the implementation procedures, and passes a judgement on compliance.

It verifies:

- that the incentives schemes comply with the law, the Articles of Association, and the code of ethics and other codes of conduct, to make sure that legal and reputational risks are contained, especially with regard to customer relationships;
- compliance with the law and regulations of the rules contained in the remuneration policies, for the identification of Identified Staff and in the report on compensation to be agreed in the event of termination of employment or early retirement from office.

Internal Audit

The Parent Internal Audit Department assesses, on an annual basis, the compliance of processes and practices with the approved Policies and with the regulations, reporting any facts or anomalies to the governing bodies and the corporate functions so that they may take corrective action if necessary.

4. COMPONENTS OF REMUNERATION

Carige Group staff receive both fixed and variable remuneration.

4.1 Fixed Remuneration

The fixed remuneration component is structured so as to permit the variable part to significantly contract or disappear in relation to the risk-adjusted results effectively achieved.
It is defined on the basis of the position held, in accordance with the principle of valorization of the expertise and responsibility associated with the position, including the exposure to risk.

Fixed remuneration components include:

- remunerations approved by the Shareholders' Meeting:
  (i) remuneration for the members of the Boards of Directors and Board of Statutory Auditors, plus salaries approved by the Board for specific duties pursuant to article 2389 of the Civil Code;
  (ii) attendance tokens for membership of the Board of Directors, Board of Statutory Auditors and Executive Committee;

  Pursuant to the Articles of Association, members of the Board of Directors and Board of Statutory Auditors are also entitled to reimbursement of job-related expenses. These may be paid in the form of a lump sum and should be reasonably commensurate with metrics such as the frequency of meetings and the distance from home to office, etc.
- gross salary as set by the CCNL (National Collective Bargaining Agreement) and/or individual contract;
- personal awards;
- payments for minimum salary, minimum term, non-competition and extension of notice which reflect the characteristics described at point 6.4 below;

- salary components defined as fixed in accordance with the law, the CCNL or company contracts, or based on specific corporate policies (e.g.: compensation for territorial mobility or travel inconvenience, or loss of notice);
- the recurrent component of salary for financial business agents, insurance agents and financial advisors.

4.1.2 Benefits associated with fixed salary

Many benefits included in fixed salary awarded by the Parent or by the subsidiary banks/companies depend on national collective or company agreements or specific corporate policies and are therefore not discretionary. These are:

- healthcare assistance;
- private pension;
- occupational/non-occupational insurance
- long term care insurance;
- corporate car;
- housing, normally on a free loan.

Executives[6] and members of the strategic supervision board, management and control bodies also receive a D&O policy (Directors' and Officers' Liability Insurance).

4.2 Variable remuneration

The variable remuneration component (bonus) is additional to the fixed component and is normally linked to results achieved over the short- or medium-long term, and therefore to metrics such as term in office at a certain date and performance assessments.

Variable remuneration components include:

- **incentive bonuses** linked to short- or long-term performance incentive schemes foreseen for specific staff categories or by individual contracts;
- **contractual bonuses**, i.e. foreseen by the National Collective Bargaining Agreement or company contract;
- **discretionary bonuses** associated with the attraction and retention of resources, made up of:
  - welcome bonuses;
  - one-off awards of a small amount, even in kind, for certain categories, sometimes following a commercial competition;
  - retention bonus or other type of bonus linked to seniority;
- any compensation in the event of termination of employment or office (**golden parachute**).

5. BENEFICIARIES OF THE POLICIES

The categories of staff covered by the Policies are:

- **Identified Staff**, determined on the basis of the European Banking Authority (EBA) qualitative and quantitative technical standards, specified by Delegated Regulation (EU) no. 604 which came into effect on 26 June 2014, i.e. persons who take on risk and whose professional activities have a significant impact on their risk profile. This perimeter comprises the following categories:
  - Directors, not bound by employment relationship to the Group;
  - CEOs and General Managers;
  - Heads of corporate control functions (Controllers).
  - Other categories resulting from the application of the quantitative criteria pursuant to DR 604/2014.

[6] Top management figures with discretionary and/or decisional powers

- **Other Group Personnel**;

- **Non-employed external collaborators including financial business agents, insurance agents and financial advisors**.

In 2016, following application of the criteria, the IS perimeter comprises 71 positions, or around 1.4% of the Group's workforce including, in accordance with the regulations, the 32 Directors and among them, the Chief Executive Officer.

Staff Categories	EBA Legislation – Reg. EU 604/2014	No. of Identified Staff
Directors	Article 3 paragraph 2	**31**
CEOs and General Managers	Article 3 paragraphs 1-3	**6**
Other Identified Staff	Article 3 paragraphs 3 and from 5 to 15	**26**
Controllers	Article 3 paragraphs 4-7	**7**
Other categories resulting from the application of the EBA quantitative criteria	Article 4 paragraphs 1-2-3	**1**
Total		**71**

The Parent Human Resources Office oversees the identification of the Identified Staff for the Group banks/companies, applying the criteria defined by Regulation EU 604/2014.
The outcomes of the process are formalized in a document which is submitted to, and approved by, the Boards of Directors of the individual Group banks/companies.
On the basis of the outcomes of the process, taking into account the operational and organizational characteristics of the individual Group companies and the level of riskiness generated by each of them, Parent HR identifies the Identified Staff perimeter with the support of the individual corporate functions, in particular Planning and Management Control, Risk Management, Compliance and Internal Audit.

6. STAFF REMUNERATION AND INCENTIVE POLICIES

All staff categories[7](see paragraph 5) receive a fixed remuneration. Depending on the category they may also receive a variable remuneration.
The combination of fixed and variable salary (the "pay mix") is defined for each category, in compliance with the regulations, in such a way as to deter behaviour which might encourage excessive risk taking.

6.1 Fixed to variable component ratios

The ratio of the variable to the fixed component may not exceed 100%, except for staff belonging to the control functions for which the maximum limit is:
- 30% of fixed salary for Identified Staff;
- 50% of fixed salary for remaining personnel.

Payouts of discretionary bonuses, except in the event of early termination of employment or office (see paragraph 4.2) are included in the calculation of the said 100%, 30% and 50% limits of fixed salary, with the exception of welcome bonuses, which are included in the calculation for the first year only.

Payouts made in the event of early termination of employment or office (golden parachute, see paragraph 7.7), as noted, are not calculated in the said limits.

[7]For non-employed external collaborators including financial business agents, insurance agents and financial advisors, see paragraph 9.

Group Employees may not employ personal hedging or insurance strategies on the remuneration or on other aspects which might alter or compromise the risk alignment inherent in the remuneration mechanisms.

In compliance with the Supervisory Regulations, all forms of remuneration of new personnel involving the reduction or annulment of salary components deriving from previous jobs (using malus or claw-back mechanisms similar to those described in par 7.6 below) are forbidden.

6.2 Limits to distributions - combined capital reserve requirement

If the "combined capital reserve requirement" specified in Bank of Italy Circular no. 285/2013 is not met, the said forms of variable remuneration may only be paid within the conditions and limits established in the Circular.
Where the combined capital reserve requirement is met no distributions relating to class 1 primary capital may be made which might reduce this to a level at which the requirement is not longer met.

If the minimum prudential requirements foreseen by the prevailing and applicable regulations are not met, the variable remuneration component shall not be paid, or if paid must be within the limits and conditions specified in the regulations.

6.3 Remuneration of the Governing Bodies

Remuneration of the Board of Directors

As foreseen by the Articles of Association salary paid to Directors is established annually by the Shareholders' Meeting and is inclusive of the fixed Directors's salary component, including attendance tokens for Board of Directors and Executive Committee meetings.
Directors holding particular positions receive additional payouts decided by the Board of Directors, on the recommendation of the Remuneration Committee, after hearing the opinion of the Board of Statutory Auditors. Specifically these refer to the Chairman, the Deputy Chairmen and the Chief Executive Officer as well as the members of the Executive Committee and the other Board Committees.

Non-executive Directors receive only fixed remuneration.

For the Executive Directors there may also be a variable component, normally specified in the individual contracts which must nevertheless comply with the rules laid down by the regulations and these Policies.

The individual Directors are also rewarded for their time in terms of the aforementioned attendance tokens, paid to each member for each board meeting attended. The Directors are also reimbursed for job-related expenses.

Remuneration of the Board of Statutory Auditors

The compensation of the members of the Board of Statutory Auditors is decided by the Shareholders' Meeting in line with the rules laid down in article 2402 of the Civil Code. Members of the Board of Statutory Auditors are also reimbursed for job-related expenses.
Members of the Board of Statutory Auditors do not receive any variable remuneration.

6.4 Remuneration of employees

Pursuant to the provisions of the EBA guidelines of 21 December 2015 – applicable from 1 January 2017 - remuneration is defined as fixed if the following conditions are satisfied (by way of example):

- it is based on a pre-determined criterion;
- it is not discretionary and reflects the employee's professional experience and seniority;
- the amount paid to the individual is transparent;

- it is permanent (i.e. maintained over time for a specific position or responsibilities) and not revocable (i.e. modified only by national bargaining or negotiation in line with national criteria);
- may not be reduced, suspended or annulled unilaterally by the entity/bank;
- provides no incentives to risk taking;
- does not depend on performance.

The fixed remuneration component is determined on the basis of:
- CCNL provisions and any supplementary contracts or agreements with Social Partners;
- salary benchmarks, with particular reference to positions of greatest market, business and context risk;
- level of coverage of the position by the person, in terms of performance, skills and responsibilities;
- growth potential for the most important jobs and positions difficult to fill on the labour market;
- experience and career path;
- position held.

To guarantee comparison of salaries within the organization and the outside market, company roles are analyzed periodically, and each position is given a grade corresponding to its complexity. The analysis and review is performed by HR, with the support of independent consultants and the results are submitted to the Parent Board of Directors via the Remuneration Committee.

Fixed remuneration may be adjusted and/or revised in the form of:

- pay increases - linked to promotion for merit or contractual job level or personal awards. These are cases in which the company wishes to reward high potential resources who show consistently high qualitative/quantitative performance or who hold superior positions and are normally on a path of professional development;
- minimum salary awards for specific roles and responsibilities, held over a period until the position is filled. They are predetermined, permanent, transparent, and not revocable. The awards must not provide incentives to risk taking or violate the law. They are normally given to key people in the corporate control functions in line with pay bands recommended by the Remuneration Committee and approved by the Board of Directors;
- payouts linked to pacts agreed at the start and/or during the course of the employment relationship in relation to minimum term, non-competition, extension of notice, with the above characteristics. They are recurrent payouts additional to the fixed salary and paid periodically, except for supplements legally required by the pacts, associated with penalties for breach of contract. At the end of the period these payments may go to make up the fixed salary. Such instruments are designed to loyalize resources who hold vital relationships with the clientele or key positions within the organization. They are paid to professional figures on the basis of the strategic nature of their position, as well as to protect corporate assets;
- special allowances for travelling inconvenience for people who regularly work at sites outside their home area. In some cases a residence is provided on a free loan basis;
- additional benefits linked to specific corporate policies and not awarded on a discretionary basis.

7. CHARACTERISTICS OF THE VARIABLE REMUNERATION SYSTEM

The characteristics of the Group staff variable remuneration system is described below[8].

7.1 Determination of the bonus pool

Each year a given amount is set aside in the Group budget for incentives schemes (the so-called “bonus pool”).
This provision is shared among the Group and the individual companies, taking into consideration specific

[8] As specified above, non-executive directors do not receive variable remuneration.

variables, whilst maintaining the capital adequacy and liquidity conditions, such as risk-adjusted returns, the number and category of personnel, the bonus targets and the types of incentive scheme, whether short- or medium-long term, or specified by the individual contracts, remuneration benchmarks, the type of business/environment in which the individual Group banks/companies operate.

7.2 Link between bonus and results

Access to the Group bonus pool depends on fully meeting certain pre-determined qualifying conditions (gates), whose thresholds are set each year by the Parent Board of Directors in line with the Group Risk Appetite Framework:

For 2016, the gates for the entire workforce are:

- consolidated capital adequacy: Common Equity Tier1 (**CET1**) ratio;
- consolidated liquidity: Liquidity Coverage Ratio (**LCR**);
- consolidated risk-adjusted returns: Return on Risk Adjusted Capital (**RORAC**), excluding staff belonging to the corporate control functions.

Note that, for a multi-year incentive scheme returns are also calculated on a multi-year basis.

For Identified Staff with individual targets, in addition to the above indicators, access also depends on the operational compliance assessment of some or all of the processes pertinent to each individual, identified each year by the Parent Board of Directors, formulated:

a) by Compliance, for all beneficiaries except those indicated at point b) below;
b) by the Parent Board of Statutory Auditors for the members of the boards of strategic supervision, management and control and those with duties equivalent to those of general manager and to the heads of the corporate control functions.

These indicators are measured at the end of the annual and/or multi-year performance assessment.

Once a medium- or long-term incentives scheme expires, the Board of Directors must take into account the value creation targets contained in the existing Industrial Plan.

7.3 Activation of the bonus pool

Increases or decreases, or in certain cases the zeroing, of the Group bonus pool depend on variations in the consolidated risk-adjusted returns indicator - the Return on Risk Adjusted Capital (RORAC) - which in turn lead to variations in the underlying targets (except for bonus targets for control function staff).

Differences in the bonus pool may therefore vary depending on the achievement of RORAC (also expressed as a percentage) against the budget and in line with the Group Risk Appetite Framework (RAF), as defined by the Parent Board of Directors.

In any case the Group and individual bonus pool is zeroed if the consolidated and individual financial statements report a negative result[9].
If the allocated amount is exceeded, the bonuses are reapportioned until the allocation is exhausted.

Where the Group bonus pool is zeroed, the boards of the Parent may consider allowing each bank/company an individual bonus pool, providing the consolidated capital adequacy and liquidity conditions have been met.
However the individual bonus pools for each bank/company must not exceed the sum of the individual pools originally defined. In any case the individual thresholds for the following indicators must be satisfied:

- individual capital adequacy Common Equity Tier1 (CET1) ratio;

[9] Calculation of net profits takes into account, on an adjusted basis, the extraordinary non-recurring items and costs of the bonus pool.

- individual efficiency: cost/income ratio[10].

The provision must in any case be compatible with the sustainability of company costs, in line with the prevailing Strategic Plan; after measuring the actual results it may reward best performance or top contributions, in terms of professionalism or expertise, but may not be awarded to Identified Staff in the CEO or general manager category.
In any case no individual bank/company performance-related bonuses can be paid if the individual financial statements report a negative result[11].

7.4 Conditions for individual incentive/reward bonuses
All incentive/reward bonuses for Group staff depend on meeting specific “entry conditions” and are paid in line with the prevailing guidelines issued by the Supervisory Authority.

Payment of individual bonuses also depends on the activation of short-term (annual) incentive and/or long-term (multi-year) incentives schemes at the bank/company where the person works, involving the assignment of balanced scorecards (BSCs) for each bank/company, team or individual.

Final performance is assessed in terms of quantitative results, but also in terms of behaviour. Specifically, the incentive scheme must consider probity with regard to customers relations and containment of legal and reputational risk, using qualitative indicators expressed in quantitative measurable criteria (number of complaints, compliance with the law and regulations, quality of service, assessment of performance and/or managerial quality).

The remuneration policies and practices are designed to avoid incentives that might encourage staff to promote their own, or the Bank's, interests at the expense of clients.

The indicators in the BSCs, in particular for employees selling products and financial instruments, do not contain direct links to individual services or products, but refer more generally to areas or sectors of activity and are intended to foster and protect fair and honest customer relationships and compliance with the law and regulations, in particular compliance with obligations on conduct and conflicts of interest, also pursuant to the MiFID Directive.

For any staff category individual bonus awards depend on the achievement of the pre-determined targets.

As regards corporate control function staff note that the incentive schemes are associated with the specific duties performed and are linked not to economic results, but to corporate sustainability targets.

Assessment of the performance of such personnel will also involve, besides the indicators described in paragraph 7.2, a judgement by the Board of Statutory Auditors, expressed as a percentage, on the efficiency of the individual control officer.

The following paragraphs describe the procedures for payment of incentive bonuses.

7.5 Payment of individual incentive/reward bonuses
Without prejudice to the provisions of paragraphs 7.2, 7.3 and 7.4 on bonus pool qualifying conditions, activation of incentive schemes and achievement of performance in line with company results, the payment procedures for incentive/reward bonuses are as follows.

[10]Calculation of the cost/income ratio takes into account, on an adjusted basis, the extraordinary non-recurring items and costs of the bonus pool.
[11]See footnote no. 6

Payment of bonuses to remaining personnel

Bonuses for remaining personnel are paid in a single cash lump sum, usually by the July of the year following the award[12].

Bonuses matured shall not be paid in the event of termination of the employment relationship (unless specifically provided for in the individual or collective contracts, or corporate agreements or by unilateral decision of the company, while still requiring a case by case assessment depending on the time of termination).

Payment of bonuses to Identified Staff

Identified Staff bonuses, including those of the corporate control functions, are made up of:

- an up-front quota of 60%, paid by July of the subsequent year;
- three annual quotas of equal size for the remaining 40%, deferred over the three years following the year of the up-front payment, to be paid by July of each year.

The Parent Board of Directors, after hearing the Remuneration Committee, may nevertheless decide a higher deferment percentage for Identified Staff, not less than 60% and deferred for not less than 5 years, where the variable component due is a particularly high amount, bearing in mind the market pay benchmarks and the size of the amount due on top of fixed salary.

Such annual bonuses for Identified Staff are paid:

- 50%, both the up-front and the deferred quotas, in cash;
- the remaining 50%, both the up-front and the deferred quotas, in a mix of shares of the Parent and/or performance units and the financial instruments specified in Delegated Regulation (EU) no. 527/2014 on the regulatory requirements for the use of financial instruments for variable remuneration.

The vesting period (prohibition on sale) of the shares and/or performance units or any other financial instruments is two years for up-front awards and one year for deferred awards.

Any dividends or interest due on the shares or other financial instruments may not be distributed or paid before the end of the deferment period;

The Parent Board of Directors, after hearing the Remuneration Committee, may decide to gradually apply the rules for bonus payments depending on the amount in comparison to fixed salary; gradual bonus payments may not be applied in the case of members of the governing bodies and top management of Group banks/companies.

The above rules also apply to the forms of variable remuneration foreseen by the individual contracts of Identified Staff.

Both the up-front quota, and the deferred quotas are subject to malus and claw-back mechanisms, as described in paragraph 7.6 below. They shall not be paid in cases of termination of contract or employment relationship (except in cases of retirement, death or specific provisions in individual contracts), while still requiring a case by case assessment depending on the time of termination.

7.6 Malus and claw-back mechanisms

The ex-post "malus" correction clause operates during the deferment period, prior to the payment of deferred quotas of the bonus.

As a result the variable salary component is not paid, wholly or in part, if damage is caused to the integrity of the Bank's capital, profits or business/financial or reputational situation, by the behaviour of individual resources, whether or not due to criminal intent or serious misconduct.

[12]For staff assigned individual targets, if the variable component is equal to 50% of annual gross salary (AGS), the Board of Directors may decide that a 40% quota of the bonus may follow the deferment rules foreseen for Identified Staff, without prejudice to the payment procedure or the criteria of internal coherence and fairness.

The malus clause means that payment of deferred quotas of the annual bonus are subject to meeting the entry conditions foreseen by the Policies (see paragraph 7.2 above) and the thresholds for the year prior to payment.
Thus, if in a given year just one of the aforesaid entry conditions is not met, the deferred bonus quotas are not awarded.

The aforementioned malus mechanism, with the consequent loss of deferred bonus quota, also applies in the event of:

i. conduct leading to significant losses for the Group or an individual bank/company;
ii. breach of the obligations pursuant to article 26 of the Consolidated Law on Banking or, if the subject is the interested party, article 53, paragraphs 4 et seq. of the Consolidated Law on Banking or breach of remuneration and incentives obligations;
iii. fraudulent or criminal behaviour damaging to the Group or one of the Group's banks/companies.

In the cases i), ii) and (iii) above all up-front and deferred bonus quotas already paid must be returned (claw-back clause)[13].

The above malus and claw-back mechanisms also apply to the forms of variable remuneration foreseen by the individual contracts of Identified Staff.

If the “combined capital reserve requirement” specified in Bank of Italy Circular no. 285/2013 is not met, the deferred bonus quotas, including those foreseen in the individual contracts of Identified Staff may only be paid within the conditions and limits established by the Circular.

7.7 Severance payments

Severance payments are made in accordance with the prevailing regulatory provisions. The severance payments are calculated taking into account the binding criteria foreseen by labour law and the National Collective Bargaining Agreement.

Golden parachutes

The criteria for the determination of agreed payouts, over and above the sums required by law or the national collective bargaining agreement, in the event of termination of employment or early retirement from office, including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, are decided by the Shareholders' Meeting approving a special document attached to the Remuneration Report.

Discretionary pension benefits

Discretionary pension benefits are not normally awarded. If such benefits are deemed appropriate, they are based on the rules on variable remuneration and in particular on the criteria established by the Supervisory Regulations.

7.8 Commercial initiatives

Commercial initiatives may be introduced to encourage the sales network to meet certain commercial targets. These initiatives are linked to commercial competitions and marketing campaigns and are accessory to the annual incentive schemes.
The bonuses awarded, even in kind, are of a total amount that is marginal to the amounts paid as variable remuneration, or linked to time limited targets. These payments are therefore not subject to the correction mechanisms foreseen for incentives schemes.
The awards are dependent on behaviour in observance of external and internal rules. In no case can these forms of remuneration represent an incentive to sell products unsuitable to the financial needs of customers.

[13] During the investigation of such conduct/violations, whether as part of an internal inquiry or following a court sentence or the application of a fine, all deferred payments are suspended. Once the internal inquiry is concluded or final judgment is passed the unpaid quotas are cancelled (malus) and those already paid must be returned.

In any case they are not paid in the event of a failure to meet the minimum prudential regulatory requirements.

7.9 Corporate award

The corporate award (EX VAP) is governed by the national collective bargaining agreement and by second level agreements between the company and the trade unions which establish the rules and structures of the amounts, and the entry conditions.
Budget provisions may set aside a specific pool, in line with the underlying logic of the allocation of the bonus pool.
Corporate awards[14] are normally paid in cash, without prejudice to second level corporate agreements which may provide for alternative welfare programmes and/or so-called “social bonuses”.

7.10 Attraction and retention

Within the framework of the Group's policies are variable remuneration instruments designed to attract and retain staff with special expertise and capabilities required by the business.

These instruments include:

- welcome bonuses for newly hired personnel, usually Identified Staff, and limited to the first year of employment;
- retention bonus: used to retain resources with specific skills and expertise;
- one-off payments: used to reward extraordinary commitment and consistent effort, especially outside working hours.

These are paid by each Group bank/company providing the minimum prudential supervisory requirements are met at consolidated and individual level.
Retention bonuses, where foreseen for Identified Staff, must adhere to the more detailed rules on payouts and deferment described in paragraph 7.5.
One-off amounts are reserved exclusively for non-critical personnel and may not be higher than 5% of the individual's annual gross salary; they are normally used as part of the Group's promotion policy, compatible with the sustainability of company costs, in line with the prevailing Strategic Plan.

8. BENEFITS AND WELFARE PROGRAMME

Benefits policy is implemented via unilateral company resolutions (accident insurance, occupational/non-occupational insurance) or via individual agreements, where they are not part of specific company policies (company car or housing loan for mobile workers) or through collective second level agreements (healthcare assistance, private pension in addition, or complementary to, national insurance).
Collective second level agreements may also be used as part of innovative flexible benefit plans, where the forecasts on taxes and/or contributions permit the Company to use such a mechanism to reduce personnel costs.

Group Carige does offer the following employee welfare benefits:

- mortgages and low-interest rate loans;
- low-cost insurance;
- remote psychological support for colleagues, online programmes for working mothers, study bursaries for children of employees.

[14] Payment of awards is compliant with the legal and regulatory framework, including the indications of the Supervisory Authority.

9. REMUNERATION OF EXTERNAL COLLABORATORS NOT BOUND BY EMPLOYMENT CONTRACT

Salaries for this type of contract (including those for financial business agents, insurance agents and financial advisors) are decided by Group banks/companies strictly in relation to the value of the work provided, in any case in full observance of the provisions of the relevant supervisory regulations.
In the case of business promotion or product sales contracts, compensation (including the recurrent salary component) is determined on the basis of a fee-scale linked to the value of the financial assets managed, measured systematically at a given date.
Meanwhile contracts concerning the provision of intellectual work must take into account the market rates of pay and the quality of the work contracted, as well as the professionalism of the contractor.
There are no incentive schemes linked to the “non recurrent” salary component.

10. INFORMATION ON THE REMUNERATION SYSTEM

The Parent publishes on its website (consolidated data):

- the information on remuneration policy prescribed by article 450 of EU Regulation no. 575/2013;
- information on the total remuneration of the chair of the strategic oversight body and each member of the management body, and the General Manager, where present, pursuant to article 450, letter j) of EU Regulation no. 575/2013;
- for the Parent, the information prescribed by aforesaid article 450 of EU Regulation no. 575/2013 on each member of the management body;
- the information on the implementation of remuneration policy for Group staff and external collaborators not bound by employment contract, together with the information published in accordance with the supervisory regulations on corporate governance.

The Parent provides the Annual Shareholders' Meeting with the above published information.

Each bank/company controlled by the Group provides its Annual Shareholders' Meeting with the prescribed information on implementation of the remuneration system for bank/company staff and the outcome of relative controls.
The Parent communicates the requested data and information on Group remuneration to the Supervisory Authorities.

SECTION II

IMPLEMENTING DOCUMENT OF THE 2015 REMUNERATION POLICIES

Introduction and key measures of 2015 remuneration policy

The following sections provide a statement of the implementation of the 2015 Remuneration Policies (hereinafter "2015 Policies") drawn up by Banca Carige as Parent of Banca Carige Group to inform stakeholders of the current remuneration policies and practices and the outcomes achieved, which demonstrates their coherence with business strategy, corporate performance and healthy risk management.

The 2015 Policies were submitted to the Banca Carige Board of Directors' Meeting of 19 March 2015 and to the Ordinary Shareholders' Meeting of 23 April 2015 which approved them.
Each Group bank/company, through its own Board of Directors, then approved the 2015 Policies in full.
The Parent functions: Human Resources, General Counsel, Risk Management, Planning and Management Control, Compliance and Internal Audit, all contributed to the definition and implementation of the 2015 Policies.

Below are the main developments in 2015.

- Owing to the Group's negative performance, the incentive scheme described in the 2015 Remuneration Policies was not activated in 2015.
- In 2015 we continued, in line with the goals of the Industrial Plan:
  - the rationalization of labour costs foreseen in the agreement of 30/9/2014 which will bring a saving in structural costs of around € 50 million;
  - measures aimed at reinforcing the managerial team, with the hiring of 6 managers from outside of which 5 in the category of Identified Staff. Managerial replacements were completed with 11 executive retirements, of which 5 Identified Staff.
- During the course of the year certain remuneration measures for retention purposes were taken, mainly with regard to private bankers, using instruments such as non-competition, minimum term and extension of notice pacts to protect commercial goodwill and the clientele. These also took into account the Banca Carige Board of Directors's decision on 30 June 2015, after assessing the importance of valorizing private banking activity under the Banca Cesare Ponti brand, to no longer consider Banca Cesare Ponti S.p.A. as an asset for sale.
- In July the Parent took part in a data gathering exercise by the European Banking Authority for the purposes of remuneration benchmarking providing information on 2015 salaries for all personnel, including Identified Staff and so-called high earners.
- In October 2015 the Parent Board of Directors approved the results of an analysis and assessment of managerial positions which compared the pay of company staff with market benchmarks.
  Following the analysis pay adjustments were made for some managers, including Identified Staff, with a particular focus on heads of control functions as requested by the Remuneration Committee, and a more general intervention was made on bonuses (promotions, personal awards and one-off amounts). In view of the need to take a prudent and forward looking approach to the implementation of remuneration policy, in particular for variable remuneration, qualified external consultants examined the measure and confirmed its regulatory and economic sustainability, taking into account the Group's business and financial situation.
- Ongoing individual contracts were brought into line with the Transitional Rules of the new Bank of Italy Supervisory Regulations (Circ. 285, Part 1, Title IV, Section VII, par. 1). The Parent Chief Executive Officer's remuneration was adjusted on 30/6/2015, within the deadline foreseen for members of boards of supervision and control by the Bank of Italy Supervisory Regulations. Within

31 December, the deadline for remaining personnel, 8 agreements for Identified Staff were brought into line with the regulations.

This section is divided into two parts:

- Part I contains:
  - information on the methods (processes and controls) used by Banca Carige Group in 2015 to implement the 2015 Policies;
  - a report on the remuneration and salaries paid in 2015 to the boards and staff of Group banks/companies;
- Part II contains:
  - the information on salaries by area of business as well as the remuneration of staff whose activities have a material impact on the risk profile of the company pursuant to the rules on Disclosure Obligations and Communication of Data contained in Circular 285/2013, Title IV, Chapter 2, Section VI, Paragraph 1, implementing the provisions of article 450 of CRR (EU Regulation no. 575/2013);
  - the 2015 quantitative information on remuneration for the members of the Parent governing and control bodies, general managers and other managers with strategic responsibilities[15], in accordance with the tables contained in Consob Resolution 11971/1999, as amended by Consob Resolution 18049/2011 (second half of Section II of Scheme 7-bis) and coherent with the Bank of Italy rules on Public Disclosure Obligations contained in Circular no. 285 of 17/12/2013, Part One, Title IV, Chapter 2.

[15] In accordance with the Parent Board of Directors' resolution of 3/3/2015 which defined the perimeter of management with strategic responsibilities, pursuant to the prevailing Consob Regulation, as level 1 staff or line managers.

Part I Definition and implementation of the 2015 remuneration policies

1. Decision-making and control process

The decision-making process for Banca Carige Group 2015 Policies is described below.
The decision-making, monitoring and supervision procedures with regard to the remuneration and incentive system were performed - each for their own competence - by the following management bodies:

Parent Shareholders' Meeting;
Parent Board of Directors and Chief Executive Officer;
Parent Board of Statutory Auditors;
Parent Remuneration Committee;
Parent Risk Committee;
The control functions of the Parent and the individual banks/companies controlled by the Group;
The Shareholders' Meetings, Boards of Directors and Boards of Statutory Auditors of the individual banks/companies controlled by the Group.

Pursuant to the Articles of Association, and in accordance with the prevailing supervisory regulations, approval of remuneration policy is reserved to the Ordinary Shareholders' Meeting, upon the recommendation of the Board of Directors, which implements the policies resolved by the Shareholders' Meeting during the financial year.
The Board of Directors' meeting of 19 March 2012 examined and approved, on recommendation of the Remuneration Committee, the ‘Remuneration Report', and the attachments ‘Statement on equity-based compensation plans' and ‘Criteria and limits for the determination of compensation to be agreed in the event of termination of employment or early retirement from office', (drafted pursuant to articles 114-bis and 123-ter of the TUF, articles 84-bis and 84-quarter of the Issuer Regulations, as well as the prevailing supervisory regulations). The documents set out the new Group remuneration policies for financial year 2015.
The annual verification by Internal Controls that remuneration practice corresponds to the approved policies and the regulations, found that the controls and activities involved in drafting the remuneration policies and their implementation was compliant with the prevailing supervisory regulations.
The Group remuneration policies were then submitted to the approval of the Banca Carige SpA Shareholders' Meeting of 23 April 2015.
Each Group bank/company, through its own Board of Directors, then approved the 2015 Policies in full.

Approval and implementation of the policies also entailed the active involvement of the Remuneration Committee, constituted within the Board of Directors to advise and make recommendations on the compensation of senior officers, and determine the criteria for the remuneration of Bank management[16].

The Remuneration Committee is composed of three to five members, chosen from among the non-executive directors, in the majority independent, in accordance with the Board of Directors' stipulations when appointing the Committee taking into account the complexity of its duties. The Committee members must possess the required professional qualifications for the position. At least one member of the Committee - screened by the Board of Directors on appointment - must possess adequate knowledge of compensation and incentive policies and practices and, in particular, of managing risk, capital and liquidity such that the incentives underpinning the remuneration system are coherent with the management of these aspects.
The Committee appoints a chairman from among its independent members alone, charged with coordinating the Committee's business.
Members of the Board of Statutory Auditors may take part in Committee meetings and, on invitation of the chairman, other company officers and external advisors may attend provided they have no conflicts of

[16] We should point out that the Banca Carige SpA 2015 Policies were drafted with the support of the consultants Co.Ba.Co. S.r.L. and, for certain aspects, Studio Legale Daverio & Florio.

interest with the remuneration matters on the agenda. Also attending the Committee meeting is a secretary, chosen by the Committee from among management secretarial staff, who has the task of taking minutes.
During the financial year the Remuneration Committee met 10 times, for an average of around 45 minutes.
The Committee Regulation requires the chairman to call meetings sufficiently regularly to ensure the effective performance of its duties. In practice the Committee meets whenever its duties require, and in particular prior to Board of Directors' meetings whose order of business contains matters inherent to the Committee's activities. It was therefore impossible to schedule the number of meetings for financial year 2015.
With reference to 2016, at the approval date of this report the Remuneration Committee has met 4 times.
As has been explained, the Committee - on the basis of data flows received from the Chief Executive Officer, the Board of Statutory Auditors, the board and management committees and other corporate officers, in particular the competent control functions - assists the Board of Directors in defining the remuneration and incentive policies for Group personnel, ensuring coherence with the long-term objectives and the overall structure of corporate governance and internal controls.

In particular the Committee:

- makes recommendations on further compensation, over and above the salaries decided by the Shareholders' Meeting, for the Chairman, Deputy Chairman, Chief Executive Officer, members of the Executive Committee and the Board Committees,
- makes recommendations on the salaries of the heads of the control functions within the Parent;
- makes recommendations on remuneration policies for Group personnel and external collaborators not bound by employment contract, providing advice on the determination of the criteria;
- makes recommendations on the criteria adopted to determine, for each category of Parent staff, the total amount of annual bonus due to the beneficiaries in these categories;
- makes recommendations on the criteria adopted to determine, for Identified Staff within the Parent, exceptional payouts to new hirings in their first year (welcome bonus) and the compensation paid in the event of early termination of the employment relationship;
- makes recommendations on the use of other equity-based staff incentive schemes (e.g. stock options). Specifically, the Remuneration Committee makes recommendations on the best incentive scheme, and monitors its progress and application over time;
- makes recommendations on the remuneration of directors holding special office as well as general managers and executives with strategic responsibilities in the other members of the Group;
- at least every six months, verifies the regulatory and operational compliance of the Committee's own procedure with the provisions of the law and regulations and, in so doing, assesses the adequacy of its individual members to perform their duties. This is performed in accordance with the rules on the self-assessment of the boards and board committees.

The Committee also verifies:

- at least every six months, regulatory and operational compliance with the rules on the remuneration of senior management and heads of corporate control functions, in close conjunction with the Board of Statutory Auditors and the control units themselves;
- the qualifying conditions of Parent staff for the annual bonus.

During the financial year the Committee was actively involved:

- in the approval, by the Board of Directors, of the “Banca Carige Group Remuneration Policy”, subsequently submitted to the Shareholders' Meeting of 23/4/2015;
- in the statement to the Shareholders' Meeting on the implementation of remuneration policies for board directors, employees and collaborators not bound by employment contract. The Committee also examined the report by Internal Audit on the control activities foreseen by the prevailing supervisory regulations, to guarantee the compliance of remuneration practice with the regulatory framework;
- in the determination of Identified Staff;
- in the analysis of company positions and the relative conclusions on remuneration;

- in the definition of employee bonuses, including the verification of the qualifying conditions foreseen in the incentive system;
- in the determination of the compensation paid to the head of a control function and the considerations on the adjustment of the Controllers' salary;
- in the appointment of directors in strategically important subsidiaries, providing an opinion for the determination of salaries;
- in the process of determining new remuneration criteria for management, including heads of the control functions.

In line with the prevailing supervisory regulations, implementation of the remuneration policies approved by the Shareholders' Meeting is specifically monitored by the corporate control units and in particular:

- by Compliance, which is charged with assessing compliance of the corporate bonus system with the law, the Articles of Association and any ethical or other codes of conduct applicable to the Bank, in order to prevent methods or approaches that might encourage high compliance risk behaviour;
- by Internal Audit, which makes an annual assessment of the coherence of the remuneration systems with the regulations.

Note that no other companies were used as benchmarks in drawing up remuneration policy, apart from the essential evaluations or comparisons of average industry pay levels.

The Remuneration Committee Regulation states that it shall ensure good functional and operational links with the other corporate structures in the performance of its duties, and, in particular, that it shall have free access to all information and corporate departments necessary to carry out its duties, and the ability to call upon external advisors, within the terms established by the Board of Directors.

The table below shows the attendance figures at meetings of the Remuneration Committee during its present term of office:

Member	Position	Number Meetings	Presences	% presences
Beniamino Anselmi	Chairman (*)	7	5	71%
Evelina Christillin	Member	10	5	50%
Philippe Marie Michel Garsuault	Member	10	7	70%
Lorenzo Roffinella	Member	10	10	100%

(*) Since 16/6/2015

Retired during the financial year	Position	Number Meetings	Presences	% presences
Lorenzo Cuocolo	Chairman (**)	3	3	100%
Luca Bonsignore	Member (**)	3	2	67%

(**) Until 27/5/2015

2. Carige Group Identified Staff

Group Carige determined the Identified Staff in accordance with the qualitative and quantitative criteria laid down by the EBA in Delegated Regulation (EU) no. 604 of 4 March 2014, and recognised by the Bank of Italy Supervisory Regulations.
Each Group bank/company carried out its own analysis and drafted an individual document which it submitted to its own board. The Parent took this analysis into account to guarantee overall coherence in the drafting of the consolidated document, which, after examination by the Remuneration Committee which issued its opinion, was approved by the Board of Directors' meeting of 19/3/2015.
The Group Identified Staff for 2015 included 101 resources (including non-executive directors) distributed as follows:

Staff Categories	EBA Legislation – Reg. EU 604/2014	No. of Identified Staff
Directors	Article 3 paragraphs 2	**48**
CEOs and General Managers	Article 3 paragraphs 1-3	**8**
Other Identified Staff	Article 3 paragraphs 3 and from 5 to 15	**35**
Controllers	Article 3 paragraphs 4-7	**6**
Other categories resulting from the application of the EBA quantitative criteria	Article 4 paragraphs 1-2-3	**4**
Total		**101**

In the course of 2015 5 members of Identified Staff left the company, of which 2 through early termination of the employment relationship, 2 due to resignations and 1 due to expiry of contract.

3. Information on salaries

Group Carige staff in 2015 received salaries made up of:

a) Fixed salary

Fixed components paid in 2015 included:

- the remunerations for the members of the governing bodies approved by the Shareholders' Meeting, supplemented by the Board under the terms of article 2389 of the Civil Code, including payments for special positions and attendance tokens;
- the remaining personnel, including Identified Staff, besides the annual gross salary foreseen by the National Collective Bargaining Agreement for the job level, received:
  - personal awards determined individually on the basis of the position, duties and responsibilities, specific experience and expertise;
  - minimum salary awards for specific roles and responsibilities, held over a period until the position is filled. These are predetermined, permanent, transparent, and non-revocable. The awards did not provide incentives to risk taking or violate the law. Such payments were made to the control functions: Internal Audit, Compliance, Anti-Money Laundering and the Manager in Charge of Preparing the Company Accounts;
  - payments relating to pacts of stability, non competition, extension of notice, either at hiring or during the employment relationship for specific staff categories depending on the position held and the strategic importance of the position;
  - additional non-monetary benefits paid collectively in line with market practice and consisting of:

- private pension
- healthcare insurance;
- occupational/non-occupational risk insurance
- long term care insurance.

Executives[17] and members of the strategic supervision board, management and control bodies also receive a D&O policy (Directors' and Officers' Liability Insurance).
For some positions with managerial responsibilities a company car was provided to meet travel demands. For those working regularly outside their home area an economic support allowance was provided to compensate for travel inconvenience and in some cases the free loan of lodging;

- for external collaborators, agents and financial advisors routine stable remuneration which is "recurrent" and linked to the system of fees compliant with the Supervisory Regulations.

b) Variable salary

Among the variable remuneration components paid in 2015 were:

- one-off amounts deriving from review of the Corporate Award linked to Group results following the agreement between the company and the trade unions of 30/9/2014;
- one-off amounts to reward extraordinary commitment and consistent effort, especially outside working hours;
- welcome bonuses paid on the hiring of atypical resources.

3.1. Fixed to variable component ratios

in 2015 the ratio between variable and fixed salary components did not exceed the limits specified in the 2015 Policies i.e. 100%, including Identified Staff (with a limit of 30% for the Controllers).

The failure to activate an incentive scheme for 2015 means that it was impossible to fix the annual bonus targets against fixed salary and therefore to calculate ex-ante the variable to fixed ratios[18].

Note that the 2015 Policies state that the annual bonus linked to the incentive system may only be awarded after verification of the consolidated sustainability indicator, which consists in a consolidated profit forecast and the attainment of at least 70% the amount foreseen in the budget, as well as continuation of the employment relationship. With the exception of the controllers, the bonus is also subject to the attainment of the consolidated profit, capital adequacy and liquidity risk indicators. In addition, bonuses for directors, the General Manager and for all staff in the corporate control functions depend on a compliance assessment by the Board of Statutory Auditors on the processes within their remit, while for the remaining personnel of other Bank functions, including Identified Staff, there would be an assessment of operational compliance by Compliance on certain processes within the remit of the various corporate functions specified by the Parent Board of Directors. The indicators contemplated for the purposes of awarding any variable salary component foreseen in the individual contracts of Identified staff are the same as those foreseen for the other staff categories.

Finally we should point out that previous Group Remuneration Policies, foresaw, among other things, deferment of the short-term incentive depending on management level (top management and central risk takers) involving a 20% bonus deferment via the awarding of performance units with a 2-year lock up period.

Given a positive performance, right to this award would depend on:

- continued employment within the company;
- solidity of the balance sheet and profits of the Bank and the Group.

[17] Top management figures with discretionary and/or decisional powers

[18] Regarding the variable to fixed ratio for the Parent Chief Executive Officer's individual contract please see paragraph 3.2.1

Following the failure to meet the profit conditions, there were no deferred payments of quotas relating to the 2012 short-term incentive scheme, as foreseen by the previous policies of November 2015.

3.2 Remuneration of Board and Committee Members

The 2015 Policies do not foresee any incentives plans or performance-based variable salary components for directors, apart from special mechanisms designed to link remuneration more closely with the work and responsibilities entailed by certain positions, except for the Parent Chief Executive Officer.

These policies have therefore foreseen, pursuant to the Articles of Association, an additional fixed salary component for the members of the Executive Committee and the other Board Committees, in proportion to their responsibilities, duties and frequency of attendance at board and committee meetings. The use of these objective parameters allows us to provide full reasoning and transparency with regard to the remuneration awarded, in line with the Bank of Italy Supervisory Regulations.

The directors' remuneration was therefore defined as follows, taking as “base” the salary established by the Shareholders' Meeting, as specified below, not including attendance tokens and a lump sum reimbursement of expenses (depending on their duties, the frequency of meetings and home distance from head office):

Board of Directors	Base 100	100
Executive Committee	100+up to 50%	up to 150
Internal Risk Control Committee	100+up to 25%	up to 125
Remuneration Committee	100+up to 15%	up to 115
Appointments Committee	100+up to 10%	up to 110

The aforesaid guidelines have also been applied to the senior management of the subsidiary banks, in line with the size and characteristics of similar banking networks and the managerial responsibilities of their directors; the Parent's criteria for board committees do not apply, since the subsidiaries have no internal committees within their own boards of directors, given their smaller size and lower operational complexity, as non listed companies, and the fact that such committees are already present at the listed Parent, in line with the prevailing supervisory regulations on corporate governance.

During the financial year: the Parent Shareholders' Meeting and Parent Board of Directors took no decisions regarding the Directors' and Auditors remuneration previously determined on the re-election of the Board of Directors resolved by the Shareholders' Meeting of 30 September 2013 and on the re-election of the Board of Statutory Auditors resolved by the Shareholders' Meeting of 30 April 2014.

Regarding decisions on senior management compensation by the Shareholders' Meetings and Boards of Directors of individual banks controlled by the Group:

- the Ordinary Shareholders' Meeting of Banca Carige Italia S.p.A. resolved on 8/4/2015 to re-elect the Board of Directors and the Board of Statutory Auditors, specifying the salaries of the Directors and the Auditors;
- the Ordinary Shareholders' Meeting of Creditis Servizi Finanziari S.p.A. resolved on 8/4/2015 to re-elect the Board of Statutory Auditors, specifying the salaries of the Auditors;

3.2.1 Remuneration of the Parent Chief Executive Officer

The Chief Executive Officer, in office with effect from 5 November 2013, was classified as Identified Staff. He was awarded a fixed remuneration established by the Shareholders' Meeting and supplemented by the Board under the terms of article 2389 of the Civil Code. The interested party's salary was adjusted in 2015, following a review of the individual contract pursuant to the Supervisory Regulations, Section VII, paragraph 1., approved by the Parent Board of Directors' meeting of 4/8/2015, on recommendation of the Remuneration

Committee meetings of 31/7/2015 and 4/8/2015. The salary analysis leading to the adjustment was backed by consulting advice and considered the following factors:

- benchmarking: comparison of fixed remuneration with groups of peers;
- the growing business / organizational complexity of Carige Group;
- the need to retain the officer during a delicate turnaround stage in a very fluid and risky market in terms of executive turnover.

The studies were carried out with the support of qualified consultants who confirmed the business, economic and financial sustainability[19].

The contractual review also involved a reshaping of the Long-term Incentive Scheme reserved for the Chief Executive Officer of Banca Carige S.p.A., scaling down the salary initially agreed to meet the quantitative targets coherent with the Group Risk Appetite Framework, and qualitative targets. In this way the 2015 variable to fixed ratio remained within the limits specified in the remuneration policies.
The target indicators, partly identified following talks with the ECB JST, were defined by the Carige Board of Directors' meeting of 4/8/2015, in line with the 2015 Remuneration Policies. Payment of 100% Variable Remuneration was subject to the following indicators being met:

- Capital Adequacy (CET1 ratio at end of 2015 of at least 12.64%);
- Liquidity Coverage Ratio (LCR at end of 2015 of least 123.7%);
- Risk Adjusted Profit (pre-tax profits on continuing operations/2015 RWA for FY 2015 of at least 0.24%);
- An operational risk compliance assessment of “low” on Group processes and on processes within the Chief Executive Officer's remit.

In regard to the above targets, the forecast pre-tax losses on continuing operations for FY 2015 and the consequent failure to meet the profits target, means that no payout of variable salary is possible, regardless of the other targets. The expected achievement of the minimum target thresholds which might determine payment of Variable Remuneration in proportion to the achievement of the individual contract targets is therefore inconsequential.
In any case payment of variable salary would violate the limits on payment of dividends resulting from the ECB's 2015 SREP in Banca Carige.

A write-up will be posted to the balance sheet to the previous provision for the (then) probable future payment of variable remuneration.

Note finally that on 4/5/2015 the Chief Executive Officer was awarded a second tranche of “units” which were converted to shares, taking into account the dilution effect of the July 2014 capital increase, as a deferred one-off payment stipulated at hiring for accepting the post and the powers.

3.3 Remuneration measures for remaining personnel in 2015

The main measures taken in 2015 were in line with budget forecasts and the system of proxies and powers which involved the competent boards and functions which verified their compliance with internal and external rules.
Group Carige was supported by qualified independent consultants in the monitoring of remuneration policies and practices.
The remuneration measures took into account industry benchmarks to guarantee competitive market positioning and a careful assessment of internal fairness, as well as the compatibility of personnel costs.

The **fixed salary** measures were designed to:

- ✓ bridge the pay gap for specific positions where minimum job levels are foreseen by the national labour contract or by company practice (there were 430 job level promotions and personal awards);
- ✓ maintain job motivation and satisfaction, and valorize professional standing for some staff categories

[19] The decision was also submitted to the European Central Bank Joint Supervisory Team.

(e.g. private bankers), through a mix of reward mechanisms involving job promotion and/or supplements to fixed salary, normally periodic depending on professional level and position. These sums are linked to minimum tenure and/or non-competition pacts containing claw back clauses and additional penalties for violations. If the employee remains in office until the end of the pact the minimum tenure supplements may be incorporated into fixed salary;

- ✓ adjust the remuneration of the Heads of the Control Functions, using minimum salary supplements linked to the position and foreseen for certain pay bands in the remuneration policies.

Notwithstanding the failure to activate the incentives schemes for 2015 for remaining personnel as explained above, **variable salary** measures included the award of one-off amounts no higher than 5% of annual gross salary to around 700 resources (none of which Identified Staff) as reward for extraordinary commitment over the year and consistent effort, especially outside working hours.

Finally we should report that the trade union agreement of 30/9/2014, which restructured and contained contractually agreed variable salary and eliminated salary payments linked for example to overtime by middle management, foresees an award of a one-off amount, reserved to Professional Staff and Middle Management, subject to the achievement of the profit targets defined in the agreement.
The award was made in June 2015 to Group Professional Staff and Middle Management.

Carige Group met the “combined capital reserve requirement” specified in Bank of Italy Circular no. 285/2013.

4. Compensation for Identified Staff at the beginning or end of the employment relationship

In 2015 there were 5 retirements of Identified Staff of which 4 at the Parent and 1 in subsidiary banks/companies.
There were 2 resignations[20], 2 early terminations of employment relationship and 1 expiry of contract.

In the case of the member of the Parent Identified Staff the dispensation provided by paragraph 2.2.3, point 1 of the Supervisory Regulations was applied, ratified in the document “Criteria and limits for the determination of compensation to be agreed in the event of termination of employment or early retirement from office”.

For 1 significant staff member an amount was agreed during an in court settlement in 2013 - though less than the contractually agreed compensation for dismissal by the company without just cause - as payment for the signing of a non-competition pact.

For the Chief Executive Officer of Banca Carige and the General Manager of Banca Cesare Ponti two golden parachute pacts were agreed in accordance with the rules approved by the 2015 Shareholders' Meeting in the document “Criteria and limits for the determination of compensation to be agreed in the event of termination of employment or early retirement from office”.

In 2015 a pro rata welcome bonus was paid on the hiring of the new General Manager of Banca Cesare Ponti, as specified by the individual contract.

[20] Among the resignations was 1 Banca Carige Executive, who also held the post of Chief Executive Officer of Banca Cesare Ponti.

Part II: Analytical description of the salaries paid

REMUNERATION POLICIES

Statement pursuant to article 450 CRR letter g): Identified staff - Aggregate quantitative information on remuneration broken down by business areas

ABI code of the bank/banking group **6175**

Name of the bank/banking group BANCA CARIGE GROUP

Reporting period **2015**

	Areas of duties					
	Members of the Board of Directors (1)	**Investment Banking (2)**	**Retail banking (3)**	**Other corporate functions (4)**	**Corporate control functions**	**Total**
Number of people	**56**	**3**	**24**	**22**	**6**	**111**
Total remuneration (in EUR) (5)	**5,495,519.04**	**618,548.94**	**2,650,941.68**	**2,702,138.75**	**598,537.81**	**12,065,686.22**
of which: total variable salary (in EUR)	(6) **473,549.57**	**-**	**6,000.00**	**24,833.00**	**1,500.00**	**505,882.57**

(1) Inclusive of quotas received by persons who are also Bank employees
(2) Investment banking represents the finance department
(3) Retail banking represents staff from the commercial structures
(4) Inclusive of quotas received by persons as members of the Board of Directors but whose role is primarily that of administrator
(5) Fixed+Variable+Benefit
(6) Fair Value of the financial instruments assigned to the Chief Executive Officer on 4 May 2015.
The cost booked as personnel expense for 2015 is EUR 177.141,92 and refers to the 2nd tranche of the deferred one-off incentive to accept the office and powers of CEO.

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REMUNERATION POLICIES

Statement pursuant to article 450 CRR letter h): Identified staff - Aggregate quantitative information on remuneration broken down by Members of the Board of Directors, Senior Management and Other Identified Staff

ABI code of the bank/banking group	6175
Name of the bank/banking group	BANCA CARIGE GROUP
Reporting period	**2015**

	Staff Categories			
	Members of the Board of Directors (1)	**Senior Management (2)**	**Other Identified Staff (3)**	**Total**
Number of people	**56**	**13**	**42**	**111**
Total fixed salary (in EUR)	**5,495,519.04**	**2,146,148.14**	**4,424,019.04**	**12,065,686.22**
No. of beneficiaries	**56**	**13**	**42**	**111**
Total variable salary (in EUR)	**473,549.57**	**23,333.00**	**9,000.00**	**505,882.57**
No. of beneficiaries	**1**	**1**	**6**	**8**
of which: variable in cash	**0**	**23,333.00**	**9,000.00**	**32,333.00**
of which: variable in shares and related securities	**0**	**0**	**0**	**0**
of which: variable in other financial instruments	(4) **473,549.57**	**0**	**-**	**473,549.57**
Actual deferred remuneration awarded in previous years and not in the current period (in EUR)	**0**	**0**	**0**	**0**
of which: quotas awarded	**0**	**0**	**0**	**0**
oh which: quotas not awarded	**0**	**0**	**0**	**0**
Recognized deferred remuneration paid in current period (in EUR)	**0**	**0**	**0**	**0**
of which: amounts reduced for performance	**0**	**0**	**0**	**0**
Welcome bonus payments (5)	(4) **473,549.57**	(5) **23,333.00**	**0**	**496,882.57**
No. of beneficiaries	**1**	**1**	**0**	**2**
Actual golden parachute payments	**0**	**0**	**0**	**0**
No. of beneficiaries	**0**	**0**	**0**	**0**
Recognised golden parachute payments	**0**	**0**	**0**	**0**
No. of beneficiaries	**0**	**0**	**0**	**0**
Higher amount for early retirement of an individual person (in EUR)	**0**	**0**	**0**	**0**

(1) Inclusive of quotas received by persons who are also Bank employees
(2) Inclusive of quotas received by individuals partly as members of the Board of Directors
(3) Inclusive of quotas received by individuals partly as members of the Board of Directors
4) Fair value of the financial instruments awarded on 4 May 2015 for the 2nd tranche of the deferred one-off incentive to accept the office and powers of CEO calculated on the basis of the Carige stock price at that date (0.0713 €)
(5) Pro rata payment (1/12) of the Welcome Bonus for new Banca Cesare Ponti GM.

REMUNERATION POLICIES
Statement pursuant to article 450 CRR letter i):
Identified staff receiving remuneration of at least EUR 1 mln for the financial year

ABI code of the bank/banking group	6175
Name of the bank/banking group	BANCA CARIGE GROUP
Reporting period	**2015**

	Total remuneration		Identified staff (no. of people)
SALARY BAND	**from**	**to**	
BAND 1	€ 1,000,000	€ 1,499,999	
BAND 2	€ 1,500,000	€ 1,999,999	**1**
BAND 3	€ 2,000,000	€ 2,499,999	0
BAND 4	€ 2,500,000	€ 2,999,999	0
BAND 5	€ 3,000,000	€ 3,499,999	0
BAND 6	€ 3,500,000	€ 3,999,999	0
BAND 7	€ 4,000,000	€ 4,499,999	0
BAND 8	€ 4,500,000	€ 4,999,999	0
BAND 9	€ 5,000,000	€ 5,999,999	0
BAND 10	€ 6,000,000	€ 6,999,999	0
BAND 11	€ 7,000,000	€ 7,999,999	0
BAND 12	€ 8,000,000	€ 8,999,999	0
BAND 13	€ 9,000,000	€ 9,999,999	0
BAND 14 (*)	above	€ 10,000,000	0

REMUNERATION POLICIES
Statement pursuant to article 450 CRR letter j): Identified Staff

ABI code of the bank/banking group	6175
Name of the bank/banking group	BANCA CARIGE GROUP
Reporting period	2015

	Total remuneration
Member of the Board of Directors	
Chairman of Banca Carige's BoD - CASTELBARCO ALBANI Cesare	728,735.29
Deputy Chairman of Banca Carige's BoD - REPETTO Alessandro	369,494.33
CEO of Banca Carige - MONTANI Piero Luigi	1,730,865.45
Director - ANSELMI Beniamino	108,735.39
Director - BONNET Jerome Gaston Raymond	67,499.96
Director - BONSIGNORE Luca (no longer in office)	41,344.36
Director - CHECCONI Remo Angelo	148,485.23
Director - CHRISTILLIN Evelina	86,250.02
Director - CUOCOLO Lorenzo (no longer in office)	117,541.24
Director - GARSUAULT Philippe Marie Michel	160,249.94
Director - MACCIO' Marco	54,293.70
Director - PESCIONE Guido	67,749.96
Director - PROVAGGI Giampaolo	90,918.70
Director - ROFFINELLA Lorenzo	97,287.64
Director - VASCO Elena	76,500.04
Director - VENUTI Lucia	89,000.04
Director - WATTECAMPS Philippe	67,249.96
Director - ZAMPINI Giuseppe (no longer in office)	36,752.69

(1) The total remuneration of the Chief Executive Officer for 2015 is made up of a fixed salary of € 1,250,000, benefits worth € 7,316, and the fair value of the financial instruments for the 2nd tranche of the deferred one-off incentive to accept the office and powers of CEO awarded on 4 May 2015 (stock price 0.0713), with an equivalent-value at that date of € 473,549.57.
The cost booked to the balance sheet as personnel expense for 2015 is EUR 177,141.92.

Statements on remuneration in accordance with the rules contained in: Consob resolution 11971/1999 and subsequent amendments (second half of Section II of Scheme 7-bis)

Table - Salaries paid to the members of the governing and control bodies, general managers and executives with strategic responsibilities

OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	**Position held**	**Period in office**	**End of term of office**	**Fixed salary**	**Compensation for attending committees**	**Bonus and other incentives**	**Share of profits**	**Non-monetary benefits**	**Other compensation**	**Total**	**Fair value of equity awards**	**Severance or retirement indemnity**
Board of Directors:												
Cesare Castelbarco Albani	Chairman	1/1 - 31/12	*	**300**								
	Director	1/1 - 31/12	*	**59** *of which, tokens: 6.5* *expenses: 17.5*								
	Exec. Committee Chairman	1/1 - 31/12	*		**39** *of which, tokens: 6* *expenses: 15*							
	Chairman Appoint. Committee	1/1 - 3/3			**2** *of which, expenses: 1*							
Salary in the company drafting the financial statements				359	41					400		
Salaries from subsidiaries and affiliates				330 (1)						330		
TOTAL				689	41					730		
Alessandro Repetto	Deputy Chairman	1/1 - 31/12	*	**150**								
	Director	1/1 - 31/12	*	**59** *of which, tokens:* 6.5 *expenses: 17.5*								
	Member Executive Committee	1/1 - 31/12	*		**40** *of which, tokens: 7* *expenses: 15*							
Salary in the company drafting the financial statements				209	40					249		
Salaries from subsidiaries and affiliates				121 (2)						121		
TOTAL				330	40					370		

OFFICER	OFFICE			SALARY (EUR/000)									
							Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary		Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Piero Luigi Montani	CEO and Member Executive Committee	1/1 - 31/12	*	**1250**									
Salary in the company drafting the financial statements				**1250**					**7**		**1257**	**473**	
Salaries from subsidiaries and affiliates					(3)								
TOTAL				**1250**					**7**		**1257**	**473**	
Beniamino Anselmi	Director	28/5 - 31/12	*	**41**									
				of which, tokens:	*3.5*								
				expenses:	*16.5*								
	Chairman Risk Committee	16/6 - 31/12	*			**12**							
						of which, expenses: 6.5							
	Chairman Remuneration Committee	16/6 - 31/12	*			**5**							
						of which, expenses: 2.5							
Salary in the company drafting the financial statements				**41**		**17**					**58**		
Salaries from subsidiaries and affiliates				**51**	(4)						**51**		
TOTAL				**92**		**17**					**109**		
JEROME BONNET	Director	1/1 - 31/12	*	**68**									
				of which, tokens:	*5.0*								
				expenses:	*27.5*								
Salary in the company drafting the financial statements				**68**							**68**		
Salaries from subsidiaries and affiliates													
TOTAL				**68**							**68**		
Luca Bonsignore	Director	1/1 - 27/5		**29**									
				of which, tokens:	*1.0*								
				expenses:	*13.0*								
	Member Risk Committee	1/1 - 27/5				**9**							
						of which, expenses: 5							
	Chairman Remuneration Committee	1/1 - 27/5				**4**							
						of which, expenses: 2							
Salary in the company drafting the financial statements				**29**		**13**					**42**		
Salaries from subsidiaries and affiliates													
TOTAL				**29**		**13**					**42**		

OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary	Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Remo Angelo Checconi*	Director	1/1 - 31/12	*	**58** *of which, tokens: 6.0* *expenses: 17.5*								
	Member Executive Committee	1/1 - 31/12	*		**39** of which, tokens: 7 *expenses:* 15							
	Member Appointment Committee	1/1 - 3/3			**2** *of which, expenses: 1*							
Salary in the company drafting the financial statements				58	41					99		
Salaries from subsidiaries and affiliates				50 (5)						50		
TOTAL				108	41					149		
Evelina Christillin	Director	1/1 - 31/12	*	**67** *of which, tokens: 5.0* *expenses: 27.5*								
	Chairman Remuneration Committee	1/1 - 31/12	*		**10** *of which, expenses: 5*							
	Member Appointment Committee	1/1 - 31/12	*		**9** *of which, expenses: 5*							
Salary in the company drafting the financial statements				67	19					86		
Salaries from subsidiaries and affiliates												
TOTAL				67	19					86		
Lorenzo Cuocolo	Director	1/1 - 27/5		**24** *of which, tokens: 3.0* *expenses: 7.0*								
	Chairman Risk Committee	1/1 - 27/5			**9** *of which, expenses: 5*							
	Chairman Remuneration Committee	1/1 - 27/5			**4** *of which, expenses: 2*							
Salary in the company drafting the financial statements				24	13					37		
Salaries from subsidiaries and affiliates				81 (6)						81		
TOTAL				105	13					118		

OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary	Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Philippe Marie Michel Garsuault	Director	1/1 - 31/12	*	**66** *of which, tokens:* *4.0* *expenses:* *27.5*								
	Member Risk Committee	1/1 - 31/12	*		**21** *of which, expenses:* 12							
	Chairman Remuneration Committee	1/1 - 31/12	*		**10** *of which, expenses:* *5*							
	Member Appointment Committee	1/1 - 31/12	*		**9** *of which, expenses:* *5*							
Salary in the company drafting the financial statements				66	40					106		
Salaries from subsidiaries and affiliates				54 (7)						54		
TOTAL				120	40					160		

OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary	Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Marco Macciò	Director	28/5 - 31/12	*	**34** *of which, tokens:* *3.0* *expenses:* *10.0*								
	Member Executive Committee	16/6 - 31/12	*		**20** *of which, tokens:* 3 *expenses:* 8							
Salary in the company drafting the financial statements				34	20					54		
Salaries from subsidiaries and affiliates												
TOTAL				34	20					54		
Guido Pescione	Director	1/1 - 31/12	*	**68** *of which, tokens:* *5.0* *expenses:* *27.5*								
Salary in the company drafting the financial statements				68						68		
Salaries from subsidiaries and affiliates												
TOTAL				68						68		

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OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary	Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Giampaolo Provaggi	Director	28/5 - 31/12	*	**34** *of which, tokens:* *3.0* *expenses:* *10.5*								
	Member Executive Committee	16/6 - 31/12	*		**21** *of which, tokens:* 3 *expenses:* 8							
Salary in the company drafting the financial statements				**34**	**21**					**55**		
Salaries from subsidiaries and affiliates				**36** (8)						**36**		
TOTAL				**70**	**21**					**91**		
Lorenzo Roffinella	Director	1/1 - 31/12	*	**59** *of which, tokens:* *6.0* *expenses:* *17.5*								
	Member Risk Committee	1/1 - 31/12	*	*of which, tokens:*	**21** *of which, expenses:* 12.5							
	Chairman Remuneration Committee	1/1 - 31/12	*		**10** *of which, expenses:* *5*							
	Chairman Appoint. Committee	3/3 - 31/12	*		**7** *of which, expenses:* *4*							
Salary in the company drafting the financial statements				**59**	**38**					**97**		
Salaries from subsidiaries and affiliates												
TOTAL				**59**	**38**					**97**		
Elena Vasco	Director	1/1 - 31/12	*	**68** *of which, tokens:* *5.5* *expenses:* *27.5*								
	Member Appointment Committee	1/1 - 31/12			**9** *of which, expenses:* 5							
Salary in the company drafting the financial statements				**68**	**9**					**77**		
Salaries from subsidiaries and affiliates												
TOTAL				**68**	**9**					**77**		

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OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	**Position held**	**Period in office**	**End of term of office**	**Fixed salary**	**Compensation for attending committees**	**Bonus and other incentives**	**Share of profits**	**Non-monetary benefits**	**Other compensation**	**Total**	**Fair value of equity awards**	**Severance or retirement indemnity**
Lucia Venuti	Director	1/1 - 31/12	*	**68** *of which, tokens:* 5.0 *expenses:* 27.5								
	Member Risk Committee	1/1 - 31/12	*		**21** *of which, expenses:* 12.5							
Salary in the company drafting the financial statements				68	21					89		
Salaries from subsidiaries and affiliates												
TOTAL				68	21					89		
Philippe Wattecamps	Director	1/1 - 31/12	*	**67** *of which, tokens:* 4.5 *expenses:* 27.5								
Salary in the company drafting the financial statements				67						67		
Salaries from subsidiaries and affiliates												
TOTAL				67						67		
Giuseppe Zampini	Director	1/1 - 27/5		**23** *of which, tokens:* 1.5 *expenses:* 7.0								
	Member Executive Committee	1/1 - 27/5		*of which, tokens:* *expenses:*	**14** *of which, tokens:* 1 *expenses:* 6							
Salary in the company drafting the financial statements				23	14					37		
Salaries from subsidiaries and affiliates												
TOTAL				23	14					37		
Stefano Lunardi	Chairman Board of Stat. Auditors	1/1 - 31/12	**	**125** *of which, tokens:* 12.5 *expenses:* 22.5								
Salary in the company drafting the financial statements				125						125		
Salaries from subsidiaries and affiliates				75 (9)						75		
TOTAL				200						200		
Maddalena Costa	Standing Auditor	1/1 - 31/12	**	**92** *of which, tokens:* 9.5 *expenses:* 22.5								
Salary in the company drafting the financial statements				92						92		
Salaries from subsidiaries and affiliates				38 (10)						38		
TOTAL				130						130		

OFFICER	OFFICE			SALARY (EUR/000)								
						Variable non-equity compensation						
Name and Surname	Position held	Period in office	End of term of office	Fixed salary	Compensation for attending committees	Bonus and other incentives	Share of profits	Non-monetary benefits	Other compensation	Total	Fair value of equity awards	Severance or retirement indemnity
Vittorio Rocchetti	Standing Auditor	1/1 - 31/12	**	**94**								
				of which, tokens: 11.5								
				expenses: 22.5								
Salary in the company drafting the financial statements				94						94		
Salaries from subsidiaries and affiliates				38 (11)						38		
TOTAL				132						132		
Executives with strategic responsibilities: (°)												
Salary in the company drafting the financial statements				1814				117		1931		
Salaries from subsidiaries and affiliates				22						22		
TOTAL				1836				117		1953		

* Shareholders' Meeting to approve Financial Statements as at 31/12/2015

** Shareholders' Meeting to approve Financial Statements as at 31/12/2016

(°) Aggregate data

1. Of which,
- EUR 265,000 (of which EUR 5,000 tokens and EUR 10,000 expenses) for the office of Chairman of Banca Carige Italia S.p.A. from 1/1 to 31/12;
- EUR 32,000 (of which EUR 2,500 tokens) for the office of Deputy Chairman of Cassa di Risparmio di Carrara S.p.A. from 1/1 to 13/12;
- EUR 33,000 (of which EUR 3,000 tokens) for the office of Deputy Chairman of Banca Cesare Ponti S.p.A. from 1/1 to 31/12.

2. Of which,
- EUR 50,000 (of which EUR 5,000 tokens and EUR 10,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 1/1 to 31/12;
- EUR 39,000 (of which EUR 3,000 tokens) for the office of Deputy Chairman from 1/1 to 22/11 of Cassa di Risparmio di Savona S.p.A.;
- EUR 32,000 (of which EUR 2,000 tokens) for the office of Chairman of Centro Fiduciario S.p.A. from 1/1 to 31/12.

3. NB: This item does not include compensation for positions in Group companies representing CARIGE S.p.A., which is entirely transferred to CARIGE S.p.A. The total amount of EUR 106,000 is broken down as follows:

- EUR 49,000 (of which EUR 4,000 tokens and EUR 10,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 1/1 to 31/12;
- EUR 23,000 (of which EUR 0,500 tokens) for the office of Director of Cassa di Risparmio di Savona S.p.A. from 1/1 to 22/11.
- EUR 22,000 (of which EUR 2,000 tokens) for the office of Director of Banca Cesare Ponti S.p.A. from 1/1 to 31/12;
- EUR 12,000 (of which EUR 2,000 tokens) for the office of Director of Centro Fiduciario S.p.A. from 1/1 to 31/12.

4. Of which,

- EUR 41,000 (of which EUR 3,000 tokens and EUR 12,500 expenses) for the office of Director of Banca Carige Italia S.p.A. from 8/4 to 31/12;
- EUR 10,000 (of which EUR 1,000 tokens) for the office of Director of Banca Cesare Ponti S.p.A. from 23/7 to 31/12;

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5. Of which:
- EUR 50,000 (of which EUR 4,500 tokens and EUR 10,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 1/1 to 31/12;

6. Of which,
- EUR 62,000 (of which EUR 3,500 tokens and EUR 7,000 expenses) for the office of Deputy Chairman of Banca Carige Italia S.p.A. from 8/4 to 31/12
- EUR 19,000 (of which EUR 2,000 tokens) for the office of Deputy Chairman of Autostrada dei Fiori S.p.A. from 1/1 to 31/12.

7. Of which,
- EUR 54,000 (of which EUR 2,000 tokens and EUR 17,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 1/1 to 31/12.

8. Of which:
- EUR 36,000 (of which EUR 3,000 tokens and EUR 7,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 8/4 to 31/12;

9. Of which:
- EUR 43,000 (of which EUR 3,000 tokens and EUR 7,000 expenses) for the office of Chairman of the Board of Statutory Auditors of Banca Carige Italia S.p.A. from 8/4 to 31/12
- EUR 18,000 (of which EUR 3,000 tokens) for the office of Chairman of the Board of Statutory Auditors of Banca Cesare Ponti S.p.A. from 1/1 to 31/12
- EUR 7,000 for the office of Chairman of the Board of Statutory Auditors of Creditis Servizi Finanziari S.p.A. from 8/4 to 31/12
- EUR 0,600 for the office of Standing Auditor of Centro Fiduciario CF S.p.A. from 1/10 to 31/12;
- EUR 4,500 for the office of Standing Auditor of Columbus Carige Immobiliare S.p.A. from 1/1 to 31/12;
- EUR 2,000 for the office of Standing Auditor of Carige Covered Bond S.r.l. from 1/1 to 31/12

10. Of which:
- EUR 33,000 (of which EUR 3,000 tokens and EUR 7,000 expenses) for the office of Standing Auditor of Banca Carige Italia S.p.A. from 8/4 to 31/12;
- EUR 5,000 for the office of Standing Auditor of Creditis Servizi Finanziari S.p.A. from 8/4 to 31/12

11. Of which:
- EUR 33,000 (of which EUR 3,500 tokens and EUR 7,000 expenses) for the office of Standing Auditor of Banca Carige Italia S.p.A. from 8/4 to 31/12;
- EUR 5,000 for the office of Standing Auditor of Creditis Servizi Finanziari S.p.A. from 8/4 to 31/12

12. Of which:
- Fair value of the financial instruments awarded on 4 May 2015 for the 2nd tranche of the deferred one-off incentive to accept the office and powers, calculated on the basis of the Carige stock price at that date (0.0713 €)

The cost booked as personnel expense for 2015 is EUR 177,141

TABLE 3: INCENTIVE PLANS FOR MEMBERS OF THE BOARDS OF ADMINISTRATION AND OF CONTROL, GENERAL MANAGERS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

			Financial instruments awarded in previous years not vested in the period		Financial instruments awarded in the period					Financial instruments vested and not awarded in the period	Financial instruments vested and awardable in the period		Financial instruments for the period
(A)	(B)	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name and Surname	Position	Plan	No. and type of financial instruments	Vesting period	No. and type of financial instruments	Fair value at date of award (in € '000s)	Vesting period	Date of award	Stock price at date of award	No. and type of financial instruments	No. and type of financial instruments	Value at maturity (in € '000s)	Fair value (in € '000s)
Piero Luigi Montani	CEO (from 5/11/2013)									PERFORMANCE UNITS			
(I) (Salary in the company drafting the financial statements		2013-2015 Plan (1)								1,972,201			
					UNITS						UNITS		
		UT Incentive Plan			(2) 6,641,649	473	2015	04/05/2015	€ 0.0713				€ 177
(III) Total													€ 177

(1) The conditions for payment of the performance-related incentive foreseen by the plan were not met

(2) No. of financial instruments awarded after payment of the second tranche of the one-off incentive

TABLE 3: INCENTIVE PLANS FOR MEMBERS OF THE BOARDS OF ADMINISTRATION AND OF CONTROL, GENERAL MANAGERS AND OTHER MANAGERS WITH STRATEGIC RESPONSIBILITIES

A	B	(1)	(2)			(3)			(4)
Name and Surname	Position	Plan	Bonus for the year			Bonus for previous years			Others bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
OTHER STRATEGIC EXECUTIVES			Payable/~~Paid~~	Deferred	Period of deferment	No longer payable	Payable/paid	Still deferred	
(I) Salary in the company drafting the financial statements		2015 plan (1)	€ -	-	-	-	-	-	-
(III) Total			€ -						

(1) No incentive scheme was activated across the Group in 2015 and therefore no financial instruments were awarded in the period to any of the recipients of said scheme.

Table 4 - Statement of participating interests of members of the governing and control bodies and general managers

SURNAME AND NAME	POSITION	COMPANY SHAREHOLDING	NO. SHARES OWNED AT THE END OF PREVIOUS FY (a)	NO. SHARES PURCHASED	NO. SHARES SOLD	NO. SHARES OWNED AT THE END OF CURRENT FY
CASTELBARCO ALBANI Cesare Indirect ownership (Castelfin Srl)	Chairman	CARIGE S.p.A.	6,681	46,767 (b)	=	53,448
REPETTO Alessandro	Deputy Chairman	CARIGE S.p.A.	287	4,713	=	5,000
MONTANI Piero Luigi	Chief Executive Officer	CARIGE S.p.A.	66,416	248,416 (c)	110,000	204,832
BONSIGNORE Luca	Director until 27/5/2015	CARIGE S.p.A.	=	7,000	=	7,000
CHECCONI Remo Angelo	Director	CARIGE S.p.A.	276	1,932	=	2,208
CUOCOLO Lorenzo	Director until 27/5/2015	CARIGE S.p.A.	=	9,000	=	9,000
MACCIO' Marco Indirect ownership (partner)	Director since 28/5/2015	CARIGE S.p.A. CARIGE S.p.A.	109 222	763 1,554	= =	872 1,776
ROFFINELLA Lorenzo	Director	CARIGE S.p.A.	996	6,972	=	7,968
ZAMPINI Giuseppe Indirect ownership (partner)	Director until 27/5/2015	 CARIGE S.p.A.	 3,348	 =	 =	 3,348
LUNARDI Stefano	Chairman of the Board of Statutory Auditors	CARIGE S.p.A.	5,028	14,651	1,682	17,997

Shareholdings of other executives with strategic responsibility

NO. EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	COMPANY SHAREHOLDING	NO. SHARES OWNED AT THE END OF PREVIOUS FY	NO. SHARES PURCHASED	NO. SHARES SOLD	NO. SHARES OWNED AT THE END OF CURRENT FY
4	CARIGE S.p.A.	2,929	19,830	1,622	21,137

(a) Ordinary shares at the end of the grouping operation of 18/5/2015

(b) Ordinary shares from the exercise of options resulting from the capital increase of EUR 850,000,000 completed in 2015

(c) Of which 66,416 ordinary shares (recalculated taking into account the grouping operation of 18/5/2015) from the conversion of units awarded to the CEO on 4/5/2015 as per the Bank's Unit Plan and 182,000 ordinary shares from the exercise of options resulting from the capital increase of EUR 850,000,000 completed in 2015

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

Attachment

Disclosure on equity-based compensation plans

(pursuant to article 114-ter of the Consolidated Law on Finance, TUF and article 84-bis of the Consob Issuers' Regulation)

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

Definitions

Below is an explanation of the terms used in this document.

Supervisory Regulations	Bank of Italy Supervisory Regulations on Remuneration and Incentive Policies and Practices – Circular no. 285 of 17 December 2013 – Update no. 7 of 18 November 2014, Part One, Title IV, Chapter 2.
Consolidated Law on Finance (TUF)	Legislative Decree no. 58 of 24 February 1998.
Identified Staff	Members of staff categories whose activities have or may have a material impact on the risk profile of the Carige Group pursuant to Regulation EU no. 604/2014, as defined by the prevailing Supervisory Regulations.
Executives with Strategic Responsibility	Staff members who have direct or indirect powers and authority for the planning, guidance and control of company business, including the company directors (executive or non-executive), pursuant to article 65, paragraph 1-quarter of the Consob Issuer Regulations.
Remuneration Committee	The Remuneration Committee is constituted within the Board of Directors to advise and make recommendations on the compensation of employees, and determine the criteria for the remuneration of Bank management.
Plans	Plans involving the award of a bonus based on performance over given short-term (annual) or medium-long term (typically three-year) periods. The benefit may be cashed in part at the end of the plan, subject to the attainment of the strategic targets laid out in the Business Plan and/or an increase in the stock price, or remaining in office.

Performance Unit (Plans)	Plans which reproduce the mechanisms of a share performance plan, using virtual shares. These plans provide cash payments for the achievement of targets in terms of performance units, i.e. a virtual share in the company, whose value fluctuates over time. The value of each unit is the stock price of the existing shares, at market value or (more rarely) book value. At the end of the virtual share holding period (usually three to five years), the holder receives a monetary remuneration proportionate to the stock price.
Shares	Ordinary shares of the Parent Company Banca Carige S.p.A.
Vesting period	The set of conditions concerning the procedures and maturity of the financial instrument. The vesting period is defined as the interval of time between the award of the plan entitlement and the moment in which it is possible to exercise this right. Some plans foresee that at the end of the vesting period the employee takes ownership of the instrument, but is not entitled to trade it for an additional period of time (holding or lock up period).
Lock up (clauses)	A lock up clause further extends the time horizon of an incentives plan. Typically it foresees a further period beyond the vesting period in which the instruments may not be traded.
Issuer Regulations	Consob Regulation no. 11971 of 1999 (and subsequent amendments)

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

FOREWORD

This Disclosure and its attachments have been drafted in accordance with the provisions of articles 114-bis of the TUF and 84-bis of the Issuers Regulation and in particular with Scheme 7 of Annex 3A of the Issuers Regulation.

Equity-based compensation plans involve payment to the beneficiary of a remuneration varying over time, determined on the basis of a specific number of financial instruments, which may be ordinary shares of Banca Carige S.p.A., securities linked to the ordinary share price of Banca Carige S.p.A.. The plans therefore qualify as compensation plans based on financial instruments pursuant to article 114-bis, paragraph 1 of the TUF. Furthermore, the plans may be considered "of particular importance" in that they benefit, among others, the Chief Executive Officer of the Parent Company, staff members with a management function and executives who have regular access to inside information and who are authorized to take management decisions which may impact the evolution and future outlook of the Group, as well as staff categories whose activities have, or may have, a material impact on the risk profile of the Carige Group pursuant to Regulation EU no. 604/2014, as defined by the prevailing Supervisory Regulations.

The plans are subject to the approval of the Ordinary Shareholders' Meeting called to approve the financial statements at 31 December 2015.
The plans at issue concern the potential implementation of a system connected to a short- and/or long-term incentive plan, the variable remuneration structure of which envisages: pursuant to the principles set out in the relevant Supervisory Regulations:

- the deferral of a portion of the variable component of compensation linked to the incentive schemes equal to at least 40%
- the assignment of financial instruments for a portion equal to at least 50% of the same variable compensation, envisaging an adequate retention period for the same, so as to align the incentives with the Bank's medium/long-term interests.

This Disclosure document is published in the manner and within the terms foreseen by the applicable legislation.

1. BENEFICIARIES

1.1. Name of the members of the Board of Directors or the management board of the issuer of the financial instruments, of the companies controlling or directly or indirectly controlled by it who benefit from the plan.

Chief Executive Officer of the Parent Company Banca CARIGE S.p.A.

1.2. Categories of employees or collaborators of the issuer of the financial instruments and of the companies controlling or controlled by the issuer

The potential beneficiaries of the plans are the executives classed as Identified Staff, including executives with strategic responsibility.

1.3. The name of the parties benefiting from the plan belonging to the following groups:

a) General managers of the financial instrument issuer

Not applicable

b) Other executives with strategic responsibilities of the financial instrument issuer not classed as "small-sized", in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, if they have, during the course of the year, received total compensation (obtained by adding the monetary compensation to the financial instrument-based compensation) in excess of the highest total compensation assigned to the members of the board of directors or management board, and to the general managers of the financial instrument issuer

Among the other executives with strategic responsibilities, none received a compensation greater than the highest salary awarded to the members of the Board of Directors.

c) Natural persons controlling the share issuer, who are employees or who collaborate with the share issuer

Currently no natural person controls CARIGE S.p.A., pursuant to the applicable regulations.

1.4. Description and numerical indication, broken down by categories

a) Executives with strategic responsibilities other than those specified under letter b) of paragraph 1.3

There are 10 executives with strategic responsibilities (level 1 staff or line managers), classed as Identified Staff, as indicated to the Board of Directors on the basis of Regulation EU no. 604/2014 enacting Directive EU - "CRD IV".

b) In the case of "small-sized" companies, in accordance with Article 3, paragraph 1, letter f) of Regulation no. 17221 of 12 March 2010, the indication for the aggregate of all executives with strategic responsibilities of the financial instrument issuer

Not applicable

c) Any other categories of employees or collaborators for which different characteristics are envisaged for the plan (e.g. executives, middle management, employees, etc.).

Not applicable

2. THE REASONS BEHIND THE ADOPTION OF THE PLAN

2.1. The objectives to be achieved by means of the attribution of plans

The entire remuneration policy of the Banca Carige Group, of which the plans are part, is founded on a logic coherent with the sustainability strategies of the Group, designed to guarantee a genuine link between salaries and efficient and stable results and levels of capitalization.

For the variable salary component, this policy involves the adoption of special mechanisms and incentives designed to achieve the annual budget targets and further the multi-year pursuit of healthy and prudent management and a more robust capital position.

The plans reinforce the link between management remuneration and the long-term sustainability of results and other indicators and adhere to the instructions and guidelines of the international regulators and the Bank of Italy, in particular to the requirement that at least 50% of the bonus should be paid in shares or instruments linked to them.

The reasons and criteria on the basis of which the issuer has decided to establish a given ratio of incentive compensations based on financial instruments and other components of the total salary;

The aim is to create, in the interest of all stakeholders, a remuneration system in line with the long-term strategies and objectives of the organization, linked to its results, suitably adjusted to take account of all risks, coherent with the levels of capital and liquidity required to do business and, in any case, designed to prevent distorted incentives that might lead to regulatory violations or excessive risk taking for the bank and the system as a whole.

These principles are intended to favour a correct balance between fixed and variable salary components and link remuneration to actual results through the use of deferment systems for all staff members whose activities have, or may have, a material impact on the risk profile (so-called Identified staff).

With regard to the guidance contained in the Supervisory Regulations, the structure of the variable salary component for Identified Staff at the Group's Banks involves incentives paid in part up-front (in cash and shares and/or performance units) and in part deferred (in cash and shares and/or performance units). The system foresees that a quota of at least 40% of the variable salary incentive is deferred with payments in cash and shares and/or performance units.

The criteria for defining the time frame underlying the incentive systems

The Plan linked to a potentially activated annual bonus is designed to incentivize achievement of the annual budget targets.

The Plan linked to potentially activated multi-annual bonus is designed to incentivize achievement of the Business Plan medium/long term targets.

The bonuses may partly be paid in cash and shares and/or performance units, in any case in the year following the performance measurement and partly deferred in cash and shares and/or performance units in a three-year period following the year of the up-front payment. Should the variable component to be disbursed be of a particularly significant amount, the deferral horizon will be of at least five years.

2.2. Key variables, including in the form of performance indicators considered in order to attribute the financial instrument based plans

For detailed information on proposed or ongoing plans, please see the Remuneration Report, drafted pursuant to article 123-ter of the TUF and article 84-quarter of the Issuers Regulation.

2.2.1 The information is more detailed and includes, for example:
the indication of factors (also in terms of performance) and criteria used to identify the specific characteristics in relation to financial instrument based compensation methods;
the way in which these methods have been identified in relation to the directors, general managers and executives with strategic responsibilities and to the other specific categories of employees and collaborators for whom plans are envisaged with special conditions, or collaborators of both the listed company and related subsidiaries;
the reasons underlying the choice of the specific compensations envisaged in the same plans, also in relation to achieving the identified long-term objectives.

For detailed information on proposed plans, please see the Remuneration Report, drafted pursuant to article 123-ter of the TUF and article 84-quarter of the Issuers Regulation.

2.3. Elements underlying the determination of the extent of the financial instrument based compensation, or the criteria for its determination

<u>The factors considered to decide the extent of the compensations</u>

include:

- the importance of the office in terms of impact on the Group's business results and governance;
- the need to keep and loyalize the Group's strategic resources.

<u>The elements considered for changes with respect to similar previous plans</u>

The design of new plans takes into account the regulatory changes in the industry (Bank of Italy Supervisory Regulations on Remuneration and Incentive Policies and Practices in Banks and Banking Groups), and organizational changes to the Bank's governance and organisational structure.

2.4. The reasons underlying any decision to assign financial instrument based compensation plans not issued by the financial instrument issuer, such as financial instruments issued by subsidiaries or parent companies or third party companies with respect to the group of origin; in the event that said instruments are not traded on regulated markets, information on the criteria used to determine the value assigned to them;

The plans do not envisage the assignment of the above financial instruments.

2.5. Evaluations with regard to significant tax and accounting implications which have affected the definition of the plans

Incentive payments are subject to the tax, pension and accounting legislation prevailing in the country in which the beneficiaries are resident.

In addition, the Board of Directors of the Parent Company approved - in line with IAS/IFRS principles and the Carige Group Accounting System Manual - a model known as *Model N – Benefits for employees* which governs, in observance of accounting principle IFRS2 - shared-based payments, the accounting of share-based payments to employees settled in cash or equity instruments.

2.6. Any support of the plan by the special Fund to encourage workers to participate in businesses, pursuant to Article 4, paragraph 112 of Law no. 350 of 24 December 2003.

The plans receive no support from the special Fund to encourage workers to participate in businesses, pursuant to Article 4, paragraph 112 of Law no. 350 of 24 December 2003.

3. APPROVAL PROCEDURE AND TIMING FOR THE ASSIGNMENT OF INSTRUMENTS

3.1. Scope of powers and functions delegated by the Shareholders' Meeting to the Board of Directors in order to implement the plan

The Board of Directors adopts and reviews the remuneration policy (including the equity-based compensation plans) at least once a year, and is responsible for its implementation, with the support of the competent corporate functions (Personnel, Risk Management, Internal Audit, Compliance).

3.2. Parties appointed to administrate the plan and their function and competence;

Once activated the plans are administered by the Human Resources Office of the Parent Company Banca Carige S.p.A.

3.3. Any procedures in place for the review of the plan, including in relation to any alteration of the basic objectives;

No procedures are in place for the review of the plans, apart from the adoption and annual re-examination of the remuneration policies which comprise the equity-based compensation plans.

3.4. Description of the methods by which to determine the availability and assignment of the financial instruments on which the plans are based

The share-based plans are based on the free-of-charge assignment of ordinary shares. The shares on which the plans are based will be made available using the ordinary shares of the Parent Company. The ongoing Performance Unit Plans do not involve the physical assignment of financial instruments, but rather payment of deferred variable salary components in cash, based on the equivalent-value of virtual shares (performance units), determined on the basis of the CARIGE S.p.A. ordinary share price.

3.5. The role played by each director in determining the characteristics of said plans; any situations of conflict of interest arising concerning the relevant directors;

The Board of Directors, and the Remuneration Committee, in determining the essential elements of the plans, act in observance of the prevailing Supervisory Regulations and the criteria set out in the Remuneration Policies.

3.6. For the purpose of the requirements of Art. 84-bis, paragraph 1, the date of the decision taken by the competent body to propose the approval of the plans to the shareholders' meeting and any proposal of a remunerations committee, where existing

On 25 February 2016, the Board of Directors of the Parent Company, with the favourable opinion of the Remuneration Committee which met on 24 February 2016, approved the Remuneration Report, containing in Section I the new remuneration policies and resolved upon the proposal for the Plans to be submitted to the Ordinary Shareholders' Meeting of Banca Carige S.p.A., scheduled for 31 March 2016 for approval of the Full-Year Report as at 31/12/2015.

3.7. For the purpose of the requirements of Art. 84-bis, paragraph 5, letter a), the date of the decision taken by the competent body with regard to the assignment of instruments and the potential proposal to said body by a remuneration committee, where existing

Not applicable.

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

On 25 February 2016 the official share price of Carige stock was EUR 0.471.

3.9. In the case of plans based on financial instruments traded on regulated markets, in what terms and how the issuer considers, when identifying the timing of the assignment of instruments in implementation of the plan, the possible timing coincidence of:
i) said assignment or any decisions taken in this regard by the remuneration committee; and
ii) the disclosure of any significant information in accordance with Art. 114, paragraph 1; for example, if such information is:
a. not already public and able to positively affect market listings,
or
b. already public and able to negatively affect market listings.

The timing of the assignment of shares / performance units is neutral with regard to any events likely to affect the market value of CARIGE S.p.A. ordinary shares. Note that the assignment of the instruments takes into account first-level regulations on inside information.

4. CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED

4.1. The description of the ways in which the equity-based compensation plans are structured

All up-front and deferred components of the Plans are paid in ordinary shares of the Parent Company, or in Performance Units.

Note that the plans based on performance units reproduce the mechanisms of Performance Share Plans, though using virtual shares.
These plans provide cash payments for the achievement of targets in terms of performance units, i.e. a virtual share in the company, whose value fluctuates over time. The value of each unit is the stock price of the ordinary shares of the Banca Carige S.p.A.
Performance Unit Plans therefore foresee a fixed number of units at the start of the plan; at the end of the performance period (the so called “vesting period”) and any lock up period (the additional vesting period), this number is multiplied by the average performance over the period and the current share price and settled in cash.

4.2. The period of actual plan implementation also with reference to any different cycles envisaged;

The plans are generally of an annual and/or multi-annual duration.

4.3. The maximum number of financial instruments, also in the form of options, assigned each tax year in relation to the individuals identified or the specified categories;

At the moment it is impossible to indicate the maximum number of shares and/or performance units awarded, because the task of their identification falls to the Board of Directors subject to the plan’s approval by the Shareholders' Meeting.

4.4. The methods and clauses for the implementation of the Plan, specifying if the effective assignment of the instruments is subject to conditions being met or given results being achieved, including performance-related; a description of said conditions and results;

Please see Paragraph 2.2. of this Disclosure above.

4.5. The indication of any restrictions of availability affecting the instruments assigned or the instruments arising from the exercise of the options, with specific reference to the terms within which the subsequent transfer to the company or third parties is permitted or prohibited;

Please see Paragraph 2.2. of this Disclosure above.

4.6. The description of any termination conditions in relation to the assignment of the plans in the event that the beneficiaries should carry out hedging transactions that enable the neutralization of any prohibitions of the sale of the financial instruments assigned, also in the form of options, or financial instruments arising from the exercise of these options;

The plans do not contain any termination conditions of the type described.

4.7. The description of the effects caused by the termination of the employment relationship;

In the resolution implementing the plans, the Board of Directors has the power to specify termination of the beneficiary's employment relationship with a Group company as reason for forfeiture of their bonus entitlement.

4.8. The indication of any other causes for the cancellation of the plans;

No other cause of cancellation of the plans is foreseen.

4.9. The reasons in relation to the potential provision for “redemption” by the company of the financial instruments on which the plans are based, in accordance with Article 2357 et seq. of the Italian Civil Code; the beneficiaries of the redemption, specifying if it is only intended for specific categories of employees; the effects of the termination of employment on said redemption

There is no provision for redemption of the shares in question by Banca Carige S.p.A. or other Group companies.

4.10. Any loans or other benefits intended to be awarded for the purchase of shares in accordance with Art. 2358 of the Italian Civil Code;

No loans or other benefits are foreseen for the purchase of shares.

4.11. An assessment of the expected charges for the company on the date of the assignment, as can be determined on the basis of the terms and conditions already defined, for the total amount and in relation to each plan instrument

At present it is impossible to assess the exact expected cost of the plans based on shares and/or performance units in that this will depend on the performance of the incentives schemes over the year in question, and the Carige stock price at the date the bonus payment is due.

4.12. The indication of any capital dilution effects arising from the compensation plans

Given the mechanisms used to implement the plans, their adoption will entail no dilution effect on the capital of Banca Carige S.p.A.

With specific reference to the assignment of shares

4.13 Any limits to the exercise of voting rights and the assignment of equity rights

There are no limits to the exercise of voting rights or the assignment of equity rights in relation to the shares allocated by the compensation plan.

4.14 If shares are not traded on regulated markets, all information that will help fully assess the value that can be assigned to them

The shares assigned by the Plan to beneficiaries are ordinary shares of the Issuer Banca Carige S.P.A., traded on regulated markets.

Genoa, 25 February 2016

for THE BOARD OF DIRECTORS

THE CHAIRMAN

Cesare Castelbarco Albani

Annexes:
Table 1: Equity-based compensation plans

TABLE 1: EQUITY-BASED COMPENSATION PLANS

COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS Table no. 1 of Scheme 7 of Attachment 3A to Regulation no. 11971/1999								
First name and last name or category	Title (to be specified only for individual persons)	**FRAMEWORK 1**						
		Financial instruments other than Stock Options						
		Newly assigned instruments based on the decision: □ by the Board for proposal to the Shareholders' Meeting						
		Date of Board resolution for proposal to the Shareholders' Meeting	Type of financial instruments	Number of financial instruments assigned	Date of assignment	Instruments' purchase price	Market price of assignment	Vesting period
CEO of Banca Carige S.p.A.		25/02/2016	SHARES and/or PU	Not available	Not available		Not available	Not available
Managers with strategic responsibility		25/02/2016	SHARES and/or PU	Not available	Not available		Not available	Not available

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

Attachment

Criteria and limits for the determination of remuneration to be paid in the event of early termination of employment or early termination of office

Foreword

This statement on the criteria and limits for the determination of remuneration to be paid in the event of early termination of employment or early termination of office was drafted taking into account the following legislation:

i. Recommendation 2009/385/EC of 30 April 2009 complementing Recommendations 2004/913/EC and 2005/162/EC as regards the regime for the remuneration of directors of listed companies.
ii. Article 6 of the Corporate Governance Code.
iii. Consob Recommendation – 19 June 2014 Recommendations regarding the information to be disclosed on compensation and/or other benefits for executive directors and general managers of Italian companies listed in the FTSE Mib and Mid Cap indexes in the event of termination of office or termination of the employment relationship.
iv. Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 ("on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms").
v. Bank of Italy Supervisory Regulations on Remuneration and Incentive Policies and Practices – Circular no. 285 of 17 December 2013 – Update no. 7 of 18 November 2014, Part One, Title IV, Chapter 2.

In particular, the Bank of Italy Supervisory Regulations, Circular no. 285 of 17 December 2013 – Update no. 7 of 18 November 2014, Part One, Title IV, Chapter 2, Section II - Role and Responsibilities of the Shareholders' Meeting and corporate bodies - require that the ordinary meeting, among other things, shall approve the criteria for the determination of compensation to be paid in the event of early termination of employment or early termination of office (**Section III, paragraph 2.2.2 – Golden Parachute**), including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria.

The same regulation in Part One, Title IV, Chapter 2, Section I – General Rules - foresees that banks shall apply the rules to all personnel, with the exception of the more detailed rules – foreseen in Section III., para. 1.2, para. 2.1, points 3 and 4, para. 2.2.1 and para. 2.2.2: these rules are to be applied**only to Identified Staff**.

In this regard the shareholders' meeting foresees the following:

1) Criteria

a) In the event of any negotiated "golden parachute" payout, the Banca Carige Group will comply with the provisions of the foregoing legislation in line with the rules of the 2016 remuneration policies described in the Remuneration Report, Section I, "Severance payments" and within the limits set out in point 2) of this document.

   More specifically:

   Any payout negotiated in the event of termination of employment or office (golden parachute)[1] - including payouts foreseen by the individual contracts of Identified Staff - are subject to the attainment of the indicators described in the Remuneration Report, Section I, *para. 7.2*) and to the thresholds defined by the Board of Directors.

   Severance payments are made up of:

[1] Golden parachute payouts also include: i) compensation based on a non-competition clause: the Bank/Group company may sign specific non-competition pacts in view of or upon early termination of the employment relationship, where necessary or advisable to defend its commercial position with new and existing clients. ; ii) notice pay for the amount exceeding the statutory minimum notice period (notice pay whose amount is determined in accordance with the law, is equivalent in its composition to the salary that would have been earned during the required notice period).

- an up-front quota of 60%, paid the same year;
- three annual quotas of equal amount for the remaining 40%, deferred over the three years following the year of the up-front payment, paid each year of deferment.

However, the Parent Company Board of Directors, with the prior opinion of the Remuneration Committee may consider to apply a higher deferment percentage for Identified Staff, if the variable component to be paid is for a considerably large amount, taking into account both the market remuneration benchmarks and the amounts to be paid ex-post with respect to fixed salary.

50% of the up-front and deferred quotas is paid in cash, the other 50% in a mix of shares and/or performance units of the Parent Company and other financial instruments specified in the Commission Delegated Regulation (EU) no. 527/2014 on the regulatory technical standards specifying the classes of instruments that are appropriate to be used for the purposes of variable remuneration.

The malus and claw-back mechanisms described in the Remuneration Report, Section I, *para.* 7.7. also apply.

The aforementioned malus mechanism, with the consequent loss of the deferred quota of severance pay, also applies in the event of:

i) conduct leading to significant losses for the Group or an individual bank/company of the Group;
ii) breach of the obligations pursuant to article 26 of the Consolidated Law on Banking or, if the subject is the interested party, article 53, paragraphs 4 et seq. of the Consolidated Law on Banking or breach of remuneration and incentives obligations;
iii) fraudulent or criminal behaviour damaging the Group or one of the Group's banks/companies.

In the cases i), ii) and (iii) above all up-front and deferred severance quotas already paid must be returned (claw-back clause)[2].

The provisions of the Supervisory Instructions on variable remuneration included in the Remuneration policies' document approved by the Shareholders' Meeting shall apply to the foregoing remunerations.

b) The Banca Carige Group may avail itself of the derogations under article 2.2.3, paragraph 1, points 1 and 2 of Section III of the Bank of Italy Rules with reference to the following cases:
   i. golden parachute payouts agreed in the event of extraordinary transactions (e.g., mergers) or corporate restructuring procedures which must jointly: i) conform exclusively to the logic of containing corporate costs and rationalization of the workforce, ii) not exceed EUR 100,000; iii) contain claw-back clauses at least for fraudulent or criminal behaviour damaging to the Group or one of the Group's banks/companies;

   ii. voluntary redundancy payouts agreed also in relation to extraordinary transactions (e.g. mergers) or corporate restructuring procedures, paid to non Identified Staff, which must jointly: i) conform exclusively to the logic of containing corporate costs and rationalization of the workforce; ii) encourage adoption of the support measures foreseen by law or collective bargaining agreements for the whole workforce; (iii) not produce ex-ante distorting effects on staff behaviour; iv) contain claw-back clauses at least for fraudulent or criminal behaviour damaging the Group or one of the Group's banks/companies.

c) Any golden parachute payouts are determined in relation to the position and/or office held, to the tenure of the position or office and possibly in relation to the targets and/or results achieved in position or office, in any case taking account of any risks taken by the bank/company.

[2] During the investigation of such conduct/violations, whether as part of an internal inquiry or following a first-or second-instance court sentence, all deferred payments are suspended. Once the internal inquiry is concluded or final judgement is passed the unpaid quotas are cancelled (malus) and those already paid must be returned (claw-back).

d) In any case the provisions expressly foreseen by the prevailing legislation and collective agreements still apply.

2) Limits to remuneration in terms of years' annual remuneration and maximum amount

Any payout negotiated in view of or upon early termination of employment or office (golden parachute payouts) may not exceed an amount equivalent to 2 years of total annual remuneration and a maximum gross amount of EUR 2 mln per beneficiary.

The individual banks/Group companies shall draft a similar document to be submitted for approval to their Shareholders' Meetings.