

## **Equity-based incentive plans**

### **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 plans**” approved by the Board of Directors of Poste Italiane S.p.A. (the “**Company**” or “**Poste Italiane**”).

On 5 March 2020, 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 “**Short-term equity-based incentive plan for 2020, for BancoPosta RFC’s Material Risk Takers**” (the “**MBO 2020 STI Plan**”) illustrated in this document for submission to the General Meeting of Shareholders to be held on 16 April 2020.

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 Incentive Schemes is approved by the General Meeting of Shareholders and in compliance with the resolutions adopted by the General Meeting.

The Plan described in this Information Circular 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, as amended and supplemented, and made available for consultation at the registered office of Poste Italiane, on the authorised storage system “eMarket STORAGE” ([www.emarketstorage.com](http://www.emarketstorage.com)) and on the Company’s website (<https://www.posteitaliane.it/en/remuneration.html>).

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**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.

<b>“Assignment Letter”</b>	the letter by which the Company informs each Beneficiary that they are to participate in the MBO 2020 STI Plan;
<b>“Available Shares”</b>	the Shares resulting from the Incentive Schemes that have met the retention period requirement and on which all taxes have been paid;
<b>“Award Date”</b>	the date on which the Beneficiary effectively acquires title to the Shares, available for free disposition by the Beneficiary, following prior completion of all the necessary accounting and administrative procedures following conversion of the Rights into Shares at the end of the Retention Period;
<b>“BancoPosta RFC”</b>	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;
<b>“Beneficiaries”</b>	the beneficiaries of the Incentive Scheme;
<b>“Board” or “Board of Directors”</b>	the Company’s Board of Directors;
<b>“Company”</b>	Poste Italiane SpA;
<b>“Control”</b>	has the meaning attributed to it by art. 2359, paragraph 1.1 of the Italian Civil Code; <b>“Subsidiary”</b> and <b>“Parent”</b> should be interpreted accordingly;
<b>“Deferral Period”</b>	the period following the Performance Period, whose duration varies from three to five years depending on the category to which the Beneficiaries belong;
<b>“Fixed Pay”</b>	the gross annual fixed pay in cash and any fixed remuneration payable by the Company in accordance with art. 2389 of the Italian Civil Code;
<b>“General Manager”</b>	the Company’s General Manager, who is also its

	Chief Executive Officer;
<b>“General Meeting” or “General Meeting of Shareholders”</b>	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;
<b>“Grant Date”</b>	for the up-front portion, this coincides with the Vesting Date;  for the deferred portions, the date on which the Board of Directors confirms achievement of the Malus Provisions with reference to the year prior to the end of the Deferral Period for the portions, as a result determining whether or not to grant the Rights relating to the deferred portions;
<b>“Group” or “Poste Italiane Group”</b>	collectively: (i) the Company; and (ii) the Company’s direct and indirect Subsidiaries;
<b>“Hurdle and Qualifying Conditions”</b>	the conditions, confirmed at the end of the Performance Period, that if not met the rights (and, as a result, the Shares) are not granted, even if the Performance Targets have been met;
<b>“Incentive Scheme”</b>	the “Short-term equity-based plan for 2020 for BancoPosta RFC’s Material Risk Takers (“MBO 2020 STI Plan”);
<b>“Laws”</b>	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;
<b>“Malus Provisions”</b>	the provisions to be assessed at the end of the Deferral Period prior to grant of the deferred portions;
<b>“Material Risk Takers”</b>	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;
<b>“Normalised Value”</b>	the arithmetic average of the prices of the Shares observed in the 30 stock exchange trading days prior to a given date.
<b>“Performance Period”</b>	the annual period to which the Performance Targets

	refer;
<b>“Performance Targets”</b>	the Performance Targets assigned on achievement of which the beneficiary will have the right to receive the Rights;
<b>“Remuneration Committee”</b>	the Board Committee established by the Company’s Board of Directors, based on articles 4 and 6 of the Borsa Italiana S.p.A. Corporate Governance Code (2018 edition) and aligned with Bank of Italy Circular 285/2013, as revised;
<b>“Retention Period”</b>	period of one year from the Grant Date for the Rights, in relation to the up-front and deferred portions, during which they cannot be transferred;
<b>“Right”</b>	the right awarded to Beneficiaries to receive a Share in accordance with the Terms and Conditions and the Assignment Letter;
<b>“Senior Management”</b>	personnel who head major operating or business units with responsibility for strategic decision-making or other key decisions relating to the conduct of the business or the control framework applied; the heads of the business functions (identified when the Board of Directors approved the list of Material Risk Takers) Mass Market, Affluent, Business and Public Administration and Place Marketing;
<b>“Shares”</b>	Poste Italiane’s ordinary shares;
<b>“Terms and Conditions”</b>	the terms and conditions of the “Short-term equity-based incentive plan for 2020 for BancoPosta’s Material Risk Takers” (“MBO 2020 STI Plan”) applicable to the scheme concerned;
<b>“Trading Day”</b>	a trading day of the week other than Saturday, Sunday or any other public holiday;
<b>“Transfer” and “To Transfer”</b>	the transfer of Rights or the right to receive Rights, for whatever reason and in whatever circumstances, including the formation of real or personal rights, of a universal or specific nature, for consideration or without consideration, voluntarily or under duress, including the sale, contribution, exchange, lease, usufruct, the conclusion of fiduciary or trust arrangements or other agreements or transactions with an equivalent effect;

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**“Vesting Date”**

the date of the Board of Directors’ resolution confirming achievement of the Hurdle and the Qualifying Conditions, in addition to the level of achievement of the Performance Targets, determining the total number of vested Rights to the Beneficiaries;

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## **SHORT-TERM EQUITY-BASED PLAN FOR 2020 FOR BANCOPOSTA RFC'S MATERIAL RISK TAKERS ("MBO 2020 STI PLAN")**

### **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**

The Company's Chief Executive Officer and General Manager (CEO-GM) is the Beneficiary of the Plan, in his role as General Manager.

For the 2020-2022 term, the General Meeting of the Shareholders and the Board of Directors, each within its purview, will set the parameters for the remuneration of the Chief Executive Officer and General Manager (CEO-GM) in accordance with the Report on the 2020 Remuneration Policy, the approval processes established by the Company and applicable legislation.

The CEO-GM falls within the scope of application of the "*Guidelines for BancoPosta RFC's remuneration and incentive policies for 2020*" and is therefore subject to the existing supervisory standards for banks.

A number of the potential MBO 2020 STI Plan Beneficiaries, in addition to exercising the management powers connected with their positions, may also be members of the boards of directors of companies controlled by the Company. In any event, as these individuals are potentially beneficiaries of the MBO 2020 STI Plan, as employees of the Company 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 2020*". At the date of this document, these include approximately 35 Material Risk Takers 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 Standards (RTSs) and set out in the "*Guidelines for BancoPosta RFC's remuneration and incentive policies for 2020*".

#### **1.3. The names of the parties benefiting from the plan belonging to the following groups:**

- a) *general managers of the financial instrument issuer*

The MBO 2020 STI Plan Beneficiaries include the Company's General Manager.

- 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, as there are no key management personnel who have, over the course of the previous 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 issue*

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;*

At the time of preparation of this Information Circular, key management personnel who are MBO 2020 STI Plan Beneficiaries are:

- the Head of the BancoPosta function, Laura Furlan;
- the Manager Responsible for Financial Reporting, Alessandro Del Gobbo.

- 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, as the Company's is not classed as a small company.

- 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, the aim of the Plan is to link the variable component of remuneration to BancoPosta RFC's strategy, the budget and the Strategic Plan and short-term performance over an annual 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 use of the Company's Shares to pay out a portion of the Bonus, accompanied by the Deferral and Retention periods aims to guarantee the continuous alignment of management's interests with those of the shareholders over time (see points 2.2 and 4.2 in this document).

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

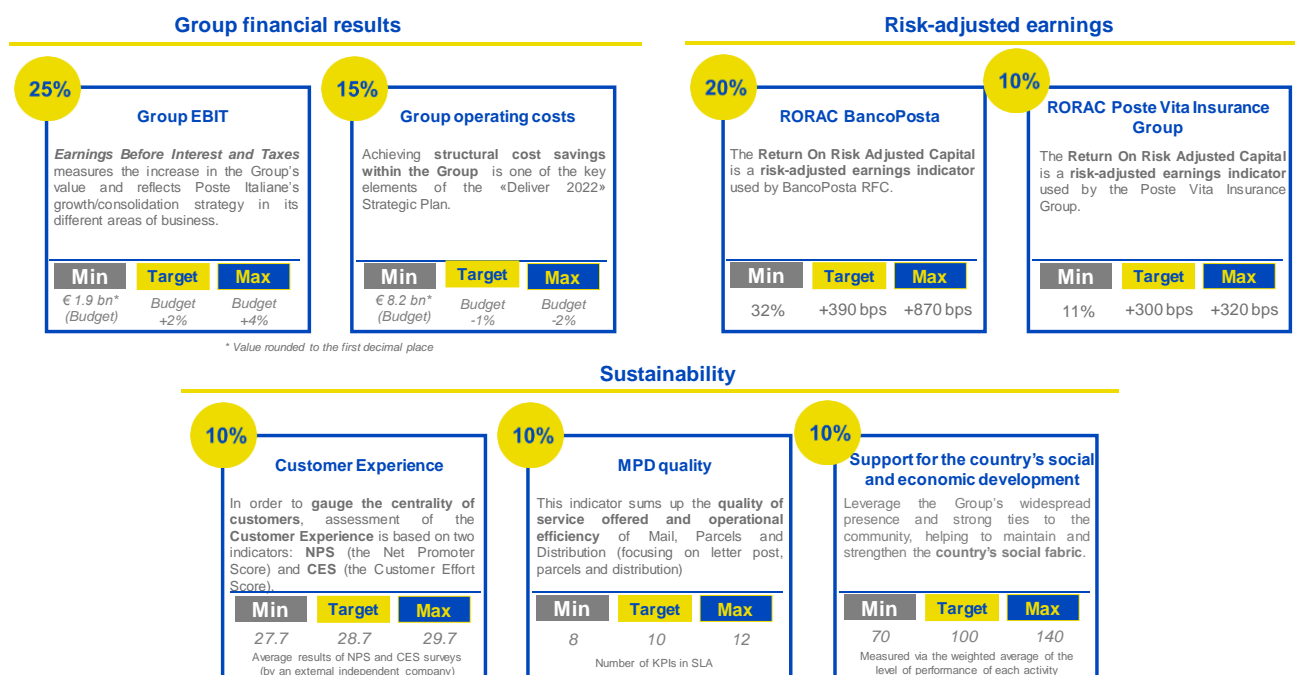
The MBO 2020 STI Plan envisages the right to a Bonus payable partly in cash and partly in Shares, subject to the achievement of the Performance Targets over the Performance Period. Vesting of the Bonus (and thus of the Rights to receive Shares) is subject to achievement of the Hurdle and the Qualifying Conditions, as described below:

Hurdle	Qualifying Conditions
Group earnings: EBIT	BancoPosta's Capital adequacy: CET 1 risk tolerance level approved in the Appetite Framework at the end of period
	BancoPosta's short-term liquidity: LCR risk tolerance level approved in the Appetite Framework at the end of period

The "Group EBIT" Hurdle Condition has been set at the level of the budget, whereas the parameters established for the Qualifying Conditions have been set at the level of the risk tolerance of the BancoPosta RFC's Risk Appetite Frameworks.

It should be noted that, in addition to the above hurdle and qualifying conditions, the General Manager must also meet a further qualifying condition linked to the Poste Vita Insurance Group's Solvency Ratio at the risk tolerance level.

The Performance Targets for the MBO 2020 STI Plan for the General Manager are as follows:



The Performance Targets for the MBO 2020 STI Plan for the Other Beneficiaries are assigned on an individual basis, with a focus on risk-adjusted performance indicators (e.g. BancoPosta's RORAC) and sustainability indicators (e.g. Customer Experience). Payment of the bonus is linked to the degree to which the assigned performance targets are achieved.

The MBO 2020 STI Plan envisages the right to a Bonus payable partly in cash and partly in Rights to receive Shares for both the up-front and deferred portions (where the total variable component awarded in excess of the materiality threshold, equal to €50,000). The number of Rights will depend on the Bonus granted and the Normalised Value of the Shares at the vesting date for the Bonus.

The method for payout of the Bonus under the MBO 2020 STI Plan varies depending on the specific category to which the Beneficiary belongs:

- i. in the case of the General Manager and the Head of the BancoPosta function, 60% of the Bonus is deferred for a period of 5 years (pro rata); 45% of the amount payable is paid in cash and 55% in shares of Poste Italiane, with a higher percentage of the deferred portion being in Shares;
- ii. in the case of Beneficiaries belonging to Senior Management, 40% of the Bonus is deferred for a period of 5 years (pro rata); 45% of the amount payable is paid in cash and 55% in Shares, with a higher percentage of the deferred portion being in Shares. In the event of variable remuneration in excess of €424,809, the structure of the payout will be aligned with the procedure described in point i. above;
- iii. for the Other Beneficiaries (not belonging to the previous two categories), 40% of the Bonus is deferred for a period of 3 years (pro rata), with 50% payable in cash and 50% in Shares for both the up-front and deferred portions. In the event of variable remuneration in excess of €424,809, the structure of the payout is modified with the deferred component becoming 60%.

The Rights to receive Shares are subject to a one-year Retention Period for both the up-front and deferred portions.

In all the above cases, payment of the deferred portion will take place each year, provided that the risk tolerance levels for BancoPosta RFC's capital adequacy and liquidity have been complied with. The same risk tolerance levels must also be complied with at the end of the Retention Period.

More details on the timing and payout method for the MBO 2020 STI Plan are provided in paragraph 4.2 below.

The variable component as a whole assigned 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, Beneficiaries in the control functions have short-term incentive schemes that reflect the duties assigned, assigning 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 MBO 2020 STI Plan.

The variable pay of personnel 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 Bonus 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 for the MBO 2020 STI Plan. The entity of the Bonus at target is differentiated on the above basis and ranges from a minimum of 10% up to a maximum of 50% of Fixed Remuneration.

The vesting of the Bonus (and thus the Rights to receive Shares) is subject to the achievement of the Hurdle, the Qualifying Conditions and certain levels of the Performance Targets already described above 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 MBO 2020 STI plan.

With regard to the MBO 2020 STI Plan, after the end of the Performance Period, in 2021, 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 bonus due to the General Manager and the Head of the BancoPosta function (and, as a result, the number of Rights). 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.

Payment of the Bonus 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.

**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 5 March 2020, Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee, approved submission of the Plan for approval by the General Meeting of Shareholders to be held on 16 April 2020.

The General Meeting of Shareholders 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 implementation of the Plan.

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

Without prejudice to the information provided in paragraph 3.1 above, the Board - or persons delegated thereby<sup>1</sup> - 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**

There is no procedure for reviewing the Plan, although the Board of Directors, or persons delegated by it, on the recommendation of the Remuneration Committee, in consultation, where appropriate, with other internal Board Committees, may propose upward or downward changes to the level of achievement of Performance Targets to the Board of Directors in the event of significant changes in the scope of the Group or in the accounting standards on which computation of the related financial indicators is based or of exceptional circumstances. The General Manager, as a Plan Beneficiary, will not take part in the Board's discussion or deliberation of such matters.

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

To implement the Plan, the Company will make use of treasury Shares purchased following the resolution passed by the General Meeting of Shareholders of 29 May 2018.

#### **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 articles 148, paragraph 3 of the CLF and article 3 of Borsa Italiana SpA's Corporate Governance Code, and has the required number of members with appropriate expertise and experience in financial matters or remuneration policies and risk management.

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<sup>1</sup> The persons potentially delegated by the Board of Directors are the General Manager and/or the Head of the BancoPosta function.

**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 5 March 2020, Poste Italiane's Board of Directors, on the recommendation of the Remuneration Committee, meeting on the same date, approved submission of the Plan for approval by the 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 General Meeting of Shareholders that will approve the Plan has been called for 16 April 2020 in single call. If the Plan is approved by the General Meeting, the Board of Directors, on the recommendation of the Remuneration Committee, and/or a person delegated by the Board, as the case applies, will take the related decisions regarding the Plan's implementation, including the conversion of a part of the Bonus into Rights to receive Shares based on the Normalised Value of the Shares at the vesting date for the Bonus.

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 General Meeting to approve the Plan will be held on 16 April 2020.

The market price of the Shares recorded on the date 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 5 March 2020: €9,432

**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**

Implementation of the Plan by the Board of Directors will take place subject to prior approval of the Plan by the General Meeting, having obtained the opinion of the Remuneration committee and in consultation with the Board of Statutory Auditors, in compliance with the statutory requirements in force.

Beneficiaries will acquire the right to receive the Bonus (and as a result the Rights and Shares) at the end of the Performance Period and only following confirmation of achievement of the Hurdle and the Qualifying Conditions and the achievement of predetermined Performance Targets.

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

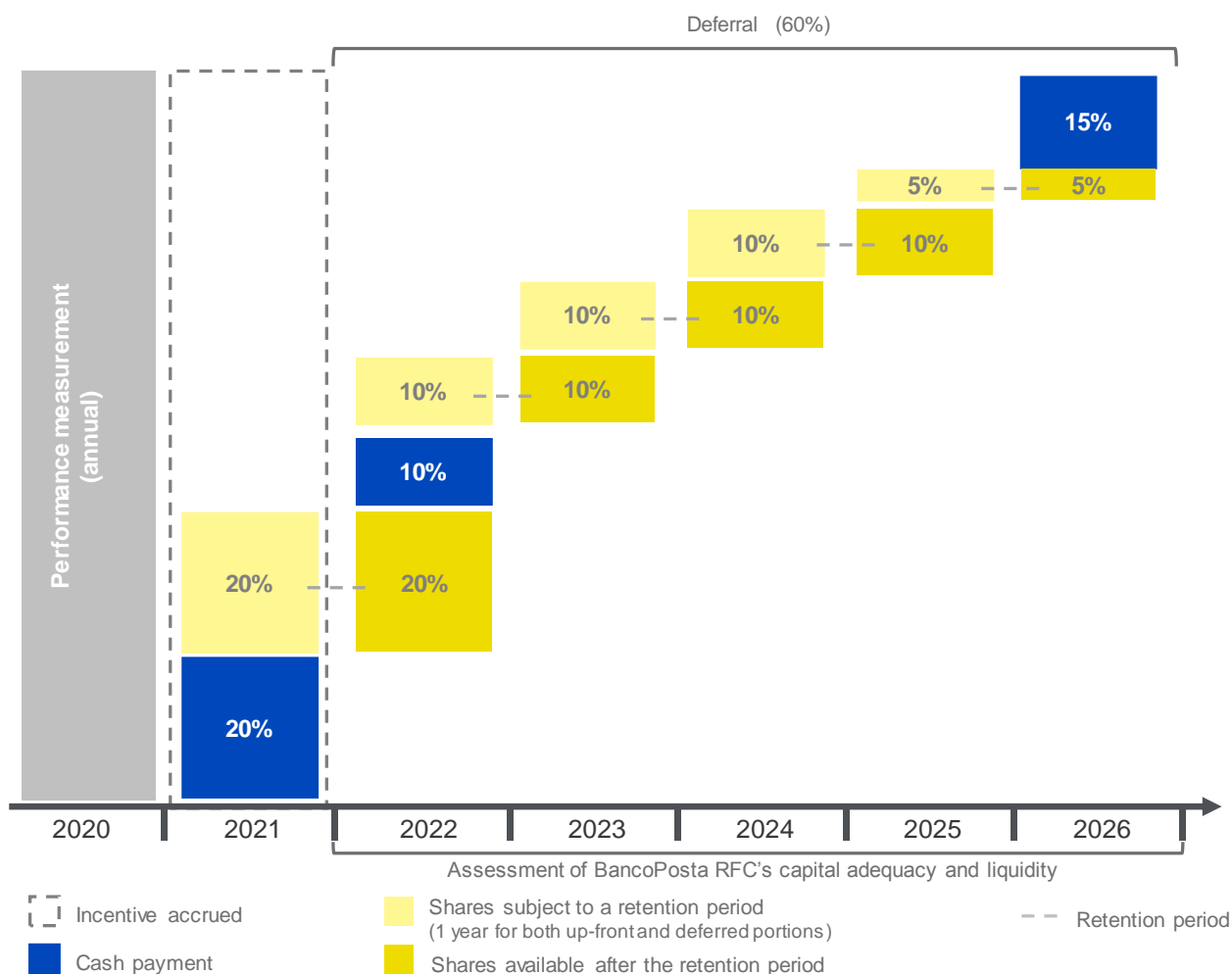
##### 4.1 Description of the way in which the equity-based plans are structured.

The MBO 2020 STI Plan envisages the award of a portion of the Bonus in the form of Shares in accordance with the Plan Terms and Conditions and Assignment Letter. Award of the Bonus (and thus of the Rights to receive Shares) is subject to achievement of the Hurdle and the Qualifying Conditions and achievement of the Performance Targets, based on the criteria described in paragraph 2.2 above.

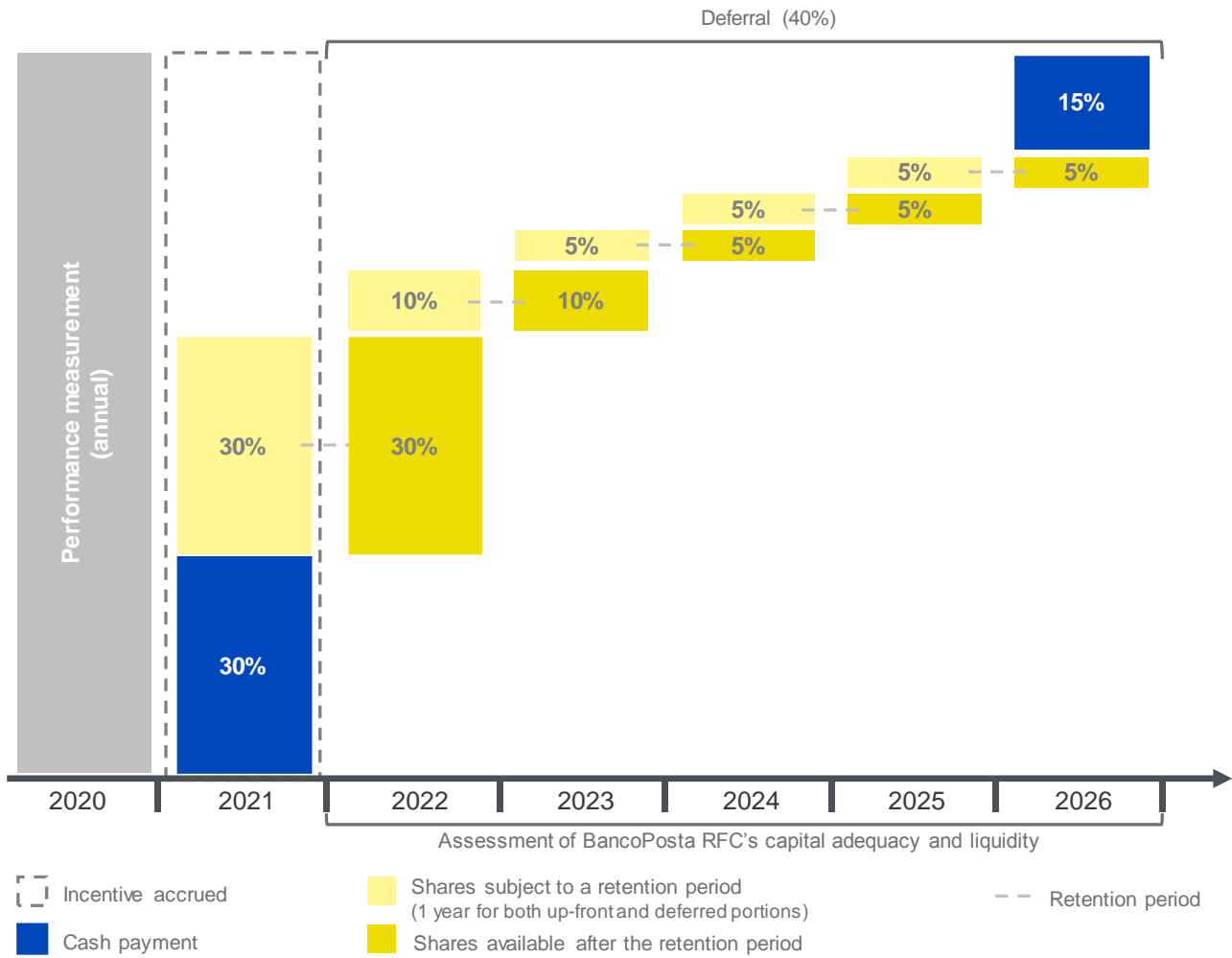
##### 4.2 Indication of the period of effective implementation of the plan, including reference to any different cycles.

The method for payout of the Bonus under the MBO 2020 STI Plan varies depending on the specific category to which the Beneficiary belongs.

In the case of the General Manager and the Head of the BancoPosta function, 60% of the Bonus is deferred for a period of 5 years (pro rata). 45% of the amount payable is paid in cash and 55% in Shares, with a higher percentage of the deferred portion being in Shares, as follows:

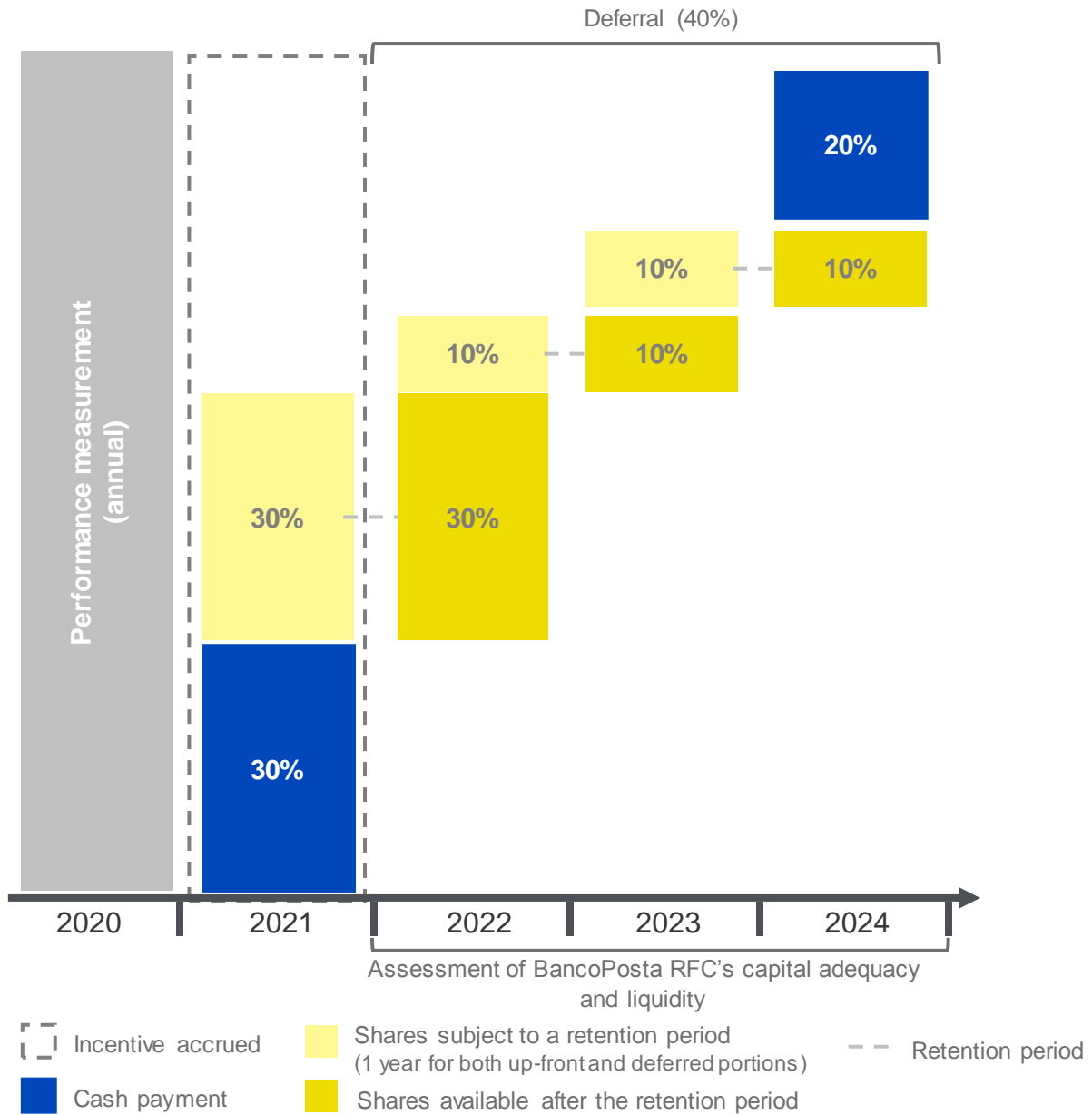


In the case of Beneficiaries belonging to Senior Management, 40% of the Bonus is deferred for a period of 5 years (pro rata); 45% of the amount payable is paid in cash and 55% in Shares, with a higher percentage of the deferred portion being in Shares, as follows:

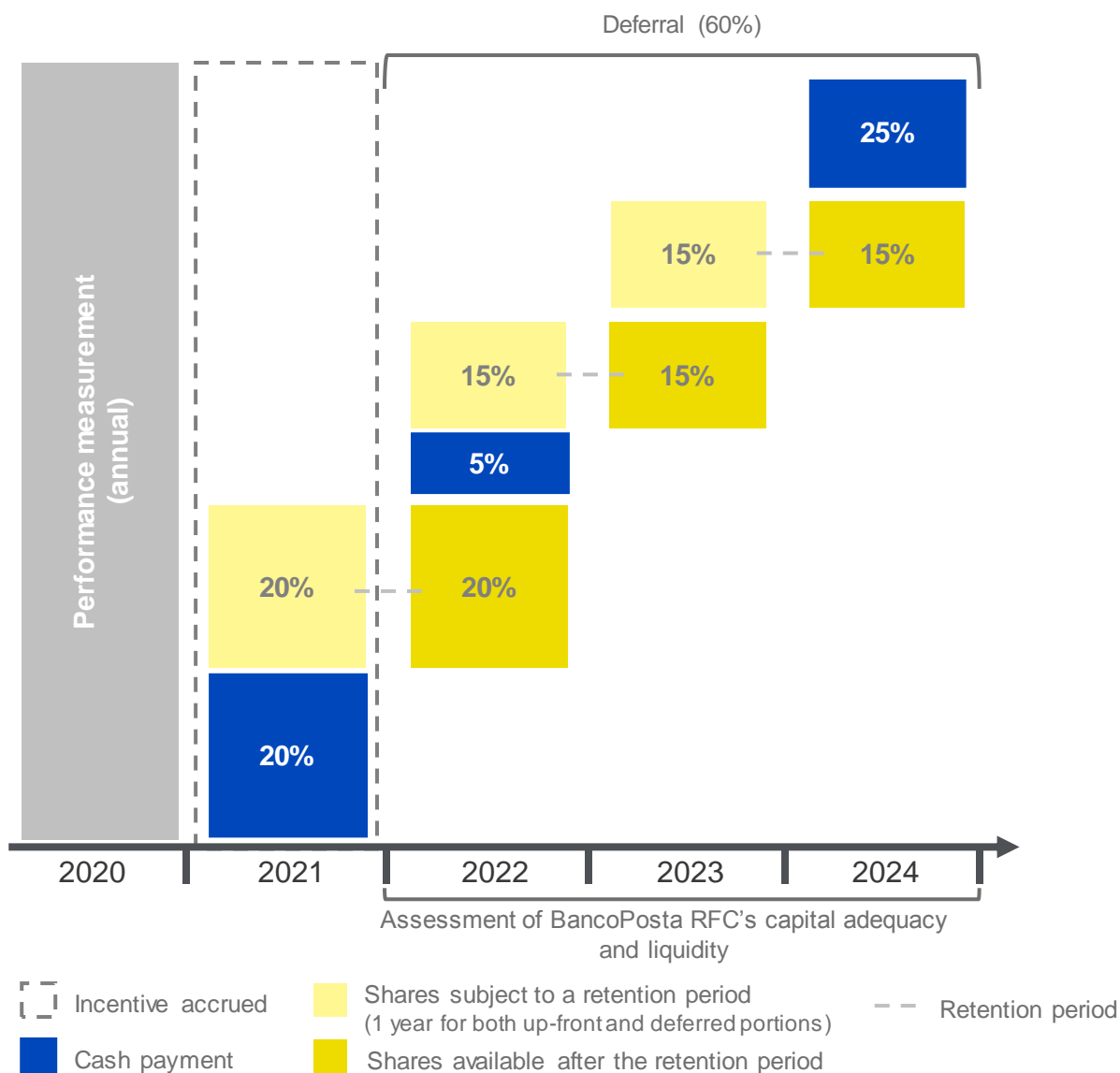


In the event of variable remuneration in excess of €424,809, the structure of the payout will be aligned with the procedure followed for the General Manager and the Head of the BancoPosta function.

For the Other Beneficiaries (not belonging to the previous two categories), 40% of the Bonus is deferred for a period of 3 years (pro rata), with 50% payable in cash and 50% in Shares for both the up-front and deferred portions, as follows:



In the event of variable remuneration in excess of €424,809, the structure of the payout will be modified to provide for a deferred portion of 60% over 3 years; both the up-front portion and the deferred portion will be 50% payable in Shares according to the scheme presented below:



The portions in Shares are subject to a one-year Retention Period for both the up-front and deferred portions.

In all the above cases, payment of the deferred portion will take place each year, provided that the risk tolerance levels for BancoPosta RFC's capital adequacy and liquidity have been complied with. The same risk tolerance levels must also be complied with at the end of the Retention Period.

#### 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 assigned to Material Risk Takers (approximately 35 Beneficiaries) is capped at the ratio with the fixed component approved by the General Meeting of

Shareholders and without prejudice to the amount of the incentives awarded to Beneficiaries on achievement of the related targets (paragraph 2.3), the exact maximum number of Shares awarded each year cannot be determined. The number of Shares vested 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 MBO 2020 STI Plan is subject to meeting the Hurdle and Qualifying Conditions and achievement of the Performance Targets over the Performance Periods.

In line with the terms set out in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policies*”, the Company may request the return of the Bonus awarded, taking into account the related legal, social security and tax considerations, regardless of whether or not the employment relationship is still in progress or has ceased. Within 5 years of disbursement of each Bonus and, in any event, within the time limit set by the related statute of limitations, the Company may request repayment of the Bonus, up to the entire amount paid, without prejudice to the right to claim for any further damages, in the event of:

- conduct not in compliance with the law, regulations, or the bylaws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or the Poste Italiane Group’s Integrated Policy applicable to the Company, including BancoPosta RFC, or one of the Group companies, and that has resulted in significant losses for the Company, a Group company or for customers;
- further conduct not in compliance with the law, regulations, or the bylaws, the Code of Ethics, the Organisational Model pursuant to Legislative Decree 231/01 and/or the Poste Italiane Group’s Integrated Policy applicable to the Company, including BancoPosta RFC, or one of the Group companies, and that gave the beneficiary an advantage in terms of the incentives due;
- violations 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;
- fraud or gross misconduct on the part of the beneficiary to the detriment 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 out.

**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**

Both the up-front and deferred Rights are subject to a one-year Retention Period. At the end of the Retention Period, having verified compliance with the risk tolerance levels for BancoPosta RFC’s capital and liquidity, the Rights will be converted into Shares, to which the Beneficiary will effectively acquire title.

**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**

If, before payment of the Bonus (and thus the effective award of the Shares), the employment relationship is terminated and the Beneficiary is classed as a “good leaver”, the granting of the Bonus (and the related portion in Shares) under the Plan will take place at the natural end of the related Performance Period and the Deferral and Retention Periods provided for, provided that the Plan Terms and Conditions and the Assignment Letter have been complied with, and subject to confirmation of achievement of the Performance Targets provided for in these documents. In this case, however, the Rights will be granted and, the Shares thus awarded, on a pro-rata basis through to the date of termination of the Beneficiary’s employment.

If the employment relationship is terminated before payment of the Bonus (and thus the effective award of the Shares), the Beneficiary classed as a “bad leaver” will automatically lose all the Rights deriving from the Plan, which will become ineffective, and the Beneficiary will not have the right to receive any payment or compensation for whatever reason from the Company.

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 MBO 2020 STI Plan with regards to deferral, equity-based payments (Shares) and confirmation of compliance with BancoPosta RFC’s capital and liquidity levels. Further details are provided in paragraph 4.1.2 and 4.5 in the “*Guidelines for BancoPosta RFC’s remuneration and incentive policies for 2020*”.

#### **4.9 Indication of any other causes of termination of the plan**

There are no provisions governing termination of the Plan.

#### **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 employee; 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) the variable short-term component, and (ii) the Shares at the time the Rights are granted or the Bonus paid. The estimated cost of over the life of the Plan, as described in this Information Circular in keeping with paragraph 4.8 and assuming that the Poste’s Share price remains stable over the period (with respect to a price of €10.6393 registered in the

thirty stock exchange trading days prior to the date of the Board's approval of submission of the proposed Plan to the General Meeting of Shareholders for approval) is approximately €7 million.

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

In view of the fact that the Poste Italiane Shares to be granted to Beneficiaries under the Plan will be made available through the purchase of the Company's own shares (Paragraph 3.4), it is not expected that there will be any dilutive effects.

**4.14 Any limits on the exercise of voting rights or on the assignment of property rights**

The available Shares will rank *pari passu* with the other shares, as no limits on the exercise of voting rights or on the related property rights have been provided for.

**4.15 If the shares are not traded on a regulated market, all information used in effectively measuring their value**

Not applicable.

**4.16 – 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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