BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

Board of Directors' Report on the fourth item on the agenda of the Ordinary Shareholders' Meeting convened for 23 April 2015 in one call, regarding the Remuneration Policies for the Banca Carige Group

(drafted pursuant to articles 114-ter and 125-ter of Legislative Decree no. 58 of 24 February 1998, and subsequent amendments and integrations, and article 84-ter of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, and subsequent amendments and integrations)

Dear Shareholders,

the Board of Directors of Banca Carige has convened this Ordinary Shareholders' Meeting on 23 April 2015 with a single convening notice to discuss and vote on, among other things, the following matter on the agenda.

4) Remuneration policies for the Banca Carige Group

You are reminded that the prevailing remuneration policies were last approved at the Ordinary Shareholders' Meeting of 30 April 2014, with a view to containing risk and in line with Bank's long-term objectives, corporate culture and the overall structure of corporate governance and internal control.

The same meeting also approved the “Statement on equity-based compensation plans”, containing, pursuant to articles 114-bis of the TUF and 84-bis of the Consob Issuer Regulations, a specific report on the compensation plans based on financial instruments (specifically “performance units”) foreseen by the new remuneration policies.

We should make clear that in relation to the provisions of the prevailing Supervisory Regulations on “Remuneration and Incentive Policies and Practices”, contained in 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 “Supervisory Regulations”):

- the Shareholders' Meeting, besides establishing the salaries due to the Boards appointed by it, also approved in ordinary session:

    (1) the remuneration and incentive policies for the members of the strategic supervision, management and control bodies and the remaining personnel;
    (ii) the remuneration plans based on financial instruments;

(iii) the criteria for determining compensation to be agreed in the event of termination of the employment relationship or early retirement from 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) the 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 said CRR Regulation;
  (iii) information on implementation of the Supervisory Regulations.

In addition, pursuant to articles 123-ter of the TUF and 84-quarter of the Consob Issuer Regulations, 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 current 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 Issuer Regulations the same listed companies are required to a publish a specific report regarding any equity-based compensation plans, where adopted.

Given the aforesaid primary legislation and supervisory regulations, we therefore submit to the Shareholders' Meeting this “Remuneration Report”, which illustrates the remuneration policies of Carige Group for financial year 2015, approved by the Board of Directors' meeting of 19 March 2015 and describes the implementation of the remuneration policies in force in financial year 2014.

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 termination of employment or early retirement from 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 inform you finally 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 was 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 23 April 2015, 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 termination of employment or early retirement from office, resolves:

- to note 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 30 April 2014;

- to approve the remuneration policy of 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 for the determination of compensation to be agreed 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, all of which as described in the 'Remuneration Report', complete with all attachments, as per the Board of Directors' Report at point 4 on the agenda of the Ordinary Shareholders' Meeting."

Genoa, 19 march 2015

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

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.

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 19 March 2015

GRUPPO BANCA CARIGE

FOREWORD

This document was drafted in accordance with:

- the prevailing Supervisory Regulations on "Remuneration and Incentive Policies and Practices", contained in Part One, Title IV of Bank of Italy Circular no. 285 of 17/12/2013, Update no. 7 of 18/11/2014;
- article 123-ter of the TUF (Consolidated Law on Finance) and article 84-quarter of the Consob Issuer Regulations,

which are applicable to CARIGE S.p.A. as a listed bank, and - with specific reference to the above Supervisory Regulations - to the banks belonging to the Group of which it is Parent.

The Board of Directors of the Parent Banca Carige S.p.a., meeting on 19/3/2015, approved the new Group Remuneration Policy, which takes into account the regulatory developments in the industry and changes to the governance system and organization of the Bank.

This Report therefore:

- outlines the new remuneration policy which will be applied across the Group over the coming financial year (2015) (**see Section I**);
- provides the Shareholders' Meeting with information on the Remuneration Policies implemented during the previous financial year (2014) (**see Section II**).

This Report is available on the website www.gruppocarige.it - Governance – Shareholders' Meetings.

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Section I

2015 Remuneration Policies

This document[1] defines the remuneration system for the personnel of Banca Carige Group (hereinafter "Group") for the year 2015[2] in accordance with the prevailing regulations issued by the Bank of Italy[3] and Consob[4] and the statutory provisions of the banks and companies belonging to the Group, in coherence with corporate long-term strategies, objectives and results, suitably adjusted to take into account the risks assumed and in line with the capital adequacy and liquidity risk tolerance thresholds approved by the Parent Board of Directors to prevent distorted incentives which could encourage violations of the regulations or excessive risk taking.

Against this background, these rules require, in particular, that the variable salary component is sustainable in relation to the business/financial performance of the Group as a whole and of the individual member banks/companies and does not limit their capacity to maintain or achieve an adequate level of capitalization.

[1] This document also lays out the risk management criteria, i.e. the individual phases of the process behind the 2015 remuneration policies and the activities performed in the application of these criteria. The strictly operational aspects of the application of this regulation and the reporting procedures supporting these complex activities are governed by special internal rules (consolidated texts). The role and duties of the organizational units charged with carrying out these activities and the procedures followed are governed by the general corporate regulation.

[2] The Banca Carige Spa 2015 Policies were drafted with the support of the consulting firms Co.Ba.Co. S.r.l. and Hay Group S.r.l. and the legal practice Daverio & Florio.

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

[4] In particular, articles 114-bis and 123-ter of Legislative Decree no. 58/1998 (Consolidated Law of the 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 29.1.2014 "Implementation of the ESMA Guidelines on Remuneration Policies and Practices (Mifid)."

For the purposes of this document:

- by Parent is meant Banca Carige;
- by banks/companies belonging to the Group is meant Banca Carige, Banca Carige Italia, Cassa di Risparmio di Savona, Cassa di Risparmio di Carrara, Banca del Monte di Lucca, Banca Cesare Ponti, Creditis Servizi Finanziari, Centro Fiduciario C.F., Columbus Carige Immobiliare, Immobiliare Carisa;
- by banks/companies controlled by the Group is meant Banca Carige Italia, Cassa di Risparmio di Savona, Cassa di Risparmio di Carrara, Banca del Monte di Lucca, Banca Cesare Ponti, Creditis Servizi Finanziari, Centro Fiduciario C.F.,Columbus Carige Immobiliare, Immobiliare Carisa;
- by staff is meant the members of the strategic supervision, management and control bodies, the employees and personnel of the Group banks/companies;
- by Identified Staff is meant certain categories of people whose activities have, or may have, a material impact on the risk profile of the Group and the individual member banks/companies;
- by corporate control functions is meant the Compliance Unit[5], the Internal Audit Unit, the Risk Management Unit, the Manager in Charge of preparing the corporate financial documents and the Human Resources Office[6];
- by remuneration is meant any form of fixed or variable payment or benefit, paid directly or indirectly - in cash, financial instruments or other goods (fringe benefits) - by the Group banks/companies in exchange for the provision of work or professional services. It does not include marginal payments or benefits, paid on a non-discretionary basis, which are covered by a general Group policy and do not have an influence on risk incentives or risk control;
- by gross annual fixed salary (GAS) is meant the gross annual fixed component of employees' salary, made up of the sum of monthly salaries plus any other fixed payments foreseen by collective agreements or supplementary contracts of Group banks/companies. For certain Identified Staff the fixed salary component may be determined on the basis of individual agreements stipulated with the Group banks/companies;

[5] Currently this also incorporates the Anti-Money Laundering Unit.

[6] Solely for the purposes of the present regulation pursuant to Bank of Italy Circular no. 285/2013, Part One, Title IV, Chapter 2.

- by variable salary component is meant any form of staff payment or benefit of a variable amount dependent on performance, however measured, and/or other metrics. This includes exceptional payouts to newly hired staff during the first year of employment (welcome bonus) or negotiated in the event of early termination of employment or office (golden parachute), as well as discretionary pension benefits. It excludes severance indemnity established by law and the prevailing labour agreements. For certain Identified Staff the variable salary component may be determined on the basis of individual agreements stipulated with Group banks/companies;
- by performance units is meant the virtual accounting units whose value depends on the market value of the underlying shares. They are paid in cash at the end of the lock up period;
- by deferment is meant all postponements, over an established time horizon, of payment of quotas of the variable salary component for a given financial year;
- by state aid is meant any exceptional public assistance of which the Group might benefit (e.g., so-called “Tremonti bonds” or “Monti bonds”).

1. Decision-making processes behind the remuneration policies

The decision-making processes behind the 2015 Remuneration Policies are described below.

1.1 Definition of the role of the Parent Chief Executive Officer

The Chief Executive Officer of the Parent:

a) makes recommendations to the Parent Board of Directors:

- on general policies of development and management, and on the remuneration of personnel belonging to the Parent and the banks/companies controlled by the Group;
- on the total amount to be set aside for incentive plans based on the Group's capital adequacy level, and, for each category of staff at the Group banks/companies, the total amount of annual bonus due to the beneficiaries in these categories, based on the individual recommendations of each Group bank/company;

b) by determining individual fixed salaries, decides the economic standing of all levels of staff, including executives, save what is foreseen under point 1.3 on the remuneration of Identified Staff, including heads of the corporate control functions, in accordance with the prevailing remuneration and incentive systems.

In summary, the above profile involves the following activities:

a. make recommendations on matters of the Board of Directors' competence;
b. define the economic standing of personnel.

1.2 Definition of the role of the Parent Board of Directors

The Parent Board of Directors:

a) defines, on the basis of the Chief Executive Officer's recommendations, the guidelines of the staff remuneration policy of the Parent and the subsidiary banks/companies and overall Group personnel policy in line with multi-year and annual budget targets and reviews them at least once a year;
b) determines the Identified Staff of the Group and the categories of beneficiary of a variable salary component;
c) submits for approval to the Parent Shareholders' Meeting the Group's remuneration policies for staff and external collaborators not bound by employment contract, the criteria for determining compensation negotiated with Identified Staff in the event of termination of employment or early retirement from office (taking into account, among other things, the duration of the employment relationship), including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, and any equity-based compensation plans, submitting to the Shareholders' Meeting the recommendations falling within its competence in relation to the Remuneration Report pursuant to article 123-ter of Legislative Decree no. 58/1998;
d) provides the Parent's Annual Shareholders' Meeting with the prescribed information on implementation of the Group staff remuneration system and the outcome of relative controls;
e) establishes, on recommendation of the Remuneration Committee, 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, and directors sitting on the Management Committees, and decides on the reimbursement of expenses;

f) determines, on the recommendation of the Chief Executive Officer, the total amount to be set aside for incentive plans based on the Group's capital adequacy level, and, for each category of staff at the Group banks/companies, the total amount of annual bonus due to the beneficiaries in these categories;
g) determines the minimum threshold for access to the annual bonus ("the Group's consolidated sustainability indicator"), as well as the conditions at Group level for the annual bonus, under phase 4 "characteristics of the remuneration system" (point 4.3., numbers 1) and 3);
h) verifies the qualifying conditions for the annual bonus due to the individual beneficiaries of the Parent staff categories;
i) determines the weightings and thresholds for the subsequent phase 4 "characteristics of the remuneration system" (point 4.3., letters i), ii) and (iii), to quantify the total amount of annual bonus available for Group personnel;
j) determines, for the Identified Staff of the Parent, exceptional payouts to new hirings in their first year (welcome bonus) and compensation in the event of termination of employment or early retirement from office (golden parachute) in line with the criteria decided by the Shareholders' Meeting;
k) decides, on recommendation of the Chief Executive Officer, the remuneration of any members of Parent Top Management;
l) decides the remuneration for members of the Supervisory Board - Legislative Decree no. 231/2001 of the Parent and guidelines for the remuneration of members of the supervisory boards at the individual Group banks/companies.

In summary, the above profile involves the following activities:

a. define staff remuneration policy guidelines;
b. identify the Identified Staff of the Group and the staff categories to benefit from a variable salary component;
c. make recommendations to the Shareholders' Meeting;
d. provide the prescribed information to the Shareholders' Meeting;

e. establish additional compensation for the Chairman, Deputy Chairman, Chief Executive Officer, members of the Executive Committee and the Board Committees, and the directors sitting on the Management Committees, and decide on the reimbursement of expenses;
f. decide the total amount to be set aside for incentive plans and the annual staff bonus;
g. verify the Parent staff qualifying conditions for an annual bonus;
h. determine the threshold of the Group consolidated sustainability indicator and further conditions at Group level for the annual bonus,
i. determine the weightings and thresholds to quantify the total amount of the annual staff bonus;
j. determine, for Identified Staff of the Parent, exceptional payouts to new hirings and the compensation agreed with Identified Staff in the event of termination of employment or early retirement from office (golden parachute) in line with the criteria decided by the Shareholders' Meeting;
k. define the remuneration of the members of Parent Top Management;
l. decide the remuneration for members of the Parent Supervisory Board and the guidelines for remuneration of members of the supervisory boards at the individual Group banks/companies.

1.3 Definition of the role of the Parent Remuneration Committee

The Parent Remuneration Committee makes recommendations to the Parent Board of Directors 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, and directors sitting on the Management Committees, as well as the reimbursement of expenses;
- the salaries of the heads of the corporate control functions;
- the salaries of Identified Staff;
- remuneration policies for Group staff and external collaborators not bound by employment contract, providing advice on the determination of the criteria;

- the determination, for each category of staff at the Parent, the total amount of annual bonus due to the beneficiaries in these categories and verification of the conditions;
- the determination of the criteria, for the Identified Staff of the Parent, exceptional payouts to new hirings in their first year (welcome bonus) and the compensation for Identified Staff in the event of early termination of employment (golden parachute);
- the use, through recommendations, of other staff incentive plans based on financial instruments (for example stock options). Specifically, the Committee makes recommendations on the best incentive scheme, and monitors its progress and application over time;
- the remuneration of directors holding special office as well as general managers and executives with strategic responsibilities in the banks/companies controlled by the Group.

In summary, the above profile involves the following activities:

a. give recommendations and opinions on matters of the Board of Directors' competence.

1.4 Definition of the role of the Parent Shareholders' Meeting

The Parent Shareholders' Meeting:

a) determines the fixed salaries for the members of the Board of Directors and the attendance fees for Board Meetings and Executive Committee Meetings;
b) approves and examines annually the remuneration policies for the members of the Board of Directors of the Parent, Group staff and external collaborators not bound by employment contract, the criteria for determining compensation agreed in the event of termination of employment or early retirement from office (golden parachute) (taking into account, among other things, the duration of the employment relationship), including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, in accordance with the prevailing legislation and regulations;
c) resolves, as far as within its competence, on the Remuneration Report pursuant to article 123-ter of Legislative Decree no. 58/1998, with particular reference to the procedures involved in the adoption and implementation of the above policies;

d) approves any equity-based compensation plans.

In summary, the above profile involves the following activities:

a. establish the fixed salaries for the members of the Board of Directors and the attendance fees for Board Meetings and Executive Committee Meetings;
b. approve and examine annually the remuneration policies for the members of the Board of Directors of the Parent, Group staff and external collaborators and the criteria for determining compensation agreed in the event of termination of employment or early retirement from office (golden parachute);
c. resolve on the Remuneration Report pursuant to article 123-ter of Legislative Decree no. 58/1998
d. approve any equity-based compensation plans.

1.5 Definition of the role of the Boards of Directors of the banks/companies controlled by the Group

The Board of Directors of each bank/company controlled by the Group, following the Group remuneration policy:

a) identifies the Identified Staff of the bank/company and submits its recommendations to the Parent, which ensures the overall coherence of the process for identifying this staff category within the Group;
b) submits for the approval of the Shareholders' Meeting of the bank/company the remuneration policies for the staff of the bank/company and any external collaborators not bound by employment contract, the criteria for determining compensation agreed in the event of termination of employment or early retirement from office (golden parachute) (taking into account, among other things, the duration of the employment relationship), including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, and any equity-based compensation plans decided by the Parent;
c) provides the annual Shareholders' Meeting of the bank/company with the prescribed information on implementation of the remuneration system for bank/company staff and the outcome of relative controls;

d) submits for the approval of the Parent Board of Directors, for each category of staff at the bank/company, the total amount of annual bonus due to the beneficiaries in these categories;
e) verifies the qualifying conditions for the annual bonus due to the individual beneficiaries of the staff categories at the bank/company;
f) determines, for the Identified Staff of the bank/company, exceptional payouts to new hirings in their first year (welcome bonus) and the compensation for Identified Staff in the event of termination of employment or early retirement from office (golden parachute) in line with the criteria decided by the Shareholders' Meeting;
g) decides the remuneration for members of the Supervisory Board pursuant to Legislative Decree no. 231/2001 and in line with the guidelines set out by the Parent Board of Directors.

In summary, the above profile involves the following activities:

a. identify the Identified Staff of the bank/company;
b. make recommendations to the Shareholders' Meeting;
c. provide the prescribed information to the Shareholders' Meeting;
d. submit for the approval of the Parent Board of Directors the total amount of annual bonus due to the beneficiaries of the bank/company;
e. verify the qualifying conditions for an annual bonus for bank/company staff;
f. determine, for the Identified Staff of the bank/company, exceptional payouts to new hirings and the compensation agreed in the event of termination of employment or early retirement from office (golden parachute);
g. decide the remuneration for members of the Supervisory Board of the bank/company in line with the guidelines set out by the Parent Board of Directors.

1.6 Definition of the role of the Shareholders' Meeting of the banks/companies controlled by the Group

The Shareholders' Meeting of each bank/company controlled by the Group:

a) decides the fixed salaries for the members of the Board of Directors and the attendance fees for Board Meetings;

b) approves and examines annually the remuneration policies for the staff of the bank/company and any external collaborators not bound by employment contract, the criteria for determining compensation agreed in the event of termination of employment or early retirement from office (golden parachute) (taking into account, among other things, the duration of the employment relationship), including the limits to the number of years of fixed salary and the maximum amount that can be awarded under such criteria, and any equity-based compensation plans decided by the Parent.

In summary, the above profile involves the following activities:

a. decide the fixed salaries for the members of the Board of Directors and the attendance fees for Board Meetings;
b. approve and examine annually the remuneration policies for the staff of the bank/company and any external collaborators, the criteria for determining compensation agreed in the event of termination of employment or early retirement from office (golden parachute), and any equity-based compensation plans decided by the Parent.

2. Control processes behind the remuneration policies

2.1 Role of Compliance and Internal Audit

The control process for the Group staff remuneration system is as follows:

a) the Parent Compliance Unit assesses regulatory compliance, verifying the coherence of the rules in the remuneration policies for the identification of Identified Staff and in the document on compensation to be agreed in the event of termination of employment or early retirement from office with the provisions of the law and supervisory regulations and with the Articles of Association of the Parent;
b) operational compliance is assessed by the Parent Compliance Unit and the Compliance Units of the individual banks/companies controlled by the Group, verifying the operational compliance of processes which might expose the Group to legal and reputational risks, identified each year by the Board of Directors of the Parent and dealt with in the subsequent phase 4 “characteristics of the remuneration system” (point 4.3.,

number 3). On the basis of the deviations, if any, found between the activities performed and those foreseen by the aforesaid processes, and the extent of these deviations, the above Units produce a compliance risk assessment on a scale of four levels: low, prevalently low, prevalently high, high;

c) the Parent Internal Audit Unit verifies the actual performance of the regulatory compliance controls by the Parent Compliance Unit as per point a) above. The Parent Internal Audit Unit and the Internal Audit Units of the individual banks/companies verify the operational compliance of the processes of the Parent Compliance Unit and the Compliance Units of the individual banks/companies as per point b) above. On the basis of the deviations, if any, and their extent, the above Units produce a compliance risk assessment on a scale of four levels: low, prevalently low, prevalently high, high.

The Parent Internal Audit Unit also verifies the operational compliance of activities performed by the Group banks/companies in implementing the remuneration policies with those foreseen by the law and supervisory regulations as per point a) above. On the basis of the deviations, if any, and their extent, the above Unit produces a compliance risk assessment on a scale of four levels: low, prevalently low, prevalently high, high.

The Parent Compliance and Internal Audit Units inform the Parent Board of Directors, within the approval date of the annual consolidated statements, of the outcomes of their respective inspections as described in points a), b) and c) above, for each of the Group banks/companies.

The Compliance and Internal Audit Units of the individual banks/companies inform the respective Boards of Directors, within the approval date of the annual financial statements, of the outcomes of their respective inspections as described in points a), b) and c) above.

In summary, the above profile involves the following activities:

a. the regulatory compliance controls within the remit of the Parent Compliance Unit;
b. the operational compliance controls within the remit of the Parent Compliance Unit and the Compliance Units of the Group banks/companies;
c. produce the compliance risk assessment within the remit of the Parent Compliance Unit and the Compliance Units of the Group banks/companies;

d. perform the audits within the remit of the Parent Internal Audit Unit and Internal Audit Units of the Group banks/companies;
e. produce the compliance risk assessment within the remit of the Parent Internal Audit Unit and Internal Audit Units of the Group banks/companies;
f. inform the Parent Board of Directors of the outcomes of the assessments by the Parent Compliance and Internal Audit Units;
g. inform the Boards of Directors of each bank/company of the outcomes of the assessments by the Compliance and Internal Audit Units of each bank/company.

2.2 Role of the Parent Board of Statutory Auditors

The Parent Board of Statutory Auditors, after hearing the Risk Committee and Internal Audit, and 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 Parent Board of Statutory Auditors, after hearing the Risk Committee, assesses the operational compliance of the procedures of the control units of the Parent and the banks/companies controlled by the Group.

In summary, the above profile involves the following activities:

a. assess 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;
b. assess the operational compliance of the procedures of the control units of the Parent and the banks/companies controlled by the Group.

2.3 Definition of the role of the Parent Remuneration Committee

The Parent 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 to ensure regulatory compliance. In particular it:

- verifies the correct application of the remuneration system as regards senior officers and heads of the corporate control functions in conjunction with the Risk Committee and in close collaboration with the Board of Statutory Auditors and the control functions themselves;
- verifies the actual application of the remuneration policy adopted by the Parent Board of Directors, and for Identified Staff, assesses the qualifying conditions for the annual bonus for each Parent staff category;
- verifies the effective involvement of the competent corporate departments in the drafting and control of remuneration policies and practices;
- monitors the application of the Parent Board of Directors' resolutions on matters of remuneration, checking the effective achievement of the performance targets linked to incentive plans as well as other conditions for salary payments, the coherence of the incentive system and the management of risk;
- reports regularly on its work to the Parent Board of Directors and the Shareholders' Meeting.

In summary, the above profile involves the following activities:

a. verify the correct application of the remuneration system as regards senior officers and heads of the corporate control functions;
b. verify the actual application of the remuneration policy adopted by the Parent Board of Directors, and for Identified Staff;
c. verify the effective involvement of the competent corporate departments in the drafting and control of remuneration policies and practices;
d. monitor the application of the Parent Board of Directors' resolutions;
e. report regularly on its work to the Parent Board of Directors and the Shareholders' Meeting.

2.4 Definition of the role of the Parent Board of Directors

The Parent Board of Directors evaluates the importance of any deficiencies revealed by the above controls, and reports promptly to the European Central Bank and the Bank of Italy.

In summary, the above profile involves the following activities:

a. evaluate the importance of any deficiencies revealed by the control process;
b. report promptly to the European Central Bank and the Bank of Italy on any deficiencies revealed by the control process.

3. Identification of the Group's Identified Staff

For the purposes of determining the beneficiaries of the variable salary component, Identified Staff, i.e. those categories of staff whose professional activities have, or may have, a material impact on the risk profile of the Group and the individual member banks/companies, are determined on the basis of the operational and organizational characteristics of the Group and the level of risk handled by each individual.

The process of determining Identified Staff is based on the recognition and assessment of the individual positions (responsibilities, hierarchical authority, activities, powers etc.), key factors in assessing the importance of each staff member in terms of risk taking, in line with the qualitative and quantitative criteria laid down by Delegated Regulation (EU) No. 604/2014.

At least once a year and with regard to decisions on the variable salary component of Group staff and external collaborators not bound by employment contract, the Human Resources Office of each of the Group banks/companies, if present, submits a recommendation on Identified Staff to the Board of Directors of the individual bank/company and formalizes the process and outcomes (drawing up a list of Identified Staff for the financial year) for the Parent Human Resources Office. The Parent Human Resources Office guarantees the overall coherence of the identification process for the entire Group, taking into account the outcomes of the assessments by the individual Group banks/companies, and submits for the approval of the Parent Board of Directors the recommendation on Group Identified Staff, identifying those categories of beneficiary of the variable salary component, with the support of Organization, Risk Management, Compliance and the head of the specific staff member's department.

Any variations over the year are submitted to the competent boards at a Parent who determine the new risk perimeter for decisions regarding the variable salary component.

The Human Resources Office of each of the Group banks/companies prepares the individual communications for each of the identified staff members, setting out the reasons why the individual has been classed as Identified Staff. The Parent Human Resources Office drafts the communications for the general managers and CEOs of the Group banks/companies.

Based on the aforementioned criteria the following staff categories, where present, of each Group bank/company are identified as recipients of the variable salary component:

a) CEOs and General Managers;
b) Heads of the main lines of business, corporate functions, geographical areas;
c) Staff members who report directly to the strategic supervision, management and control bodies;
d) Managers and staff above the level of the corporate control functions;
e) Other staff identified exclusively under the quantitative criteria laid down by Delegated Regulation (EU) No. 604/2014.

It was deemed coherent with the rules governing variable salary to reward only those employees whose duties involve the key activities on a continual basis.

The employees of the Group banks/companies which do not fall into the above categories are divided into two categories:

i) other executives;
ii) remaining personnel.

The Parent Compliance Unit and the individual Compliance Units of the banks/companies verify that all of the activities described above comply with the prevailing supervisory regulations.

The Parent Internal Audit Unit and the individual Internal Audit Units of the banks/companies verify that the process is implemented correctly in accordance with the rules.

In summary, the above profile involves the following activities:

a. identification of Identified Staff by Human Resources Office of each Group bank/ company;
b. submit to the Boards of Directors of the Group banks/companies the recommendation on Identified Staff;
c. formalize the results of the Identified Staff process of the Group banks/companies for the Parent Human Resources Office;
d. submit for the approval of the Parent Board of Directors the recommendation on Group Identified Staff, identifying the categories of beneficiary of the variable salary component;
e. submit any variations over the year to the competent boards of the Parent;
f. draft individual communications for all Identified Staff;
g. verify the operational compliance of the above activities;
h. verify that the process is implemented correctly in accordance with the rules.

4. Characteristics of the remuneration system

4.1 Salary components

Remuneration for Group staff is made up of the following components:

1) A fixed salary component, determined:
   i) for the members of the Board of Directors and the Board of Statutory Auditors of the Parent and the banks/companies controlled by the Group, by the respective Shareholders' Meetings in accordance with their Articles of Association;
   ii) for the Chairman[7], the Deputy Chairman and the Chief Executive Officer, as well as the members of the Executive Committee and Committees within the Parent Board of

[7]The salary of the Chairman of the Board of Directors of Group banks/companies is consonant with the importance of the position and determined ex-ante at an amount no higher than the fixed salary received by the head of the management body (Chief Executive Officer/General Manager) of the respective bank/ company. We should point out that a proposal will be submitted to the Extraordinary Shareholders' Meeting of 23/4/2015 to amend the Articles of Association to give

Directors and members of the Management Committees, any further compensation over and above that of point i) (linked for committee members to specific parameters such as frequency of meetings, distance from home etc., plus reimbursement of expenses), by the Parent Board of Directors;

iii) for the Chairman, Deputy Chairman and Chief Executive Officer/General Manager of banks/companies controlled by the Group, any further compensation over and above that of point i), by the respective Boards of Directors of the banks/companies controlled by the Group;

iv) for employees of the Parent and the banks/companies controlled by the Group, by specific labour agreements (collective and/or individual), including minimum salary contracts. To date, on recommendation of the Remuneration Committee, the salary bands for Identified Staff in corporate control functions have been fixed at a minimum EUR 10,000 and a maximum EUR 30,000.

2) A variable salary component based on an annual incentive plan for all Group employees, which involves the award of a bonus on meeting the conditions and in accordance with the calculations, methods and timing explained at points 4.2, 4.3, 4.4, 4.5 and 4.6 below. This also includes the variable salary components foreseen by individual agreements for Identified Staff.
The variable salary component, including the parts foreseen by individual Identified Staff agreements, may not be used as part of hedging or insurance strategies with regard to pay or other elements which may alter or impact the risk alignment effect inherent in the pay mechanism.

Where the Group benefits from state aid, the Parent Identified Staff categories described at point a) of phase 3 above "Identification of the Group's Identified Staff" shall not receive a bonus unless specifically justified[8][9].

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the Shareholders' Meeting convened to resolve on remuneration and incentive policy, the power to resolve on a proposal by the Board of Directors to establish that the Chairman's salary may be higher than the fixed salary received by the Chief Executive Officer (or if not appointed, the General Manager); the validity of the constitution and deliberations of Shareholders' Meetings on matters of remuneration shall depend on the reinforced quorums foreseen by the Articles of Association.

[8] For example in the case of officers replacing those in office when the state aid is received.

[9] In addition, variable salary is strictly limited, for all staff, to a percentage of net operating profit if incompatible with the maintenance of an adequate level of capitalization and a quick exit from public support.

3) For some key figures in strategically important positions, and to safeguard corporate assets, regular supplements to fixed salary may be foreseen at the start or during the employment relationship, linked to minimum tenure, extension of notice and/or non-competition pacts, paid periodically, excluding the eventual supplements required by law, with penalties for violations. At the end of the period these payments may go to make up the fixed salary.

4) The Group may pay bonuses[10] and other personal or household benefits, either through unilateral company decisions (injury insurance, occupational/non-occupational risk insurance), individual agreements (company cars), or via collective second level agreements (healthcare, private or supplementary pensions). Collective second level agreements may also be used as part of innovative flexible benefit plans, where the outlook on taxes and/or contributions allow the Company to adopt such a mechanism to reduce personnel costs[11].

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 point 4.6 below) are forbidden.

In summary, the above profile involves the following activities:

a. define the fixed salary component for Group staff;
b. define the variable salary component of Group staff;
c. rule out the use of the variable salary component in hedging or insurance strategies;
d. ensure that the salary of the Chairman of the Board of Directors of Group banks/companies is consonant with his/her role and, unless otherwise resolved by the Shareholders' Meeting, no higher than the fixed salary received by the head of the management body;

[10] The Group banks/companies apply the rules prevailing in the national collective bargaining and/or second level agreements.

[11]Staff are paid the package which the Company judges to be most efficient in terms of containing personnel costs while at the same time attracting, loyalizing or motivating resources.

e. exclude variable salary for the Parent Chief Executive Officer while the Group is benefiting from "state aid";
f. pay bonuses, personal or household benefits and/or, over the course of the employment relationship, multi-year Annual Gross Salary (AGS) increments linked to minimum tenure, extension of notice and/or non-competition pacts;
g. rule out all forms of remuneration of new personnel involving the reduction or annulment of salary components deriving from previous jobs.

4.2 Measuring the variable component of annual salary

The basic annual amount of variable salary may not exceed 100% of AGS, except for staff belonging to the corporate control functions for which the limit is:

- for Identified Staff, 30% of AGS;
- for remaining personnel, 50% of AGS.

Exceptional payments to newly hired personnel for the first year of employment (welcome bonus) are included in the calculation of the 100%, 30% and 50% AGS limits for the first year, but are not subject to the provisions of points 4.3, 4.4, 4.5 and 4.6. below.

Instead any compensation agreed in the event of early termination of employment or office (golden parachute) as per point 4.7 below is included in the calculation of the above limits.

In summary, the above profile involves the following activities:

a. verify observance of the limits on variable salary as a proportion of AGS for the different staff categories.

4.3 Link between annual bonus and results

Annual bonuses are paid to employees who meet all the conditions ("entry conditions") specified below:

1) for any category of staff, one of the Group's consolidated sustainability indicators, consisting in a forecast profit[12] on the consolidated income statement for the financial year and the achievement of at least 70% of the consolidated profit forecast;
2) for any category of staff and in addition to the amount foreseen at point 1), continuation of the employment relationship[13];
3) for any category of staff (excluding Identified Staff in the corporate control functions for the indicators described at point i) below) and in addition to what is foreseen at points 1) and 2) above:
   i) profit[14], capital adequacy[15] and liquidity[16] indicators (consolidated technical coefficients), whose values are fixed each year by the Parent Board of Directors;
   ii) a (prevalently low or low) operational compliance risk assessment by the Parent Compliance Unit for the Group as a whole of the processes defined each year by the Parent Board of Directors;
   iii) a (prevalently low or low) operational compliance risk assessment by:
a. the individual Compliance Units of the banks/companies of all or some of the processes pertinent to each bonus beneficiary other than those at point b. below;
b. the Parent Board of Statutory Auditors for the Parent and for the banks/companies of some or all of the processes pertinent to senior officers, i.e. members of the strategic supervision, management and control bodies and those with duties equivalent to those of general manager, as well as the processes pertinent to the corporate control functions of the Parent and the individual banks/companies.

If, in a given year, even one of the aforementioned entry conditions is not met, no annual bonus will be awarded.

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[12] "Current pre-tax operating profit!" (item 280 on the consolidated income statement) net of income from buybacks of debt issues valued at fair value.

[13] Except in the event of retirement, death or specific provisions in individual contracts.

[14] "Gross RORAC", calculated as the ratio of current pre-tax operating profit (net of income from buybacks of debt issues valued at fair value) to average regulatory capital requirements to meet the credit, counterparty, market and operating risks at the end of each quarter of the financial year.

[15] "Common Equity Tier 1 Ratio", calculated as the year-end ratio of Common Equity Tier 1 Capital (defined in article 50 of EU Regulation no. 575 of 26.6.2013) to total risk exposure calculated in accordance with Article 92, paragraphs 3 and 4, of the said Regulation.

[16] "Liquidity Coverage Ratio" at the end of the financial year, as defined by article 412 of EU Regulation no. 575 of 26.6.2013.

If, in a given year, all the above entry conditions are met, the total amount of annual staff bonus is calculated from the weights attributed each year by the Parent Board of Directors, depending on pre-established thresholds, to specific:

i) profit[17] and efficiency indicators[18], for the Identified Staff of categories a), b), c) and e) in phase 3 above "Identification of Identified Staff" and "other executives";
ii) performance indicators[19], for the Identified Staff of categories b), c) and e) in phase 3 above "Identification of Identified Staff" and for "other executives" in addition to the above profit and efficiency indicators;
iii) performance indicators[20], for "remaining personnel".

If the "combined capital reserve requirement" specified in Bank of Italy Circular no. 285/2013 is not met, the annual bonus may only be paid under the conditions and within the limits established by the Circular.

In summary, the above profile involves the following activities:

a. pay annual bonus only if the "entry conditions" are met in full;
b. calculate the amount of annual bonus only if the "entry conditions" are met in full;
c. pay annual bonus only within the regulatory conditions and limits if the "combined capital reserve requirement" is not met.

4.4 Bonus payments on individual contracts

Payment of the forms of variable remuneration foreseen by the individual contracts of Identified Staff will depend on the indicators specified in the contracts themselves, which

[17] "Consolidated net profit minus total cost of capital", calculated as the difference - for the Group - between the net profit on the income statement and the total cost of capital (conventionally fixed at 8% of total ICAAP capital); "Individual net profit minus cost of capital", calculated as the difference - for each individual Group bank/company - between the net profit on the income statement and the total cost of capital (conventionally fixed at 8% of the total ICAAP capital);

[18] "Cost/consolidated risk-adjusted earnings", calculated as the ratio - for the Group - of operating costs to intermediation margin minus credit impairments.

[19] The "balanced target" performance metrics of the individual organizational units.

[20] The "balanced target" performance metrics.

must in any case be similar to those indicated at point 4.3 above, as assessed by the competent bodies.

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 by the Circular.

In summary, the above profile involves the following activities:

a. pay the bonus foreseen by the individual contracts only if the indicators specified in the contracts themselves are reached;
b. ensure that the indicators specified in the individual contracts are coherent with those specified in point 4.3 above;
c. calculate the amount of annual bonus only if the "entry conditions" are met in full;
d. pay the bonus foreseen by the individual contracts only within the regulatory conditions and limits if the "combined capital reserve requirement" is not met.

4.5 Forms and terms of bonus payment

The annual bonus amount paid to Identified Staff under the rules set out at point 4.3 above is made up of:

a) an up-front quota of 60%, paid by July of the subsequent year;
b) 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.

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.

In calculating the number of shares and/or performance units or other financial instruments to be awarded, valuations are performed at the moment the benefits are awarded to the employee. The total number of shares awarded to each beneficiary – both the up-front and the deferred quotas – is calculated on the basis of their “normal value” for the year of the up-front payment. The carrying value of the shares for the deferred quotas is calculated year on year based on the average of the thirty calendar days prior to the payment.

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

The annual bonus paid to “other executives” and “remaining personnel” under the rules of point 4.3 above is paid in a single lump sum in cash by July of the subsequent year[21].

If the “combined capital reserve requirement” specified in Bank of Italy Circular no. 285/2013 is not met, the annual bonus and the forms of variable remuneration foreseen in the individual contracts may only be paid within the conditions and limits established by the Circular.

In summary, the above profile involves the following activities:

a. pay the annual bonus in one up-front quota of 60% (by July of the subsequent year) and three annual quotas of equal size for the remaining 40% (by July of each year);
b. pay the said up-front and deferred quotas half in cash and half in shares of the Parent and/or performance units or other financial instruments;
c. calculate the value of the shares of the Parent and/or performance units or other financial instruments at the moment the benefits are awarded to the employee;
d. fix the vesting period for the shares and/or performance units and any other financial instruments at two years for up-front awards and one year for deferred awards;
e. rule out the payment of dividends or interest on the shares and other financial instruments before the end of the deferment period;

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

f. apply the above rules to the forms of variable remuneration foreseen by the individual contracts of Identified Staff;
g. pay annual bonus to “other executives” and “remaining personnel” in a single lump sum in cash (by July of the subsequent year);
h. pay the annual bonus and bonus foreseen by the individual contracts only within the regulatory conditions and limits if the “combined capital reserve requirement” is not met.

4.6 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 annual bonus.

The malus clause means that payment of deferred quotas of the annual bonus are subject to meeting the entry conditions at point 4.3 above and the values 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)[22].

[22]During the investigation of such conduct/violations, whether as part of an internal inquiry or following a court sentence, 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 (claw-back).

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 annual bonus quotas and the forms of variable remuneration foreseen in the individual contracts of Identified Staff may only be paid within the conditions and limits established by the Circular.

In summary, the above profile involves the following activities:

a. apply the malus mechanism to deferred annual bonus quotas in all applicable cases;
b. apply the claw-back mechanism to up-front and already paid deferred quotas of the annual bonus in all applicable cases;
c. apply the malus and claw-back mechanisms to bonuses foreseen by the individual contracts of Identified Staff;
d. pay the deferred quotas of the annual bonus and bonus foreseen by the individual contracts only within the regulatory conditions and limits if the "combined capital reserve requirement" is not met.

4.7 Severance payments

For Group Identified Staff payouts in the event of early termination of employment or office (golden parachute)[23] - including the stipulations of individual Identified Staff contracts - are conditional on meeting indicators such as the qualitative/quantitative indicators at point 4.3, number 3) above, points i) (capital adequacy only), ii) and (iii), and the thresholds for the year prior to payment. The quantitative capital adequacy indicator applies to both up-front and deferred quotas, while the qualitative indicators at number 3), points ii) and (iii), only apply to the up-front quota and not to deferred quotas.

Severance payments are made up of:

a) an up-front quota of 60%, paid the same year;

[23] Golden parachute payouts also include: i) payouts based on a non-competition pact; ii) loss of notice compensation over and above the provision of the law (by law loss of notice compensation is equivalent to salary due during the period of notice).

b) three annual quotas of equal size for the remaining 40%, deferred over the three years following the year of the up-front payment, paid each year of deferment.

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

In calculating the number of shares and/or performance units or other financial instruments to be awarded, valuations are performed at the moment the benefits are awarded to the employee. The vesting period (prohibition on sale) of the shares and 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 malus and claw-back mechanisms described in point 4.6 above also apply.

If the “combined capital reserve requirement” specified in Bank of Italy Circular no. 285/2013 is not met, severance payments may only be paid within the conditions and limits established by the Circular.

With the exception of the provision concerning “combined capital reserve requirement”, none of the above rules apply to:

1) golden parachute payments agreed in the event of extraordinary operations (e.g., mergers) or corporate restructuring procedures which must: i) conform exclusively to the logic of containing corporate costs and rationalization of the workforce, ii) not exceed the figure prescribed by the supervisory regulations; iii) contain claw-back clauses at least for fraudulent or criminal behaviour damaging to the Group or one of the Group's banks/companies;
2) voluntary redundancy payouts agreed in relation to extraordinary operations (e.g., mergers) or corporate restructuring procedures, and paid unnecessarily to the wrong personnel, which must: i) conform exclusively to the logic of containing corporate costs and rationalization of the workforce; ii) encourage adoption of the measures foreseen by law or collective bargaining agreements for the whole workforce; (iii) not produce ex-ante distorting effects on staff behaviour; iii) contain claw-back clauses at least for

fraudulent or criminal behaviour damaging to the Group or one of the Group's banks/companies.

In summary, the above profile involves the following activities:

a. pay severance payments only where the “entry conditions” have been fully met excluding that of the continuation of the employment relationship;
b. pay severance payments in one up-front quota of 60% and three deferred annual quotas of equal size for the remaining 40%;
c. pay the said up-front and deferred quotas half in cash and half in shares of the Parent or other financial instruments;
d. calculate the value of the shares of the Parent and/or performance units or other financial instruments at the moment of payment of the benefits;
e. fix the vesting period for the shares and any other financial instruments at two years for up-front awards and one year for deferred awards;
f. rule out the payment of dividends or interest on shares and other financial instruments before the end of the deferment period;
g. apply the malus and claw-back mechanisms to severance payments;
h. pay severance payments only within the regulatory conditions and limits if the “combined capital reserve requirement” is not met.
i. apply the above rules to the forms of variable remuneration foreseen by the individual contracts of Identified Staff;
j. do not apply the aforementioned rules, except in the case of point h) above, to severance payments in relation to extraordinary operations or corporate restructuring procedures and to voluntary redundancy payouts under the prescribed conditions.

4.8 Remuneration of external collaborators not bound by employment contract

Salaries for this type of contract 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[24].

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

In the case of business promotion or product sales contracts, compensation is determined on the basis of a fee-scale linked to the value of the financial assets managed, measured systematically at a given date.

Instead 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.

In summary, the above profile involves the following activities:

a. pay external collaborators strictly in relation to the value of the work provided, in any case in full observance of the provisions of the relevant supervisory regulations;
b. pay external collaborators on the basis of a fee-scale linked to the value of the financial assets managed in the case of business promotion or product sales contracts;
c. pay external collaborators taking into account the market rates of pay and the quality of the work contracted, as well as the professionalism of the contractor, if performing intellectual activity.

5. Information on the remuneration system

The Parent publishes on its website (consolidated data):

a) the information on remuneration policy prescribed by article 450 of EU Regulation no. 575/2013;
b) 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;
c) for the Parent Bank, the information prescribed by aforesaid article 450 of EU Regulation no. 575/2013 on each member of the management body;
d) 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[25].

[25] See Bank of Italy Circular no. 285/2013, Part One, Title IV, Chapter 1, Section VII, Paragraph 1.

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 staff remuneration to the Supervisory Authorities.

In summary, the above profile involves the following activities:

a. publish the prescribed information on the Group staff remuneration system on the Parent's website;
b. provide the Annual Shareholders' Meeting with the same published information;
c. provide the Annual Shareholders' Meetings of the banks/companies controlled by the Group with information on the implementation of the staff remuneration system and the outcome of relative controls;
d. send the Supervisory Authorities the requested data and information on Group staff remuneration.

6. Provisional regulation

The remuneration and incentive policies compliant with the supervisory regulations contained in Part One, Title IV of Bank of Italy Circular no. 285/2013 shall be submitted, finally, to the approval of the Shareholders' Meeting called to approve the 2014 financial statements.

Within the limits of the provisions of the collective agreements the banks:

- shall apply the above supervisory rules to individual contracts stipulated from 1 July 2015;

- shall adapt ongoing individual contracts to the supervisory regulations promptly and, in any case, by 1 July 2015 for the members of the strategic supervision, management and control bodies, and by 31 December 2015 for the remaining staff.

SECTION II

Implementing document of the 2014 remuneration policies

Foreword

We provide below a report on the implementation of the 2014 remuneration policies 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.

This section is divided into two parts:

- Part one contains:
  - information on the methods (processes and controls) used by Banca Carige Group in 2014 to implement the remuneration policies (hereinafter "2014 Policies");
  - a report on the remuneration and salaries paid in 2014 to the boards and staff of Group banks/companies within the perimeter defined by the 2014 Policies;
- Part two 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 EU Regulation no. 575/2013);
  - the 2014 quantitative information on remuneration for the members of the Parent governing and control bodies, general managers and other managers with strategic responsibilities[26], 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.

[26] 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 1: Definition and implementation of the 2014 remuneration policies

1. Decision-making and control process

The decision-making process for Banca Carige Group 2014 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 Board of Directors and Chief Executive Officer;
- Parent Shareholders' Meeting;
- 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 Boards of Directors and Shareholders' Meetings 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 18 March 2014, examined, after hearing the favourable opinion of the Remuneration Committee, and approved the “Remuneration Report” and the attached “Statement on equity-based compensation plans” (documents drafted pursuant to articles 114-bis and 123-ter of the TUF, and articles 84-bis and 84-quarter of the Issuer Regulations). The documents set out the new Group remuneration policies for financial year 2014.

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 30 April 2014.

Each Group bank/company, through its own Board of Directors, then approved the 2014 Policies in full.

We should point out that the Banca Carige SpA 2014 Policies were drafted with the support of a leading compensation consultancy (Co.Ba.Co. S.r.L).

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.

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 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 6 times, for an average of around 30 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 2014.

With reference to 2015, at the approval date of this report the Remuneration Committee has met twice.

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 Parent personnel, 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, assesses 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 functions 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 30/4/2014;
- in verifying the bonus entry conditions foreseen by the incentives system, in accordance with its own Regulation and the Remuneration Policies adopted;
- in the determination of the compensation paid to the head of a control function;
- in the appointment of directors in strategically important subsidiaries, providing an opinion for the determination of salaries;
- 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 process of determining new remuneration criteria for management, including heads of the control function.

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
Lorenzo Cuocolo	Chairman	6	6	100%
Luca Bonsignore	Member	6	5	83%
Evelina Christillin	Member	6	4	67%
Philippe Marie Michel Garsuault	Member	6	0	0%
Lorenzo Roffinella	Member	6	6	100%

2. Staff remuneration

For the purposes of attributing the various salary components and in line with the supervisory regulations, Group employees are split into the following categories:

a) Identified Staff, incorporating the categories of directors, controllers and the remaining key personnel (including Chief Executive Officers and General Managers, where present)

b) Other executives

c) Remaining personnel.

The above categories all receive a fixed salary.

Meanwhile the variable component, consisting of a target-linked annual bonus, is not paid to the directors category, except for the Parent Chief Executive Officer, in accordance with the previous and current regulations under which non-executive directors are normally excluded from incentive mechanisms (See Bank of Italy Circular no. 285/17, of 17/12/2013 - Update no. 7 Part One, Title IV, Chapter 2, Section 3, Paragraph 3)

The approved policies recognize corporate bonuses and other collective personal and household benefits (e.g. accident insurance, occupational/non-occupational risk insurance, healthcare assistance, private pension provision) or individual benefits such as a company car.

2.1 Identified Staff of Carige Group

On 6 June 2014 the Official Journal of the European Union published the new identification criteria for staff whose activities have a material impact on the risk profile of banks (Identified Staff), requiring immediate application from 26 June 2014 (Delegated Regulation (EU) no. 604/2014).
The new legislation, incorporated in the Bank of Italy's Remuneration and Incentives Policies and Practices[27], in 2014 led to the redefinition of the Identified Staff perimeter according to the new criteria. Each Group bank/company individually set in motion a process to come into line with the Bank of Italy rules, beginning in 2014 and concluding in 2015, as part of a broader reorganization of Carige Group, foreseen by the Industrial Plan 2014-2018, which was completed for the Parent in November 2014 and in January 2015 for some of the Group banks. The process entailed a renewal of company management with the complete definition of the key figures in the Group and the organizational structure.

Each Group bank/company carried out its own analysis and drafted an individual document which it submitted to its own board. The results were examined by the Parent Human Resources Office in the light of the requirements of the remuneration policy to

[27] Bank of Italy Supervisory Regulations on Remuneration and Incentive Policies and Practices in Banks and Banking groups (Circular No. 285 of 17 December 2013, Update no. 7 of 18 November 2014, Part One, Title IV),

ensure overall coherence in the drafting of a consolidated document, which, after examination by the Remuneration Committee, was approved by the Board of Directors.

With the support of the Parent Human Resources Office and Hay Group - a leading international consulting company - the following activities were performed:

Analysis of the Legislation

The aforementioned Delegated Regulation (EU) sets out a series of qualitative and quantitative criteria for the identification of staff categories whose activities have a material impact on the risk profile.

We analyzed the 15 qualitative criteria for Identified Staff, which make explicit reference to specific corporate functions.

The staff categories include members of the management body, senior management, other staff members with key functions or managerial responsibility for other key personnel within the organization, staff members who have the authority to take decisions affecting the institution's exposure to credit risk or transactions on the trading book where the own funds requirement for market risk exceeds certain thresholds specified as a percentage of Common Equity Tier 1 capital (CET1).

We then analyzed the 3 quantitative criteria which define employees as Identified Staff if at least one of following conditions is met:

- the total remuneration awarded in the preceding financial year amounted to EUR 500,000 or more;
- the employee is within the 0.3 % of the number of staff who have been awarded the highest total remuneration;
- the total remuneration was equal to or greater than the lowest total remuneration awarded to a member of senior management or other risk takers.

Analysis of the Organization

Organizational analysis involved the recognition and assessment of individual positions, examining the internal policies and rules, and in the light of the aforementioned EU criteria, the responsibilities, hierarchical levels, activities performed and powers which represent the pillars of the assessment of each employee in terms of risk taking.

Identification of Positions

The two analyses together led to the identification of a number of staff members defined as “key” in terms of their material impact on the risk profile of each Group bank/company.

For each of the 15 qualitative criteria set out in article 3 of Regulation EU 604/2014 evidence and reasoning was brought for the application or non-application of the criteria to a particular staff member. Through the Parent Human Resources Office contributions were sought from the Bank's specialist functions – in particular Risk Management, Strategic Planning and Compliance - in order to assess the risk profiles, the business forecasts and correctly interpret the aforementioned qualitative criteria.

For each of the 3 quantitative criteria set out in article 4 of Regulation EU 604/2014 a list of staff members was drawn up whose remuneration (previous year's total remuneration including fixed salary, variable salary and benefits) met the regulatory criteria based on the assumption that if a staff member is awarded a remuneration which exceeds a certain threshold, it is reasonable to presume that their contribution to the institution's goals and the impact of their professional activities on its risk profile is significant.

The two analyses together led to the identification of a number of staff members defined as “key” in terms of their material impact on the risk profile of each Group bank/company.

Based on the new criteria the number of resources identified as key staff members of the Group for 2014 was 117[28] (including non-executive directors) broken down as follows:

Staff Categories	EBA Legislation – Reg. EU 604/2014	No. of Identified Staff
Directors	Article 3 paragraph 2	53
CEOs and General Managers	Article 3 paragraphs 1-3	11
Heads of the main areas of business and geographical areas	Article 3 paragraphs 3 - 15	42
Heads of control functions	Article 3 paragraphs 4-7	6
Other categories resulting from the application of the EBA quantitative criteria	Article 4 paragraphs 1-2-3	5
Total		117

Note that the number of Identified Staff as a percentage of the Group's average headcount at 31/12/2013 is more than three times the previous number and for 2014 is in line with

[28] In 2014 9 resources included within this perimeter retired

benchmark practice for the Italian banking industry as revealed by the ABI survey of remuneration of identified staff among the key players in the banking market who already adopted the criteria of Regulation EU no. 604/2014 in 2014.

3. Remuneration of board and committee members

The Bank's policies do not foresee incentives plans or performance-based variable salary components for directors, save for special mechanisms designed to link remuneration more closely with the work and responsibilities entailed by certain positions. This approach was largely maintained in 2014, with the exception of 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 such 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 directors' compensation, previously determined with the renewal of the Board by the Shareholders' Meeting of 7 October 2013. On 30 April 2014 the Parent Shareholders' Meeting renewed the Board of Statutory Auditors for the three-year period 2014-2016, establishing the auditors' compensation for their entire term of office.

- The Parent Shareholders' Meeting of 30 September 2013 decided the salaries of the newly appointed members of the Board of Directors;
- on 15 October 2013 the Banca Carige Board of Directors approved additional compensation for the Chairman, Deputy Chairman, Chief Executive Officer, members of the Executive Committee and the Board Committees as directors holding special office pursuant to article 2389, paragraph 3, of the Civil Code and article 23, paragraph 5, of the Articles of Association;
- on 29 October 2013 the same Board also approved additional compensation for the newly elected Chief Executive Officer, again under the terms of article 2389, paragraph 3, of the Civil Code and article 23, paragraph 5, of the Articles of Association;

No further decisions were taken on senior management compensation by the Shareholders' Meetings and Boards of Directors of banks controlled by the Group.

3.1 Remuneration of the Parent Chief Executive Officer

The Chief Executive Officer, in office with effect from 5 November 2013, is classed as Identified Staff. Besides the fixed salary established by the Shareholders' Meeting and supplemented by the Board under the terms of article 2389 of the Civil Code, he receives a form of variable remuneration in line with the supervisory regulations prevailing in 2014 and foreseen by his contract, which includes a portion in shares, to be awarded in the event at the end of his three-year term of office, in the manner and within the terms coherent with the supervisory regulations and remuneration policies in force at the time. The Chief Executive Officer also receives a one-off incentive for accepting the office and powers. This is paid in the form of a “unit” which can be converted into ordinary shares of the Parent at a specified date. In 2014 half the units were converted into ordinary shares on 30 April 2014, and the remaining half will be converted in 2015 following the Ordinary Shareholders' Meeting of 23 April 2015, providing the individual in question still holds office and the powers attributed to it at that date. Note that the unit conversion takes into account the dilution effect of the capital increase in July 2014.

4. Remuneration paid in 2014 – Policies on fixed and variable salary components for personnel other than directors

The Carige Group staff remuneration policy is coherent with the Bank's long-term strategies, which foresee a proper balance between fixed and variable components and do not increase enterprise risk.

In financial year 2014 Carige Group paid particular attention to controlling costs by reducing structural labour costs and overall spending in line with the Industrial Plan 2014-2018 approved by the Carige Board of Directors on 27 March 2014.

The various measures taken involved both the fixed and variable salary components. In particular:

- in accordance with 2014 remuneration policies and especially in the light of the negative results, bearing in mind the repeated calls of the regulators for coherence between variable remuneration, profitability and balance sheet solidity[29], no bonuses were awarded in FY 2014 in relation to:
  - ✓ the performance-related annual incentive scheme for 2013. In the specific case the profit performance did not warrant any annual staff bonus awards;
  - ✓ the deferred quota of the 2011 Short-Term Incentive Plan bonus for Identified Staff;
  - ✓ the 3rd tranche of the 2009-2011 Long-term Incentive Plan bonus for management.

Again due to negative results Carige Group:

a) launched no new staff incentive plans for 2014;

b) none of the entry conditions were met for the 2012-2014 long-term incentive bonus for

[29] In particular the guidance contained in Directive 2013/36/EU of the European Parliament and the Council of 26 June 2013 (CRDIV), the Bank of Italy Supervisory Regulations and Circular no. 285 of 17 December 2013.

management payable in performance units convertible into cash (based on the attainment of the performance targets and the underlying share price) at the end of the three-year vesting period (1/3 for each of the subsequent three years). The above conditions referred to:

1. average positive performance over the short-term annual incentive scheme (positive results for a minimum 2 years);
2. length of time with the Company;
3. balance sheet solidity (verification of the TIER 1 indicator);
4. profitability (both the Bank and the Group must show a profit);

Failure to satisfy condition no. 1 (2013 short-term incentive scheme not positive and no 2014 short-term incentive scheme) meant that it was impossible to cash the performance units which were therefore cancelled.

- On 30/9/2014 a framework agreement was signed between the Parent and the trade unions which has delivered structural labour savings and a reduction of other recurrent costs. Among other things the agreement involved a review of performance-based bonuses and other measures for all employees (including the abolition of the seniority bonus and the elimination of the rules on overtime by middle management).

4.1 Fixed remuneration

The measures on fixed salary were very limited and 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 and acted upon (there were only 24 job level promotions);

✓ maintain job motivation and satisfaction, as well as professional standing for some staff categories (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.

Following the Remuneration Committee meeting of 1st August 2014, which called for a remuneration review for top management and in particular the controllers, an analysis of company pay was begun with the help of leading international consulting companies. This analysis, in the light of changes within the Group to the organizational structure and roles in 2014, may be used in future to bring fixed salaries into line with the market benchmarks of our main competitors.

4.2 Variable remuneration

Without prejudice to what is stated in point 4 above regarding the lack of any form of annual bonus for 2014, the variable remuneration system for Carige Group staff is compliant with the Supervisory Regulations and subject to all the entry conditions foreseen by the remuneration policies approved by the Shareholders' Meeting of 30/4/2014 which are described below.

Information on the link between remuneration and performance

The annual bonus 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 award is further subject to the attainment of the consolidated profit, capital adequacy and liquidity risk indicators. Combined with this is the Group operational compliance assessment by Parent Compliance of the processes specified each year by the Parent Board of Directors and a specific operational compliance risk assessment by the Parent Board of Statutory Auditors for all Group banks/companies, of the processes pertinent to the strategic supervision, management and control bodies, of those with duties equivalent to those of general manager and to the heads of the corporate control functions as well as assessments by the controllers of the individual Group banks/companies of all of some of the processes pertinent to each of the other beneficiaries of the bonus.

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.

If even one of the aforementioned entry conditions is not met, no annual bonus will be awarded. If instead all the conditions are met, the amount of the annual bonus is calculated by comparing the target value (defined each year, on recommendation of the

Chief Executive Officer, by the Parent Board of Directors, after hearing the Remuneration Committee) with the profit, efficiency and performance indicators.

Award of the variable salary component is subject to the limits set out in the remuneration policies in observance of the prevailing regulations.

Fixed to variable component ratios

The ratio of the variable to the fixed component of identified staff salary may not exceed 100%.

The maximum limit is only foreseen for some key members of Identified Staff for whom specific agreements have been signed.

This ceiling falls to 70% for other members of Identified Staff, and to 50% for executives and remaining personnel.

For controllers the limit is fixed at 30% of AGS.

The lack of an annual incentive scheme for 2014 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. The failure in 2014 to pay 2013 incentives, or the deferred bonuses for the ongoing short- and medium-long term incentive plans means that it is impossible to calculate ex-post the variable to fixed ratios.

4.2.1 Methods of payment of variable remuneration

The remuneration policies approved in 2014 contained the following rules for annual bonus payments.

- the bonus awarded to Identified Staff is paid in one up-front quota of 60% and five equal annual quotas for the remaining 40%, deferred over the five years following the year of the up-front payment;
- 50% of the eventual bonus, both the up-front and the deferred quotas, in cash; the remaining 50%, both the up-front and the deferred quotas, in equities, performance units or virtual shares of the Parent, whose value corresponds to the market value of the actual stock and liquidated in cash at the end of the lock-up period.
- For remaining personnel, including executives, payment of any bonus is foreseen in cash and bills.

4.2.2 Malus and claw-back mechanisms

The variable remuneration system foresees an ex-post correction mechanism involving a "malus" clause that operates during the deferment period, prior to the payment of deferred quotas of the annual bonus.

The malus clause means that payment of deferred quotas of the annual bonus are subject to meeting the entry conditions at point 4.3 above and the thresholds defined by the remuneration policies. If in a given year just one of the aforesaid entry conditions is not met, 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, 4-ter, and 4-quarter 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).

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

4.2.3 Combined capital reserve requirement

If the "combined capital reserve requirement" specified in Bank of Italy Circular no. 285/2013 is not met, (the obligation to hold class 1 primary capital in addition to the risk capital requirements), the deferred annual bonus quotas and the forms of variable remuneration foreseen in the individual contracts of Identified Staff may only be paid within the conditions and limits established by the Circular.

4.2.4 Payouts made in financial year 2014

As explained above, annual bonuses for 2013, as well as the deferred bonuses relating to ongoing incentive plans, were not awarded in financial year 2014 because the entry conditions foreseen by the regulations were not met.

For completeness 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 November 2014 to Group Professional Staff and Middle Management.

5. Additional staff benefits

Additional staff benefits foreseen for 2014 are in line with market best practice and regard private pension plans, healthcare, accident, life and permanent invalidity insurance.

Note that the following policies are provided for all staff:

- health insurance;
- occupational/non-occupational insurance
- long term care insurance;

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

Some officers, normally executive, receive a company car in line with their role, position and specific job requirements (e.g. customer visits).

With regard to welfare and pension provision, pension plans supplementary and/or complementary to national insurance are foreseen.

Finally we should point out that, employees of Carige (or Carige Italia if employed before 30/11/1991), Carisa and CRC hired within certain dates benefit from internal pension funds in existence before Law no. 421/92 came into force ("Old Funds").

For the remaining personnel of the above banks and staff of other Group banks the main pension fund is the Aperto Arca Previdenza Pension Fund.

Since 1/1/2015 the only fund in operation for CRC staff is the Aperto Arca Previdenza Pension Fund, as the section of the pre-existing fund covering them was liquidated with effect from that date.

Employees may choose to direct a portion of the company contribution to their private pension as life or invalidity insurance.

6. Remuneration of collaborators

External collaborators are paid strictly in relation to the value of the work they provide.
In the case of business promotion or product sales contracts, compensation is determined on the basis of a fee-scale linked to the value of the financial assets managed, measured systematically at a given date.
Instead 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.

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

For compensation at the start of the employment relationship see point 3.1 above regarding the Chief Executive Officer.

Among Group Identified Staff in 2014 there were 9 retirements, 7 of personnel at the Parent and 2 at controlled banks/companies.

Apart from cases of retirement in which the staff member had immediate entitlement to an old age or early retirement pension, Identified Staff who left the company voluntarily or received an early retirement incentive, though not linked to a bonus, were not entitled to receive any immediate short-term incentives or matured short- and long-term deferred incentives under the prevailing remuneration policies.
The sums paid to Identified Staff in 2014 as incentives to early retirement or as additional severance pay, over and above the severance indemnity and any other compensation required by law and the National Labour Contract for Banking Executives, were determined taking into account the provisions of the National Management Labour Contract (Article 30) regarding termination of the employment relationship by the company without just cause, which establishes a maximum number of months' salary. In the case of 4 members of Identified Staff, the above sums were paid out exclusively with a view to

containing costs and the rationalization of executive staff, resulting in the managerial renewal recommended by the Supervisory Authorities, and structural savings in accordance with the prevailing law on pension provision.

In 2 cases the payouts were not subject to the supervisory regulations on early termination of employment of Identified Staff, given that this excludes loss of notice compensation, the size of which is determined in accordance with the law. In the other 2 cases cash payments were made of amounts less than the maximum amounts set out by the aforementioned article 30 of the National Management Labour Contract.

We should also point out that the said resources, although formally classified as Identified Staff pursuant to Regulation EU 604/2014, were in practice no longer considered to belong to this category as a consequence of the reduction of their powers, authority and duties in 2014 following the organizational restructure of the Bank - partly in view of their imminent departure – which significantly diminished their material impact on the Bank's risk profile.

BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

Part 2 - Analytical description of the salaries paid

REMUNERATION POLICIES

Statement pursuant to article 450 CRR letter g): Identified staff

ABI code of bank/group **6175**

Name of bank/group BANCA CARIGE GROUP

Reporting period **2014**

	Areas of duty			
	Members of the Board of Directors (1)	**Investment banking (2)**	**Retail banking (3)**	**Other corporate departments (4)**
Number of people	**55**	**3**	**24**	**29**
Total remuneration (in €) (6)	**6,400,488.57**	**397,335.00**	**2,481,178.68**	**3,642,802.00**
of which: total variable salary (in €)	**(7) 1,496,260.00**	**-**	**4,860.00**	**3,000.00**

(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) Of which 9 retired in 2014
(6) Fixed+Variable+Benefit
(7) Sum of €1,194,133 (of which €1,079,385 booked as a personnel cost in 2014 for a one-off staff incentive for accepting the office and powers of CEO and €114.748 provision for multi-year CEO incentives in shares) and €302,127 provision for multi-year CEO incentives in cash

REMUNERATION POLICIES

Statement pursuant to article 450 CRR letter h): Identified staff

ABI code of bank/group	6175			
Name of bank/group	BANCA CARIGE GROUP			
Reporting period	**2014**			
	Staff Category			
	Members of the Board of Directors (1)	**Other Management (2)**	**Other Identified Staff (3)**	**Total**
Number of people	**55**	**19**	**43**	**117**
Total fixed salary (in €)	**4.904.361,57**	**2.813.304,00**	**4.277.444,68**	**11.995.110,25**
No. of beneficiaries	**55**	**19**	**43**	**117**
Total variable salary (in €)	**(4) 1,496,260.00**	**1.500,00**	**6.360,00**	**1.504.120,00**
No. of beneficiaries	**1**	**1**	**5**	**7**
of which: variable in cash	**302.127,00**	**1.500,00**	**6.360,00**	**309.987,00**
of which: variable in shares and related securities	**0**	**0**	**0**	**0**
of which: variable in other financial instruments	**1.194.133,00**	**0**	**0**	**1.194.133,00**
Actual deferred remuneration awarded in previous years and not in current period (in €)	**0**	**0**	**0**	**0**
of which: quotas awarded	**0**	**0**	**0**	**0**
of which: quotas not awarded	**0**	**0**	**0**	**0**
Recognized deferred remuneration paid in current period (in €)	**0**	**0**	**0**	**0**
of which: amounts reduced for performance	**0**	**0**	**0**	**0**
Welcome bonus payments (5)	**797.138,00**	**0**	**0**	**797.138,00**
No. of beneficiaries	**1**	**0**	**0**	**1**
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 €)	**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) Sum of €1,194,133 (of which €1,079,385 booked as a personnel cost in 2014 for a one-off staff incentive for accepting the office and powers of CEO and €114.748 provision for multi-year CEO incentives in shares) and €302,127 provision for multi-year CEO incentives in cash
(5) Shareholders' equity reserve debited for €797,138 for the physical award of the first tranche of financial instruments as one-off staff incentive for accepting the office and powers of CEO calculated on the stock price of Carige at the date of acceptance (€0.5665);

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

ABI code of bank/group	6175
Name of bank/group	BANCA CARIGE GROUP
Reporting period	**2014**

	Total remuneration				**Identified staff (number of people)**	
SALARY BANDS	**from**		**to**			
BAND 1	€	1.000.000	€	1.499.999	0	
BAND 2	€	1.500.000	€	1.999.999	0	
BAND 3	€	2.000.000	€	2.499.999	**1**	(1)
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	

(*) add rows, if further salary bands are necessary

(1) The total 2014 salary of the CEO is made up of a **paid** fixed salary of €850,000, €16,453 in benefits not monetized, €1,194,133 (booked as variable salary and made up of €1,079,385 booked as a personnel cost for 2014 for a one-off incentive for accepting the office and powers of CEO and €114.748 provision for multi-year CEO incentives in shares and €302,127 provision for multi-year CEO incentives in cash.

BANCA CARIGE
Cassa di Risparmio di Genova e Imperia

REMUNERATION POLICIES
Statement pursuant to article 450 CRR: Identified staff

ABI code of bank/group	6175
Name of bank/group	BANCA CARIGE GROUP
Reporting period	2014

	Total remuneration
Members of the Board of Directors	
Chairman Banca Carige - CASTELBARCO ALBANI Cesare	719.167,00
Deputy Chairman Banca Carige - REPETTO Alessandro	346.481,75
CEO Banca Carige - MONTANI Piero Luigi	2.362.713,74 (1)
Director - BONNET Jerome Gaston Raymond	68.000,00
Director - BONSIGNORE Luca	99.000,00
Director - CHECCONI Remo Angelo	238.500,00
Director - CHRISTILLIN Evelina	86.000,00
Director - CUOCOLO Lorenzo	106.000,00
Director - GARSUAULT Philippe Marie Michel	156.750,00
Director - PESCIONE Guido	69.000,00
Director - ROFFINELLA Lorenzo	90.000,00
Director - VASCO Elena	77.000,00
Director - VENUTI Lucia	89.000,00
Director - WATTECAMPS Philippe	67.000,00
Director - ZAMPINI Giuseppe	93.000,00
Co-General Manager Products and Market - CAVANNA Mario(2)	212.635,00
Co-General General Manager Administration and Resources - OTTONELLO Gia	299.964,00
Deputy General Manager Governance and Control - BAGNASCO Daria (4)	134.453,00

(1) The total 2014 salary of the CEO is made up of a **paid** fixed salary of €850,000, €16,453 in benefits not monetized, €1,194,133 (booked as variable salary and made up of €1,079,385 booked as a personnel cost for 2014 for a one-off incentive for accepting the office and powers of CEO and €114.748 provision for multi-year CEO incentives in shares and €302,127 provision for multi-year CEO incentives in cash; in 2014 the shareholders' equity reserve was debited by €797,138 for the physical award of the first tranche of financial instruments as one-off staff incentive for accepting the office and powers of CEO calculated on the stock price of Carige at the date of acceptance (€0.5665);

(2) In office as CGM until 3/8/2014 - Retired from 1/9/2014

(3) In office as CGM until 3/8/2014

(4) In office as VGM until 30/4/2014 - Retired from 1/5/2014

SALARIES PAID TO THE MEMBERS OF THE GOVERNING AND CONTROL BODIES, GENERAL MANAGERS AND EXECUTIVES WITH STRATEGIC RESPONSIBILITIES

OFFICER	OFFICE			SALARY (euro thousands)								
						Variable salary non equity						
Name and Surname	**Position**	**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 salary**	**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*							
	Appoint. Committee Chairman	1/1 –31/12	*		**9** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**359**	**48**					**407**		
Salaries from subsidiaries and affiliates				**312** *(1)*						**312**		
TOTAL				**671**	**48**					**719**		

Alessandro REPETTO	Deputy Chairman	1/1 – 31/12	*	**150**								
	Director	1/1 – 31/12	*	**59** *of which, tokens: 7* *expenses: 17.5*								
	Deputy Chairman 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				**97** *(2)*						**97**		
TOTAL				**306**	**40**					**346**		
Piero Luigi MONTANI	CEO and Member Executive Committee	1/1 – 31/12	*	**850**								
Salary in the company drafting the financial statements				**850**		**302** *(10*		**16**		**1168**	**1194** *(11)*	
Salaries from subsidiaries and affiliates				*(3)*								
TOTAL				**850**		**302**		**16**		**1168**	**1194**	
Jerome Gaston Raymond BONNET	Director	1/1 – 31/12	*	**68** *of which, tokens: 5.5* *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 – 31/12	*	**68** *of which, tokens: 5.5* *expenses: 27.5*								

	Member Risk Committee	1/1 – 31/12	*		**21** *of which, expenses: 12.5*							
	Member Remun. Committee.	1/1 – 31/12	*		**10** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**68**	**31**					**99**		
Salaries from subsidiaries and affiliates												
TOTAL				**68**	**31**					**99**		
Remo Angelo CHECCONI	Director	1/1 – 31/12	*	**59** *of which, tokens: 7* *expenses: 17.5*								
	Member Executive Committee	1/1– 31/12	*		**39** *of which, tokens: 6.5* *expenses: 15*							
	Member Appointments Committee	1/1 – 31/12	*		**9** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**59**	**48**					**107**		
Salaries from subsidiaries and affiliates				**132** *(4)*						**132**		
TOTAL				**191**	**48**					**239**		
Evelina CHRISTILLIN	Director	1/1 – 31/12	*	**67** *of which, tokens: 5* *expenses: 27.5*								
	Member Remun. Committee.	1/1 – 31/12	*		**10** *of which, expenses: 5*							
	Member Appointments 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 – 31/12	*	**59** *of which, tokens: 7* *expenses: 17.5*								
	Chairman Risk Committee	26/3 – 31/12	*		**21** *of which, expenses: 12.5*							
	Member Risk Committee	1/1 – 25/3										
	Chairman Remun. Committee	1/1 – 31/12	*		**10** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**59**	**31**				**1** *(6)*	**91**		
Salaries from subsidiaries and affiliates				**15** *(5)*								
TOTAL				**74**	**31**				**1**	**106**		
Philippe Marie Michel GARSUAULT	Director	1/1 – 31/12	*	**64** *of which, tokens: 1* *expenses: 27.5*								
	Member Risk Committee	1/1 – 31/12	*		**21** *of which, expenses: 12.5*							
	Member Remun. Committee.	1/1 – 31/12	*		**10** *of which, expenses: 5*							
	Member Appointments Committee	1/1 – 31/12	*		**9** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**64**	**40**					**104**		
Salaries from subsidiaries and affiliates				**53** *(7)*						**53**		

TOTAL				**117**	**40**					**157**		
Guido PESCIONE	Director	1/1 – 31/12	*	**69** *of which, tokens: 7* *reimbursed expenses: 27.5*								
Salary in the company drafting the financial statements				**69**						**69**		
Salaries from subsidiaries and affiliates												
TOTAL				**69**						**69**		
Lorenzo ROFFINELLA	Director	1/1 – 31/12	*	**59** *of which, tokens* *reimbursed expenses: 17.5*								
	Member Risk Committee	26/3 – 31/12	*		**21** *of which, expenses: 12.5*							
	Member Remun. Committee.	1/1 – 31/12	*		**10** *of which, expenses: 5*							
Salary in the company drafting the financial statements				**59**	**31**					**90**		
Salaries from subsidiaries and affiliates												
TOTAL				**59**	**31**					**90**		
Elena VASCO	Director	1/1 – 31/12	*	**68** *of which, tokens: 5.5* *expenses: 27.5*								
	Member Appointments 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**		

Lucia VENUTI	Director	1/1 – 31/12	*	**68** *of which, tokens: 6* *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 – 31/12	*	**57** *of which, tokens: 5* *expenses: 17.5*								
	Member Executive Committee	1/1 – 31/12	*		**36** *of which, tokens: 3.5* *expenses: 15*							
Salary in the company drafting the financial statements				**57**	**36**					**93**		
Salaries from subsidiaries and affiliates												
TOTAL				**57**	**36**					**93**		

Board of Statutory Auditors:

Stefano LUNARDI	Chairman Board of Stat. Auditors	1/1 – 31/12	**	**131** *of which, tokens: 14* *expenses: 22.5*								
Salary in the company drafting the financial statements				**131**						**131**		
Salaries from subsidiaries and affiliates				**14** *(8)*						**14**		
TOTAL				**145**						**145**		
Maddalena COSTA	Standing auditor	30/4 – 31/12	**	**64** *of which, tokens 6.5* *expenses: 15*								
Salary in the company drafting the financial statements				**64**						**64**		
Salaries from subsidiaries and affiliates												
TOTAL				**64**						**64**		
Vittorio ROCCHETTI	Standing auditor	15/5 – 31/12	***	**62** *of which, tokens: 7* *expenses: 14*								
Salary in the company drafting the financial statements				**62**						**62**		
Salaries from subsidiaries and affiliates												
TOTAL				**62**						**62**		

Members of the Board of Statutory Auditors who stood down in 2014:

DIEGO MAGGIO	Standing auditor	30/4 – 15/5	**4** *of which, tokens: -* *expenses: 1*								
Salary in the company drafting the financial statements			**4**						**4**		
Salaries from subsidiaries and affiliates											

TOTAL			**4**						**4**		
Domenico SARDANO	Standing auditor	1/1 – 30/4	**34** *of which, tokens: 5* *expenses: 7.5*								
Salary in the company drafting the financial statements			**34**						**34**		
Salaries from subsidiaries and affiliates			**89** *(9)*						**89**		
TOTAL			**123**						**123**		
Pietro SEGALERBA	Standing auditor	1/1 – 30/4	**34** *of which, tokens: 5* *expenses: 7.5*								
Salary in the company drafting the financial statements			**34**						**34**		
Salaries from subsidiaries and affiliates											
TOTAL			**34**						**34**		

Executives with strategic responsibilities: *(°)*

Salary in the company drafting the financial statements	**1,811**				**80**		**1,891**		
Salaries from subsidiaries and affiliates	**366**				**0**		**366**		
TOTAL	**2,177**				**80**		**2,257**		

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

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

*** Next Shareholders' Meeting

(°) 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 265,000 (of which EUR 1,000 tokens) for the office of Chairman of Cassa di Risparmio di Carrara S.p.A. from 17/7 to 31/12;

EUR 32,000 (of which EUR 2,000 tokens) for the office of 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 32,000 (of which EUR 2,500 tokens) for the office of Director from 21/3 to 23/4 and Deputy Chairman from 24/4 to 31/12 of Cassa di Risparmio di Savona S.p.A.;

EUR 15,000 (of which EUR 1,000 tokens) for the office of Chairman of Centro Fiduciario S.p.A. from 11/7 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 60,000 is broken down as follows:

EUR 24,000 (of which EUR 2,000 tokens and EUR 5,000 expenses) for the office of Chief Executive Officer from 1/7 to 15/12 and Director from 16/12 to 31/12 of Banca Carige Italia S.p.A.;

EUR 11,000 for the office of Director of Cassa di Risparmio di Savona S.p.A. from 18/7 to 31/12;

EUR 20,000 (of which EUR 500 tokens) for the office of Director of Banca Cesare Ponti S.p.A. from 1/1 to 31/12;

EUR 5,000 (of which EUR 1,000 tokens) for the office of Director of Centro Fiduciario S.p.A. from 11/7 to 31/12.

(4) Of which,

EUR 51,000 (of which EUR 5,500 tokens and EUR 10,000 expenses) for the office of Director of Banca Carige Italia S.p.A. from 1/1 to 31/12;

EUR 55,000 (of which EUR 3,500 tokens and EUR 3,000 expenses) for the office of Director from 1/1 to 16/4 and Deputy Chairman from 17/4 to 31/12, plus EUR 26,000 (of which EUR

3,000 tokens and EUR 6,500 expenses) for the office of Member of the Executive Committee from 1/1 to 31/12 of Carige Assicurazioni S.p.A.;

EUR 26,000 (of which EUR 3,000 tokens and EUR 3,000 expenses) for the office of Director from 1/1 to 31/12 and EUR 26,000 (of which EUR 3,000 tokens and EUR 6,500 expenses) for the office of Member of the Executive Committee from 1/1 to 31/12 of Carige Vita Nuova S.p.A.

(5) EUR 15,000 (of which EUR 2,000 tokens) for the office of Deputy Chairman of Autostrada dei Fiori S.p.A. from 25/3 to 31/12.

(6) EUR 1,000 for the office of Member of the Supervisory Board - Leg. Decree 231/2001 of CARIGE S.p.A. from 1/1 to 4/2.

(7) EUR 53,000 (of which EUR 1,000 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 7,000 (of which EUR 1000 tokens) for the office of Chairman of the Board of Statutory Auditors of Banca Cesare Ponti S.p.A. from 24/7 to 31/12;

EUR 5,000 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.p.A. from 1/1 to 31/12.

(9) Of which,

EUR 45,000 (of which EUR 5,000 tokens and EUR 10,000 expenses) for the office of Standing Auditor of Banca Carige Italia S.p.A. from 1/1 to 31/12;

EUR 44,000 (of which EUR 2,500 tokens) for the office of Chairman of the Board of Statutory Auditors of Cassa di Risparmio di Savona S.p.A. from 1/1 to 31/12.

(10) EUR 302,000 (provision for multi-year cash incentive)

(11) Of which,

EUR 115,000 (provision for multi-year equity incentive)

EUR 1.079,000 (one-off staff incentive for accepting the office and powers)

Table 3 A – Incentive plans based on financial instruments other than stock options for members of the governing and control bodies, 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						PERFORMANCE UNITS		
(I) (Salary in the company drafting the financial statements		2013-2015 Plan (1)	1,972,201							1,972,201			€ 115
			UNITS		UNITS						UNITS		
		UT Incentive Plan	1,407,129	2014-2015	(2) 5,234,520	523	2014	04/07/2014	€ 0.1000		1,407,129	€ 797	€ 1,079
OTHER STRATEGIC EXECUTIVES			PERFORMANCE UNITS								PERFORMANCE UNITS		
(I) (Salary in the company drafting the financial statements		LTI Plan 2012-2014 (3)	1,467,415	2012-2014									

(1) The incentive initially foreseen in financial instruments (performance units) was linked to the 2014 remuneration policies as 50% in cash and 50% in financial instruments

(2) No. units from capital increase of July 2014 for incentive adjustment

(3) The precondition for the activation of the 2012-2014 LTI scheme based on positive performance in at least two of the three years in question, measured via the STI, was not met

Table 3 B – Cash-based incentive plans for members of the governing and control bodies, 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		2014-2015 plan (1)	€ -	-	-	-	-	-	-
(III) Total			€ -						

(1) No incentive scheme was activated across the Group in 2014 and therefore no performance units were awarded in the period to any of the recipients of said scheme.

Table 4 – Information on shareholdings

Shareholdings of board members and management

SURNAME AND NAME	POSITION	COMPANY	NO. SHARES OWNED AT THE END OF THE PREVIOUS FY	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.	141,565	a)	=	668,131
REPETTO Alessandro	Deputy Chairman	CARIGE S.p.A.	6,100	22,692 (a)	=	28,792
MONTANI Piero Luigi	CEO	CARIGE S.p.A.	=	6,641,634 (b)		6,641,634
CHECCONI Remo Angelo	Director	CARIGE S.p.A.	5,857	21,762 (a)	=	27,619
ROFFINELLA Lorenzo	Director	CARIGE S.p.A.	10,000	89,680 (c)	=	99,680
ZAMPINI Giuseppe Indirect ownership (partner)	Director	CARIGE S.p.A.	=	334,800 (d)	=	334,800
LUNARDI Stefano	Chairman Board of Statutory Auditors	CARIGE S.p.A.	96,010	407,027 (e)	=	503,037

(a) Ordinary shares from the exercise of options resulting from the capital increase of EUR 800,000,000 completed in 2014

(b) Of which 1,407,129 ordinary shares from the conversion of units awarded to the CEO on 2/5/2014 as per the Bank's Unit Plan and 5,234,505 ordinary shares from the exercise of options resulting from the capital increase of EUR 800,000,000 completed in 2014

(c) Of which 19,000 ordinary shares from purchases and 70,680 ordinary shares from the exercise of options resulting from the capital increase of EUR 800,000,000 completed in 2014

(d) Ordinary shares subscribed on the occasion of the capital increase of EUR 800,000,000 completed in 2014

(e) Of which 50,000 ordinary shares from purchases and 357,027 ordinary shares from the exercise of options resulting from the capital increase of EUR 800,000,000 completed in 2014

Shareholdings of other executives with strategic responsibility

NO. EXECUTIVES WITH STRATEGIC RESPONSIBILITY	COMPANY SHAREHOLDING	NO. SHARES OWNED AT THE END OF THE PREVIOUS FY	NO. SHARES PURCHASED	NO. SHARES SOLD	NO. SHARES OWNED AT THE END OF CURRENT FY
12	CARIGE S.p.A.	564,766	1,313,630	49,300	1,829,096

Genoa, 19 March 2015

for the Board of Directors

THE CHAIRMAN

(Cesare Castelbarco Albani)

Attachment

Statement on equity-based compensation plans

(pursuant to article 114-ter of the TUF and article 84-bis of the Consob Issuer Regulations

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 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 senior management, 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 wholly or in part at the end of the plan, subject to the attainment of the strategic targets laid out in the Industrial 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.
Unit (Plans)	Plans which involve the award of non-transferable inter vivos units each of which entitles the beneficiary free of charge to one share after expiry of a fixed time period.
Shares	Ordinary shares of the Parent 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)

FOREWORD

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., or a predetermined number of units which mature after a certain period of time. 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, 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 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 2014.

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

This statement was also prepared for the purposes of providing information on the performance of the plans approved by previous shareholder resolutions (see Shareholders' Meeting of 27/4/2012, 29/4/2013 and 30/4/2014). The plans in question concern the awards of performance units in the short-term incentive plans for the years 2011, 2012 and 2013 (STI), and the medium-long term incentive plans 2009-2011 and 2012-2014 (LTI), as well awards to the Parent Chief Executive Officer, as shown in Table 1 attached below.

As regards the ongoing plans, we should report the following:

- as a result of the failure to meet the profit efficiency targets of the Bank and the Group, the deferred STI quotas, and the third tranche of the 2009-2011 LTI have not been awarded;
- The precondition for the activation of a 2012-2014 LTI plan based on positive performance in at least two of the three years in question, measured via the STI, was not met.

This Statement 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 Banca CARIGE S.p.A.: Piero Luigi Montani.

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 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", 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 according to category

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" 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 Banca Carige, 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 robust balance sheet.

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 individual contracts are updated within the terms specified in the Supervisory Regulations.
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 plans are designed to incentivize achievement of the annual budget targets. The bonuses may be paid in part in cash and shares and/or performance units, in any case in the year following the performance measurement and in part deferred in cash and shares and/or performance units in the three subsequent 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 the article 84-quarter of the Issuer Regulations. As regards the vesting of units the sole condition considered is the expiry of the given contingency period.

2.2.1 The information is more detailed and includes, for example:
the indication of factors, also in terms of performance and the 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 the related control companies; 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 or ongoing plans, please see the Remuneration Report, drafted pursuant to article 123-ter of the TUF and article 84-quarter of the Issuer Regulations. As regards the vesting of units the sole condition considered is the expiry of the given contingency period.

2.3. Elements underlying the determination of the entity of the financial instrument based compensation, namely the criteria with which to determine it

The factors considered to decide the entity of the compensations

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.

The elements considered for the change with respect to similar previous plans

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 Bank governance.

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 are based on the ordinary shares of the Parent Banca Carige S.p.A. and/or financial instruments linked to the value of the share (performance unit and/or unit)

2.5. Evaluations with regards 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 Parent Board of Directors 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. Indication of the 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 CARIGE S.p.A.

3.3. Any procedures in place for the review of plans, 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 assign the financial instruments on which the plans are based

The plans are based on the free assignment of ordinary shares currently in the Parent's portfolio. The ongoing Performance Unit Plans do not involve the physical assignment of financial instruments, but rather payment of the deferred variable salary component in cash, based on the equivalent-value of the virtual shares (performance units), valued on the basis of the CARIGE S.p.A. ordinary share price.
The ongoing Unit Plans involve the physical assignment of CARIGE S.p.A. ordinary shares.

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, acts 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 29/4/2013 the Shareholders' Meeting called to approve the financial statements at 31/12/2012 approved the remuneration policy and the equity-based compensation plans for the three-year period 2012-2014, inclusive of the definition of the STI Incentive Scheme for financial year 2013.
On 19 March 2014, the Board of Directors, with the favourable opinion of the Remuneration Committee which met on 17 March 2014, approved the Remuneration Report, containing in Section I the new remuneration policies and the new equity-based compensation plans, subsequently approved by the Shareholders' Meeting of 30/4/2014.
On 19 March 2015, the Board of Directors, on recommendation of the Remuneration Committee which met on 19 March 2015, approved the Remuneration Report, containing in Section I the new remuneration policies and the new equity-based compensation plans.
These will be submitted for the approval of the Ordinary Shareholders' Meeting called to approve the financial statements at 31/12/2014.

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 regards to the assignment of instruments and the potential proposal to said body by a remunerations 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 19 March 2015 the official share price of Carige stock was EUR 0.070.

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 remunerations committee; and
ii) the diffusion 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 and units does not take into account 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 the primary legislation on inside information.

4. CHARACTERISTICS OF THE INSTRUMENTS ASSIGNED

4.1. The description of the ways in which the compensation plans based on financial instruments are structured

All up-front and deferred components of the plans are paid in ordinary shares of the Parent, or in performance units, or units.
Note that the plans based on performance units reproduce the mechanisms of share performance 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 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 further maturity period), this number is multiplied by the average performance over the period and the current share price and liquidated in cash.

Unit Plans involve the conversion of the units into ordinary shares of CARIGE S.p.A. in proportion to the length of time the beneficiary has held office at the given dates.

4.2 The indication of the period of effective plan implementation also with reference to any different cycles envisaged;

The plans are of a normal annual duration.

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

At the moment it is impossible to indicate the maximum number of shares and/or performance units awarded, because their exact number depends on the Board of Directors subject to the plans' approval by the Shareholders' Meeting. For details on the shares assigned and the ongoing unit plans see Table no. 1, attached below.

4.4 The methods and clauses for the implementation of the plan, specifying if the effective attribution 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 Statement above.

4.5 The indication of any restrictions of availability affecting the instruments assigned or the instruments from the year 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 Statement above.

4.6 The description of any termination conditions in relation to the attribution of plans in the event that the addressees should carry out hedging operations 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 determined by the termination of the employment relationship;

The Board of Directors has the faculty, in the resolution implementing the plans, 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 concerned by the plans, arranged 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 CARIGE S.p.A. or other Group companies. The ongoing Performance Unit Plans do not involve the physical assignment of financial instruments, but payment of the deferred variable salary component in cash, based on the equivalent-value of the virtual shares (performance units), valued on the basis of the CARIGE S.p.A. ordinary share price.
Equally the Unit Plans contain no such redemption provision.

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 The indication of assessments of the forecast burden for the company on the date of the related 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 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. For accounting of the charges relative to the ongoing plans (in performance units or units) see the Supplementary Notes to the Financial Statements at 31/12/2014 (Part I, Equity-based Salary Agreements).

4.12 The indication of any dilution effects on the capital determined by the compensation plans.

Given the mechanisms used to implement the plans, there is no dilution effect on the capital of Banca Carige S.p.A.

With specific reference to share attribution

4.13 Any limits envisaged for the exercise of voting rights and the attribution of equity rights;

There are no limits to the exercise of voting rights or the attribution of equity rights in relation to the shares assigned 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, 19 march 2015

for THE BOARD OF DIRECTORS

THE CHAIRMAN

Cesare Castelbarco Albani

Attachments:

Table 1: Compensation plans based on financial instruments

TABLE 1: COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS

COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS
Table 1 of Schema 7, Annex 3A of Regulation 11971/1999

Name and surname or category	Position (to be indicated only for named staff members)	BOX 1						
		Financial instruments other than stock options						
		Section 1 Instruments relative to ongoing plans, approved by previous shareholder resolutions						
		Date of approval of shareholders	Type of financial instruments	No. financial instruments awarded	Date of award	Purchase price of the instruments	Stock price at date of award	Vesting period
Piero Luigi Montani	Chief Executive Officer Banca Carige S.p.A.	30/04/2014	PERFORMANCE UNITS	1,972,201 (1)	05/11/2013		0.5070	2013-2015
Note: 2013-2015 Incentive plan								
Piero Luigi Montani	Chief Executive Officer Banca Carige S.p.A.	30/04/2014	UNITS	6,641,649 (2)	05/11/2013		NA	2014-2015
Note: one-off incentive for accepting the powers of the office								
	EXECUTIVES WITH STRATEGIC RESPONSIBILITIES	01/08/2011 (3)	PERFORMANCE UNITS	33,089	01/01/2012		1.3902	2012-2015
Note: 2012 STI Plan								

(1) The number of financial instruments awarded is in line with the Remuneration Policies and the Bank of Italy Supervisory Regulations (see Crc. 285/2013 - Upd. 7 Title IV, Chapter 2, Section III). Note that in relation to the said rules, as well as the 2015 Remuneration Policies the individual contract (see Title IV, Chapter 2, Section IV) of the Chief Executive Officer will be brought in line with said Policies by 30/06/2015 (see Box 1 - Section 2)

(2) The total no. of 2,814,258 units was indicated last year as financial instruments awarded. Half the units were converted into ordinary shares of which the manager took ownership on 30 April 2014 (1,407,129 shares) and the remaining half will be converted into ordinary shares of which the manager will take ownership on 29 April 2015 (for a total 1,407,129 shares + 1,407,129 shares/25*93= 6.641649 shares taking account of the dilution effect of the capital increase in 2014) providing the individual in question still holds office and the powers attributed to it at that date.

(3) Date of approval of guidance submitted to the shareholders' meeting

COMPENSATION PLANS BASED ON FINANCIAL INSTRUMENTS ***Table 1 of Schema 7, Annex 3A of Regulation 11971/1999***								
Name and surname or category	Position (to be indicated only for named staff members)	**BOX 1**						
		Financial instruments other than stock options						
		<u>Section 2</u> Newly awarded instruments on the basis of a resolution by: →Board proposal to shareholders						
		Date of board resolution on proposal to shareholders	Type of financial instruments	No. financial instruments awarded	Date of award	Purchase price of the instruments	Stock price at date of award	Vesting period
Piero Luigi Montani	Chief Executive Officer Banca Carige S.p.A.	19/03/2015	SHARES and/or PUs	NA	NA		NA	2015
Note: 2013-2015 Incentive plan								
	Executives with strategic responsibilities	19/03/2015	SHARES and/or PUs	NA	NA		NA	2015
Note: 2015-2015 Incentive plan								

Attachment

Criteria and limits for the determination of compensation to be agreed in the event of termination of employment or early retirement from office

Foreword

This statement on the criteria and limits for the determination of compensation to be agreed in the event of termination of the employment relationship or early retirement from 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. CEBS Guidelines on Remuneration Policies and Practices of 10/12/2010.

iv. 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 Cpy indexes in the event of retirement from office or termination of the employment relationship.

v. 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").

vi. 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 the Management Body - states that the ordinary meeting, among other things, shall approve the criteria for the determination of compensation to be agreed in the event of termination of employment or early retirement from office (**Section III, paragraph 2.2.2 – Golden Parachute**), including the limits of annual fixed remuneration 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., par. 1.2, par. 2.1, points 3 and 4, par. 2.2.1 and par. 2.2.2: these rules are to be applied only to Identified Staff.

In this matter the shareholders' meeting foresees the following:

1) Criteria

a) In the event of any negotiated "golden parachute" payout, Banca Carige Group will adhere to the provisions of the legislation in line with the rules of the 2015 remuneration policies described in the Remuneration Report, Section I, Paragraph 4.7 "Severance payments" and within the limits set out in point 2) of this document.

In particular:

Any compensation in the event of termination of employment or office (golden parachute)[30] - including payouts foreseen by the individual contracts of Identified Staff - are subject to the attainment of the qualitative-quantitative indicators described in the Remuneration Report, Section I, paragraph 4.3, number 3), points i) (capital adequacy only), ii) and (iii), and the targets foreseen for the year prior to payment. The quantitative capital adequacy indicator applies to both up-front and deferred quotas, while the qualitative indicators at number 3), points ii) and (iii), only apply to the up-front quota and not to deferred quotas.

Severance payments are made up of:

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

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 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.

In calculating the number of shares or other financial instruments to be awarded, valuations are performed at the moment the benefits are awarded to the employee. The vesting period (prohibition on sale) of the shares and 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 malus and claw-back mechanisms described in the Remuneration Report, Section I, point 4.6 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;

[30] Golden parachute payouts also include: i) compensation based on a non-competition clause: the Group bank/company may sign non-competition pacts on termination of the employment relationship, where necessary or advisable to defend its commercial position with new and existing clients; ii) loss of notice compensation over and above what is provided by law (by law loss of notice compensation is equivalent to salary due during the period of notice).

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 severance quotas already paid must be returned (claw-back clause)[31].

We remind you that If the "combined capital reserve requirement" specified in Bank of Italy Circular no. 285/2013 is not met, severance payments may only be paid within the conditions and limits established by the Circular.

b) In any case Banca Carige Group may avail itself of the provisions of article 2.2.3, paragraph 1, points 1 and 2 of Section III of the Bank of Italy Rules also cited in the 2015 Remuneration Policies, Point 4.7 "Severance payments".

In particular:

With the exception of the provision concerning "combined capital reserve requirement", none of the above rules apply to:

i. golden parachute payments agreed in the event of extraordinary operations (e.g., mergers) or corporate restructuring procedures which must: 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 in relation to extraordinary operations (e.g., mergers) or corporate restructuring procedures, and paid unnecessarily to the wrong personnel, which must: i) conform exclusively to the logic of containing corporate costs and rationalization of the workforce; ii) encourage adoption of the measures foreseen by law or collective bargaining agreements for the whole workforce; (iii) not produce ex-ante distorting effects on staff behaviour; iii) contain claw-back clauses at least for fraudulent or criminal behaviour damaging to the Group or one of the Group's banks/companies.

c) Any golden parachute payouts are determined in relation to the position or office, 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 any risks taken by the bank/company.

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

[31]During the investigation of such conduct/violations, whether as part of an internal inquiry or following a court sentence, 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 (claw-back).

2) Limits to remuneration in terms of annual fixed salary and maximum amount

Compensation awarded in view of, or on the occasion of, termination of employment or early retirement from office (golden parachute payouts) may not exceed 2 years' total annual remuneration and a maximum gross amount of EUR 1.7 million per employee.

The provisional rules of the aforementioned Regulations Part One, Title IV, Chapter 2, Section VII – Provisional and Final Rules still apply.

The individual Group banks/companies must draft a similar document to submit for approval to their Shareholders' Meetings.