

DELIVERING RESPONSIBLE GROWTH

# EQUITY-BASED INCENTIVE PLANS

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

2019

**Posteitaliane**





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2019

*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 SpA (the **“Company”** or **“Poste Italiane”**).

On 18 March 2019, 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 “Equity-based incentive plans” for submission to the General Meeting of Shareholders to be held on 28 May 2019.

This Information Circular thus provides information on the equity-based incentive plans, referring to the following incentive schemes” (the “Incentive Schemes”):

- the **“Performance Share LTIP”**, described in Section 1 of this document;
- the **“Short-term equity-based incentive plan for 2019 for BancoPosta’s Material Risk Takers” (“MBO 2019 STI plan”)**, described in Section 2 of this document.

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 Incentive Schemes described in this Information Circular qualify 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](http://www.emarketstorage.com)) and on the Company’s website (<http://www.posteitaliane.it/it/governance/remuneration>).

# 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 Date”</b>                                      | the date corresponding with the Board of Directors' resolution assigning the Beneficiary the right to receive a predetermined number of Rights  |
| <b>“Assignment Letter”</b>                                    | the letter by which the Company informs each Beneficiary that they are to participate in the Performance Share LTIP and/or the MBO 2019 STI plan  |
| <b>“Available shares”</b>                                     | the Shares resulting from the Incentive Schemes that have met all of the holding/ retention, lock-up requirements and on which all tax and/or contributions have been paid  |
| <b>“Award Date”</b>   | <p><b>Performance Share LTIP</b><br/>the date on which the Beneficiary effectively acquires title to the Shares, following prior completion of all the necessary accounting and administrative procedures:</p> <ul style="list-style-type: none"> <li>■ for BP Beneficiaries (including the General Manager), at the end of the Retention Period;</li> <li>■ for the Other Beneficiaries, at the end of the Lock-up Period;</li> </ul> <p><b>MBO 2019 STI plan</b><br/>the date on which the Beneficiary effectively acquires title to the Shares, 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</p> |
| <b>“BancoPosta Beneficiaries” or “BP Beneficiaries”</b>       | <b>Performance Share LTIP</b><br>“key personnel” involved in executing the guidelines in the Strategic Plan and who belong to BancoPosta and are included in the Plan (including the General Manager)   |
| <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 Schemes  |
| <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; “Subsidiary” and “Parent” are related terms   |
| <b>“Deferral Period”</b>                                      | <p><b>Performance Share LTIP</b><br/>for BP Beneficiaries (including the General Manager), the period of 2 and 4 years, respectively, after the Vesting Date, at the end of which the Malus Provisions are assessed and 60% of the Rights are granted (2 portions of 30% each)</p> <p><b>MBO 2019 STI plan</b><br/>The period following the Performance Period, whose duration varies from three to five years depending on the category to which the Beneficiaries belong</p>  |
| <b>“Fixed pay”</b>  | the gross annual fixed pay in cash and any 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>                       | <p><b>Performance Share LTIP</b></p> <ul style="list-style-type: none"> <li>■ for the up-front portion, this coincides with the Vesting Date</li> <li>■ for the deferred portions of the BP Beneficiaries (including the General Manager), the date on which the Board of Directors assesses application 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</li> </ul> <p><b>MBO 2019 STI plan</b></p> <ul style="list-style-type: none"> <li>■ for the up-front portion, this coincides with the Vesting Date</li> <li>■ for the deferred portions, the date on which the Board of Directors confirms achievement of the Qualifying Conditions 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</li> </ul> |
| <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 Schemes”</b>                | the “Performance Share LTIP” and the “Short-term equity-based incentive plan for 2019 for BancoPosta RFC's Material Risk Takers” (“MBO 2019 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 <b>“Law”</b> means each of them   |
| <b>“Lock-up Period”</b>                   | for the Other beneficiaries of the Performance Share LTIP, this indicates the two-year period from the Vesting Date, at the end of which title to the Shares representing 60% of the Rights granted is transferred to the Beneficiaries, including the right to dispose of such Shares  |
| <b>“Malus provisions”</b>                 | <p><b>Performance Share LTIP</b></p> <p>the provisions, specifically aimed at the General Manager and the BP Beneficiaries, to be assessed at the end of the Deferral Period prior to grant of the deferred portions</p>  |
| <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 price of the shares in the thirty stock exchange trading days prior to a certain date  |
| <b>“Performance Period”</b>               | the annual and three-year period to which the Performance Targets refer   |
| <b>“Performance Targets”</b>              | the Performance Targets assigned for each of the Incentive Schemes, on achievement of which the beneficiary will have the right to receive the Rights   |
| <b>“Other Beneficiaries”</b>              | <p><b>Performance Share LTIP</b></p> <p>“key personnel” involved in executing the guidelines in the Strategic Plan and who belong to the Group's unregulated areas of business and are included in the Plan</p>   |
| <b>“Right”</b>                            | the right awarded to Beneficiaries to receive a Share in accordance with the Terms and Conditions and the Assignment Letter   |
| <b>“Terms and Conditions”</b>             | the Terms and Conditions applicable to the Incentive Schemes  |
| <b>“Remuneration Committee”</b>           | 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 285/2013, as revised  |
| <b>“Retention Period”</b>                 | <p><b>Performance Share LTIP</b></p> <p>for BP Beneficiaries (including the General Manager), the period of one year from the Vesting Date for the Rights in relation to the up-front portion and from the end of the Deferral Period for the deferred portions, at the end of which, having confirmed compliance with the requirements relating to BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as provided for in the Terms and Conditions, title to the Shares is transferred to the Beneficiaries, including the right to dispose of such Shares, corresponding to the Rights granted</p> <p><b>MBO 2019 STI plan</b></p> <p>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</p>  |
| <b>“Senior Management”</b>                | <p><b>MBO 2019 STI plan</b></p> <p>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 or, with regard to BancoPosta RFC, the heads of the Mass Market and Small Business, Affluent, Business and Public Administration, and Place Marketing (identified when the Board of Directors approved the list of Material Risk Takers)</p>  |



|                                     |  |
|-------------------------------------|--|
| <b>“Shares”</b>                     | Poste Italiane's ordinary shares   |
| <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 |
| <b>“Vesting Date”</b>               | the date of the Board of Directors' resolution confirming achievement of the Hurdle and the Qualifying Conditions (where applicable), in addition to the level of achievement of the Performance Targets, determining the total number of vested Rights to the Beneficiaries   |

# 1. “Performance Share LTIP”

## 1.1 Beneficiaries

### 1.1.1 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), Matteo Del Fante, is the Beneficiary of the Plan in his role as General Manager.

A number of the potential Plan Beneficiaries may also be members of the boards of directors of companies controlled by Poste Italiane.

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

The Board of Directors' meeting of 28 February 2019, on the recommendation of the Remuneration Committee, approved the total number of Plan Beneficiaries, amounting to up to 130 personnel.

The Beneficiaries will be named by the Board of Directors, in consultation with the Remuneration Committee, or by a person delegated by the Board of Directors, following approval of the Plan by the General Meeting of Shareholders.

Potential Plan Beneficiaries include “key personnel”, who have a leading role to play in achieving the Company's strategic results, including senior and middle managers with formally designated organisational roles within Group companies, including a select pool of talented individuals.

The Beneficiaries of each cycle of the Plan may change and participation does not result in any obligation to include the same Beneficiary in a later cycle of the Plan.

### 1.1.3 The names of the parties benefitting from the plan belonging to the following groups:

#### a. *general managers of the financial instrument issuer*

The Beneficiaries of the Performance Share LTIP include the Company's General Manager, Matteo Del Fante.

#### 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.

## 1.1.4 Description and quantification, broken down by category:

**a.** *key management personnel other than those referred to in letter b) of paragraph 1.1.3;*

The Plan is for a total of up to 130 Beneficiaries at Group level, including persons identified as being Key Management Personnel.

At the time of preparation of this Information Circular, the description and quantification of these managers is not available as it will be the Company's Board of Directors who will proceed, in accordance the authority granted to it by the General Meeting of Shareholders (with the option of sub-delegating such authority), to name the Beneficiaries.

The disclosures required by paragraphs 1.1.2, 1.1.3. and 1.1.4 will be provided, where applicable, during implementation of the Plan, pursuant to art. 84-bis, paragraph 5, letter a) of the Regulations for Issuers.

**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, senior management, middle managers, other employees etc.)*

The Plan is for a total of up to 130 Beneficiaries at Group level who, with reference to the specific nature of the Plan, have been divided into two macro-categories:

- BP Beneficiaries, being "key personnel" with regard to execution of the guidelines in the Strategic Plan, including a select pool of talented individuals (senior and middle managers occupying formally designated organisational roles within Group companies); e
- Other Beneficiaries, being "key personnel" with regard to execution of the guidelines in the Strategic Plan, including a select pool of talented individuals (senior and middle managers occupying formally designated organisational roles within Group companies) employed in the Group's unregulated areas of business.

The Plan does not apply to personnel who, at the time of assignment, operate exclusively within the Poste Vita Group or BancoPosta Fondi SpA SGR.

## 1.2 Reasons for adoption of the plan

### 1.2.1 Objectives to be achieved by means of the plans

The aim of the Plan is to strengthen the link between the variable component of remuneration and the Group's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over the multi-year period. The Plan is based on Poste Italiane's ordinary shares and, by providing for suitable holding periods, guarantees the continuous alignment of Beneficiaries' interests with those of the shareholders, fostering a sense of loyalty among the Company's and the Group's key personnel.

Briefly, the Plan is intended to pursue the following objectives:

- to focus the attention of Company's and the Group's key personnel on the achievement of medium- to long-term goals, contributing to the creation of value and synergies at Group level;
- to strengthen the alignment of management's interests with those of shareholder.



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

The Plan takes the form of two Cycles, each with a three-year duration (2019-2021 the first Cycle, 2020-2022 the second Cycle).

As mentioned in point 1.14, the Beneficiaries have been divided into two macro-categories to whom different Plan terms and conditions apply:

- BP Beneficiaries, including the General Manager; and
- Other Beneficiaries, employed in the Group's unregulated areas of business.

In the case of BP Beneficiaries (including the General Manager), the Plan provides for the granting of Poste Italiane shares at the end of a three-year Performance Period, as follows:

- 40% up-front at the end of the Performance Period; and
- the remaining 60% in two portions (both equal to 30% of the total vested shares), with deferral periods of 2 and 4 years, respectively.

The awards to BP Beneficiaries (including the General Manager) are also subject to the application of a further Retention Period of one year, to be applied to both the up-front and deferred portions.

In the case of BP Beneficiaries (including the General Manager), vesting of the Rights and, therefore, the granting of the Shares, is subject to confirmation of:

- achievement of the Hurdle and Qualifying Conditions;
- the level of achievement of the Performance Targets over the Performance Period.

Specifically, the Hurdle and Qualifying Conditions are shown in the following table:

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

The Performance Targets<sup>1</sup>, measured over a three-year Performance Period (2019-2021 and 2020-2022), are shown below:

| Performance Indicators                       | Weightings |
|--|------------|
| Group EBIT                                   | 60%        |
| Relative Total Shareholder Return r ("rTSR") | 40%        |

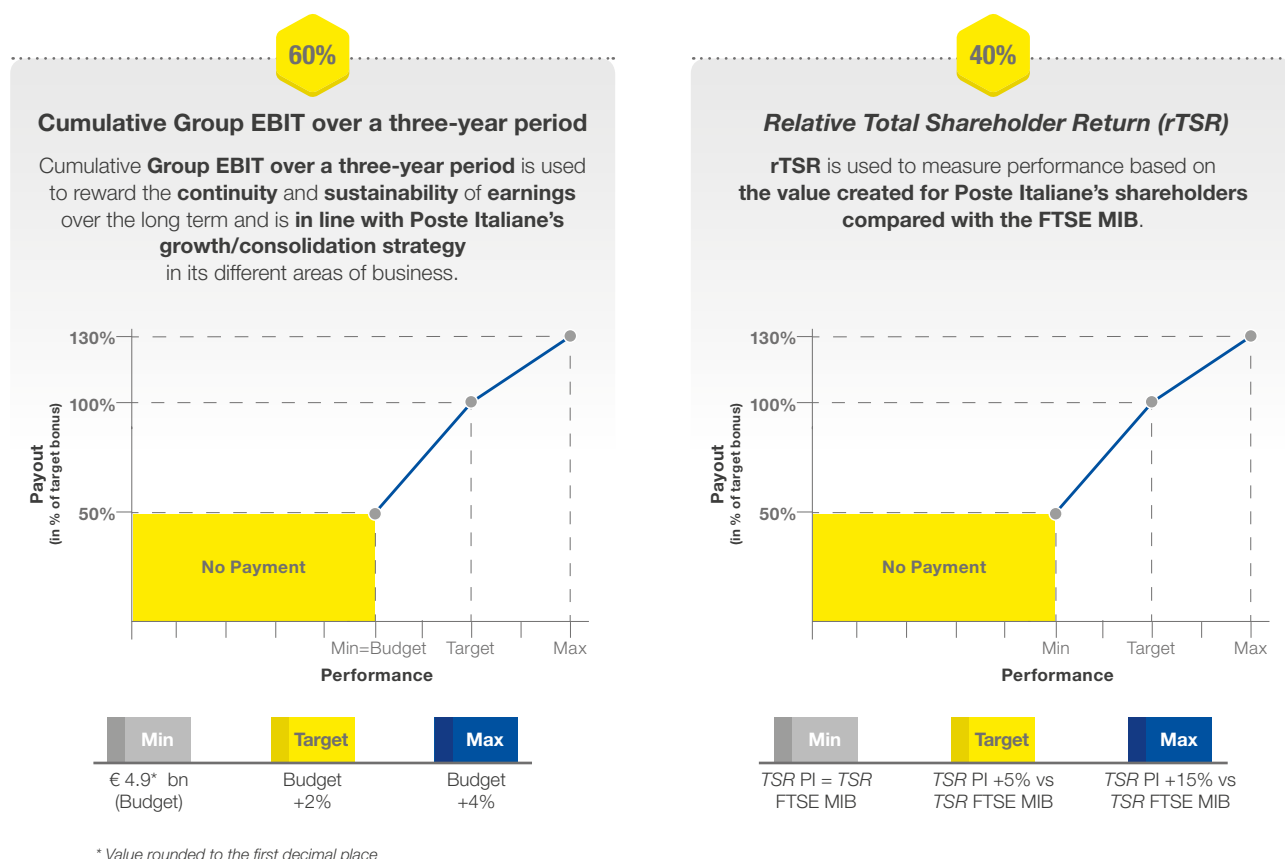
The Plan includes a negative threshold provision: if Poste Italiane's TSR is negative, rather than being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold.

A maximum level of over performance has been set, above which the incentive linked to the individual performance indicator remains constant, as has a hurdle, below which the incentives do not apply and there is, therefore, no award due.

1. The Total Shareholder Return is an indicator that measures the total return on a share, represented by the sum of the following components: (i) the capital gain: the change in the share price (difference between the price at the end and at the beginning of the relevant period) as a percentage of the price at the beginning of the period; (ii) dividends: the ratio between dividends per share paid out during the period and the share price at the beginning of the period. It is relative in that it measures different levels of achievement based on Poste Italiane's TSR relative to the TSR of the FTSE MIB index over a three-year period.

In the case of the Other Beneficiaries, the granting of Poste Italiane Shares is entirely up front at the end of a three-year Performance Period, with 60% of the Shares subject to a further two-year Lock-up Period.

Details of the Performance Targets are contained in Poste Italiane's Remuneration Report in the year of assignment and, in particular, for the first Cycle are as follows:



Granting of Shares to the Other Beneficiaries are subject to confirmation of:

- achievement of the Hurdle (Group EBIT);
- the level of achievement of the Performance Targets (Group EBIT and rTSR) over the Performance Period.

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

The award at target (on achieving 100% of all the Performance Targets) is based on a percentage of fixed pay and varies according to the Beneficiary's role and their strategic importance. The award at target for each cycle varies between a minimum of 20% up to a maximum of 60% of fixed pay.

The number of Rights assigned to each Beneficiary is obtained by dividing the award at target by the arithmetic average of the price of the Shares in the thirty stock exchange trading days prior to the Assignment Date.

Vesting of the rights and, therefore, the granting of the Shares, is subject to achievement of the Hurdle, the Qualifying Conditions (only for BP Beneficiaries) and the achievement of certain Performance Targets described in point 1.2.2. In the event of failure

to meet the Hurdle and Qualifying Conditions or the level required established by the Performance Targets, the Beneficiaries will not qualify for the Rights and no Shares will be granted.

At the end of the Performance Period (and, therefore, for example, in the case of the first Cycle, in 2022), the Board of Directors, on the recommendation of the Remuneration Committee, will confirm that the Hurdle and Qualifying Conditions have been met (the latter only with regard to the BP Beneficiaries and the General Manager), and the level of achievement of the Performance Targets, thereby determining the number of Rights to be vested and, therefore, the Rights to grant to each Beneficiary for conversion into Shares in accordance with the Terms and Conditions for the specific category to which the Beneficiary belongs.

The granting to BP Beneficiaries (including the General Manager) of the deferred portions is subject to confirmation of compliance with the risk tolerance levels in the Malus Provisions linked to BancoPosta RFC's capital adequacy, short-term liquidity and risk-adjusted earnings in the year prior to the granting.

With regard to the granting of Shares to the BP Beneficiaries (including the General Manager), moreover:

- at the end of the retention period for the up-front portion, compliance with the risk appetite levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings must be confirmed;
- at the end of the retention period for the deferred Shares, compliance with the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings must be confirmed.

Granting of the Shares is subject the ex post risk adjustments described in paragraph 1.4.5 and will be made following deduction of the related tax and contributions.

#### **1.2.4 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.

#### **1.2.5 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.

#### **1.2.6 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.



## 1.3 Approval procedure and timing of the award of the instruments

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

On 18 March 2019, 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 28 May 2019.

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.

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

Without prejudice to the information provided in paragraph 1.3.1 above, the Board - or persons delegated thereby - is responsible for administering the Plan, availing itself of the relevant corporate functions.

### 1.3.3 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 Remuneration Committee 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. The General Manager, as a Plan Beneficiary, will not take part in the Board's discussion or deliberation of such matters.

### 1.3.4 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.

### 1.3.5 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 147-ter, paragraph 4 and 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.

### 1.3.6 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 18 March 2019, 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.

### 1.3.7 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 28 May 2019 in single call. If the Plan is approved by the General Meeting of Shareholders, 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.

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.

### 1.3.8 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 of the Shares, which will be registered at the time of assignment of the Rights pursuant to point 1.3.7, is not available at the date of preparation of this Information Circular and will, therefore, be announced in accordance with art. 84-bis, paragraph 5, letter a) of the Regulations for Issuers.

The market price of the Shares recorded on the date referred to in paragraph 1.3.6 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 18 March 2019: €8.1500;

**1.3.9 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**

Assignment of the Rights by the Board of Directors, with the option of sub-delegating their authority, will take place subject to approval of the Plan by the General Meeting.

Beneficiaries will acquire the right to receive Shares after a three-year Performance Period and only following confirmation of achievement of the Hurdle, the Qualifying Conditions (for BP Beneficiaries including the General Manager), 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.



## 1.4 Nature of the instruments awarded

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

The Plan envisages the granting of Rights to receive Shares free of charge, in accordance with the Plan Terms and Conditions and the Assignment Letter. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over the Performance Period, following confirmation of achievement of the Hurdle, the Qualifying Conditions and compliance with the Malus Provisions (the latter for BP Beneficiaries including then General Manager).

The Rights thus granted to the Beneficiary will be converted into Shares only at the end of a Retention/Lock-up Period.

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

The Plan takes the form of two Cycles, each with a three-year duration (2019-2021 the first Cycle, 2020-2022 the second Cycle).

Implementation of the Plan varies depending on the specific category to which the Beneficiary belongs.

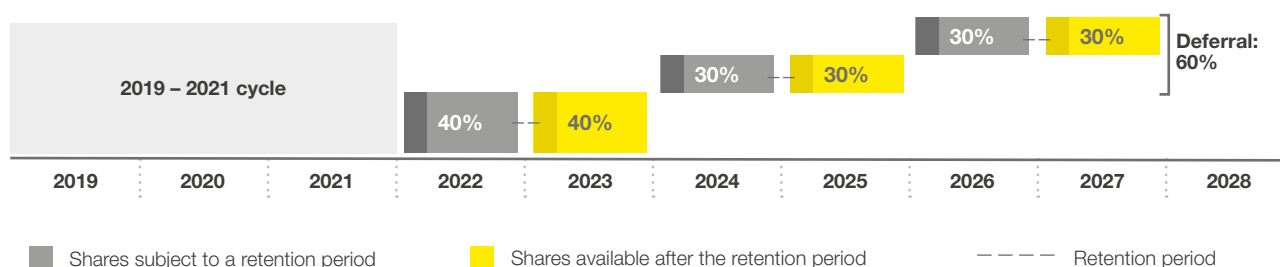
In the case of BP Beneficiaries (including the General Manager), the Plan provides for the granting of Poste Italiane shares at the end of a three-year Performance Period, as follows:

- 40% up-front at the end of the Performance Period; and
- the remaining 60% in two portions (both equal to 30% of the total vested shares), with deferral periods of 2 and 4 years, respectively.

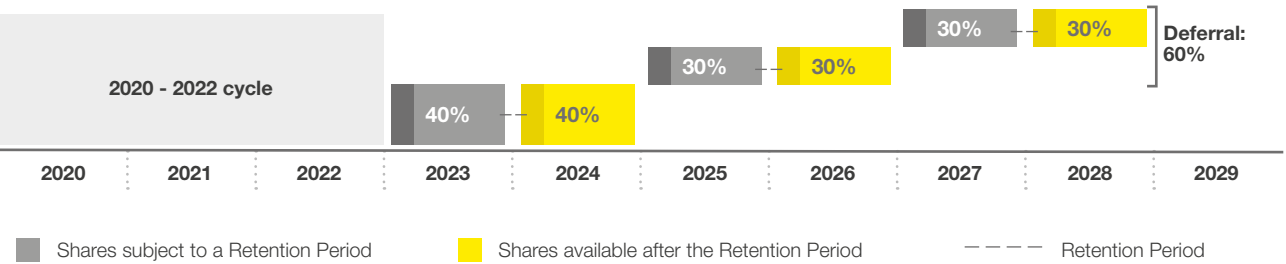
The granting to BP Beneficiaries (including the General Manager) are also subject to the application of a further Retention Period of one year, to be applied to both the up-front and deferred portions.

The above stages are summarised below:

#### FIRST CYCLE (2019-2021)



SECOND CYCLE (2020-2022)



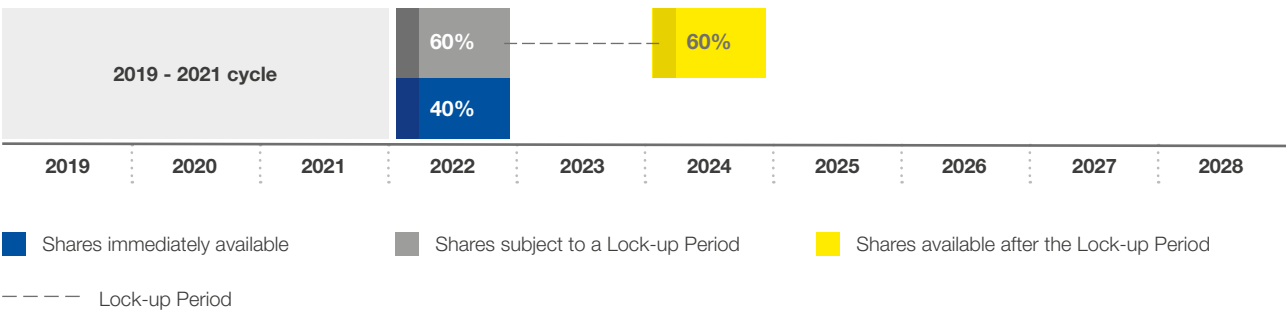
Granting of the deferred portion of the Shares will take place following confirmation of compliance with the risk tolerance levels linked to BancoPosta RFC's capital adequacy, short-term liquidity and risk-adjusted earnings and provided that there is no reason to apply the Malus Provisions.

It should also be noted that:

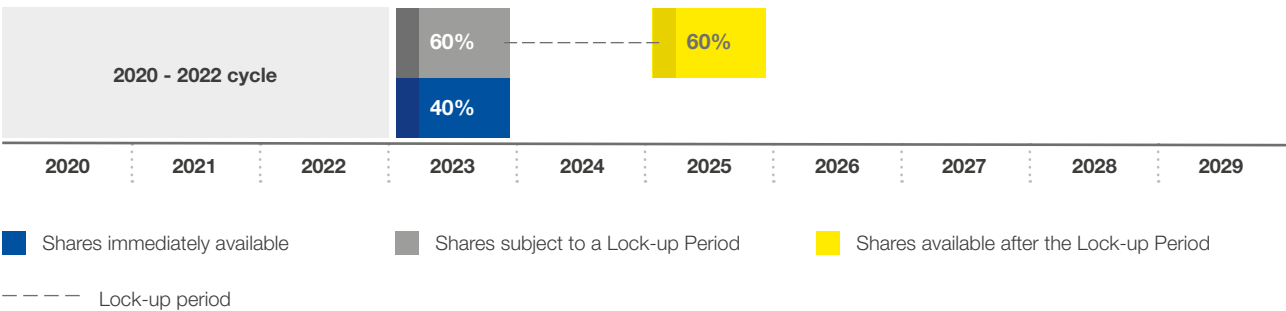
- at the end of the retention period for the up-front portion, compliance with the risk appetite level for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings must be confirmed;
- at the end of the retention period for the deferred Shares, compliance with the risk tolerance level for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings must be confirmed.

In the case of the Other Beneficiaries, the granting of Poste Italiane Shares is entirely up front at the end of a three-year Performance Period, with 60% of the Shares subject to a further two-year Lock-up Period, structured as follows:

FIRST CYCLE (2019-2021)



SECOND CYCLE (2020-2022)



### 1.4.3 Termination of the plan

Reference should be made to paragraph 1.4.2 above.

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

The number of Rights and, therefore, Shares awarded will be determined using the criteria described in paragraphs 1.2.2, 1.2.3 and 1.4.8.

In the case of BP Beneficiaries (including the General Manager), the total variable component (including any award under the short-term incentive scheme) assigned may not exceed the cap set in relation to the fixed component from time to time in force.

### 1.4.5 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

Granting of the Rights is subject to achievement of the Hurdle, the Qualifying Conditions and compliance with the Malus Provisions (the latter for BP Beneficiaries including then General Manager), and the achievement of Performance Targets over the Performance Period.

In line with the terms set out in the *“Remuneration Report”* and the *“Guidelines for BancoPosta RFC’s remuneration and incentive policies”*, the Company may request the return of the Shares awarded or the related cash value, taking into account the related legal, social security and tax considerations, regardless of whether or not the employment relationship with the company or a Group company is still in progress or has ceased. Within 5 years of disbursement of each awardable incentive and, in any event, 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, 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 231 Organisational Model regarding corporate liability 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 231 Organisational Model regarding corporate liability 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.

### 1.4.6 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 Retention/Lock-up periods: in the case of BP Beneficiaries (including the General Manager), the Retention Period applicable to all the up-front portions or those subject to a 4-year Deferral Period is one year; for the Other Beneficiaries, the Lock-up Period (applicable to 60% of the Rights granted) is two years.

Moreover, in the case of BP Beneficiaries (including the General Manager), the Shares will be awarded at the end of the Retention Period, only once the following have been confirmed:

- at the end of the retention period for the up-front portion of the Shares, compliance with the risk appetite levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings;
- at the end of the retention period for the deferred portion of the Shares, compliance with the risk tolerance levels for BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings.

During the Retention/Lock-up Period and, in the case of BP Beneficiaries (including the General Manager), also during the Deferral Period, the related Beneficiaries do not hold administrative or property rights.

Where applicable, and following signature of the "*Share Ownership Guidelines*" approved by the Board of Directors on 18 March 2019, in consultation with the Remuneration Committee, the Beneficiaries have committed to not Transfer a percentage of the Available Shares received under the Plan until the end of their employment and/or inclusion among key management personnel.

### 1.4.7 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 the Shares, 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.

### 1.4.8 Description of the effects of the termination of employment

If, before the Award Date for the Shares, the term of office or employment relationship is terminated and the Beneficiary is classed as a "good leaver", the granting of the Shares under the Plan will take place at the natural end of the related Performance Period and the Deferral and Retention/Lock-up 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-rate basis through to the date of termination of the Beneficiary's employment.

If the term of office or employment relationship is terminated before the Award Date for 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.

### 1.4.9 Indication of any other causes of termination of the plan

There are no causes of termination of the Plan.

### 1.4.10 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.

### 1.4.11 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.

### 1.4.12 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 of the Shares at the time the rights are granted or the Shares made available. The estimated cost of over the life of the Plan, as described in this document, in the event of achievement of the performances at target and assuming that the Share price remains stable over the period (with respect to a price of €7.7956 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 €15 million for up to 130 Beneficiaries.

### 1.4.13 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 1.3.4), it is not expected that there will be any dilutive effects.



### 1.4.14 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.

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

Not applicable.

### 1.4.16 – 1.4.23

Not applicable.

\* \* \*

Table 1, as provided for in paragraph 1.4.24 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.

## 2. Short-term equity-based plan for 2019 for BancoPosta RFC's Material Risk Takers ("MBO 2019 STI plan")

### 2.1 Beneficiaries

#### 2.1.1 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), Matteo Del Fante, is the Beneficiary of the Plan, 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 2019"* and is subject to the existing supervisory standards for banks.

A number of the potential MBO 2019 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 2019 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.

#### 2.1.2 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 2019"*. 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 Standard (RTS) and set out in the *"Guidelines for BancoPosta RFC's remuneration and incentive policies"*.

#### 2.1.3 The names of the parties benefitting from the plan belonging to the following groups:

##### a. general managers of the financial instrument issuer

The MBO 2019 STI plan Beneficiaries include the Company's General Manager, Matteo Del Fante.

**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 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.

## 2.1.4 Description and quantification, broken down by category:

**a.** *key management personnel other than those referred to in letter b) of paragraph 2.1.3;*

At the time of preparation of this Information Circular, key management personnel who are MBO 2019 STI plan Beneficiaries are:

- the Head of the BancoPosta function, Laura Furlan;
- the Manager Responsible for Financial Reporting, Tiziano Ceccarani.

**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.

## 2.2 Reasons for adoption of the plan

### 2.2.1 Objectives to be achieved by means of the plans

In accordance with the relevant statutory requirements and, above all, XXV revision of 23 October 2018 Bank of Italy Circular 285/2013, 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 2.2.2 and 2.4.2 in this document).

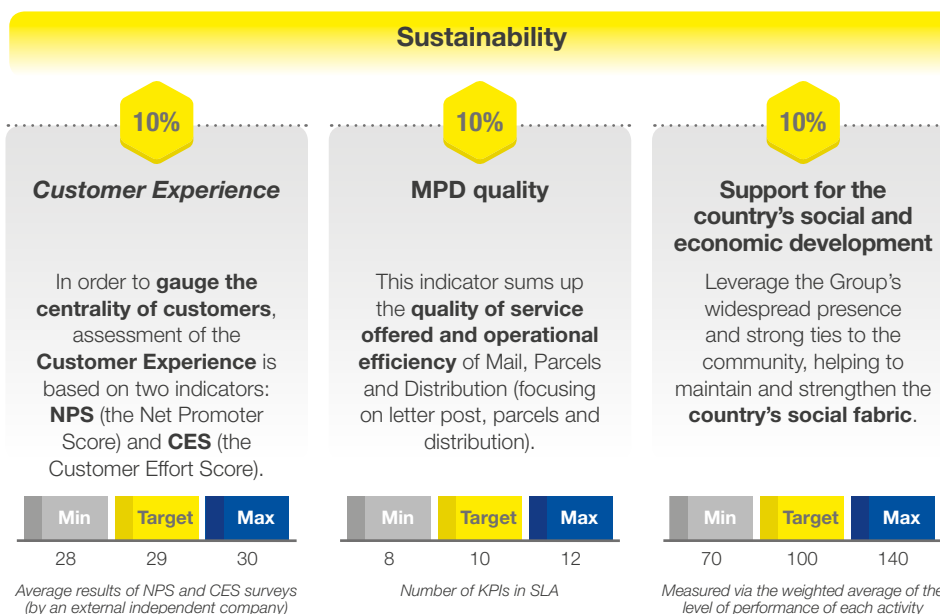
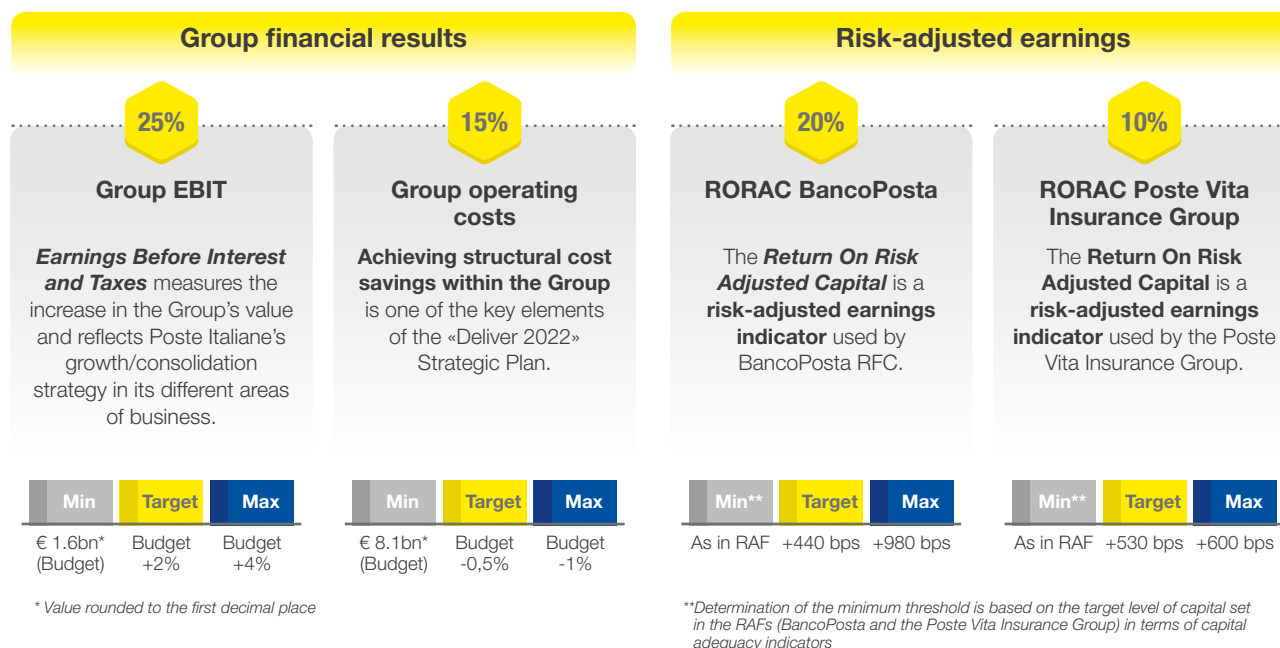
### 2.2.2 Key variables, including in the form of performance indicators taken into account in making awards under equity-based plans

The MBO 2019 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 follows:

| 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 |

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.

The Performance Targets for the MBO 2019 STI plan for the General Manager are as follows:





The Performance Targets for the MBO 2019 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 2019 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 2019 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, 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 2019 STI plan are provided in paragraph 2.4.2 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 2.4.5).

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 2019 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.

### 2.2.3 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 2019 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 of the Rights to receive Shares) is subject to achievement of the Hurdle, the Qualifying Conditions and certain levels of Performance Targets described in point 2.2.2. 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 2019 STI plan.

With regard to the MBO 2019 STI plan, after the end of the Performance Period, in 2020, 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 2.4.5 and will be made following deduction of the related tax and contributions.

### 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.

### 2.2.5 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.

## 2.2.6 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.

## 2.3 Approval procedure and timing of the award of the instruments

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

On 18 March 2019, 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 28 May 2019.

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.

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

Without prejudice to the information provided in the last section of paragraph 2.3.1 above, the Board - or persons delegated thereby<sup>2</sup> - is responsible for administering the Plan, availing itself of the relevant corporate functions.

### 2.3.3 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 Remuneration Committee 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. The General Manager, as a Plan Beneficiary, will not take part in the Board's discussion or deliberation of such matters.

2. The persons potentially delegated by the Board of Directors are the General Manager and/or the Head of the BancoPosta function.

### 2.3.4 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.

### 2.3.5 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 147-ter, paragraph 4 and 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.

### 2.3.6 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 18 March 2019, 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.

### 2.3.7 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 28 May 2019 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.

## 2.3.8 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 2.3.7, is not available as the General Meeting to approve the Plan will be held on 28 May 2019.

The market price of the Shares recorded on the date referred to in paragraph 2.3.6 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 18 March 2019: €8.1500.

## 2.3.9 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.



## 2.4 Nature of the instruments awarded

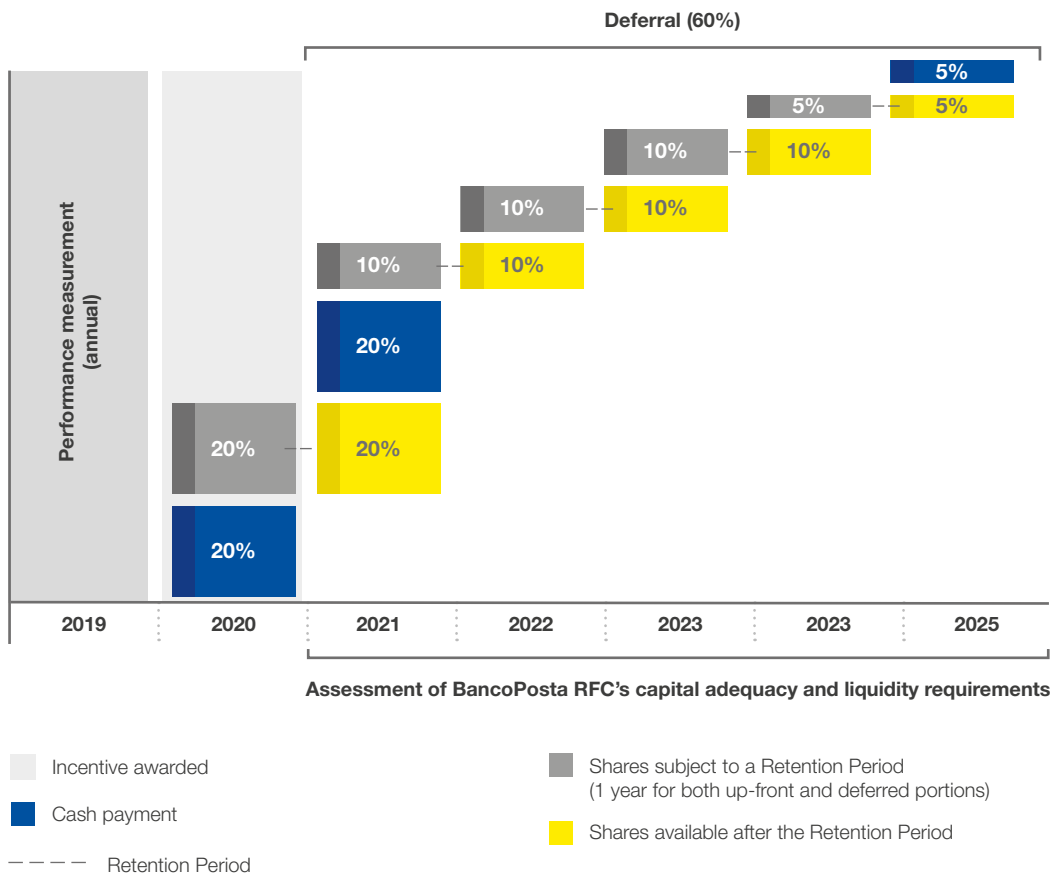
### 2.4.1 Description of the way in which the equity-based plans are structured

The MBO 2019 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 2.2.2 above.

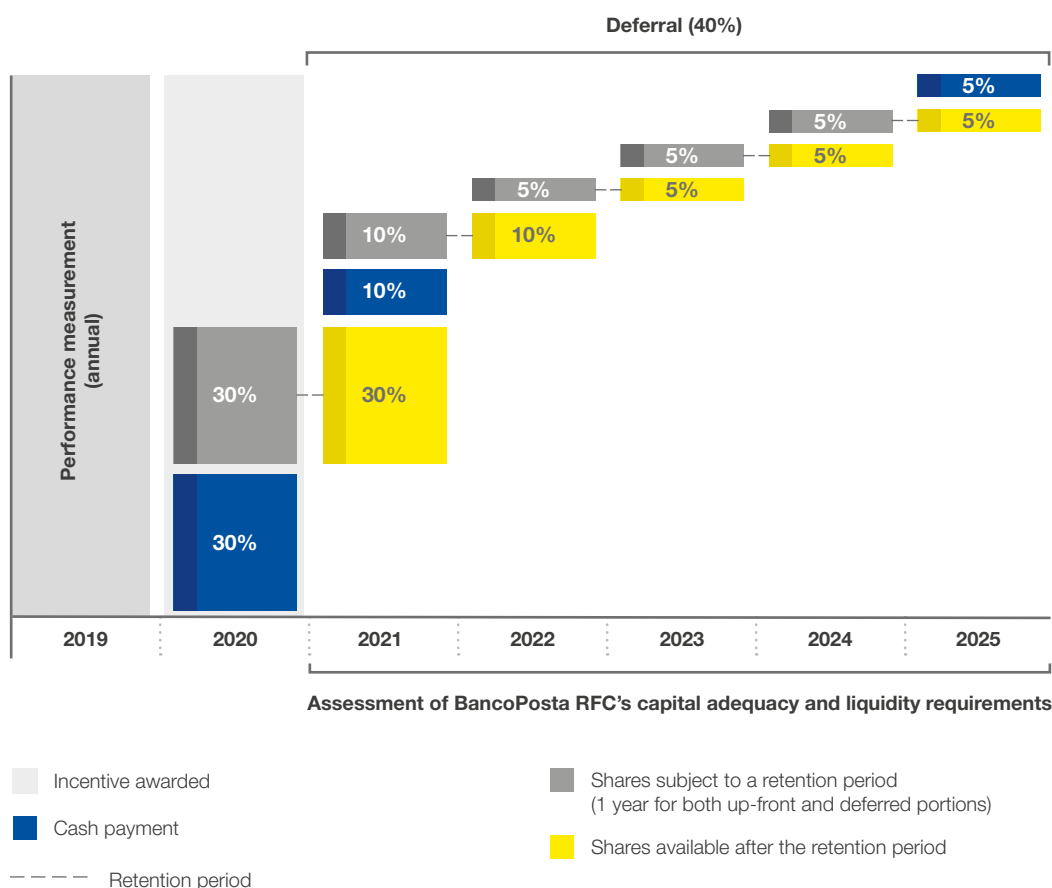
### 2.4.2 Indication of the period of effective implementation of the plan, including reference to any different cycles

The method for payout of the *Bonus* under the MBO 2019 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:

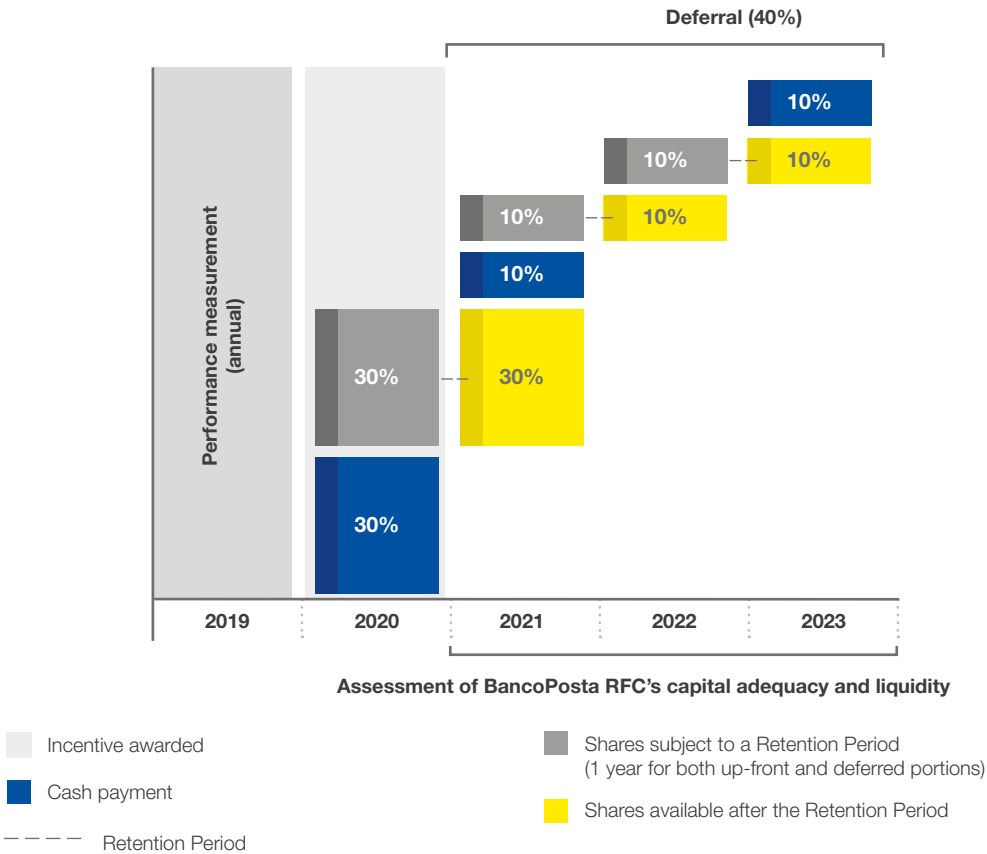


In the case of Beneficiaries belonging to Senior Management, 40% of the *Bonus* is deferred for a period of 5 years (pro rata); 45% of the amount payable is paid in cash and 55% in Shares, with a higher percentage of the deferred portion being in Shares, as follows:

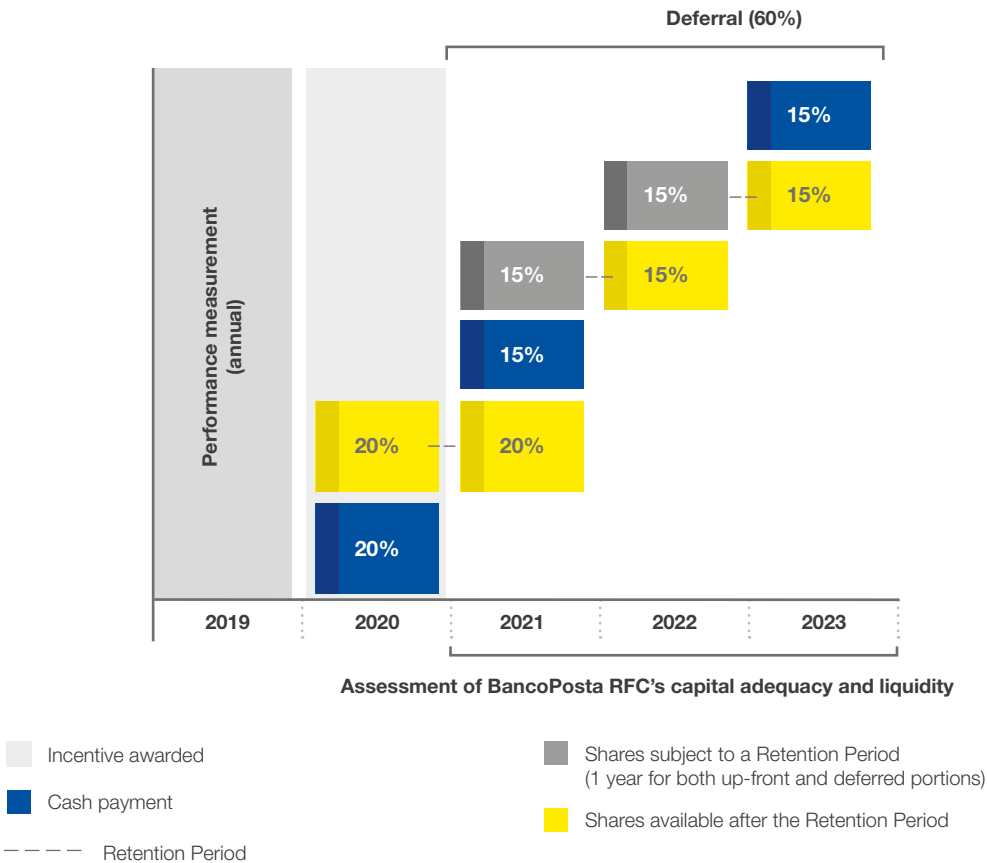


In the event of variable remuneration in excess of €424,809, the structure of the payout will be aligned with the procedure followed for the General Manager and the Head of the BancoPosta function.

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 is modified with the deferred component becoming 60% over 3 years. 50% of the both the *up-front* and deferred portions will be paid in the form of Poste Italiane's ordinary Shares, as follows:



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.

### 2.4.3 Termination of the plan

Reference should be made to paragraph 2.4.2 above.

### 2.4.4 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 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 2.2.3), 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, 2.2.3 and 2.4.8.

### 2.4.5 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 2019 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 231 Organisational Model regarding corporate liability 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 231 Organisational Model regarding corporate liability 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 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.

## 2.4.6 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.

## 2.4.7 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.

## 2.4.8 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-rate 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 2019 STI plan with regards to deferral, equity-based payments (Shares) and confirmation of compliance with the risk tolerance levels for BancoPosta RFC's capital and liquidity. Further details are provided in paragraph 4.5 in the "*Guidelines for BancoPosta RFC's remuneration and incentive policies for 2019*".

## 2.4.9 Indication of any other causes of termination of the plan

There are no provisions governing termination of the Plan.



#### 2.4.10 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.

#### 2.4.11 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.

#### 2.4.12 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 2.4.8 and assuming that the Share price remains stable over the period (with respect to a price of €7.7956 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.

#### 2.4.13 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 2.3.4), it is not expected that there will be any dilutive effects.

## 2.4.14 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.

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

Not applicable.

## 2.4.14 – 2.4.23

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.











## Poste Italiane SpA

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Fully paid-up share capital: €1,306,110,000.00  
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Business Registration Number in Rome: REA 842633  
VAT no. 01114601006

### Edited by

Corporate Affairs - Communication  
Poste Italiane SpA

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