



Ifis rental
services

Banca Ifis

Supervisory Board Regulation

Updates

Version	Approval date	Summary of amendments
1	07/05/2019	<i>First issue</i>
2	09/09/2019	<i>Update</i>
3	28/05/2020	<i>Update</i>

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1. Constitution and presidency

To fully comply with and interpret its Organisation, Management and Control Model, as set out by Italian Legislative Decree 231/2001, (the 'Organisational Model'), the Company established a Supervisory Board (the 'Board') with a resolution of its Board of Directors dated 6 February 2019.

The members of the Board are chosen from among qualified individuals and experts in the legal or accounting or tax field, with adequate professional expertise in the above subjects and possessing the requirements of independence and autonomy.

The members of the Board are not subject, in this capacity and in the performance of their duties, to the hierarchical and disciplinary power of any corporate body or function.

The Supervisory Board is made up of:

- one member of the Company's Board of Statutory Auditors, as designated by the Board of Statutory Auditors itself;
- the Head of the Parent Company's Internal Audit Department;
- the Head of the Parent Company's Compliance Department.

It is not possible to elect as a member of the Supervisory Board persons who have been sentenced for offences set out in Italian Legislative Decree 231/2001 or who have been barred, even temporarily, from public office; persons who administer businesses or organisations which, even indirectly, hinder personal development or are responsible, even partially, for violating fundamental human rights, and persons who are subject to the prohibitive conditions set out by the Company's Code of Ethics.

Only with regard to the member appointed by the Board of Statutory Auditors, the term of office is the same as the duration of the mandate.

If a member is unjustifiably absent more than twice consecutively from the meetings of the Supervisory Board, he or she may be dismissed from office. The Board of Directors shall pronounce the forfeiture of office.

If a member of the Supervisory Board intends to resign from the role, he or she must give immediate and reasoned notification to the Board and to the Board of Directors. The Board of Directors will appoint a replacement.

The Supervisory Board is automatically dissolved if there is no longer a clear majority among its members. The Board of Directors will renew the Supervisory Board.

Each member of the Supervisory Board is obliged to duly inform the other members (via written notice to be noted in the minutes of the first possible meeting, or - if the conflicting circumstance emerges during a meeting - ensuring that it is noted in the minutes of the relative meeting) of situations that they consider to constitute a case of a potential or actual conflict of interest; they are also obliged to abstain from taking part in discussions and resolutions regarding the item on the agenda that is subject to the potential or actual conflict of interest. The conflict of interest and any measures taken by the Supervisory Board are reported in the first periodical report to the Board of Directors.

2. Meetings and resolutions

The Chairman convenes and chairs the meetings of the Supervisory Board, prepares its work, directs, coordinates and moderates the discussion. The Chairman signs, on behalf of the Supervisory Board, the reports and opinions to be submitted to the Board of Directors and/or other Company bodies or functions. If the Chairman is absent, unavailable or unable to attend, his or her functions are performed by the oldest member of the Supervisory Board. For the purposes of these regulations, the Chairman shall be deemed to be unavailable if he or she fails to notice requests to convene a meeting received via email with a specific subject from the other members or the Company's internal functions by the end of the following working day or, if urgent, within the following 18 hours.

The Supervisory Board is convened by the Chairman or, in the event of his or her absence, impediment or delay in doing so, by its oldest member to carry out its functions and tasks with the frequency appropriate to their proper performance.

The Supervisory Board meets at least once every six months, on the initiative of the Chairman. It also meets on the initiative of the majority of its members whenever it is deemed appropriate to intervene in sensitive processes or anomalous situations.

Meetings of the Supervisory Board are convened with at least three days' notice, by email, registered letter with return receipt, by hand or by any other suitable means indicating the place, day, time and items on the agenda. In case of urgency, the Supervisory Board may be convened with one day's notice before the scheduled date of the meeting. Any documentation relating to the agenda items shall normally be made available at the same time as the meeting is convened and in any case with the advance appropriate to the circumstances.

The meetings may also be attended, at the invitation of the Chairman of the Supervisory Board, by the Chairman of the Board of Directors, the Deputy Chairman, the Chief Executive Officer and the General Manager of the Company. The Chairman of the Supervisory Board also has the power to invite the director in charge of the internal control and risk management system and the other members of the Board of Directors, the statutory auditor or the representatives of the auditing firm to the meetings for all or some of the items on the agenda, unless issues concerning them are discussed. Lastly, the Supervisory Board may avail itself of and/or request the presence of independent consultants and any Company representative or employee of the Company or other Group company competent in the matter.

The presence of at least two members is required for the meetings of the Supervisory Body to be quorate. The decisions/resolutions of the Supervisory Board are adopted on a majority of those present. If the Supervisory Board has an even number of members, if there is a tied vote, the Chairman's vote is decisive. Proxy votes may not be allowed and each member is entitled to one vote.

The meetings of the Supervisory Board can also be validly held using appropriate audio, video or teleconferencing systems, provided that everyone entitled to attend can do so and be identified. They must also be able to follow the meeting and take part in real-time in the discussion of the issues, as well as to receive, transmit and view documents, implementing contextual examination and decisions/resolutions. The Supervisory Board may meet in any location, provided it is in Italy.

The Supervisory Board's secretariat is provided by the Legal and Corporate Affairs Department of the Parent Company (the 'Secretary'). When requested by the Chairman, the secretary will prepare the agenda, send invitations to meetings and prepare minutes of meetings.

Minutes will be signed by the members participating in the meetings and by the secretary and will be stored by the Legal and Corporate Affairs Department of the Parent Company.

3. Tasks and powers

The Supervisory Board is required to carry out the functions of an internal body that is equipped with autonomous powers of initiative and control as set out by Italian Legislative Decree 231/2001.

In carrying out its duties under Italian Legislative Decree 231/2001 the Supervisory Board is convened upon to carry out the following activities:

- identify and adequately monitor the risks referred to in Italian Legislative Decree. 231/2001 that are assumed or are assumable concerning current business processes, ensuring that the identification and mapping of the risk areas and 'sensitive processes' are up to date;
- keep the Organisational Model updated in accordance with the evolution of the Law, as well as a consequence of changes to the company's internal organisation and activities;
- check the suitability of the Model, that is, its effectiveness in preventing illegal behaviour;
- cooperate with preparing and supplementing internal behavioural codes;
- make use of the Internal Audit Function and all internal company functions to acquire relevant information in accordance with legislation;
- support initiatives aimed at spreading knowledge about the Organisational Model throughout the Company's bodies and to its employees, providing the instructions and guidance necessary and creating specific training courses;
- periodically carry out targeted checks on specific transactions forming part of 'sensitive processes';
- provide extraordinary checks and/or investigations aimed at those parts of the Organisational Model that are shown not to be working properly or if an offence has been committed which is subject to prevention activities;
- oversee compliance with and application of the Organisational Model and, through the appropriate business functions, implement sanctions in accordance with the law and employment contracts;
- oversee compliance with legislation on preventing the financial system being used to launder the proceeds of criminal activity and to finance terrorism.

The Supervisory Board has access to all the Company's activities and the related documentation; where relevant or potentially relevant activities are entrusted to third parties, the Board must also have access to the activities carried out by such parties.

The Supervisory Board, concerning the tasks it is asked to perform under Italian Legislative Decree 231/2001:

- reports to the Company's Board of Directors - whose meetings are assisted by the Board of Statutory Auditors - at its earliest available meeting;
- has a continuing relationship with the Chairman, the Chief Executive Officer and the Board of Statutory Auditors;
- liaises with the Parent Company's Supervisory Board.

The Supervisory Board, except for matters dealt with by individual business structures, also has a consultative and proactive function so that the Company can develop its ethical criteria. In particular, its task is to:

- define the initiatives it believes are suitable to expand knowledge of the Code of Ethics and to clarify its meaning and application;
- coordinate the development of rules and procedures which implement the guidance contained in the Code of Ethics;
- promote the periodic review of the Code of Ethics and the implementation mechanisms;
- oversee compliance with and application of the Code of Ethics and, through the appropriate business functions, implements sanctions in accordance with the law and employment contracts;
- report to the Board of Directors on the activities it carries out, and on the problems connected with implementing the Code of Ethics.

To further strengthen the requirements of autonomy and independence, the Supervisory Board is endowed with adequate financial resources, approved in advance by the Board of Directors, which the Supervisory Board has at its disposal in full autonomy.

4. Obligations of confidentiality

The members of the Supervisory Board:

- guarantee the confidentiality of news and information acquired in exercising their roles and in the activities carried out as part of their mandates, save for any information flows provided for by the Organisational, Management and Control Model and legitimate orders made by the Judicial Authorities;
- must, in the exercising of the powers granted and the roles attributed to them as members of the Supervisory Board, abstain from searching for and/or using confidential information for purposes other than those regarding the exercising of their roles and in any case for purposes other than those compliant with said powers and roles.

Said roles are extended to the Secretary and to the collaborators that the Supervisory Board may make use of in carrying out their roles.

5. Reporting /Information flows

The Chairman of the Supervisory Board, or other member designated by the Chairman on a case by case basis, reports to the Board of Directors, at its earliest possible meeting, on the activities carried out and, where required, on activities that are on-going and/or planned, and whether it has used any of its independent financial resources.

In any case, the Board presents the Board of Directors with a report on the activities carried out at least once a year.

The Chairman of the Supervisory Board, where necessary, assesses whether further forms of reporting are appropriate.

The second and third level Control Functions are obliged to send the annual plans prepared to the Supervisory Board, once presented to the Board of Directors.

The Supervisory Board, in order to report on the activities it carries out and, where required, on activities that are on-going and/or planned, assists the administration activities of the Parent Company's Supervisory Board, organised by the latter.