

Equity-based incentive plan for BancoPosta RFC's Material Risk Takers

Information Circular prepared in accordance with art. 84-*bis* of the Regulations for Issuers

This document has been translated into English solely for the convenience of the international reader. In the event of inconsistency between the terms used in the Italian version of the Report and the English version, the Italian version shall prevail, as the Italian version constitutes the sole official document.

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INTRODUCTION

Dear Shareholders,

This Information Circular (the “**Information Circular**”), prepared in accordance with art. 84-*bis* and Form 7 in Annex 3A of the CONSOB Regulation adopted with Regulation 11971 of 14 May 1999, as amended (the “**Regulations for Issuers**”), relates to the proposed adoption of the “**Equity-based incentive plan for material risk takers employed by BancoPosta RFC**” (the “**Plan**”) approved by the Board of Directors of Poste Italiane SpA (the “**Company**” or “**Poste Italiane**”).

On 19 April 2018, Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee, approved the adoption, in accordance with art. 114-*bis* of Legislative Decree 58 of 24 February 1998, as amended (the “**CLF**”), of the “**Equity-based incentive plan for BancoPosta RFC'S Material Risk Takers**” (the “**Plan**”) for submission to the Annual General Meeting of Shareholders to be held on 29 May 2018.

This Information Circular thus provides information on the “Equity-based incentive plan for BancoPosta RFC's Material Risk Takers”, which refers to the following incentive schemes” (the “**Incentive Schemes**”):

- 1) the short-term incentive 2018 (the “**STI MBO Scheme 2018**”);
- 2) the long-term incentive three-year Deliver LTIP (the “**Three-year Deliver LTIP**”).

If the information to be provided differs for the two Incentive Schemes, the information will be provided on a separate basis for the STI MBO Scheme 2018 and the Three-year Deliver LTIP. Should the information for the two plans coincide, it will be provided only once, meaning that it applies to both the STI MBO Scheme 2018 and the Three-year Deliver LTIP.

On 27 May 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta RFC (Part IV, Chapter I, “Bancoposta” including in Circular 285 of 17 December 2013 “Prudential supervisory standards for banks”) which, in taking into account BancoPosta RFC's specific organisational and operational aspects and those of Poste Italiane SpA, has extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 “Remuneration and incentive policies and practices” in the above Circular 285/2013, as revised).

This Information Circular will be revised, when necessary and in accordance with the terms and conditions established by the regulations in effect, if the proposed adoption of the Plan is approved by the Annual General Meeting of Shareholders and in compliance with the resolutions adopted by the Annual General Meeting.

The Plan qualifies for classification as of “particular significance”, as defined by art. 114-*bis*, paragraph 3 of the CLF and art. 84-*bis*, paragraph 2 of the Regulations for Issuers.

This Information Circular has been prepared in accordance with art. 84-*bis*, paragraph 1 of CONSOB Resolution 11971 of 14 May 1999 and made available for consultation at the registered office of Poste Italiane, on the authorised storage system “eMarket STORAGE” (www.emarketstorage.com) and on the Company's website <https://www.posteitaliane.it/en/remuneration.html>

DEFINITIONS

Unless otherwise indicated, the following terms have the following definitions. It is hereby understood that the following expressions and terms defined in the masculine are also intended to refer to the feminine and that the expressions and terms defined in the singular are also intended to refer to the plural.

“Assignment Letter”	the letter (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP) by which the Company informs each Beneficiary that they are to participate in the Plan;
“Award Letter”	the letter (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP) delivered to each Beneficiary, following the end of the Performance Periods, containing the value of the variable pay to which they are entitled (and, therefore, the phantom stocks representing 50% of such variable component) under the different Incentive Schemes. The number of phantom stocks awarded will depend on the vested bonus and the Normal Value of Poste Italiane's shares at the grant date;
“BancoPosta RFC”	Bancoposta RFC, having ring-fenced capital separate from Poste Italiane, consists of a collection of assets and contractual rights to be used exclusively to meet the obligations arising from BancoPosta's operations and representing the scope for application of the Bank of Italy's prudential supervisory standards governing such activities;
“Beneficiaries”	Material risk takers, or a number thereof, employed by BancoPosta RFC;
“Board” or “Board of Directors”	the Company's Board of Directors;
“Bonus”	the amount payable to each Beneficiary, after assessing performance, in accordance with the Terms and Conditions and the Award Letter (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP);
“Company”	Poste Italiane SpA;
“Control Functions”	within BancoPosta RFC, this refers to the Compliance, Anti-money Laundering, Internal Auditing and BancoPosta RFC Risk Management

	functions and, solely in relation to the guidelines for remuneration and incentive policies (including this Information Circular), BancoPosta's HR Business Partner function;
“Control”	has the meaning attributed to it by art. 2359, paragraph 1.1 of the Italian Civil Code; “Subsidiary” and “Parent” are related terms;
“Deferral Period”	the period after the performance period, during which payment of the variable component is deferred;
“Annual General Meeting” or “Annual General Meeting of Shareholders”	the general meeting of the Company's shareholders, called on to vote on, among other things, the proposal to adopt equity-based plans and to grant the Board of Directors, with the option of delegating responsibility, all the necessary powers to implement and amend the plans;
“Group” or “Poste Italiane Group”	collectively: (i) the Company; and (ii) the Company's direct and indirect Subsidiaries;
“Italian Civil Code”	the Italian Civil Code, approved by Royal Decree 262 of 16 March 1942, in the form from time to time in effect;
“Laws”	all primary and secondary legislation, or regulations, or any other statutory requirement or provision applicable to the person subject to such legislation, regulations or requirements; and “Law” means each of them;
“Material Risk Takers”	persons employed by BancoPosta RFC who meet the quantitative and qualitative requirements set out in Regulation (EU) 604/2014, and to whom the supervisory standards for banks apply in respect of matters relating to remuneration and incentives;
“Normalised Value”	the arithmetic average price of the shares in the thirty stock exchange trading days prior to a certain date;
“Hurdle and Qualifying Conditions”	the conditions, assessed at the end of the Performance Period, that if not met the phantom stocks are not awarded and the Bonus is not paid;
“Performance Period”	the period to which the Performance Targets refer;
“Performance Targets”	Performance Targets assigned to each beneficiary, on achievement of which the beneficiary will have

	the right to receive the phantom stocks and the related Bonus;
“Phantom stock”	a stock representing one Share to be converted into a cash Bonus based on the price of the above Share at a certain date and in accordance with the Plan Terms and Conditions;
“Phantom Stock LTIP 2018-2020 or third cycle”	the third cycle (2018-2020) of the Poste Italiane Group's long-term incentive plan called the “Phantom Stock LTIP”, focusing on objectives linked to earnings and shareholder returns;
“Plan”	the Plan named the “Equity-based incentive plan for BancoPosta RFC's Material Risk Takers”, consisting of this Information Circular and the related implementing documents;
“STI MBO Scheme 2018”	the Poste Italiane Group's short-term variable incentive (STI) scheme;
“Terms and Conditions”	the Terms and Conditions (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP) for the Incentive Schemes;
“Remuneration Committee”	the Board Committee established by the Company's Board of Directors, based on articles 4 and 6 of the Corporate Governance Code and aligned with Bank of Italy Circular 285 of 17 December 2013, as revised;
“Retention Period”	the period from the date of award of the phantom stocks during which the phantom stocks may not be converted into cash;
“Shares”	Poste Italiane's ordinary shares;
“Three-year Deliver LTIP”	the Deliver LTIP, launched in 2018, designed to ensure a continuous focus on earnings and the achievement of cost savings over a multi-year period;
“Working Day”	a day of the week other than Saturday, Sunday or any other public holiday.

1. BENEFICIARIES

1.1. Identification of the names of beneficiaries who are members of the board of directors or management board of the financial instrument issuer, of the companies controlling the issuer and of the companies directly or indirectly controlled by it

STI MBO Scheme 2018

The Company's Chief Executive Officer and General Manager (CEO-GM), Matteo Del Fante, is the Beneficiary of the STI MBO Scheme 2018, in his role as General Manager.

The CEO-GM falls within the scope of application of the "*Guidelines for BancoPosta RFC's remuneration and incentive policies for 2018*" and is subject to the existing supervisory standards for banks.

A number of the potential STI MBO Scheme 2018 Beneficiaries, in addition to exercising the management powers connected with their positions, may also be members of the Boards of Directors of companies directly or indirectly controlled by Poste Italiane SpA. In any event, as these individuals are potentially beneficiaries of the STI MBO Scheme 2018, as employees of Poste Italiane SpA and as belonging to BancoPosta RFC, such Beneficiaries are not named. Instead, reference should be made to the information provided below.

Three-year Deliver LTIP

The beneficiaries of the equity-based Three-year Deliver LTIP do not include members of Poste Italiane SpA's Board of Directors.

A number of the potential Three-year Deliver LTIP Beneficiaries, in addition to exercising the management powers connected with their positions, may also be members of the Boards of Directors of companies directly or indirectly controlled by Poste Italiane SpA. In any event, as these individuals are potentially beneficiaries of the Three-year Deliver LTIP, as employees of Poste Italiane SpA and as belonging to BancoPosta RFC, such Beneficiaries are not named. Instead, reference should be made to the information provided below.

1.2. Categories of employee or other staff of the financial instrument issuer and of the companies that control or are controlled by the issuer

Potential Plan Beneficiaries include other executives and middle managers with formal roles within the scope of application of the "*Guidelines for BancoPosta RFC's remuneration and incentive policies for 2018*". At the date of this document, these include approximately 66 (sixty-six) Material Risk Takers¹ identified in accordance with a process based on an exact assessment of the position held by each individual within the organisation, used to assess the importance of each person in terms of the assumption of risk. Identification follows a structured assessment process, based on qualitative and quantitative criteria, in line with the regulatory requirements introduced by the EBA's Regulatory Technical Standard (RTS).

1.3. The names of the parties benefitting from the plan belonging to the following groups:

a) general managers of the financial instrument issuer

¹ At the date of this document, the total number of Material Risk Takers is 66, including 8 non-executive Directors who, in keeping with the "*Guidelines for BancoPosta RFC's remuneration and incentive policies*", are not included among Plan Beneficiaries.

21 of the above 66 Material Risk Takers belong to Control functions and are excluded from among the potential beneficiaries of the Three-year Deliver LTIP.

STI MBO Scheme 2018

The STI MBO Scheme 2018 Beneficiaries include Poste Italiane's General Manager (who is also the Chief Executive Officer), Matteo Del Fante.

Three-year Deliver LTIP

The Beneficiaries of the equity-based Three-year Deliver LTIP, described in this document, do not include Poste Italiane's General Manager (who is also the Chief Executive Officer). Poste Italiane's General Manager (who is also the Chief Executive Officer) is a beneficiary of the convertible cash plan², not currently included in this Information Circular as it is not equity-based.

- b) other key management personnel of the financial instrument issuer not classed as "small", as defined by article 3, paragraph 1, letter f) of Regulation 17221 of 12 March 2010, if they have, over the course of the year, received total pay (computed by summing cash payments and equity-based payments) in excess of the highest total pay awarded to members of the Board of Directors or the management board, and to general managers of the financial instrument issuer;*

Not applicable: there are no key management personnel who have, over the course of the year, received pay in excess of the amount awarded to the person relevant for the purposes of this paragraph (the CEO-GM).

- c) Natural persons controlling the share issuer, who are employees of or who work for the share issuer*

Not applicable, as there are no natural persons who control the Company.

1.4. Description and quantification, broken down by category:

- a) key management personnel other than those referred to in letter b) of paragraph 1.3;*

STI MBO Scheme 2018

At the time of preparation of this Information Circular, Poste Italiane's key management personnel who are STI MBO Scheme 2018 Beneficiaries are:

- the Head of the BancoPosta function, Andrea Novelli;
- the Manager Responsible for Financial Reporting, Luciano Loiodice.

Three-year Deliver LTIP

At the time of preparation of this Information Circular, none of Poste Italiane's key management personnel are included among the beneficiaries of the equity-based Three-year Deliver LTIP, described in this document.

- b) in the case of small companies, as defined by art. 3, paragraph 1, letter f) of Regulation 17221 of 12 March 2010, an indication of the aggregate number of the financial instrument issuer's key management personnel;*

Not applicable.

² The components are convertible as the Board of Directors, in consultation with the Remuneration Committee, and acting before the end of the performance period, have the possibility to ask the General Meeting of shareholders to approve conversion of the full amount of the bonus, or a part thereof, into Poste Italiane's ordinary shares.

- c) *other categories of employee or other staff for whom different Plan terms and conditions apply (for example, executives, middle managers, other employees etc.)*

Not applicable.

2. REASONS FOR ADOPTION OF THE PLAN

2.1. Objectives to be achieved by means of the plans

In accordance with the relevant statutory requirements and, above all, Circular 285 of 17 December 2013 “Prudential supervisory standards for banks” (as revised), the aim of the Plan is to link the variable component of remuneration to BancoPosta RFC’s strategy, the budget and the new Strategic Plan, short-term and long-term performance over an annual and a three-year period. The Plan is also a useful way of reinforcing the focus on value creation, management by objectives the culture of integration and efficiency, and of engaging all the owners of strategic projects and fostering management continuity over the long term through retention. The Plan is based on a structured process for defining incentives and the associated objectives.

The ratio of the phantom stock component to the other components of fixed pay is designed to align the interests of management with those of shareholders over time, partly in view of the fact that payment in phantom stocks take up-front and deferred forms (see paragraphs 2.2 and 4.2 of this document).

The definition of a long-term incentive scheme also derives from the need to ensure an alignment between the interests of management and those of shareholders, focusing the former’s attention on medium/long-term targets in line with the objectives set out in the new “Deliver 2022” Strategic Plan. The duration of the Three - year Deliver LTIP, and of variable remuneration as a whole, is designed to take into account the elements just described.

2.2. Key variables, including in the form of performance indicators taken into account in making awards under equity-based plans

STI MBO Scheme 2018

The STI MBO Scheme 2018 envisages payment of 50% of the award in cash (up-front and deferred) and 50% in the form of phantom stocks, representing the value of Poste Italiane’s shares. Where the incentive is greater than the materiality threshold (€50,000), 60% of the award is deferred for a 5-year period on a pro-rata basis (in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and the long-term plan – the Phantom Stock LTIP 2018-2020 or third cycle) or 40% of the award is deferred for a 3-year period on a pro-rata basis (for the remaining Material Risk Takers). Components that take the form of phantom stocks are subject to a two-year retention period with regard to the up-front components and a one-year retention period in the case of deferred components.

The Plan gives Beneficiaries the right to receive phantom stocks (and the related cash Bonus), with the number of stock awarded to each Beneficiary linked to the achievement of the Performance Targets over the Performance Period. Award of the phantom stocks is subject to meeting the hurdle and Qualifying Conditions, as follows:

Hurdle	Qualifying Conditions
Group earnings: EBIT	Capital adequacy: CET 1, risk tolerance level approved in the Risk Appetite Framework (RAF)
	Short-term liquidity: LCR, risk tolerance level approved in the Risk Appetite Framework (RAF)

The Performance Targets for the STI MBO Scheme 2018 for the General Manager (who is also the Chief Executive Officer) for 2018 are as follows:

Performance Indicators	
Group EBIT	25%
BancoPosta's RORAC	25%
The Quality of Mail, Parcels and Distribution	15%
Group operating costs	15%
Poste Vita Insurance Group's RORAC	10%
Customer Experience	10%

It should be noted that, in addition to the hurdle and the qualifying conditions applicable to all Material Risk Takers, the General Manager (who is also the Chief Executive Officer) must also meet a further qualifying condition linked to the Poste Vita Insurance Group's Solvency Ratio.

The Performance Targets for the STI MBO Scheme 2018 for the other Material Risk Takers are assigned on an individual basis, with a focus on risk-adjusted performance indicators (e.g. BancoPosta's RORAC). Payment of the individual bonus is linked to the degree to which the assigned performance targets have been achieved and, in any event, is subject to the absence of any conduct in breach of Poste Italiane's Code of Ethics.

Three-year Deliver LTIP

In terms of the bonus linked to the Three-year Deliver LTIP, 75% of the award is payable up-front, with 50% paid in cash and 50% in phantom stocks (representing the value of Poste Italiane's shares), both of which are convertible³; the remaining 25% of the bonus deferred for two years (from the end of the performance period), again with 50% paid in cash and 50% in phantom stocks, both of which are convertible⁴. Both the up-front and the deferred portions of the phantom stock award are subject to a retention period of one year.

The Plan gives Beneficiaries the right to receive phantom stocks (and the related cash Bonus), with the number of stock awarded to each Beneficiary linked to the achievement of the Performance Targets over the Performance Period. Award of the phantom stocks is subject to meeting the Hurdle and Qualifying Conditions, as follows:

Hurdle	Qualifying Conditions
Group earnings: EBIT	Capital adequacy: CET 1, risk tolerance level approved in the Risk Appetite Framework (RAF)
	Short-term liquidity: LCR, risk tolerance level approved in the Risk Appetite Framework (RAF)
	Risk-adjusted earnings: RORAC, risk appetite level approved in the Risk Appetite Framework (RAF)

³ The components, in cash and in phantom stocks, are convertible as the Board of Directors, in consultation with the Remuneration Committee, and acting before the end of the performance period, have the possibility of asking the General Meeting of shareholders to approve conversion of the entire amount of the bonus, or a part thereof, into Poste Italiane's ordinary shares.

⁴ See the previous note.

The Performance Targets for the Three-year Deliver LTIP described in this document, measured over a three-year performance period, are as follows:

Performance Indicators	Weightings
Group EBIT	60%
HR Costs	40%

The variable component as a whole (including the STI MBO Scheme 2018 and the Three-year Deliver LTIP, described in this document) awarded to Material Risk Takers is capped at a ratio of 1:1 with the fixed component, in the case of all the incentive plans (0.33:1 for the Company's control functions).

In compliance with existing statutory requirements and the Company's policies, the variable component for Material Risk Takers has the following characteristics:

- i. it is determined using performance indicators measured taking into account the level of risk assumed and must be in keeping with the Risk Appetite Framework ("RAF") and the risk governance and management policies adopted;
- ii. it is subject to ex post risk adjustments (malus and clawback provisions), that, based on individual performance or conduct, may result in a significant reduction in the amount payable, potentially to zero or clawback (see paragraph 4.5).

In line with the Company's policies, Material Risk Takers in the control functions have short-term incentive schemes that reflect the duties assigned, defining for them qualitative objectives that are not linked to the Company's and BancoPosta RFC's performances (except for application of the qualifying conditions); constant support in developing a strong, sustainable compliance and risk management culture and in delivering on projects in their areas of responsibility are the key objectives assigned to personnel belonging to the control functions within the scope of the STI MBO Scheme. Material Risk Takers belonging to Control functions are excluded from among the potential beneficiaries of the Three-year Deliver LTIP.

The variable pay of Material Risk Takers in the control functions accounts for a lower proportion of total remuneration than the proportion generally applied in the case of Material Risk Takers. The variable component of the remuneration paid to personnel belonging to the Company's control functions may not, therefore, exceed one third of the fixed component.

2.3. Elements underlying determination of the entity of equity-based payments, namely the criteria used to determine such payments

The amount of the variable component of the Incentive Schemes is based on a percentage of the Beneficiary's fixed pay, based on the responsibilities involved in the role and their strategic importance, as indicated in the Assignment Letter (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP). The entity of the incentives awarded to Beneficiaries on achievement of the related targets is differentiated on the above basis and ranges from a minimum of 10% up to a maximum of 50% of fixed remuneration, in the case of the STI MBO Scheme 2018, and from a minimum of 15% per annum up to a maximum of 30% per annum of fixed remuneration, in the case of the Three-year Deliver LTIP.

Award of the phantom stocks is subject to meeting the Hurdle and Qualifying Conditions and achievement of certain Performance Targets for the STI MBO Scheme 2018 and the Three-year Deliver LTIP, as described in

paragraph 2.2. In the event of failure to meet the Hurdle and Qualifying Conditions or the level required established by the Performance Targets, no incentive will be awarded under the respective Incentive Scheme.

As regards the STI MBO Scheme 2018, after the end of the Performance Period, in 2019, the Board of Directors, on the recommendation of the Remuneration Committee, will assess the level of achievement of the Performance Targets, determining, as a result, the amount of the short-term variable component to be awarded to the CEO-GM and the Head of the BancoPosta function. In the case of the remaining Beneficiaries, the assessment will be carried out by the CEO-GM himself, or, as delegated by the CEO-GM, the Head of the BancoPosta function. Assessment of whether or not the Qualifying Conditions have been met will also take place at the end of each Deferral Period and Retention Period. The number of phantom stocks will depend on the Bonus payable and the Normal Value of Poste Italiane's shares at the grant date. The phantom stocks will then be converted into cash according to the timing indicated in paragraph 4.2 below.

As regards the Three-year Deliver LTIP, after the end of the Performance Period, in 2021, the Board of Directors, on the recommendation of the Remuneration Committee will assess whether or not the Hurdle and the Qualifying Conditions have been met and the level of achievement of the Performance Targets, determining, as a result, the amount of the Bonus linked to the Three-year Deliver LTIP payable to Beneficiaries. The number of phantom stocks will depend on the Bonus payable and the Normal Value of Poste Italiane's shares at the grant date. The phantom stocks will then be converted into cash according to the timing indicated in paragraph 4.2 below.

Payment of the deferred portion will take place, provided that payment of the deferred portion is sustainable in respect of BancoPosta RFC's financial position, without limiting its ability to maintain or achieve adequate levels of capital and liquidity in relation to the risks assumed; moreover the deferred portion is paid if there is no reason to apply the malus provisions. Payment of the deferred portion is also subject to Poste Italiane's inclusion in internationally recognised sustainability indices. Confirmation that BancoPosta RFC's capital adequacy and liquidity requirements have been met will also take place prior to the payment of portions subject to retention.

Payment of the Bonus, in the case of both the STI MBO Scheme 2018 and the Three-year Deliver LTIP, is subject to the ex post risk adjustments described in paragraph 4.5 and will be made following deduction of the related tax and contributions.

Award of the phantom stocks is subject to meeting the Hurdle and the Qualifying Conditions and achievement of certain levels of Performance Target under the STI MBO Scheme 2018 and Deliver LTIP, respectively, and described in paragraph 2.2.

2.4. Reasons underlying the decision to award equity-based payments based on instruments not issued by the financial instrument issuer, such as financial instruments issued by subsidiaries, parents or third-party companies outside the group of origin; in the event that such instruments are not traded on regulated markets, information on the criteria used to determine the value assigned to them

Not applicable.

2.5. Considerations on any significant tax and accounting implications that have affected the nature of the plans

There are no material tax or accounting implications that have had an impact on the nature of the Plan.

2.6. Any support for the plan from the Special Fund to Encourage Worker Participation in businesses, as defined in article 4, paragraph 112 of Law 350 of 24 December 2003

Not applicable.

3. APPROVAL PROCEDURE AND TIMING OF THE AWARD OF THE INSTRUMENTS

3.1. Scope of powers and roles delegated by the General Meeting to the Board of Directors in order to implement the plan

On 19 April 2018, the Board, on the recommendation of the Remuneration Committee, voted to submit the Plan for approval by the Annual General Meeting of Shareholders called for 29 May 2018.

The Annual General Meeting of Shareholders, called to deliberate on the equity-based incentive plan, will be asked to grant the Board the broadest possible power to effectively implement the Plan, with the option of sub-delegating such powers.

No Beneficiary may take part in the Board's decision-making regarding the assignment or award of their own Bonus.

3.2. Indication of the persons tasked with administering the plan and their role

Without prejudice to the information provided in the last section of paragraph 3.1 above, the Board - or persons delegated thereby⁵ - is responsible for administering the Plan, availing itself of the relevant corporate functions.

3.3. Any procedures in place for review of the plan, including in response to any changes in the underlying objectives

Should the Shares be transformed or converted into a different number of Shares in the Company following a corporate action, including stock splits or the consolidation of Shares, the Board may accordingly decide to amend the number of phantom stocks.

The Board, on the recommendation of the Remuneration Committee, or persons delegated thereby⁶ as the case arises, will also have the option to adjust the Performance Targets (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP) so as to ensure that the situation is substantively fair with respect to the previous situation, in response to exceptional and/or unexpected events or circumstances that may have a significant impact on the results and/or the scope of the Group or of BancoPosta RFC. This will be done solely for the purpose of preserving the aims of the Plan.

The Board may, at its sole discretion, amend the Plan if it deems it necessary in order to align the Plan with statutory or regulatory requirements, or to correct any inconsistencies, defects or omissions in the Terms and Conditions (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP) and/or the Plan.

In the event of a *de-listing* or change of control, and at the Board's sole discretion, the Bonus payable under the STI MBO Scheme 2018 and the Three-year Deliver LTIP may be paid in advance with respect to the timing provided for in the Terms and Conditions, in accordance with the "*Guidelines for BancoPosta RFC's remuneration and incentive policies*" from time to time in effect.

3.4. Description of the methods of determining the availability and the award of the financial instruments on which the plans are based

⁵ The persons potentially delegated by the Board of Directors are the CEO-GM and/or the Head of the BancoPosta function.

⁶ See the previous note.

The Plan – with reference to the STI MBO Scheme 2018 and the Three-year Deliver LTIP – does not involve the award or purchase of Shares by the Company, at the time of preparation of this document, other than in the event of the potential conversion of the Deliver LTIP into Shares.

Instead, the Plan envisages the award to Beneficiaries of phantom stocks, granting the Beneficiary, in accordance with the Terms and Conditions (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP), the right to receive a cash Bonus.

3.5. Role played by each director in determining the nature of the plan; any conflicts of interest arising in relation to the directors involved

The Remuneration Committee was involved, at the various stages, in defining the essential characteristics of the Plan. The Committee consists entirely of non-executive and independent Directors, as defined by article 148, paragraph 3 of the CLF and article 3 of the Corporate Governance Code, and has the required number of members with appropriate expertise and experience in financial matters or remuneration policies and risk management.

3.6. For the purposes of the requirements of art. 84-bis, paragraph 1, the date of the decision taken by the relevant body to propose approval of the plan by the general meeting and of the recommendation by the remuneration committee

On 19 April 2018, the Board, on the recommendation of the Remuneration Committee, which met on 16 April 2018, voted to submit adoption of the Plan for approval by the Annual General Meeting of Shareholders.

3.7. For the purposes of the requirements of art. 84-bis, paragraph 5, letter a), the date of the decision taken by the relevant body regarding the award of the instruments and of the recommendation to this body by the remuneration committee

The Annual General Meeting that will approve the Plan has been called for 29 May 2018 in single call. If the Plan is approved by the Annual General Meeting, the Board of Directors, on the recommendation of the Remuneration Committee and/or the CEO-GM/Head of BancoPosta, as the case applies, will take the related decisions regarding the award of instruments.

The information relating this latter point, required by art. 84-bis, paragraph 5, letter a) of the Regulations for Issuers, is not at this time available and will be provided in compliance with the statutory requirements in effect.

3.8. The market price, recorded on the above dates, of the financial instruments on which the plan is based, if traded on regulated markets

The market price, as defined by point 3.7, is not available as the Annual General Meeting to approve the Plan will be held on 29 May 2018.

The market price of the Shares recorded on the dates referred to in paragraph 3.6 is as follows:

- official price of Poste Italiane's shares on the screen-based stock exchange (MTA) organized and managed by Borsa Italiana SpA on 19 April 2018: €7.758;
- official price of Poste Italiane's shares on the screen-based stock exchange (MTA) organized and managed by Borsa Italiana SpA on 16 April 2018: €7.720.

- 3.9. In the case of financial instruments traded on regulated markets, in what terms and in accordance with what procedures does the issuer take into account, when establishing the timing of the award of instruments in implementation of the plans, the potential for the following to occur at the same time: (i) the above award and any decisions in this regard by the remuneration committee, and (ii) the disclosure of price sensitive information, as defined by art. 114, paragraph 1; for example, where such information is: a. not already in the public domain and capable of causing market prices to rise, or b. already in the public domain and capable of causing market prices to fall**

Any disclosures of price sensitive information at the time of any award of phantom stocks would have no effect on the Beneficiaries who, under the terms of the Plan, cannot trade in the Shares, given that they are not actually in possession of any such Shares. Beneficiaries are prohibited from taking out personal insurance, income protection or any other form of cover that may modify or affect the impact of risk alignment in variable pay plans.

4. NATURE OF THE INSTRUMENTS AWARDED

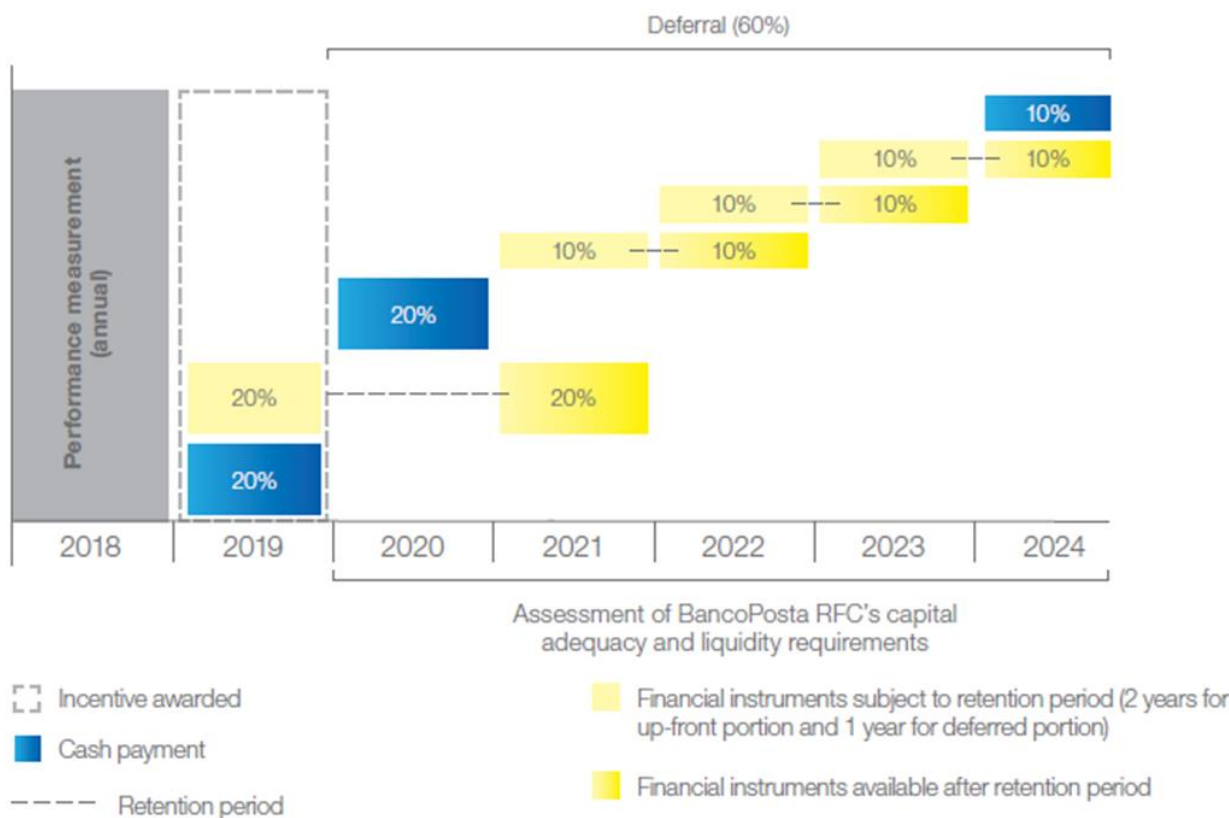
4.1. Description of the way in which the equity-based plans are structured

Both the STI MBO Scheme 2018 and the Three-year Deliver LTIP envisages the award of 50% of the respective Bonuses in the form of phantom stocks in accordance with the related Terms and Conditions. Award of the incentive (and, therefore, also of the phantom stocks) is subject to meeting the Hurdle and Qualifying Conditions and achievement of the Performance Targets (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP), based on the criteria described in paragraph 2.2 above.

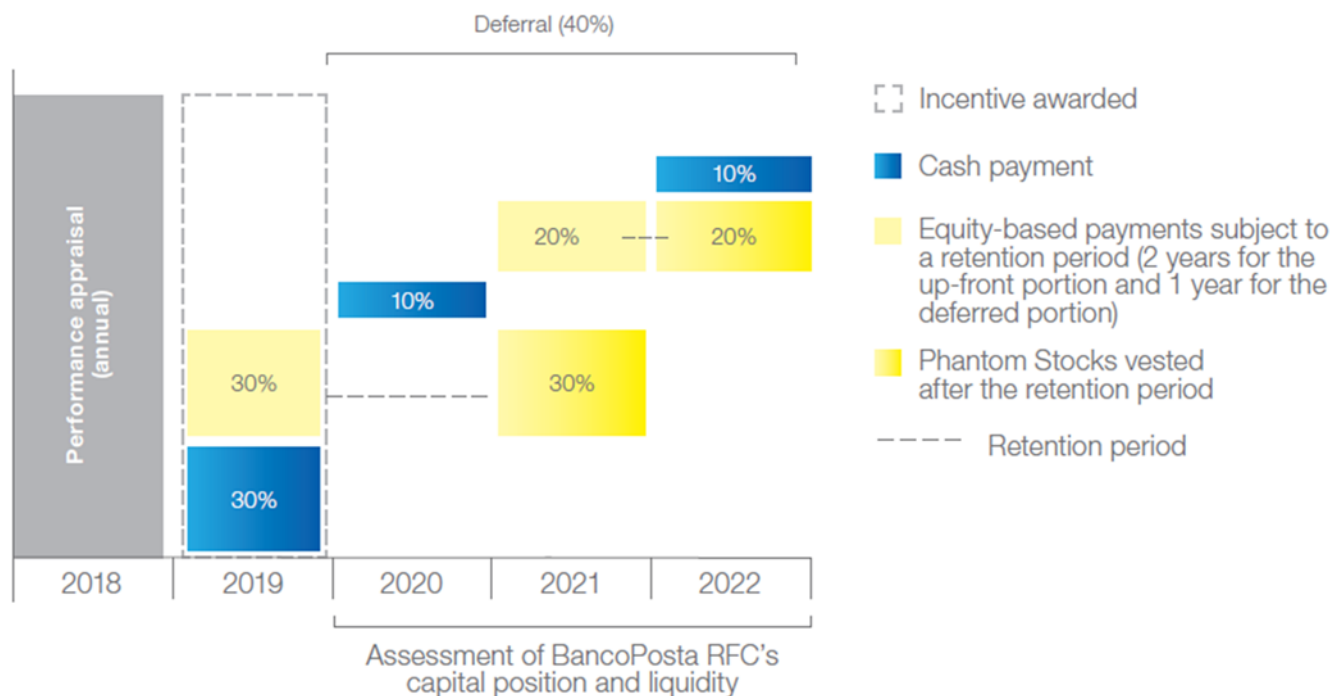
4.2. Indication of the period of effective implementation of the plan, including reference to any different cycles

STI MBO Scheme 2018

Where the incentive is above the materiality threshold (equal to €50,000), 60% of the short-term variable component is subject to deferral for a 5-year period (pro-rata) in the case of Material Risk Takers with a high level of variable remuneration, being personnel who are beneficiaries of both STI MBO and the Phantom Stock LTIP 2018-2020 (or third cycle) approved by the General Meeting of Shareholders on 24 May 2016. This arrangement ensures that the remuneration takes into account the risks assumed by the Company over time. 50% of the award is in the form of phantom stocks, which are awarded in several tranches and are subject to a retention period of two years (for the up-front portion) or one year (for the deferred portions). At the end of the retention period, having verified compliance with BancoPosta RFC's capital and liquidity thresholds, the phantom stocks will be converted into a cash Bonus. The timing of implementation of the Plan is shown in the following chart:



In the case of Material Risk Takers who do not have a high level of variable remuneration, where the incentive is above the materiality threshold (equal to €50,000), 40% of the variable component is subject to deferral for a 3-year period (pro-rata), thus ensuring that the remuneration takes into account the risks assumed by the Company over time. The following chart shows the timing of deferrals:



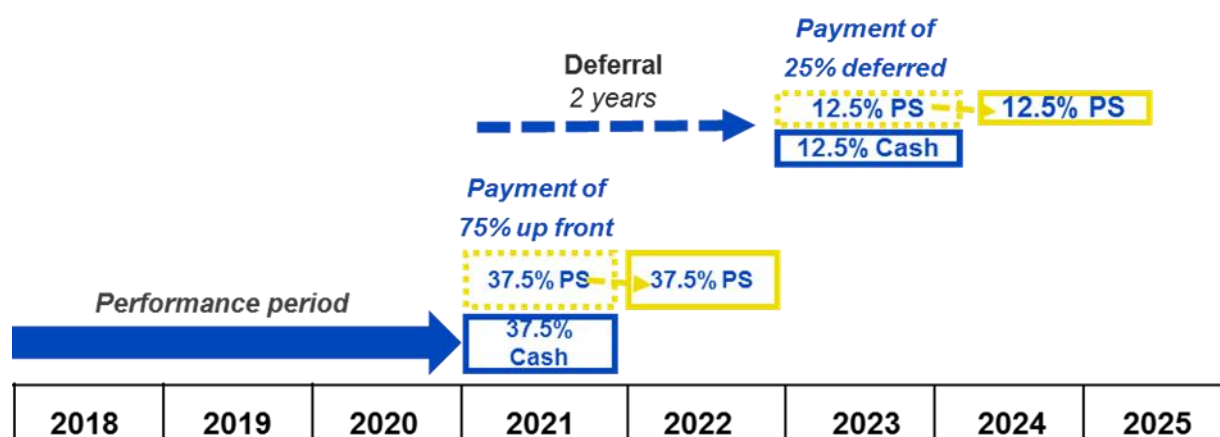
In each of the above instances, payment of the deferred portion will take place each year, provided that BancoPosta RFC's capital and liquidity thresholds have been complied with. Thresholds must be met also at the end of the retention period.

Three-year Deliver LTIP

25% of the Bonus resulting from the Three-year Deliver LTIP is subject to forms of payment deferred for a period of 2 years thus ensuring that the remuneration takes into account the risks assumed by the Company over time. 50% of both the up-front and deferred payments are in the form of phantom stocks, with both the up-front and deferred portions subject to a one-year retention period.

Payment of the deferred portion will take place, provided that payment of the deferred portion is sustainable in respect of BancoPosta RFC's financial position, without limiting its ability to maintain or achieve adequate levels of capital and liquidity in relation to the risks assumed; moreover the deferred portion is paid if there is no reason to apply the malus provisions. Payment of the deferred portion is also subject to Poste Italiane's inclusion in internationally recognised sustainability indices.

Confirmation that BancoPosta RFC's capital adequacy and liquidity requirements have been met will also take place prior to the payment of portions subject to retention. At the end of the retention period, having verified compliance with the above requirements, the phantom stocks will be converted into cash. The timing of implementation of the Plan is shown in the following chart:



4.3. Termination of the plan

Reference should be made to paragraph 4.2 above.

4.4. The maximum number of financial instruments, including in the form of options, awarded each financial year to named individuals or specific categories

Without prejudice to the fact that the variable component awarded to Material Risk Takers (approximately 66 Beneficiaries) is capped at a ratio of 1:1 with the fixed component and without prejudice to the entity of the incentives awarded to Beneficiaries on achievement of the related targets (paragraph 2.3), the exact maximum number of phantom stocks awarded each year cannot be determined. The number of phantom stocks awarded will, in fact, be determined on the basis of the criteria described in paragraphs 2.2, 2.3 and 4.8.

4.5. Procedures and provisions regarding implementation of the plan, specifying if the effective award of instruments is subject to the occurrence of certain conditions or the achievement of determinate results, including those that are performance-related; a description of the related conditions and results

Payment of the Bonus linked to the STI MBO Scheme 2018 and the Three-year Deliver LTIP is, with reference to each Incentive Scheme, subject to meeting the Hurdle and Qualifying Conditions and achievement of the Performance Targets over the Performance Periods.

In line with the “*Guidelines for BancoPosta RFC's remuneration and incentive policies*”, without prejudice to the right to claim for any further damages, following disbursement of the bonus payable, and within the time limit set by the related statute of limitations, the Company may request repayment of any amounts disbursed, up to the entire amount paid. This applies, regardless of whether or not employment is ongoing or has been terminated, in the event of:

- fraud or gross misconduct on the part of the Beneficiary to the detriment of the Company, including BancoPosta RFC, or another Group company;
- violation of the obligations set out in article 26 or, where applicable, article 53, paragraphs 4 *et seq.* of the Consolidated Law on Banking or of the obligations in respect of remuneration and incentives;
- conduct that has resulted in a significant deterioration in the financial position or reputation of the Company, including BancoPosta RFC, or another Group company;
- payment of the bonus on the basis of information that was subsequently revealed to be inaccurate and/or misleading.

Occurrence of one or more of the above circumstances also results in the application of malus provisions to any deferred portions of incentives yet to be paid.

4.6. Indication of any restrictions on the availability of the instruments awarded, or of instruments resulting from the exercise of options, with specific reference to the terms within which it is permitted or prohibited to transfer the instruments to the company itself or to third parties

The phantom stocks awarded are subject to a retention period. At the end of the retention period, having verified compliance with BancoPosta RFC's capital and liquidity thresholds, the phantom stocks will be converted into a sum determined on the basis of the market value of Poste Italiane's shares in the thirty stock exchange trading days prior to the date of conversion.

4.7. Description of any termination provisions, in relation to awards under the plan, that are triggered by beneficiaries enter into hedging transactions enabling them to circumvent any restrictions on the sale of the financial instruments awarded, including in the form of options, or of financial instruments resulting from the exercise of options

Beneficiaries are prohibited, at the risk of forfeiting their right to payment of the Bonus, from entering into hedging transactions enabling them to alter or affect the alignment with risk inherent in the terms of the equity-based incentive plans.

4.8. Description of the effects of the termination of employment

Without prejudice to any good leaver / bad leaver provisions in the Terms and Conditions (specific for the STI MBO Scheme 2018 and the Three-year Deliver LTIP), payment of the respective Bonuses will take place as usual, provided that employment is ongoing at the time of effective payment of the Bonus and the employee is not serving a period of notice.

With regard to the Three-year Deliver LTIP, in the event of termination of employment before the award of the benefits, the beneficiary classed as a "good leaver" (or his or her heirs) will have the right to receive the Bonus on a pro-rata basis, without prejudice to the need to confirm achievement of the performance gate, the qualifying conditions and the degree to which the performance targets have been met.

In addition, all payments linked to the early termination of employment to which the beneficiary is entitled are made in accordance with the procedures for the STI MBO Scheme 2018 with regards to deferral, equity-based payments and assessment of compliance with BancoPosta RFC's capital and liquidity thresholds.

In the case of the termination of employment of Material Risk Takers who are beneficiaries of both the short-term incentive scheme (STI MBO) and the Phantom Stock LTIP 2018-2020 (or third cycle), the following conditions apply:

- 40% of the payment due on termination of employment is payable as follows: 50% in cash and the remaining 50% in the form of equity-based payments (phantom stocks, representing the value of Poste Italiane's shares), subject to a two-year retention period; this portion is subject to assessment of compliance with BancoPosta RFC's capital and liquidity thresholds;
- 60% of any remuneration payable on termination of employment is to be deferred over a period of 5 years (pro-rata) and is payable as follows: 50% in cash and the remaining 50% in the form of phantom stocks; the deferred portions are subject to assessment of compliance with BancoPosta RFC's capital and liquidity thresholds;

- the pro-rata deferred payment over 5 years is structured as follows:
 - after the first year of deferral, a portion equal to one third of the amount payable is paid in cash;
 - one sixth of the amount payable is paid in phantom stocks in the second, third and fourth year;
 - the final portion, equal to one sixth of the amount payable, is paid in cash in the fifth and final year;
- deferred portions paid in the form of equity-based payments are subject to a one-year retention period;
- at the end of the retention period, having verified compliance with BancoPosta RFC's capital and liquidity thresholds, the phantom stocks will be converted into a sum determined on the basis of the average market price of Poste Italiane's shares in the thirty stock exchange trading days prior to the date of conversion of the phantom stocks;
- the total amount payable is subject to clawback provisions, applicable up to the entire amount paid within the time limit set by the related statute of limitations and under the circumstances defined in the guidelines for remuneration and incentive policies from time to time in effect.

Again with regard to the early termination of employment for the remaining Material Risk Takers (not including Beneficiaries of the long-term incentive plan, the Phantom Stock LTIP 2018-2020 (or third cycle), the following conditions apply:

- 60% of the payment due on termination of employment is payable as follows: 50% in cash and the remaining 50% in the form of equity-based payments (phantom stocks, representing the value of Poste Italiane's shares), subject to a two-year retention period; this portion is subject to assessment of compliance with BancoPosta RFC's capital and liquidity thresholds;
- 40% of any remuneration payable on termination of employment is to be deferred over a period of 5 years (pro-rata) and is payable as follows: 50% in cash and the remaining 50% in the form of phantom stocks; the deferred portions are subject to assessment of compliance with BancoPosta RFC's capital and liquidity thresholds;
- the pro-rata deferred payment over 3 years is structured as follows:
 - after the first year of deferral, a portion equal to one quarter of the amount payable is paid in cash;
 - two quarters of the amount payable is paid in phantom stocks in the second year;
 - the final portion, equal to one quarter of the amount payable, is paid in cash in the third and final year;
- deferred portions paid in the form of equity-based payments are subject to a one-year retention period;
- at the end of the retention period, having verified compliance with BancoPosta RFC's capital and liquidity thresholds, the phantom stocks will be converted into a sum determined on the basis of the average market price of Poste Italiane's shares in the thirty stock exchange trading days prior to the date of conversion of the phantom stocks;
- the total amount payable is subject to clawback provisions, applicable up to the entire amount paid within the time limit set by the related statute of limitations and under the circumstances defined in the guidelines for remuneration and incentive policies from time to time in effect.

4.9. Indication of any other causes of termination of the plan

There are no provisions governing termination of the Plan, except for the procedures for revising the Plan described in paragraph 3.3.

4.10. Reasons for a potential provisions relating to “redemption”, by the company, of the financial instruments on which the plan is based in accordance with art. 2357 *et seq.* of the Italian Civil Code; indication of the Beneficiaries of the redemption, specifying if the redemption is only aimed at certain categories of employees; the impact of the termination of employment on such redemption

Not applicable.

4.11. Any loan or other facilities to be made available for the purchase of shares, as defined by art. 2358, paragraph 3 of the Italian Civil Code

Not applicable.

4.12. Indication of assessments of the expected cost to the company at the grant date, as determinable on the basis of the terms and conditions previously established, in terms of a total amount and in relation to each instrument in the plan

This amount cannot currently be computed as it will depend on the value (i) of the vested Bonuses, and (ii) of Poste Italiane's Shares at the time of award of the phantom stocks or payment of the Bonuses. The estimated cost of over the life of the Plan, as described in this Information Circular in line with the contents of paragraph 4.8 and assuming that the price of Poste Italiane's Shares remains stable (compared with a price of €7.420 recorded in the thirty stock exchange trading days prior to the date of approval of the Plan) is approximately €7 million.

4.13. Indication of any dilutive effects resulting from the award of shares

Not applicable.

4.14 – 4.23

Not applicable.

* * *

Table 1, as provided for in paragraph 4.24 of Form 7 of Annex 3A to the Regulations for Issuers, will be provided later in accordance with the procedures established by art. 84-*bis*, paragraph 5, letter a) of the Regulations for Issuers.

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