

**BANCA IFIS S.p.A.**  
**MINUTES OF THE ORDINARY SHAREHOLDERS MEETING**  
19th APRIL 2019

On the 19th (nineteenth) of April 2019 (two thousand and nineteen) at the Company's registered office, in Venice-Mestre, at Via Terraglio no. 63, at 9:30 a.m.,

THE FOLLOWING MEETING WAS HELD  
the Ordinary Shareholders Meeting of "**BANCA IFIS S.p.A.**" with registered office in Venice-Mestre, Via Terraglio no. 63, fully paid-up share capital of EUR 53,811,095.00, approved EUR 54,275,595.00, tax reference number and Venice-Rovigo Business Register enrolment number 02505630109, Economic and Administrative Index no. 0247118, member of the Interbank Deposit Protection Fund, Italian Banking Association code number 3205.2, enrolled in the Banking Register at no. 5508, Parent Company of the Banca IFIS Banking Group, quoted on the Mercato Telematico Azionario (screen-based stock exchange) - STAR segment - managed by "Borsa Italiana S.p.A." (the "Company")

THE FOLLOWING PERSON IS PRESENT:  
SEBASTIEN EGON FÜRSTENBERG, born in Lausanne (Switzerland) on 24th January 1950, domiciled for the role at the Company's registered office, Austrian citizen, who, in his role as President of the Company's Board of Directors, after having cordially welcomed all participants, also in the name of the Board of Directors, the Board of Statutory Auditors and the Company's staff, assumed the Presidency of the meeting in accordance with the current Articles of Association and Shareholders Meeting regulations.

Mr. Fürstenberg asked the Notary, Stefano Bandieramonte, whose office is in Mestre (the "Secretary") to prepare the minutes of the meeting and therefore to act as secretary of this Shareholders Meeting convened to discuss and resolve on the following

**AGENDA:**

- 1) Approval of the Financial Statement to 31st December 2018; communication of the Group Consolidated Financial Statement to 31st December 2018; allocation of profits for the financial year; inherent and subsequent resolutions;
- 2) Remuneration policies for Banca IFIS Banking

Group' officers, employees and contract workers:  
Remuneration Report;

3) Appointment of the Board of Directors, subject to determination of the number of members, duration in office and fees;

4) Appointment of the Board of Statutory Auditors for the 2019-2021 three-year period and determination of fees;

5) Appointing external auditors: supplementation of fees.

The President made the meeting aware that he had invited the secretary to read out some special instructions and that the preliminary checks had been carried out that were required to declare that the meeting had been regularly convened and to assess the constituent and resolution quorums.

As requested, the secretary, on the President's invitation, read out the items that had been identified and therefore the following was acknowledged:

- that the Shareholders Meeting would be recorded for the exclusive purpose of facilitating the preparation of the minutes and that the recordings, once the minutes were complete, would be erased; (it was pointed out that personal data would be processed in compliance with current legislation) notwithstanding the fact that, as set out in Article 6 of the Shareholders Meeting Regulations, no other recording instrument of any kind, photographic equipment and similar device or mobile phones may be taken into the locations where the meeting is held, without the President's specific authorisation;

- that the Shareholders Meeting was regularly convened, with notice made available to the public on 8th March 2019 at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com) and on the Company's website, as well as published from the original on 9th March 2019 in the newspaper "Italia Oggi". The meeting was convened in single call for today, 19th April 2019, at 9:30 a.m. at the registered office;

- that the notice convening the meeting reported the Shareholders' right to request additions to the agenda and to present new draft resolutions pursuant to Article 126-bis, Italian Legislative Decree no. 58/1998 [Italian Consolidated Finance Law] ("TUF") and that no Shareholder had made use

of this right;

- that in accordance with Article 135-undecies of TUF, the Company had identified the accountant, MARZIA SCARPA, with offices in Viale Ancona, 17 - 30172, Venice-Mestre, as designated representative for this Shareholders Meeting, to whom shareholders have the right to mandate proxy, without expense. The designated representative reported that she had received proxy to represent two shareholders, whose names - together with their respective number of shares - are shown in the documentation attached below with reference to each vote. This documentation is expressly reported in these minutes, with regard to the necessary point;

- that MARZIA SCARPA communicated that she has no interests in her own name or on behalf of third parties with regard to the draft resolutions on the agenda;

- that, for the purposes of better fulfilling the legal provisions on the right to submit questions prior to (Article 127-ter, TUF) and during the Shareholders Meeting, the meeting would proceed as follows: all questions received in writing prior to the Shareholders Meeting and those which may be raised during the meeting, which must be presented in writing and delivered prior to the item being discussed (and which will be stored in the Company's records) as per Article 9 of the Shareholders Meeting Regulations, would receive a reply at the end of all contributions to the agenda item;

- that records and documents were deposited, the notices required by law were issued, and the obligations of market disclosure were complied with;

- that the current paid-up share capital, as shown in the entry made in the Venice Business Registry on 5th August 2010, is EUR 53,811,095.00 represented by 53,811,095 ordinary shares with a nominal value of EUR 1 each;

- that, to obtain an admission ticket to the Shareholders Meeting, the communications from intermediaries relating to shares had been produced in accordance with Article 9 of the Articles of Association;

- that in accordance with current personal data protection provisions, the personal data of the Shareholders Meeting's participants are collected

and processed by the Company exclusively for the purposes of fulfilling obligatory company and Shareholders Meeting obligations in such a way that guarantees that the data will be kept secure and confidential;

- that at 9:36 a.m. the shareholders indicated in the document attached under letter "A" were present and that, therefore, a total of 40,577,988 ordinary shares with the right to vote were represented in the Shareholders Meeting out of a total of 53,811,095 ordinary shares that constitute the share capital, meaning shares equal to 75.41% of the share capital;

- that in any case before each vote during the meeting, the updated attendance data would be communicated;

- that, to ensure that the minutes are correct, shareholders are requested, as far as possible, to not leave the meeting, and asking those who need to leave the room to notify the staff of this fact on their way out at one of the appropriate points and to avoid leaving the room during voting;

- that, in accordance with Shareholders Meeting Regulations and current legislation and regulations on the matter, the legitimacy of those present to contribute and vote in the Shareholders Meeting had been certified and, particularly, the mandates given to proxy participants had been checked to ensure that they comply with current legal provisions, and will be stored in Company records;

- that at today's date, in accordance with what is shown in the Shareholders' Book, supplemented by communications received in accordance with Article 120, TUF and by other information made available, the shareholders who have a shareholding greater than 3% of the subscribed share capital that is represented by shares with the right to vote are:

- "LA SCOGLIERA S.p.A.", holder of 27,015,847 ordinary shares, equal to 50.205% of the share capital;

- GIOVANNI BOSSI, holder of 1,858,599 ordinary shares, equal to 3.454% of the share capital;

- that no agreements referred to in Article 122, TUF, have been brought to the attention of the Company;

- that at today's date, "BANCA IFIS S.p.A." holds 370,112 treasury shares, equal to 0.688% of share capital;

- that the following are present from the Board of Directors: the President (as described above), the Vice President, ALESSANDRO CSILLAGHY DE PACSER, the Chief Executive Officer, GIOVANNI BOSSI, the Executive Directors, GIUSEPPE BENINI, FRANCESCA MADERNA, ANTONELLA MALINCONICO, RICCARDO PREVE, MARINA SALAMON and DANIELE UMBERTO SANTOSUOSSO;
- that the following are present from the Board of Statutory Auditors: the President, GIACOMO BUGNA and the Standing Auditors, GIOVANNA CIRIOTTO and MASSIMO MIANI;
- that in accordance with Article 2429, Italian Civil Code and Article 154-ter, TUF, the annual financial report including the draft financial statement of "BANCA IFIS S.p.A." and the consolidated financial statement for the Group it leads to 31st December 2018, together with the Directors' Management Report, the Board of Statutory Auditors' report, the report from the external auditor, "EY S.p.A." and the declaration referred to in Article 154-bis, paragraph 5, TUF, have been made available to the public at the company's registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website, and that this documentation is available to shareholders participating in the Shareholders Meeting;
- that in accordance with Article 125-ter, TUF, the Board of Directors has prepared an appropriate Explanatory Report on the proposals concerning the subjects being discussed at today's meeting, which has been deposited at the company's registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website, and that this report is available to shareholders participating in the Shareholders Meeting;
- that in accordance with Article 123-bis, paragraph 3, TUF, on 7th March 2019, the Board of Directors approved the "Report on Corporate Governance and Ownership Structure" which was deposited at the company's registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website together with the draft financial statement to 31st December 2018 and that this

report is available to shareholders participating in the Shareholders Meeting;

- that shareholders are entitled to request copies of the documentation referred to in the previous points;

- that representatives of the External Auditor "EY S.p.A." were permitted to attend the Shareholders Meeting;

- that the General Manager, ALBERTO STACCIONE, attended the meeting;

- that a number of the Company's employees and contract workers were present in the room and at the entrance for operational reasons;

- that a number of staff from Spafid S.p.A., a company that assisted the Company in recording entries and votes, were also present in the room;

- that professionals, consultants, experts, financial analysts and qualified journalists were allowed to attend the Shareholders Meeting;

- that with regard to the methods of contributing, participants were invited to add to discussions in accordance with the provisions of Article 11 et seq. of the Shareholders' Meeting Regulations, which would be rigorously applied to this Shareholders Meeting;

- that, in particular, the President, in accordance with Article 11 of the Shareholders Meeting Regulations, had made ten minutes "available to each speaker to make his or her contribution";

- that, in accordance with the second paragraph of Article 11 of the Shareholders Meeting Regulations, anyone who had participated in the discussion may ask to speak for a second time on the same topic for a usual duration of five minutes, including to carry out any voting declarations;

- that speakers will be called to participate in the order in which requests are submitted;

- that participants speaking at the meeting must do so in accordance with the Shareholders Meeting agenda;

- that, as already set out, replies will be provided to questions at the end of all contributions to individual topics on the agenda;

- that the President may reply directly to questions, or invite other members of the Board of Directors and/or Board of Statutory Auditors or, if necessary, other individuals indicated in Article 9 of the Shareholders Meeting Regulations to reply;

- that contributions will be summarised in the minutes, and the name of the contributing participant, the replies provided and any declarations of voting will always be indicated, except for the right to accept any requests from participants to fully report their contribution as an attachment to the minutes, provided that this request is simultaneously accompanied with the related written text which will be attached and reproduced in the minutes (therefore, it should be noted that, when the minutes are being prepared, even if the meeting is being recorded as indicated above, contributions, except those for which requests are made to attach written texts, will not be minuted literally, but will be summarised, both when heard first-hand, and because of the usual difficulties of completely understanding recordings);

- that with regard to the technical methods of managing the Shareholders Meeting and executing votes, the meeting will proceed in accordance with Article 18 of the Shareholders Meeting Regulations which allows the use of electronic systems which enable the names of voters to be identified and therefore:

-- votes will be carried out by open ballot, using the appropriate televoter which was issued at registration;

-- the televoter's display shows the identifying data for each participant, the votes each participant holds in the Shareholders Meeting, in his or her own name or as proxy. This televoter is strictly for personal use and will be activated at the start of each vote;

-- votes will be opened and closed under the instructions of the President. When voting is opened, each voter (notwithstanding what is set out below) shall express his or her vote by pressing only one of the buttons on the televoter which are marked as follows:

FOR            AGAINST            ABSTAIN

once each voter has expressed his or her vote, this must be confirmed by pressing the "OK" button;

-- with regard to votes for the members of the Board of Directors referred to in point 3 of the agenda, the shareholder or proxy must express their vote by pressing only one of the buttons on the televoter which are marked as follows:

LIST 1 LIST 2 LIST 3 LIST 4 ABSTAIN AGAINST  
to vote for one of the four lists proposed, to  
reject all lists or to abstain;

-- with regard to votes for the members of the  
Board of Statutory Auditors referred to in point 4  
of the agenda, the shareholder or proxy must  
express their vote by pressing only one of the  
buttons on the televoter which are marked as  
follows:

LIST 1 LIST 2 LIST 3 ABSTAIN AGAINST  
to vote for one of the three lists proposed, to  
reject all lists or to abstain;

-- so long as the "OK" button isn't pressed, voters  
can change their voting intention; once the "OK"  
button is pressed, the vote cannot be changed and  
will remain visible on the televoter display until  
the end of the vote; anyone who has not expressed  
any vote will be considered as "not voting",  
proxies who act on behalf of multiple shareholders,  
including those acting for trust beneficiaries, and  
intend to express differentiated votes as mandated  
by the shareholders, must refer to the "assisted  
vote" position for assistance;

-- anyone not wishing to be included for the  
purpose of calculating the majority is invited to  
leave the room prior to the vote taking place,  
making their exit known to the appropriate staff  
and handing over their televoter;

-- a vote cannot be validly expressed prior to the  
vote being opened; voters may check their  
manifestation of vote by referring to the  
appropriate position; votes on individual topics on  
the agenda will take place at the end of the  
discussion on that topic; Shareholders Meeting  
participants are requested to not leave the room  
until voting has been completed and the result of  
the vote has been declared; for more information  
and if there are any technical problems with the  
televoter, participants can refer to the  
appropriate staff at the appropriate position;

-- the televoter that has been assigned must also  
be the one used to enter and exit the room during  
the Shareholders Meeting; participants are kindly  
requested to cooperate so that the names of  
individuals leaving the room prior to voting can be  
identified on the list of participants attached to  
the minutes;

- that the names of those who declared they would not be voting, would be voting against, abstaining or would be leaving the room before each vote will be recorded in the minutes and/or its attachments;

- that, for the purposes of scrutinising, as indicated above, the President will also be assisted by staff from Spafid S.p.A., a company assisting the Company in recording entries and votes;

- that the President has asked the secretary to invite, prior to discussing the topics on the agenda, participants to declare, when voting, any lack of legitimacy to vote in accordance with current legislation and regulations, which require that:

-- anyone with a direct or indirect shareholding in a Company with shares listed on the Italian Stock Exchange which is greater than 3% (5% for SMEs) must give written communication to the Company and to Consob;

-- any acquisition of shareholdings in banks that, in view of those already held, result in: a) a shareholding equal to or greater than 10%, or reaching or exceeding thresholds of 20%, 33% and 50% of the share capital or voting rights; b) the ability to exercise significant influence over the bank's management; c) control of the bank, regardless of the size of shareholding, is subject to specific legal obligations and must be reported to the Bank of Italy;

-- holders of significant shareholdings in banks must satisfy the requirements of integrity set out in applicable legislation and regulations and, if these requirements are not met, voting rights relating to shareholdings that exceed the thresholds of participation established by the regulations may not be exercised.

Addressing the meeting again, the President declared that, based on the information available for admission to vote, the required checks had been performed and that no-one had declared any impediment and, therefore, this Shareholders Meeting is validly constituted and is able to resolve on the topics on the agenda. Since a large amount of documentation regarding each point on the agenda had been made available to the public for a long time prior to the meeting, the President proposed, unless otherwise requested by the

Shareholders, not to read it to the meeting. None of the participants had any objections. The President also invited the Notary, Mr. Bandieramonte, in his role as secretary, to read out what was indicated to him.

\*\*\*\*\*

The President passed to discussion of the **first point on the agenda**

**1) "Approval of the Financial Statement to 31st December 2018; communication of the Group Consolidated Financial Statement to 31st December 2018; allocation of profits for the financial year; inherent and subsequent resolutions".**

The Chief Executive Officer was invited to address the meeting.

**CHIEF EXECUTIVE OFFICER - GIOVANNI BOSSI:**

"So, we assume that everyone has seen the financial statement to 31/12 and so I don't need to go into detail and read the document to the meeting. Here are some brief reflections on the financial statement. The financial statement allows me to tell you that the 2018 profit is EUR 147m. As noted, this profit arises as an effect of an intermediation margin of EUR 576m, equal to around 10% growth compared with the previous year. This confirms the bank's growth in the vast majority of its business segments. Costs also grew to EUR 273m, up 9%. This also reflects the increase in group staff, which reached 1640 units at the end of the year. At today's date, we have 1750 staffing units. The increase in costs also reflects the growth in charges for recovering deteriorated positions that the NPL unit works on.

The cost/income ratio, an indicator of the quality of management action from many points of view, considered by the market as an important element in determining a bank's value, is mostly under 50% and is actually 47.4%. This means the bank has the capacity to maintain a particularly suitable balance between obtaining revenues and incurring costs. Credit costs in the business sector were identified at 170 base points, 1.7%. Those who have followed us for some time know that the assessment we have often made is that a credit cost above 100 base points represents something that is not sustainable in the long term. Under this point of

view, 2018 has not gone well. It has been affected by the deterioration of some individually significant positions, without which the numbers for the financial year would also have been better than the 2018 return on equity, which was confirmed for the seventeenth year as being greater than 10%. In the past, we have recorded figures greater than 20%, sometimes over 30% and, extraordinarily, even at 70%. A return on equity of this type, extended over time, has no equal among banks in this country.

With regard to capitalisation, the CET1 of just the bank is 13.7% and the total capital ratio is at 18.2%. These values are also very high. There is a regulatory theme which concerns the consolidation of the Parent Company, La Scogliera, and that reduces the regulatory ratios. Net of this consolidation, the CET1 reaches 10.3% and the total capital ratio reaches 14%. A 5% increase in dividend compared with 2017 has been proposed. That is, for EUR 1.05 per share. I don't believe it's necessary to comment on the financial statement because, as the President said a few moments ago, all documents have been circulated to and seen by all shareholders for some time. On my part, I should tell you that the trend for profit and loss has been achieved by a growth in NPL management and by a progressive reduction in business credit, in a relative sense, one offsets the other. This is a fact which we must consider, and it is not easily overcome in the short term. It concerns the ever-growing market difficulty in generating sustainable profitability from non-concessional credit to businesses".

At the end of the Chief Executive Officer's contribution, the secretary reminded the participants of the contents of Article 9 of the Shareholders Meeting Regulations, in particular the methods of submitting questions.

Then the President handed over to the President of the Board of Statutory Auditors, Giacomo Bugna.

**PRESIDENT OF THE BOARD OF STATUTORY AUDITORS - GIACOMO BUGNA:**

"Thank you, Mr President, as you have already said, the Board of Statutory Auditors' Report has been made available to the Shareholders and therefore there is no need to read it out here. I believe it's necessary to bring your attention to one

relatively new aspect: the Non-Financial Data (DNF) declaration. The Bank prepared the DNF as an independent document in the financial statement, on a consolidated basis, and this Board of Statutory Auditors, in light of the provisions of Article 3, paragraph 7, Italian Legislative Decree no. 254/2016, has checked it - including in light of what was expressed by the External Auditor in its report in accordance with Article 3, paragraph 10, Italian Legislative Decree no. 254/2016, issued on 25th March 2019 - with regards to its completeness and its compliance with legislation and with the preparation criteria set out in the Methodology Notes for the DNF, without identifying elements which need to be mentioned in this report.

I will conclude by reading the remarks of the Board of Statutory Auditors, which - 'taking into account the specific tasks conferred to the External Auditor, which expressed its opinion without reservation, regarding auditing the accounts and the reliability of the financial statement, and in light of the declarations issued in accordance with Article 154-bis of Legislative Decree no. 58/1998 by the Financial Reporting Officer and by the Chief Executive Officer - has no comments to make to the Shareholders' Meeting, in accordance with Article 153, TUF, concerning the approval of the financial statement for the year to 31st December 2018, accompanied by the Management Report, as presented by the Board of Directors, and therefore has no objections to the approval of the financial statement, to the proposed allocation of the profit for the financial year or to the distribution of dividends'".

The President of the meeting thanked the President of the Board of Statutory Auditors and **declared the debate open**, inviting the secretary to read out the related operating method. The secretary invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions to the debate. It was noted that the President would be assisted by the Chief Executive Officer and, if necessary/appropriate, by Management, employees or

other individuals, in accordance with the Shareholders Meeting Regulations, to reply to any questions.

Carlo Francesco Jacopo Maffei Faccioli, shareholder, was asked to address the meeting (all individuals contributing to discussions on the various agenda items will be referred to by their data regarding the shares held and/or any proxy mandate(s) given that are shown in the documents attached to the minutes with regard to voting unless otherwise indicated by the contributing participant).

**CARLO FRANCESCO JACOPO MAFFEI FACCIOLI** (the shareholder delivered written text requesting that his full contribution be included with the minutes and therefore this text will be attached under letter "B" and reproduced below)

"I have three groups of questions for the Chief Executive Officer, Giovanni Bossi, and for the President. I ask that my contribution to the meeting be minuted in full, and I will leave the text with the Secretary.

1) A first group of questions for the Chief Executive Officer first and then for the President as the representative of the majority shareholder. For the Chief Executive Officer:

The financial statement shows a significant result, EUR 146m of profit after taxes, with an ROE, return on equity, once again over 10%. As the CEO has always said, an ROE of over 10% - which could approximate the cost of equity - represents the divide between banks whose net equity is worth or may be worth more than its market value and banks that are worth less than their net equity. Banca IFIS has always done well, and we are never tired of reading that, since 2002, there have been 17 financial statements with an ROE above 10% and some even exceeding 20% or 30%. Everything is good. Now - and let's talk about the future - we talk about consolidation, but the 2019 forecasts that the Bank has presented are already around or over 10%.

Question 1.1

Mr. Bossi, can you confirm this? How is the first quarter progressing, how is 2019's ROE going?

For the President:

La Scogliera, majority shareholder, has already drawn up and notified the market, on 10th March 2019, of the strategic lines which must, we

imagine, be applied by the next Board of Directors. La Scogliera has pre-empted, in a wholly unusual manner, the development of the Bank's strategy. This is decidedly strange in a context where the majority shareholder shouldn't carry out management and administration action over the Bank: future plans should instead be constructed and considered by management and subsequently approved by the Bank's new Board. Now, since La Scogliera already done this, we can ask:

Question 1.2

what objectives does the Bank have for the future? Growth in profit at least in line with the growth in capital? Or should we expect surprises or changes compared with the past?

Question 1.3

will the policy on dividends remain under current terms? Can we expect a growth in dividend compared with the EUR 1.05 proposed for this year?

2) A second group of questions principally for the President and only partly for the Chief Executive Officer.

An important topic in 2018 was the attempt to eliminate the 'regulatory cost' in terms of CET1 following the existence of La Scogliera. I'm talking about a reverse merger, first announced because it was necessary, then postponed, than cancelled, or perhaps to be replaced in future by other equivalent transactions. Then now, it no longer appears to be anything. But it's precisely in the interests of the Bank that it's done, otherwise the regulatory capital, which would be high in percentage terms, would instead be very much reduced, and the Bank on one side could not grow, and on the other, would pay an unreasonable price in terms of market credibility and, I believe, also in terms of market access and, I imagine, in terms of rating and financing costs. Surely the share price has lost more than 60% since the reverse merger was stopped, yet the market, whilst not brilliant, has, in fact, lost much less (around 10%).

Question 2.1

I'd like to ask the President as majority shareholder with 50.1% of shares, whether the lack of solution to the problem of regulatory capital is damaging the Bank? I've spoken to market operators, and someone fears that all this is to protect the

private interests of one of the shareholders, even if it's the biggest. Can you give us your vision and allay these fears?

Question 2.2

I'd like to ask the Chief Executive Officer to tell us what he sees are the consequences of the failed reverse merger on the market, access to credit and financing costs, and if all this concerns, and how, in his opinion, what seems to be the end of an era? What are your thoughts?

3) A third group of questions, only for the President:

Mr. President, as I've said, La Scogliera seems to have improperly set out the Bank's strategies and has spoken about consolidation. To many of us shareholders, from the outside, this seems to be an act of business derecognition: what we think is that a consolidation strategy in a market as it currently stands can't work... to take it to its extreme, there may even be the doubt that the Bank wishes to open branches (given that the new proposed management has a lot of experience in traditional bank branches).

Mr. President, to many shareholders, it seems that you're saying consolidation, but in reality, you mean that you don't want growth. Many are wondering if this intention may depend only on your fear of losing your 50.1%, because by growing, sooner or later, the problem of regulatory capital could make you lose the absolute majority. Mr. President, the fear of some shareholders is that you don't want consolidation, but simply, you're putting your family's interests (but I don't know precisely which, because your interests as a shareholder should be to increase the value of the Bank) ahead of those of the Bank. In reality, the Bank's interests are also your interests, and we don't understand what thought and which vision is behind what's happening.

Question 3.1

Mr. President, can you tell us your position on the Bank's future strategy and what you mean by consolidation? I ask you to be very candid with us because, today, we all need candour, including, for some, to remove the thought that there's irresponsible behaviour in relation to the interests of the Bank and all shareholders, including you, and that there's no risk of us

facing a short-sighted act regarding the Bank's prospects. I ask you all of this with the appreciation, respect and admiration that I've had for you for how you've led the Bank until now with your team, that has been behind us for decades.

Question 3.2

Finally, Mr. President, as I've said, I've spoken with other shareholders and we share this concern. Can we expect a change in this behaviour that, to many, seems sudden and strangely patronising and not in the interests of the Bank and all shareholders?"

The secretary reminded the meeting that the President, in accordance with the Shareholders Meeting Regulations, established a ten-minute time limit for each contribution.

Mara Di Giorgio, shareholder, was asked to address the meeting.

**MARA DI GIORGIO:** "Good morning, Mr. President. Good morning, Directors. I believe we've known each other for a long time, given that I've worked for this Bank for 8 years as Investor Relations manager and I've also managed this Bank's communications and image.

First of all, I would ask you, Mr. President, if the financial statement's key facts, after the date of the management report, include the fact that, as was communicated by Il Sole 24 Ore on Saturday afternoon, the Chief Executive Officer was torpedoed. Is this a key fact or not, or was it just not reported? And why?

The second thing I'd like to ask you is to understand the 'consolidation' that you spoke about through the press release or, more precisely, in a way that is, perhaps, improper in relation to the financial community and to shareholders, by means of 'piecemeal' information. And with regard to consolidation, on which lines of the Financial Statement that we're about to approve, do you intend to work?

So, I would kindly ask, as a shareholder, which lines of the financial statement are you intending to work on, so that, in a year's time, we can look again and check the lines on which you intend to focus the efforts of the new management. And, in the name of all shareholders I'd like to ask you to think again if what you're doing is in the name of the shareholders, and therefore in the interests of

this Bank, or for personal reasons?

The last thing, of great importance, is that in the last 8 years, I've only met your son once, in here, at the coffee machine a month prior to leaving. Thus, your son has never worked here. Thank you". Massimiliano Trazzi, shareholder, was called to speak.

**MASSIMILIANO TRAZZI:** "Good morning, thank you for giving me the chance to speak. Mr. President, my contribution is for you and is in line with the contributions that preceded me. I'm disappointed, I have to say, by the desire to kick out, if you can call it that, the Chief Executive Officer. I'm disappointed by the desire to get rid of our Chief Executive Officer, the man who has led the Bank for a quarter of a century. I understand that changes in senior management are natural in large organisations.

But it all needs putting into context. I said, it all needs putting into context. This Bank has been shaped, has been led to its current scale by Giovanni Bossi, and this is given fact. It's a shame to see this change in senior management, it's made me quite bitter, also because I don't understand the reasons for it, and it leaves me perplexed for the future. Perplexed because Banca IFIS is set apart in the Italian market because of its distinctiveness. I wonder, as the shareholder who spoke before me said, if this distinctiveness will continue. It's a shame and I'm unhappy and worried at the same time. In the same way, I believe it's not just a question of merit, but also a problem of manner. I think that little respect and attention has been shown to both the Chief Executive Officer (who I'm sure has no need for me to express what he feels), but also to minority shareholders.

I believe that perhaps, if the share price has taken some hits, it's because not enough attention has been paid to the interests of the shareholders as a whole. Information has been given in way that is not entirely complete, and at times cryptic.

I've always believed in the destiny of Banca IFIS because of the quality of its management, the quality of its vision.

I'm starting to ask myself if what I've always believed in can also be represented in the future. So, I'd like to ask you for some reassurances about

the future and at the same time, I'd like senior management to explain to us what's appearing in the newspapers, that is, the reasons for not reconfirming, to use a euphemism, or for torpedoing, to be more real, the Chief Executive Officer. The newspapers have been rather hasty, saying that Bossi has been pushed out, given the elbow, things of this type that I think is not very respectful for all of us. I think we've not done as well as we could have from an external communication perspective. We need something else, we now need clarity. We want to understand from you how things really are, if what we see reported in newspapers is the truth and what we can expect for the future.

I'd like to take the opportunity I've been given to express the clearest, utmost and infinite esteem I hold for the man who has made this Bank as big as it is, that is Giovanni Bossi. Thank you".

Alessio Semerani, attending as proxy for the shareholder Enrico Krizman, was asked to speak.

**ALESSIO SEMERANI (PROXY FOR THE SHAREHOLDER ENRICO KRIZMAN):** "Thank you. The microphone isn't working, but I think it'll be OK. A question for Mr. Bossi, actually, a few questions for Mr. Bossi. One regarding DTAs (deferred tax assets).

These seem to be significant in the Bank's assets in the financial statement. We know they are a problem for many Italian banks. How much are they? How significant are they? What idea is there for using them?

Another question, again regarding the financial statement, about property. The financial statement report shows that the Bank has acquired significant amounts of property in Milan.

At what value are they entered into the financial statement? What are they worth? And what is the Bank's future policy? Keep them or sell them?

Then a general question: it seems that the Bank is earning well, it shows that profits are again more from management of NPLs, and this is an investment banking activity, more than a credit activity.

It was mentioned before, can we know more about it? How much is earned through non-concessional credit? What trend can we expect to see for the future of the two entries, profit from non-concessional credit and profit from NPL management?

Even if you won't be in charge of the Bank's

future, can you tell us what you think based on the elements you have now?

And finally, another general question: what's happening beyond what we've read in the financial statement... Mr. President, we're witnessing something different, we're witnessing a revolution. We'd like to hear your opinion regarding everything that appears in the financial statement. Thank you".

Vittoria Giustiniani, proxy for the shareholder, "LA SCOGLIERA S.p.A.", was asked to speak.

**VITTORIA GIUSTINIANI (PROXY FOR "LA SCOGLIERA S.p.A.")**: "Good morning, I've asked to speak because many of the questions that have been put to the President are, in reality, questions for La Scogliera. The President sits at that table as President of the Bank and not as a shareholder of the Bank, and as such I'd like to try and reply to some of these questions, it being understood that I note that some of these questions don't seem to relate to the financial statement which seems to me a bit inappropriate to discuss in this setting. But it's not my intention to ignore them entirely in my reply and so I'll try all the same.

I've written these questions down, and I hope to be able to reply correctly to all of them. Regarding the merger, it's been called 'the reverse merger that's damaging the Bank'. What, as La Scogliera, I want to say is that the reverse merger is one, only one, of the possible alternative transactions that can obtain and aim to obtain the same result. At this time, many alternatives to the reverse merger are being studied, therefore, when these alternatives, these studies are completed, the market, shareholders, the Board first of all, will be made aware of them. Obviously, these alternatives will be discussed with senior management, thus with the Chief Executive Officer. Many unpleasant things have been said about personal interests, conflicts of interest... I'd simply say that change always brings fear. But if there was no change, there'd be no evolution. Nobody is denying what has been done and, rather, the Bank is what it is thanks to Mr. Bossi. Change, however, means growth, and the fact that La Scogliera has 50.2% shareholding in this company should calm all of the minority shareholders. And if this is not the case, it will be, because the

facts will speak for themselves. And this is what they are. I'd say that there is no alternative to this.

With regard to Ernesto Fürstenberg, he is not, I repeat, in talks at this time, but the Board will assess whether, based on the documentation collected, there is the correctness, professionalism, and fullness of all the information provided, to say that they are absolutely agreed and substantiated. I feel I can bring this forward to the Shareholders Meeting.

Regarding the question on the financial statement, I think the Chief Executive Officer will be able to reply to this, I don't think a shareholder can do it, because a shareholder doesn't manage [the company] and nor does an as-yet unelected President. We are talking about the future".

The last part of the contribution is interrupted by other voices. It is clear that there will be, in accordance with the Shareholders Meeting Regulations, the possibility to reply contributing shareholders after the other replies.

The Chief Executive Officer, Giovanni Bossi, was asked to address the meeting.

**CHIEF EXECUTIVE OFFICER - GIOVANNI BOSSI:**

"Thank you. Thank you for the questions that you've asked me which allow me to set out the 2018 financial statement and the replies which I will submit to you shortly in the context of the last few years and also of an era, which now reaches its conclusion. For me, this is the last Banca IFIS Shareholders Meeting in which I will participate as Chief Executive Office. After 24 years, I will leave the post of Chief Executive Officer as the majority shareholder believes the time has come to change the business's senior management. I don't need to say that the decision is legitimate and the prerogatives of the majority shareholder are not up for discussion. For my part, I would like to thank the shareholders, the Board members and the Bank's entire team, each in their own role, for the years of work that we've done together, for the experiences we've shared, for their extraordinary professionalism, and the attention that you have always demonstrated in addressing the common project. For me, it has been a pleasure to have the opportunity to work with each of you, not always from aligned positions, but always finding in time

and in dialogue, in the proper balance of judgement, the right combinations to reach the position which best worked for the good of the bank and of all stakeholders.

Finally, that 'common good' that we never forgot in our actions. I'm not afraid to say that if the actions of all those who have managerial or public responsibility was inspired by the same attention, this country would be a better place. Banca IFIS is a strong bank. It's liquid, profitable, one of the strongest, given the size of our country, certainly one of the most profitable and a champion, a model for other operators to copy. Over time, we have developed high rates of growth. I've had the opportunity to remember that in 1995, the then I.Fi.S., a small factoring company which found it hard to balance the books was made up of 18 members of staff and, after it was listed on the restricted market, was able to capitalise around 3 billion.. lire, the equivalent of around EUR 1.5m. At its maximum, Banca IFIS's market capitalisation was EUR 2.6bn, some 1700 times bigger than the figure from all that time ago, that's 170,000%, and the staff number increased to 1800 units, 1750. We can all be proud of this result, just as we can be proud of having given the market a return on income of more than 10% for 17 years in a row, and as I've said, at times greater than 20% and 30%, and despite the arrival of a systemic crisis, ladies and gentlemen, these results weren't achieved in 1980, they were achieved in 2009-10-11-12-13-14-15-16-17. A devastating systemic crisis which we have faced with clear actions which have allowed us to grow with profitability in each context, taking the opportunities even when nobody else knew they were there. Only in the last year has the Stock Market listing retreated, much more than the market has done, despite the fact that profitability continues to still be greater than 10%. I've never stopped talking with shareholders in Italy, in Europe and across the Atlantic and I've recently become aware of a silent neglect on the part of investors in regard to some strategic choices which should have been paid greater attention. In the last few weeks, after the communication to the market of the decision to change the management, which was issued on the 9th March, media attention on the Bank has reached very high levels and, in my view, is

damaging to the Institution's reputation. It's been written that the [majority] shareholder's decision to change management was due to disagreements regarding the reverse merger and other questions of strategic importance. Allow me to remind you, to provide definite clarity, that, with regard to all themes, all strategic themes, I have always acted, as Chief Executive Officer, in full and absolute agreement with the entire Board of Directors, without exception. And only following the favourable involvement of the Board of Directors, in which the majority shareholder is widely represented, which 8 of the 9 members expressed. And I would never have undertaken the strategic paths which we have begun without the total and unconditional consent of those who had the full power to resolve on the transaction. To change one's mind, even at the last minute, is always allowed, even if the circumstances in the decisions should be accompanied by greater comparative analysis of costs and benefits, especially when interests are at stake that go beyond those of an individual shareholder, even if that is the majority shareholder. That said, I have always immediately tailored my management actions to the greater interests of the Bank and all the people involved in the project. It's sad to see that responsibility for this affair, as reported by the press, has been ascribed to the replacement of management. However, I believe, with great honesty, even in light of the declarations recently issued by the President, that this managerial readiness is rooted in the majority shareholder's desire to keep the Bank managed in a familial manner, including with regard to hereditary succession, considering it incompatible with the management which led the Bank to its current results and size. My driving managerial action was interrupted on 8th March 2019. To my successor, the new CEO, Luciano Colombini, who I've not had the opportunity to meet, I wish every success in the interests of the Bank and of this extraordinary project which still represents the reference point of banking innovation in this country. If I may, I'd like to recommend that the new Board of Directors takes immediate driving action because if it's true that there is a strong push to reach profit results of significant size, any slowdown or interruption,

even temporary, of this push, which must be continuous and incessant, can only have an effect on numbers and dividend income, and ultimately on the credibility of the Institution's future prerogatives. Ladies and Gentlemen, we have built a team of managers of extraordinary quality, rare skills, absolute dedication, that cannot be found in other credit institutions that come close to the innovative spirit of those entrepreneurs in the business world. Many are young, but are also prepared, full of passion, who want to lead the project towards ever more challenging objectives, inspired by sound principles, capable of being involving, inspiring and motivating the youngest among them. This is an asset that must not be disposed of, rather, it must be cultivated and strengthened, making use of their credibility, vision and imagination. The value that this Bank may yet generate for itself and all the stakeholders within it and, simultaneously, for each element of the real economy which works alongside them is immense, and I want to hope that, in the future, this value continues to be expressed to the fullest. I'd like to close... I'd like to close this subject emotionally. I'd like to close with an emotion about which I feel no shame. I will miss you and I will miss this, I'll miss it all. After 400 Board meetings in 24 years, without a single absence. I think there's another absolute record. I don't have time to recount everything that we've done together. Personally, after a brief pause for reflection and then once again with the smile and the strength and the creativity I've always tried to maintain, I'll try to take new projects forward and I hope to find satisfaction for me and for the market as a whole, and surely these last few months of incomprehension won't spoil the extraordinary journey I started in 1995, when we were all much younger, and who among us then would have thought we could reach such heights. For this, I thank everybody who has believed in me over time, primarily the President, even if, since 6th March, he no longer even wished to speak with me and to whom I address my thoughts. All of you, who have always supported me, and many times bore with me, and all my partners, all nearly 1800 of you, with whom I've shared this journey. I'd like to thank everybody from the bottom of my

heart and now I'll turn to the more technical part of the questions posed by shareholders:

to Mr. Maffei: I have always said that a Bank that has an ROE greater than the cost of capital has a market value greater than its net equity. Thank you for remembering that. What will the ROE be in 2019? The Bank has notified the market of some guidelines for 2019, it did this on 11th February: EUR 140-160m of profit after taxes, CET1 in growth, intermediation margin in growth, revenues in growth. These declarations were made in February, obviously it's not my responsibility to conclude the 2019 financial statement, which, however, has started well, but what we can say today is that the first quarter is going satisfactorily, the evidence that we have right now is that figures are higher than expected. We can confirm that the machine has started well and that from here on in, the new Board of Directors will have the responsibility of obtaining results.

Regarding the impact of the Banca IFIS's capital situation on the cost of funding and on availability of and access to credit: it seems to me that this is a difficult moment for the country, not just for banks, but for the country as a whole. The direction is not clear and, in a context like this, I think that it's right to pay close attention to how our issues perform on the market. In particular, the list price on the secondary market of our debt issues or the corollary, which is our bonds' yield on the secondary market. The feeling we have about the market, meeting very qualified operators and important credit investors, is that they want to see very solid banks with requirements that are consistent with the expectations of the regulator, especially regarding the aspects of deteriorated credit originated by the bank. There's a lot of attention being placed by operators, both on the formal CET1, including the overall CET1 of La Scogliera, and on the maintenance of gross non-performing exposures in relation to the assets that are consistent with the regulator's expectations. The objective is for banks to be under 10% and to aim for 5% in terms of gross non-performing exposures out of total credits to customers.

Even more technical questions from Alessio Semerani.

The DTAs are high, they are high and they exist mostly as a consequence of the acquisition of Interbanca, that is, the merger of Interbanca which took place in October 2017. Tax assets which are based on future profitability and that do not derive from temporary differences and are subtracted from capital, are the biggest, EUR 102m, than the EUR 43m referring to the holding company. These assets are to be subtracted from net equity to calculate the regulatory capital, therefore as a result of these entries, the regulatory capital compared with the net equity in the financial statement is reduced significantly. Then there are other tax assets which are smaller, which are not subtracted from equity but are subject to capital absorption of 250% or 100%. What has been identified is that, today, the tax assets have a 1.63% effect in terms of CET1. 1.63% is a significant value which must be reduced over time. The way to reduce the burden of this charge, over time, is to generate profits, to identify taxes owed and to compensate the tax debt with these entries. This takes time. It will take a few years yet, but it depends on the profits that will be generated. I recall that we had considered relatively rapid reductions, but I will close this point by repeating that this is one of the most important elements of reduction in regulatory capital compared with net equity.

Property: A property or several properties in Milan? EUR 41 million? There are two properties, one in Corso Venezia and one in Via Borghetto which have roughly, excuse the approximation, 4-5,000 m<sup>3</sup> each with attached areas and parking. They are very significant properties and are entered at EUR 40-41m. They are worth more, much more. What the Bank does with them isn't up to me, and it's not for me to say. One property, in particular the one that was the former registered office of Interbanca, is a trophy asset, a property of great importance, located right at the top of Corso Venezia, after the Gate, and therefore can be very coveted.

NPLs, investment banking, NPL credit-non-concessional credit balance: this is a very important strategic question which will evidently be dealt with by the next Board. This involves understanding where the next Board will decide to focus its actions. You asked me for a comment: I've

already done this, in part, in the comments on the financial statement, but I'll happily go into detail. My perception is not favourable from a profitability profile with regard to trade credits due from businesses in the next few years, especially for regulatory reasons. It's especially for regulatory reasons that a widespread reduction in product line is to be generated. If we look at the product lines of credits granted to businesses, I'm quoting from memory, credit granted to businesses has been reducing for at least 48 months, perhaps 60, at an average rate of EUR 2-3bn per month in this country, with impressive systematic nature, so much so that in the last few years we've lost EUR 200bn of lending to businesses. Does this mean that businesses aren't lending any more? No. Does it mean that banks need to reduce their risk activities and thus reduce the availability of credit? In part, yes, especially for regulatory reasons. The increase in CET1 requested by system regulation, the increase in regulatory capital, in all the different categories in which it is set out, in absence of supporting profitability, inevitably leads to a bank that cannot propose increases in capital, we know full well what happens to banks when they try to increase capital: there is a strong dilutive effect on the shareholders, therefore they can't do this at all or can't do it without paying unreasonable prices. And so what can be done to meet regulatory ratios? The only way to increase CET1 is to reduce risk, reducing risk means reducing lending. This is what has happened, what has been happening for years at systemic level. Now, turning from the macro picture to the micro picture, we can't think that a bank of the size of Banca IFIS can compensate for this problem, that would be unrealistic. This fact could instead represent an opportunity, even if we're talking of a situation which, on the market, presents itself as a hidden credit crunch.

I think that a credit crunch is very close. Interest rates don't allow us to see this in the sense that they're still very low. The credit crunch is characterised by low offerings of credit from banks and growing interest rates. We will see that interest rates are growing, even if they do so slowly. The fact remains that trade credits, meant

in a more or less traditional manner, as traditional banks do, will probably not have a great future; it will be difficult to provide profitability that allows Italian banks to stay on their feet. In our case, as already said, in recent years NPLs have been the bank's driving motor. A motor that has generated much".

Addressing the meeting, the President clarified that he believed that the questions have not been asked to him as president of the Shareholders Meeting, but as President of the majority shareholder and that, in the name of the majority shareholder, LA SCOGLIERA S.p.A., Ms. Giustiniani has already replied.

The shareholders who contributed to the debate were asked if they wanted to reply. The meeting was reminded that the time limit for each reply is five minutes and that the method of replying is the same as the initial contribution.

**REPLY FROM CARLO FRANCESCO JACOPO MAFFEI FACCIOLI:**

"My reply is to ask, in substance, for a clarification and a reflection on the future, so I'm not asking you to tell us these things now.

The clarification is in the fact that the questions I asked, I asked you as President of this Board of Directors, as part of the Board of Directors, you have been appointed by La Scogliera in its own good time and, so, as a representative of La Scogliera within the Board of Directors, I have asked you certain questions. This may be disputed, but what I mean and what I'm asking is this:

Mr. President, I'm asking you to read my contribution in full first, because it's all written down. Not to cause a dispute or in a provocative manner, but to be able to reply to minority shareholders, with something that answers my questions, in the months and years to come, reading properly, interpreting what is written in my contribution. That's it. There's no requirement to have a reply today, my question was aimed at the future, in the future certain financial statement. I'm sorry, but I have to dispute the reply from the representative of La Scogliera, the future is there in the financial statement and so must be declared in some way. My questions were aimed at the future of the Bank and, in part, also at the past. I expect to see the response to this in future actions; therefore I ask that you take a look at

this; I ask only this".

Mara Di Giorgio, shareholder, was asked to reply.

**REPLY FROM MARA DI GIORGIO:** "So, the same two questions remain. The first was actually in the key facts following the close of the financial year. So, we're talking about the financial statement and we're talking about the future, with regard to the close of the financial year at 31/12. There doesn't seem to be any mention of the change of management. Regarding the change of management... the decision which appeared instead in the press. I haven't seen anything at all about this.

The second, instead, relates to what was said about consolidation, that is what you have said in interviews you've done. I wanted to know which part of this financial statement, which lines in the financial statement you intend to work on, even if in reality there's some contradiction with the representative of La Scogliera, because you're talking about consolidation, Ms. Giustiniani is talking about growth. Growth and consolidation are not the same thing".

The President, noting that nobody else wished to contribute to the debate, **declared discussion of the first item on the agenda closed and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital;
- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;
- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;
- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting

procedure had finished;

- the secretary read the following proposed resolution:

*"The Company's Shareholders Meeting*

*- having acknowledged the Board of Directors' report at point 1) of the agenda;*

*- having acknowledged the report on the financial statements and on the consolidated financial statements prepared by the Board of Statutory Auditors and on the supervisory activities it carried out;*

*- having acknowledged the reports on the financial statement and on the consolidated financial statement drawn up by the External Auditor;*

*RESOLVES*

*A) TO APPROVE the Financial Statement for the financial year ending 31st December 2018, with the management report presented by the Board of Directors;*

*B) TO ALLOCATE the net profit for the 2018 financial year of EUR 82,805,866.57 as follows:*

*a) a cash dividend to shareholders (gross of statutory deductions) of EUR 1.05 for each ordinary share with an ex-dividend date (coupon no. 22) of 29th April 2019. This dividend includes the portion attributable to treasury shares held by the Company. In accordance with Article 83-terdecies, Italian Legislative Decree no. 58/1998, entitlement to payment of the dividend is determined by reference to the evidence of the accounts of the intermediary referred to in Article 83-quater, paragraph 3, Italian Legislative Decree 58/1998, at the end of the accounting day of 30th April 2019 (the 'record date');*

*b) the remaining amount to other reserves;*

*C) TO PAY the above dividend from 2nd May 2019. Payment will be made through the authorised intermediaries with whom the shares are registered in the Monte Titoli System".*

*- participants are reminded that voting will be carried out by using the televoter;*

*- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.*

*At 10:55, the President put the proposed resolution as set out above to the vote.*

*Voting was carried out via televoter.*

*This proposed resolution was approved by majority*

with (all percentages of capital participating in the vote in all votes have been rounded):

- 39,841,421 votes for, equal to 98.17599% of the capital participating in the vote;
- 2 votes against;
- 11,533 abstained, equal to 0.02842% of the capital participating in the vote;
- and 728,680 no votes, equal to 1.79559% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "C" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

\*\*\*\*\*

Addressing the meeting again, the President moved to the second item on the agenda:

**2) "Remuneration policies for Banca IFIS Banking Group officers, employees and contract workers: Remuneration Report"**

and invited the Chief Executive Officer to present the "Remuneration Report" approved by the Board on 7th March 2019 and which is attached to this minutes under letter "D". The Report was made available to the public at the registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website on 28th March 2019, together with the "Report on Corporate Governance and Ownership Structure".

Firstly, Demetrio Rodinò, shareholder, spoke to the meeting. He proposed to omit reading the Report to the meeting, unless otherwise required by the attendees, in that the Report had already been made available to the public, as indicated above. None of the other attendees had any objection to this and thus the Report was not read to the meeting.

Therefore, the President declared the debate open, inviting the secretary to read the operating

methods to the meeting. The secretary invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions to the debate. It was noted that the President would be assisted by the Chief Executive Officer and, if necessary/appropriate, by Management, employees or other individuals, in accordance with the Shareholders Meeting Regulations, to reply to any questions.

The President, noting that nobody wished to contribute to the debate, **declared discussion of the second item on the agenda closed and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- the secretary read the following proposed resolution:

*"The Company's Shareholders Meeting*

- *having acknowledged the Board of Directors' report on point 2) on the agenda;*

- *having acknowledged the report on remuneration*

policies, in accordance with Article 10 of the Articles of Association, and applicable law on the subject, as part of the 'Remuneration Report' prepared in accordance with Article 123-ter, TUF;

- having acknowledged the outcome of the checks carried out by the Internal Audit Department on the methods used to ensure that remuneration practices comply with regulatory requirements.

RESOLVES

A) TO APPROVE the contents of Section I of the 'Remuneration Report' prepared in accordance with Article 123-ter, TUF, including for the purposes of adjusting the remuneration policies of the Banca IFIS Banking Group for 2019, attached to the minutes and, specifically, the sub-paragraph of paragraph 7 of Section I of the 'Remuneration Report' titled 'Treatment required in the event of cessation of post or termination of the employment contract of key personnel', and Appendix 1 of the Report containing the Policy regarding the process of identifying key personnel;

B) TO APPROVE the remuneration plan based on the allocation of Banca IFIS shares to certain company figures, described in the information document prepared in accordance with Article 114-bis, TUF and its implementing rules (Article 84-bis of the Issuers' Regulations) and made available to shareholders in accordance with the law";

- participants are reminded that voting will be carried out by using the televoter;
- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.

At 11:02, the President put the proposed resolution as set out above to the vote.

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 34,648,521 votes for, equal to 85.37980% of the capital participating in the vote;
  - 5,181,834 votes against, equal to 12.76891% of the capital participating in the vote;
  - 4,688 abstained, equal to 0.01155% of the capital participating in the vote;
  - and 746,593 no votes, equal to 1.83973% of the capital participating in the vote;
- with the clarification that the names of the shareholders who voted for, the shareholders who

voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "E" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

\*\*\*\*\*

The President moved to the other item on the agenda and exercising the right set out in Article 8 of the Shareholders Meeting Regulations, provided that the Shareholders Meeting does not oppose (and nobody present raised any objection), began discussion on the fifth item on the agenda. 5) **"External audit of accounts: supplementation of fees"**, in consideration of the fact that with regard to this item on the agenda, the proposal put forward by the outgoing Board of Statutory Auditors must be discussed and voted on. Therefore, it is believed appropriate that this item on the agenda is discussed and voted on before the other items on the agenda and, particularly, before discussion and voting on renewal of the Board of Statutory Auditors. This proposal, made available to the shareholders on 28th March, and attached to these minutes under letter "F", concerns the addition of time and fees to be paid to the External Auditor, EY S.p.A., appointed as external auditor for the 2014 - 2022 financial years, as set out in the proposal from EY S.p.A. dated 11th March 2019. The President invited the President of the Board of Statutory Auditors, Giacomo Bugna, to read out a summary of the proposal.

**PRESIDENT OF THE BOARD OF STATUTORY AUDITORS - GIACOMO BUGNA:** "If the President allows me, and considering that the document has been made available to shareholders, I will summarise the contents of the proposal put forward by the Board regarding the requests from the External Auditor. In short, the requests from EY S.p.A. can be summarised in two parts: a) the remodulation of fees following the company acquisitions and transactions carried out, and b) the addition of

fees for the 2018 financial year following increased activity carried out.

For the first part, the events which led to the request are: 1) the merger by incorporation of IFIS Leasing S.p.A. into Banca IFIS S.p.A.; 2) the assignment of the NPL business arm from Banca IFIS S.p.A. to IFIS NPL S.p.A.; 3) the acquisition transactions, regarding Capitalfin S.p.A. and Credifarma S.p.A.. Following these events, EY S.p.A. has recalculated its activity and, consequently, its fees, bringing them from a current EUR 190,000 for 2,890 hours of work to the requested amount of EUR 203,000 for 3,062 hours of work for the period 2018-2022.

Regarding the second part, EY S.p.A. has increased its work as follows: 1) increased its activity following the first year of applying IFRS 9; 2) the need to extend its audit activity to accounting and non-accounting data migration belonging to the new company, IFIS Leasing S.p.A.; 3) specific activity regarding the purchase price allocation process for Capitalfin S.p.A. and Credifarma S.p.A.; and 4) increased activity carried out on the accounts for the Pharma BU. The activities described have required the External Auditor to carry out 350 hours of extra work, which correspond to another EUR 35,000 in fees just for 2018.

I believe that this may be sufficient even considering that further details and information are set out in the Proposal in your hands submitted by the Board of Statutory Auditors to supplement the fees for the audit".

The President thanked the President of the Board of Statutory Auditors and declared the debated open, inviting the secretary to read out the related operating methods. The secretary invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions, after suspending the meeting, if necessary. It was noted that the President would be assisted by the Board of Statutory Auditors and, if necessary/appropriate, by Management, employees or other individuals, in accordance with the Shareholders Meeting

Regulations, to reply to any questions.

The President, noting that nobody wished to contribute to the debate, **declared discussion of the fifth item on the agenda closed and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. The President also notified the attendees that he needed to leave the room for a few moments. The Vice President of the Board of Directors, Alessandro Csillaghy De Pacser, assumed the presidency of the meeting (nobody objected to this) for the short periods of time the President was absent, a total of two, (notwithstanding the fact that for these two very short periods in which the President, Sebastien Egon Fürstenberg, was absent, the term President as used in these minutes, without further explanation, refers to Alessandro Csillaghy De Pacser who assumed the presidency for these two brief periods in place of Sebastien Egon Fürstenberg).

Following the President's invitation as set out above:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- the secretary read the following proposed resolution:

*"The Company's Shareholders Meeting*

*having noted Article 13, Italian Legislative Decree*

no. 39 of 27th January 2010 (Implementation of Directive 2006/43/EC on statutory audit of annual accounts and consolidated accounts);  
having noted the resolution passed by the Shareholders Meeting on 17th April 2014;  
having noted the contents of the mandate assigned to the External Auditors regarding the possibility of reviewing the fees to take into account any special circumstances likely to change the forecasted timescales;  
having acknowledged the company reorganisation and changed boundary and that, in relation to this, the External Auditor, EY S.p.A., appointed to audit the accounts for 2014-2022, has, on 11th March 2019, submitted a request to increase the amount of time required and to supplement the related fees concerning the additional audit compared with the services included in the proposal approved by the Ordinary Shareholders Meeting of Banca IFIS S.p.A. on 17th April 2014, as supplemented on 19th April 2018;  
having examined this Board of Statutory Auditor's reasoned proposal containing the terms of the above external auditor's proposal and formulated based on the positive assessment carried out by Banca IFIS S.p.A.'s competent business structures, it is believed that:

- a) the positive assessment on EY S.p.A.'s technical suitability is confirmed regarding the adequacy of its organisation and its knowledge of the Company and the Group, as well as its knowledge of the Company's and the Group's specific activities and their accounting and internal control systems;
- b) the activities reported by EY S.p.A., with the addition request are inherent in performing the audit activities it has been assigned and are suitable in relation to the additional audit activities deriving from merger transactions involving Banca IFIS during the 2018 financial year;
- c) in formulating the fee addition request, EY S.p.A. has provided suitable assessment elements regarding, in particular, the economic conditions set out in the same request, that appear to be consistent and coherent with the professional commitment required to carry out the assigned task, and are substantially in line with existing conditions;

*RESOLVES*

A) to amend the fees set out in relation to the audit activities already assigned to EY S.p.A. under the terms and conditions indicated in the addition request prepared by the External Auditor. The resulting fees for the years 2018-2022 are quantified as follows:

1) for the 2018 financial year

for auditing the financial statement - EUR 139,800  
(of which EUR 35,000 deriving from the supplementary activities requested only for the 2018 financial year)

for auditing the consolidated financial statement - EUR 21,200

for quarterly checks in accordance with Article 14, paragraph 1, letter b) of Italian Legislative Decree 39/2010 - EUR 28,100

for the limited audit of the half-yearly report - EUR 41,100

for signing tax declarations - EUR 7,800;

2) for the 2019 - 2022 financial years

for auditing the financial statement - EUR 104,800

for auditing the consolidated financial statement - EUR 21,200

for quarterly checks in accordance with Article 14, paragraph 1, letter b) of Italian Legislative Decree 39/2010 - EUR 28,100

for the limited audit of the half-yearly report EUR 41,100

for signing tax declarations - EUR 7,800;

3) as well as the ISTAT increase, VAT and the supervisory contribution set out by Consob, under the terms and conditions agreed upon appointment; the maximum living expenses of 10% for activities carried out at the company's registered office, and for activities that are effectively carried out in other locations; the accessory technological expenses (databases, software, etc.) and a one-off overall fee for office and communication services of 8%;

B) to confer upon the President of the Board of Directors and the Chief Executive Officer - including severally - the broadest powers to carry out this resolution".

- participants are reminded that voting will be carried out by using the televoter;

- attendees who hold multiple proxies and who intend to express different votes are invited to go

to the "assisted vote" position.

At 11:17, the President put the proposed resolution as set out above to the vote.

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 39,797,979 votes for, equal to 98.06894% of the capital participating in the vote;

- 9,740 votes against, equal to 0.02400% of the capital participating in the vote;

- 27,324 abstained, equal to 0.06733% of the capital participating in the vote;

- and 746,593 no votes, equal to 1.83973% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "G" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

\*\*\*\*\*

The President then moved to the third item on the agenda of the Shareholders Meeting:

**3) "Appointment of the Board of Directors, subject to determination of the number of members, duration in office and fees"**

Recalling the Directors' Report to shareholders and reminding them that, at today's Shareholders Meeting, the mandate of the directors in post expires and that it is necessary to appoint a new Board. The shareholders were also invited to determine the number of members, the term of their office and the annual remuneration for the duration of the mandate. The President asked the secretary to give information to the meeting on the statutory provisions on the subject, and to read the information regarding the lists deposited with the Company and the results of the outgoing Board of Directors' self-assessment.

Addressing the meeting, the secretary first

reminded the attendees that Article 11 of the Articles of Association establishes the principles regarding the appointment of the Board;

i) List vote mechanism;

ii) Composition: a number of members between 5 and 15;

iii) Duration: no greater than three financial years.

The secretary informed the meeting that 4 lists of candidates were submitted from which to appoint directors, together with the required documentation and declarations, precisely:

- on 15th March 2019, a list was submitted by the majority shareholder, LA SCOGLIERA S.p.A., also containing a proposal to establish the number of members of the Board of Directors at 12 - (shareholding equal to 50.177% of share capital);

- on 22nd March 2019, a list was submitted by the shareholders, GIOVANNI BOSSI, FRANCESCA MADERNA and ALCHIMIA S.p.A. (total shareholding equal to 5.989% of share capital);

- on 22nd March 2019, a list was submitted by ASSOGESTIONI made up of the shareholders, Arca Fondi SGR, Eurizon Capital SGR, Eurizon Capital S.A., Fideuram Asset Management (Ireland), Fideuram Investimenti SGR, Interfund SICAV, Generali Investments Luxembourg S.A. and Mediolanum Gestione Fondi SGR (total shareholding equal to 3.06% of share capital);

- on 25th March 2019, a list was submitted by the shareholder, PREVE COSTRUZIONI S.p.A. (shareholding equal to 2.14% of share capital)

The secretary also notified the meeting that:

- the names of the candidates included on list 1 (La Scogliera) are:

1. SIMONA ARDUINI;
2. ANTONELLA MALINCONICO;
3. BEATRICE COLLEONI;
4. MONICA BILLIO;
5. SEBASTIEN EGON FÜRSTENBERG;
6. ERNESTO FÜRSTENBERG FASSIO;
7. LUCIANO COLOMBINI;
8. ALESSANDRO CSILLAGHY DE PACSER;
9. LUCA LO GIUDICE;
10. DANIELE UMBERTO SANTOSUOSSO;
11. DIVO GRONCHI;
12. FERRUCCIO DI LEONARDO;

list no. 2 (Giovanni Bossi, Francesca Maderna and

Alchimia S.p.A.) includes:

1. GIUSEPPE BENINI;
2. RENATO GIOVANNINI;

list no. 3 (Assogestioni) includes:

1. ROBERTO DIACETTI;
2. ALESSANDRA GIUSEPPINA BARZAGHI;

list no. 4. (Preve Costruzioni S.p.A.) includes:

1. RICCARDO PREVE;
2. GIOVANNI ANGIONI.

- that the lists of candidates were submitted together with:

-- an indication of the identity of the shareholder(s) that presented the lists, the total percentage of shareholding held (and communications were also received, issued by the intermediaries and holding proof of ownership of the shareholding);

-- the candidates' CVs with information on their personal and professional characteristics;

-- a declaration with which each candidate accepts his or her candidacy and declares, under his or her own responsibility, that there are no reasons for ineligibility and incompatibility as set out by primary legislation.

All the above documentation has been made public at the company's registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website.

At the President's request, the secretary also informed the meeting that in accordance with the Supervisory Provisions and the Corporate Governance Code, the current Board has carried out a "self-assessment" process regarding the size, composition and function of the Board of Directors, and on the suitability of its members from a professionalism, availability of time and independence perspective. In order for the lists to be submitted, shareholders were invited to consider what is set out in the Report on the "Optimal qualitative and quantitative composition of Banca IFIS's Board of Directors".

One of the items that emerged from that self-evaluation is the hypothesis to expand the number of board members from 9 to 11 and the subsequent designation of 2 Vice-Presidents. With regard to the assortment of genders and skills, this would lead to the need to have at least five board

members in possession of the independence requirements set out in the Corporate Governance Code and the need for at least four board members belonging to the least represented gender.

Readdressing the meeting, the President told attendees that, to ensure that the Shareholders Meeting is conducted in a correct and orderly manner, it is necessary to discuss and vote separately on the topics referred to on the fourth item on the agenda and therefore declared the discussion open regarding the determination of the number of members of the Board of Directors and the related duration of post. The President then asked the secretary to read the operating methods to the meeting.

The secretary invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions, after suspending the meeting, if necessary. It should be noted that the President would be assisted, if necessary/appropriate, by Management, employees or other attendees, in accordance with the Shareholders Meeting Regulations, to reply to any questions.

Vittoria Giustiniani, the proxy representative of the majority shareholder, La Scogliera S.p.A., addressed the meeting.

**VITTORIA GIUSTINIANI (PROXY FOR "LA SCOGLIERA S.p.A.")**: "simply to return to the proposal of 12 directors and the duration - for which no proposal has yet been made - of three years and thus until the date of the Shareholders Meeting convened to resolve on the financial statement for the 2021 financial year".

Marina Salamon (proxy for "Alchimia S.p.A.") was asked to address the meeting.

**MARINA SALAMON (PROXY FOR "ALCHIMIA S.p.A.")**: "Good morning, I'm Marina Salamon. I would ask that my contribution to the debate is reported in full in the minutes and I leave a copy of it here (the written text was handed over and therefore is attached under letter 'H' and reproduced here).

I had a dream, when I became a shareholder and director of Banca IFIS, in 2005. This dream was to

be part of a bank that was a real, meritocratic business that was open to the market, properly entrepreneurial and therefore able to grow and innovate. It really was like that, and for that, I am profoundly grateful to Sebastien, Giovanni, Alberto and to all colleagues. We've built a lot together. Now, however, many things are changing. Obviously, I know that all majority shareholders have the right to choose regarding appointments to the management bodies and the Chief Executive Officer of their companies.

I'm a businesswoman; a shareholder in other businesses. I believe that what should guide us is creating value for all us shareholders, and not the need for personal affirmation or, worse still, family dynamics.

We shareholders are at the service of our businesses, and we can't confuse this with the desire to offer roles to family members, or with choosing directors whose independence gives me some cause for concern.

I have direct experience of that in my past, and I've caused my father and brother some pain, because I chose managers from outside our family to lead Doxa, based on merit. I've suffered for my choice, but I acted ethically and responsibly. However, I am disassociating myself from your recent choices, Sebastien, after being faithful to you and to Banca IFIS for 14 years. I would have explained these things to you personally, but since the start of March I've not been able to see you. You've delegated everything to your son, Ernesto. Today, I no longer recognise in you the President I've always known.

As parents, I think that we don't always do the best for our children by offering them money, cars, the use of private jets or professional roles that are undeserved. Our children must develop their professional dignity for themselves, grateful to life for the privileges they receive.

No, to the 'amoral familism' (defined in 1958 by Professor Edward Banfield, of the University of Chicago) which has caused much damage to Italy's economy, politics and society. Yes, to what happens elsewhere, in more evolved capitalist nations, in which heirs learn to preserve the family assets without wanting to lead large businesses themselves, especially when [they're] quoted

[businesses]. This is all not just down to morals: simply put, in the long term, being rigorous is more productive.

Companies, banks included, are expressions of their leaders. And, when shareholders aren't businesspeople themselves, it's right that they choose Chief Executive Officers that are capable of business attitudes. I've known and admired Giovanni Bossi for many years. He's not just a great manager, but a real entrepreneur. I hope you're also able to make Banca IFIS grow in the future, for the good of all stakeholders, starting with the 1750 workers and the minority shareholders.

So, with regards my voting declaration, I am in favour of the list I submitted with Francesca Maderna and Giovanni Bossi, with the prime candidate, Giuseppe Benini.

I leave a comment for the entire Shareholders Meeting regarding the list submitted by La Scogliera. La Scogliera has chosen to keep its 50.1%, rather than allowing the Bank to grow, saying that 'it wants to consolidate'. I don't think that's true. In reality, it doesn't want to dip below 50.1%, as if it was a trophy. Instead, it's really dropping below 50% but retaining the controlling share which would have generated value for shareholders. The non-solution to the problem of regulatory capital is damaging the Bank, to protect the private interests of a shareholders, even if that is the majority shareholder. Let's observe: since the reverse merger was stopped, at the start of 2018, the Italian market lost 10%, banks 25%, Banca IFIS lost around 60%.

This is what's serious for the interests of all shareholders, damaged by the drop in share price, and it's the main reason for the loss in credibility for the bank, whose results have always been good or excellent.

On the other hand, the President has said, 'I'm leaving the bank to my son, Ernesto Fassio Fürstenberg', another disappointing fact that goes above the distinction between ownership and management. How is it possible in 2019 to leave the management of a bank in which you hold 50% to your children?

And to who? To Ernesto Fassio Fürstenberg, a 38 year-old part-time DJ, who's never worked in a bank, let alone in a role which allows to assess

his suitability. Never had a role, never had any function, any official post in Banca IFIS. And today, he joins the Board of one of the best businesses in the banking sector, perhaps he'll be Vice President...

In his CV, Ernesto Fassio Fürstenberg claims, 'under his own responsibility', to have skills which are much better than those of President Fürstenberg, who's been in the role for 30 years. Ernesto says he has adequate knowledge, ability and experience in the banking, financial products, credit, treasury, finance, regulation, taxation, anti-money laundering, internal control systems, internal audit, corporate governance, business management processes, in short, extraordinary ability and experience...

In his CV, Ernesto Fürstenberg says he has twice the knowledge, ability and skill of Divo Gronchi, another candidate, who is 80 year old, 60 of those years have actually been spent in banking. But there's no doubt that he's telling the truth, is there? Because if he's not, that's serious.

To appoint an unsuitable person to the Body that leads a Bank is wrong. And you, future directors and auditors, you who must assess Ernesto Fassio Fürstenberg after his appointment, as well as the integrity of the process, are you sure that your consent, based on this CV, knowing full well that it's hollow, isn't a danger to yourselves, the bank and its shareholders? Will there be other knock on effects in these areas? Is it worth jeopardising your reputation and professionalism because of this?

I formally ask the Bank, each of its new directors and its appointed Board of Directors, each of its Statutory Auditors and the appointed Board of Statutory Auditors, as well as the Supervisory Board, to very carefully assess the choice regarding the suitability of this person who seems not to possess the minimum necessary requirements.

I ask the President to now respond to these questions:

a) Do you believe that your son, Ernesto Fassio Fürstenberg, can have acquired, from 2009 until now, the necessary professionalism and ability to sit on the Bank's Board of Directors?

b) Is it true that Ernesto began working with the bank in 2009 and after gaining experience in all

areas of the Bank has joined Commercial Management? And is it true, as reported in the press, that Banca IFIS's Commercial Director of the time then worked in Sofincom, the company linked with Ernesto Fassio Fürstenberg that is in default and is in insolvency proceedings? Is it true that he has developed relationships with Institutional entities, Associations in this sector and primary national industrial groups on behalf of Banca IFIS (and not on behalf of Sofincom), as well as with other banking and financial groups? If so, as what and with which formal role?

c) Do you believe that he has demonstrated ability in business relationships, including in consideration of the debt that the company associated with him, Sofincom, is shown to have contracted, presumably in 2010/11? Sofincom has been insolvent since 2016, as published in the press, without repaying its debt to Banca IFIS, based on the information available...

d) Can you confirm that Ernesto Fassio Fürstenberg has the knowledge and experience in all the activities he says he does?

e) Do you believe that you have gone too far in declaring publicly that you will leave a bank of this type to your son, and are you aware of the fact that the governance of banks requires a professionalism that could be compromised in the future?"

During her contribution to the debate, Ms. Salamon spoke multiple times directly to, among others, the representative of "La Scogliera S.p.A.", declaring, among other things, that the representative of La Scogliera, Ms. Giustiniani, spoke about demonstrations of the veracity of Ernesto Fassio Fürstenberg's CV, and noting that she was waiting for these demonstrations and waiting to see employment contracts and anything else, deposited and registered at the time.

On this point, the secretary reminded [Ms. Salamon] of the contents of the Shareholders Meeting Regulations, asking [her] not to speak directly to other shareholders, and also asking Ms. Giustiniani not to respond immediately, but to provide any reply when she is asked to address the meeting.

The President spoke after Ms. Salamon's questions, who reminded the meeting that it was necessary to follow the order and methods set out for the

discussion. Therefore, Germana Loizzi, shareholder, was asked to address the meeting.

**GERMANA LOIZZI:** "Good morning. Good morning everybody. I'm Germana Loizzi. I'd like to set out two short considerations. The first is about this change. The tone I've heard in the last two weeks and even now, is, If you'll allow me, a bit over the top. This change seems quite normal to me and certainly this tone isn't doing much good for the Bank, isn't doing much good for our share price and out situation.

Changes in the market are natural, and other related changes aren't surprising either.

It's the shareholders who have to decide when is the right moment to make a change. And, here, the shareholder with the absolute majority, unless proven otherwise, believes that this moment has arrived. Even Mr. Bossi has said earlier that when this feeling, this legitimate conviction, arrives, we have to move immediately. The reasons may be the most valid, a harmony that is broken, conflict that would damage any business. But it remains the fact that the majority of the shareholders has every right to do it. On this, I believe, there's no doubt. It's not a scandal, nor is it a premonition of disasters that I absolutely believe are not coming. Luciano Colombini, if he should be confirmed as the new CEO, has all the right attributes to do the job well. As well as Mr. Bossi, who I had the pleasure of meeting some months ago. Mr. Colombini is someone with proven experience, a professional of the highest order, able to better navigate the future, to take opportunities.

But here, I'll move to my second point: I confess that I wasn't going to speak today, but then I heard... (an interruption from the room) ...yes, I'm getting to the point. I was talking, please don't interrupt me, then you can reply if you want to. I'll say again, I wasn't going to speak in favour of Ernesto. He's my friend and I'm his, I've known him for many years; he's someone I admire very much. The idea that he's not suited to a senior position in Banca IFIS because his passion is music and his hobby is DJing... (interruption from the room) ...let me finish, let me finish. I think it's hot air. I'll tell you why: to me, these comments, this attitude show a narrow-mindedness, perhaps a

provincial [view] that shouldn't be applied to a dynamic bank... (interruption from the room) ...I say again, we are in a Shareholders Meeting and there are rules to be followed. Let me finish what I was going to say, then obviously, by the rules, there'll be the right to reply and you'll get to say what you want, so, if you'll let me continue, they're reflections. I'm saying this because I know Ernesto and I don't like this atmosphere that's being created around him, it's not fair, anyway. I say again that everyone, until proven otherwise, is free to cultivate their passions. Let me make a comparison, Mr. Bossi was passionate about a sport, we know that he's passionate about sport, that he practises sport as best he can, this is absolutely normal. I don't think that a passion practised outside work can in any way stop him and distract him from reaching the excellent results that he reached. Everyone has a passion and I think they can bring better results.

I want to testify that Ernesto is a wonderful creative person, he has a strong sense of awareness and commitment, of the duties that he's assumed. And then he dedicates himself with energy, with passion and with determination. He also has specific abilities in the banking sector, he has the capacity of vision, to think on a grand scale. He has, I would say, an American character, in that, in reality, informality is a value and the capacity of vision is a requirement to take on responsibility. And this is very important for a dynamic sector undergoing profound change, such as the banking sector. He has a very strong capacity to learn, notable intuition which allows him to understand the substance of movements, the things that are changing, the direction they're taking and that push him to imaging the future, to have a vision of the future.

I think that with his experience, he's able to understand, as only the young can understand, the new terms of the banking world.

I think that the fact that he's 38 isn't a hindrance but an asset. I'm convinced that his qualities will bring Banca IFIS added value; I'm certain that he'll do well and I'm also convinced that we'll be very satisfied with him. Thank you". Before asking the shareholder, Demetrio Rodinò, who asked to speak, to address the meeting, the

secretary reminded the meeting that a 10-minute time limit has been set for each contribution and also reminded the meeting of the contents of Article 14 of the Shareholders Meeting Regulations.

**DEMETRIO RODINÒ:** "I'd like to give you my personal opinion on this agenda item. I think there's been excessive media exposure regarding the news of the replacement of the Chief Executive Officer. A matter that has penalised the share price in a way that is completely unrelated to the business's results, which instead are and remain good.

A business changing its Chief Executive Officer is, after all, the most normal thing in the world, even when the business - as with Banca IFIS - is going well.

And even when you're talking about a CEO who, in his 25 years in the role, has certainly produced great results for the bank. But, as good as the CEO is - and in our case, he has been very good - he's not done all this on his own.

On this, the information in the press, whether planned or spontaneously, I don't know, is very, very shoddy.

To glorify the role of Chief Executive Officer and to belittle the work of everyone else doesn't tell the whole story of this bank, as we all know well.

There's always been a President here, who started and led this experience over these 36 years, following it actively in all its strong, amazing development, who is also the representative of the bank's majority shareholder, 'La Scogliera', which holds more than 50% of Banca IFIS.

And I know exactly what I'm talking about, having followed the bank from its first listing on the then-restricted market and also having taken part in the first Shareholders Meetings which were held in the small offices in Mestre.

In short, to try - as has been tried - and lessen the role of the president, Sebastien Egon Fürstenberg, isn't just unfair, it's impossible.

An active role, also in terms of stability and foresight in the interests of Banca IFIS, which President Fürstenberg has also taken whilst the press printed - I repeat, I don't know whether this was planned or spontaneous - articles where - as I've said - his role was diminished.

In other words, the President has avoided causing more damage, in the interests of our business.

If this bank has grown as it has, it also owes this growth to the President, who has always been an element of stimulus and stability. I'd like to remind you all of the foresighted role that the President had, 24 years ago, when Mr. Bossi, who then wasn't as well-known as he is now thanks to the excellent work carried out in Banca IFIS, arrived in this business, as a consultant and in a caretaker role, for some months, while the Bank found a new CEO.

President Fürstenberg took the long view, sensed the ability of this young man and those few months grew, becoming 24 years.

All this is simply to say that we have to keep faith in a president who, looking long-term, even in light of some disagreement on strategy with Mr. Bossi, decided to make a change, characterised by renewal in continuity.

This isn't to reject anything about the past, rather to take the large amounts of good that there is and integrate it into a new phase, after the previous phase that lasted a quarter of a century. I think that, once again, in the interests of the business and the interests of us shareholders, we have to retain our faith in the President who - starting from this fortunate choice of some time ago of appointing Mr. Bossi - has not put a foot wrong. The world changes, it evolves, and the strategy to face it is renewal in continuity. A concept that the President, moreover, has repeated many times over the past few months. To add new pages to Banca IFIS's story can't be anything else other than the introduction to new success, new opportunities, new chances.

Twenty-four years is a long time, a very long time, I think it's very difficult to find a Chief Executive Officer of any business of the size that Banca IFIS has reached who has been at the wheel for so long. In English-speaking countries, practically no-one.

And the changes that occur aren't just made in businesses that are doing badly, but also in those that are doing well. Because the risk of excessive tenure, is that we become accustomed to doing things in a certain way, to having a certain way of seeing things that doesn't allow us to look in other corners and directions, to not consider other sensitivities.

In any case, if in almost all large businesses, in any part of the developed world, senior managers rarely last ten years, there's a reason for that". Mara di Giorgio, shareholder, was asked to address the meeting (the meeting was told how many shares she held and the shareholder alleged that only information regarding her was given to the meeting, but it wasn't a problem).

**MARA DI GIORGIO:** "Having said this, I just wanted to say that I really hadn't prepared any speech, as you can see, I have no notes. What I want to say is that I can't see anyone who is checking the change. A change is legal and this isn't in doubt. No-one has ever argued that things can change. No-one has ever argued that the President has the majority and, as such, decides, regardless of what the other shareholders here want... he decides the future of this Bank. No-one has ever argued that it's his right. No-one has ever argued about what he has done, just as no-one has ever argued about what Mr. Bossi has done. What is being argued, and I'd like to underline it to everyone, is the fact that the credibility of the future Board of Directors, and particularly the son of the President, of whom it is said... (interruption from the room) If you'll let me, I was there, you weren't... of whom it is said that he's worked in the bank. No-one has ever seen him in the bank and I'm really sorry that my colleagues and ex-colleagues here, have to hear these things. No-one has ever worked with him here, I was there, every day for the past 8 years. No-one, I can tell you, has ever seen him working. And I'm trying to understand who was this kid who I met the month before I left, at the coffee machine and I offered him a coffee, and he introduced himself. I went to see what was on the web and I can tell you that someone's done a brilliant job. I was the Bank's web recruiter, I can tell you that someone's done a great job cleaning the Internet and I can still show you. So, let's not tell ourselves lies, look ourselves in the eyes and tell ourselves how things really are. This kid doesn't have the requirements that have been described".

Following an interruption from the President, the meeting was reminded once again of the methods of discussion as indicated in the Shareholders Meeting Regulations and Mara di Giorgio stopped her contribution.

Vittoria Giustiniani, proxy for the shareholder, "LA SCOGLIERA S.p.A.", was asked to speak.

**VITTORIA GIUSTINIANI (PROXY FOR "LA SCOGLIERA S.p.A."):** "Just a couple of things. The contributions I've heard are totally offensive, disparaging and of a level that I've can't even comment on. I want to remind the meeting of this: they're misleading because we're talking about someone who - and attention is concentrated artificially on this person - who will sit on the Board without any powers, whilst we've not said a word about the professional who will take the place of Mr. Bossi. He'll be the Chief Executive Officer, not Ernesto Fürstenberg Fassio . So, I ask you to read his CV and the information that has been made available, which certifies the professionalism and the successful history of Mr. Colombini and I'll stop there. Because if I don't, I'm afraid I'll offend someone".

With the President declaring that there is no need for him to reply at this point and there being no-one else wishing to speak, the meeting was given over to the shareholders who wished to exercise their right to reply.

Marina Salamon (proxy for "Alchimia S.p.A.") was asked to reply to the meeting.

**REPLY FROM MARINA SALAMON (PROXY FOR ALCHIMIA S.p.A.):** "I'd like to reiterate that on a personal level, this hurts me. I have an almost maternal outlook towards Ernesto because I'm 22 years older than he is, he could be my son. But the personal side of a 'good person' is something else from the professional side. This is why we are obliged, in every business that we're part of, to set aside emotion, creativity and friendship from professional preparation and the ability to perform a role. I've not spoken about the incoming Chief Executive Officer, Mr. Colombini, because there didn't seem to be any point. It's not my responsibility and I won't be... I'm not voting for him. I only say this: we've all listened, agreed, that the business of the future and the bank's margins will not derive, is already not deriving, mainly from traditional banking activities, not because of someone's malice but because the market has changed. It's as if I, I'm sorry if I'm making a comparison with clothing, but this was my first job, saw someone who was able to make magnificent

cashmere coats, it doesn't matter if they're cashmere or good wool, so long as they're coats. The world is moving towards other products, other services.

NPLs represent the absolute majority of today's margins and, presumably, will continue to do so for the bank in the future. So, is the person leading the bank able to manage all this or not? Because, NPLs, forgive me, are like using an equation to coats...sorry, NPL's (xy)... NPLs are to traditional banking activity as Monclers are to coats. OK?

[They're] nylon, but obviously not nasty... they're good quality, refined and high-profile... so, the world is changing. I think I can give a personal opinion, as a shareholder, that Mr. Colombini has been a good executive of small, provincial banks with traditional activities, privately-owned. I've spoken with some of his former bosses, who I know quite well, and they gave me information that I will not divulge.

So, all this, is not a matter for the future of this bank. This is not a normal bank. This is a special bank.

The NPLs were managed well, prevalently, under Giovanni Bossi. Let's hope that someone else is able to do this for the good of the future of the bank. And this is not to diminish the other important activities, but to support the future margins of the financial statements".

The President, identifying that no-one else wished to speak, **closed the discussion on the third item on the agenda regarding the proposal from the shareholder, La Scogliera S.p.A., on the determination of the number of members of the Board of Directors and the duration of the directors' post.**

However, **Marina Salamon** intervened again, alleging that she had not received a reply (voice from the room in the same sense).

The President reminded the meeting that the current Chief Executive Officer, Giovanni Bossi, when he joined the Bank, was also young and didn't have specific abilities, yet had worked very well. The President opened the voting, first, asking the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- the secretary read the following proposed resolution:

*"The Shareholders' Meeting, having acknowledged*

*- the Board of Directors' report on item 3) of the agenda;*

*- the proposals from the majority shareholder 'LA SCOGLIERA S.p.A.' regarding the number of members and the duration of post of the Board of Directors;*

*RESOLVES*

*A) TO ESTABLISH the number of members of the Board of Directors at 12;*

*B) TO ESTABLISH the duration of the post of director as 3 financial years, that is to say for the three-year period 2019-2021 and therefore until the date of the Shareholders Meeting convened to examine and approve the financial statement for the financial year to close at 31st December 2021";*

with the clarifications:

- that the proposal regarding the number of members of the Board of Directors and the proposal regarding the duration of post will be subject to separate votes;

- that for each of the two proposals, voting will be carried out using the televoter;

- that attendees holding multiple proxies and intending to express different votes are invited to go to the "assisted vote" position.

At 12:04, the President opened voting on the proposal as set out above regarding the number of members of the Board of Directors.

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 35,718,377 votes for, equal to 88.01611% of the capital participating in the vote;
- 3,140,631 votes against, equal to 7.73904% of the capital participating in the vote;
- 42,064 abstained, equal to 0.10365% of the capital participating in the vote;
- and 1,680,564 no votes, equal to 4.14119% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "I" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

At 12:08, the President **opened voting** on the proposal regarding the duration of post for members of the Board of Directors, presented by La Scogliera S.p.A., after having acknowledged that 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 38,085,538 votes for, equal to 93.84919% of the capital participating in the vote;
- 1,254,720 votes against, equal to 3.09184% of the capital participating in the vote;
- 40,264 abstained, equal to 0.09922% of the capital participating in the vote;
- and 1,201,114 no votes, equal to 2.95975% of the capital participating in the vote;

with the clarification that the names of the

shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "L" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

The President then declared the discussion open (it being understood that this subject was already addressed by some shareholders in the previous discussion) regarding the **"appointment of members of the Board of Directors for the three-year period 2019-2021"**. The President, noting that nobody else wished to speak, declared discussion of this agenda item closed and opened the voting, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);
- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;
- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;
- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;
- participants are reminded that voting will be carried out by using the televoter;
- the secretary reminded the meeting that for the purposes of voting, shareholders or proxies must

express their vote by pressing only one of the buttons on their assigned televoter which are marked as follows:

LIST 1 (La Scogliera) LIST 2 (Bossi, Maderna, Alchimia) LIST 3 (Assogestioni) LIST 4 (Preve Costruzioni) ABSTAIN AGAINST

to vote for one of the four proposed lists, to vote against or to abstain. Failure to select one of the options will be taken as a vote against all the lists;

- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.

At 12:16, the President opened voting on the lists to appoint the members of the Board of Directors for the period indicated.

Voting was carried out via televoter.

The President certified the results of the votes and asked the secretary to read them out:

- LIST 1, submitted by the majority shareholder, La Scogliera, received 28,226,036 votes for, equal to 69.55% of the capital participating in the vote;

- LIST 2, submitted by the shareholders Giovanni Bossi, Francesca Maderna and Alchimia S.p.A., received 4,395,990 votes for, equal to 10.83% of the capital participating in the vote;

- LIST 3, submitted by the shareholders indicated above (Assogestioni), received 6,594,641 votes for, equal to 16.25% of the capital participating in the vote;

- LIST 4, submitted by the shareholder, Preve Costruzioni S.p.A., received 1,292,089 votes for, equal to 3.18% of the capital participating in the vote;

- 30,016 votes against, equal to 0.07% of the capital participating in the vote;

- 42,864 abstained, equal to 0.11% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "M" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with

voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights. Therefore, the President, in accordance with Article 11 of the Articles of Association, considering that List 1, submitted by the majority shareholder, "LA SCOGLIERA S.p.A.", has obtained the greatest number of votes and that List 3, submitted by the shareholders indicated above (Assogestioni), in accordance with applicable legislation in force, is not associated in any way, not even indirectly, with the shareholders who submitted or voted on the list which came first in number of votes,

DECLARED THAT

the following people are elected as members of the Board of Directors for the three-year period 2019-2021:

SIMONA ARDUINI  
ANTONELLA MALINCONICO  
BEATRICE COLLEONI  
MONICA BILLIO  
SEBASTIEN EGON FÜRSTENBERG  
ERNESTO FÜRSTENBERG FASSIO  
LUCIANO COLOMBINI  
ALESSANDRO CSILLAGHY DE PACSER  
LUCA LO GIUDICE  
DANIELE UMBERTO SANTOSUOSSO  
DIVO GRONCHI  
ROBERTO DIACETTI

acknowledging that the composition of the Board of Directors conforms with the Articles of Association and applicable legislation in force regarding gender balance.

The President opened the discussion on **"determination of Directors' remuneration for the 2019-2020-2021 financial years"** and asked the secretary to read the related operating methods.

The secretary once again invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions, after suspending the meeting, if necessary.

Vittoria Giustiniani, proxy for the shareholder, "LA SCOGLIERA S.p.A.", was asked to speak.

**VITTORIA GIUSTINIANI (PROXY FOR "LA SCOGLIERA**

**S.p.A.)**: "Thank you. I'd like to submit a proposal for the remuneration to be paid to the new Board of Directors. My proposal is to pay individual members as follows:

a) for individual members, for the role as director, in accordance with Article 2389, paragraph 1, Italian Civil Code, EUR 50,000 for each of the financial years 2019, 2020 and 2021, and to reimburse the expenses incurred in carrying out the role;

b) to all Executive Directors, except the President, Vice President and Chief Executive Officer, EUR 1,250.00 for each time they attend Board meetings at the company's registered office or any other place a meeting is convened, and EUR 500.00 for each time they attend Board meeting via audio/video conference;

c) finally, I propose to allow the Board of Directors to determine the remuneration for directors who perform special roles in accordance with Article 2389, paragraph 3, Italian Civil Code, having also noted, where appropriate, the business's results and, in any case, in accordance with 'Remuneration Policies for Banca IFIS officers, employees and contract workers' approved by the Shareholders Meeting at item 2) of today's agenda and having also consulted the Remuneration Committee, with the favourable opinion of the Board of Statutory Auditors".

The President, noting that nobody else wished to speak, **declared discussion of this agenda item closed and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority

was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- the secretary read the following proposed resolution that was submitted by La Scogliera:

*"The Shareholders Meeting, having acknowledged the proposal from the majority shareholder, 'LA SCOGLIERA S.p.A.', regarding remuneration for the new Board of Directors, and precisely:*

*A) for individual members, for the role of director, in accordance with Article 2389, paragraph 1, Italian Civil Code, EUR 50,000 for each of the financial years 2019, 2020 and 2021, and to reimburse the expenses incurred in carrying out the role;*

*B) to all Executive Directors, except the President, Vice President and Chief Executive Officer, EUR 1,250.00 for each time they attend Board meetings at the company's registered office or any other place a meeting is convened, and EUR 500.00 for each time they attend Board meeting via audio/video conference;*

*C) finally, to allow the Board of Directors to determine the remuneration for directors who perform special roles in accordance with Article 2389, paragraph 3, Italian Civil Code, having also noted, where appropriate, the business's results and, in any case, in accordance with 'Remuneration Policies for Banca IFIS officers, employees and contract workers' approved by the Shareholders Meeting at item 2) of today's agenda and having also consulted the Remuneration Committee, with the favourable opinion of the Board of Statutory Auditors".*

and therefore, to attribute remuneration to the directors as set out above:

- participants are reminded that voting will be carried out by using the televoter;

- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.

At 12:25, the President opened the voting on the

proposal as set out above.

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 37,653,274 votes for, equal to 92.78402% of the capital participating in the vote;
- 1,432,955 votes against, equal to 3.53104% of the capital participating in the vote;
- 118,814 abstained, equal to 0.29278% of the capital participating in the vote;
- and 1,376,593 no votes, equal to 3.39216% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "N" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

\*\*\*\*\*

The President moved to discuss the **fourth item on the agenda** of the Shareholders Meeting:

**4) "Appointment of the Board of Statutory Auditors for the 2016-2018 three-year period and determination of remuneration".**

The shareholders were reminded that the three-year term of office of the Board of Statutory Auditors expired with approval of the financial statement to 31st December 2018.

The Shareholders Meeting is invited to appoint, for the three-year period ending with approval of the financial statements to 31st December 2021, 3 Standing Auditors and 2 Substitute Auditors, as well as to appoint a President of the Board of Statutory Auditors and to determine the relevant annual remuneration.

The President asked the secretary to read the applicable provisions on the subject and the information regarding the lists deposited with the Company.

In turn, the secretary reminded the Shareholders

Meeting that the Board of Statutory Auditors will be appointed in accordance with the Articles of Association, using the list vote method and in compliance with applicable legislation in force. The secretary told the meeting that 3 lists of candidates were submitted:

- on 22nd March 2019, a list from the majority shareholder, "LA SCOGLIERA S.p.A.";

- on 22nd March 2019, a list was submitted by ASSOGESTIONI made up of the shareholders, Arca Fondi SGR, Eurizon Capital SGR, Eurizon Capital S.A., Fideuram Asset Management (Ireland), Fideuram Investimenti SGR, Interfund SICAV, Generali Investments Luxembourg S.A. and Mediolanum Gestione Fondi SGR;

- on 25th March 2019, a list was submitted by the shareholder, PREVE COSTRUZIONI S.p.A.

- the names of the candidates included on list 1 (La Scogliera) are:

in the Standing Auditor section:

1. FRANCO OLIVETTI;
2. MARINELLA MONTERUMISI;

in the Substitute Auditors section:

1. ANNA MARIA SALVADOR;
2. ALESSANDRO CARDUCCI ARTENISIO;

list no. 2 (Assogestioni) includes:

in the Standing Auditor section:

1. GIACOMO BUGNA;

in the Substitute Auditors section:

1. GIUSEPPINA MANZO;

list no. 3 (Preve Costruzioni S.p.A.) includes:

in the Standing Auditor section:

1. PAOLO BIFULCO;

in the Substitute Auditors section:

1. GIORGIO STEFANO MARCOLONGO.

The lists and accompanying documentation have been made available to the public at the company's registered office, at "Borsa Italiana S.p.A.", at the authorised storage mechanism, [www.emarketstorage.com](http://www.emarketstorage.com), and on the Company's website. The secretary reiterated that shareholders cannot vote for more than one list.

The President opened the debate on the appointment of the Board of Statutory Auditors (postponing the item regarding determination of remuneration to subsequent discussion and resolution).

The secretary invited those wishing to address the meeting, if they had not already done so, to go,

complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions, after suspending the meeting, if necessary.

Luca Bellinello, shareholder, was invited to address the meeting. **LUCA BELLINELLO:** "Good afternoon everyone. I've just heard the candidatures expressed by the lists and currently, from our point of view, the President indicated by Assogestioni is an excellent solution. We have some doubt regarding the appointments indicated on the majority shareholder's list because of a question concerning the experience of the individuals on it. Particularly regarding a professional, who, based on the documentation submitted and deposited, does not appear to have experience specific to the banking sector. So, I'd like to ask the Shareholders Meeting whether it's sure that this probable future member of the Board of Statutory Auditors is able to guarantee performance of the control functions required. And there could also be some doubts about Mr. Olivetti in that he is also currently an auditor for La Scogliera and will, today, also become an auditor for the subsidiary company, Banca IFIS. So, there is an obvious doubt that we have to sound a warning about his capacity to perform both roles, as auditor of the parent company and auditor of the subsidiary company, considering the need of an organisational and control structure required in the banking sector. Also, with regard to the documentation which was presented, Mr. Olivetti was President of the Board of Statutory Auditors of Sofincom, already referred to earlier, and so, also here, there seems to be a bit of doubt whether he can be a completely independent professional. We have obviously seen that, at a certain point, the majority shareholder has expressed its choices. There is nothing left for us to do but to wait and see what develops from the people we will count on for the next year, also in terms of supervision which will be exercised by the Board of Statutory Auditors within the independence constraints which must be maintained, which all members of the Board of Statutory Auditors must guarantee. Thank you".

The President, noting that nobody else wished to

speak, **declared discussion of this agenda item closed and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);

- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- participants are reminded that voting will be carried out by using the televoter;

- the secretary reminded the meeting that for the purposes of voting, shareholders or proxies must express their vote by pressing only one of the buttons on their assigned televoter which are marked as follows:

LIST 1 (La Scogliera) LIST 2 (Assogestioni) LIST 3 (Preve Costruzioni) ABSTAIN AGAINST

to vote for one of the four proposed lists, to vote against or to abstain. Failure to select one of the options will be taken as a vote against all the lists;

- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.

At 12:35, the President opened voting on the lists to appoint the members of the Board of Statutory Auditors for the period indicated.

Voting was carried out via televoter.

The President certified the results of the votes

and asked the secretary to read them out:

- LIST 1, submitted by the majority shareholder, La Scogliera, received 27,204,704 votes for, equal to 67.04% of the capital participating in the vote;
- LIST 2, submitted by the shareholders indicated above (Assogestioni), received 9,165,046 votes for, equal to 22.58% of the capital participating in the vote;
- LIST 3, submitted by the shareholder, Preve Costruzioni S.p.A., received 2,314,046 votes for, equal to 5.70% of the capital participating in the vote;
- 30,016 votes against, equal to 0.07% of the capital participating in the vote;
- 1,867,824 abstained, equal to 4.60% of the capital participating in the vote;

with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "O" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.

Therefore, the President proclaimed that the following people were elected to the new Board of Statutory Auditors for the three-year period 2019-2021:

GIACOMO BUGNA, President

FRANCO OLIVETTI, Standing Auditor

MARINELLA MONTERUMISI, Standing Auditor

GIUSEPPINA MANZO, Substitute Auditor

ALESSANDRO CARDUCCI ARTENISIO, Substitute Auditor

acknowledging that the composition of the Board of Statutory Auditors conforms with the Articles of Association and applicable legislation in force regarding gender balance.

\*\*\*\*\*

With regard to the **"determination of the remuneration for Auditors"** (final item on the agenda), the President reminded the meeting that the Board of Directors has abstained from making

specific proposals on the matter.

He opened debate on the remuneration for the Board of Statutory Auditors and asked the secretary to read the operating methods to the meeting.

The secretary invited those wishing to address the meeting, if they had not already done so, to go, complete with their televoter, to the "contribution" position at the "assisted vote" position, to deliver the appropriate contribution request sheet to the member of staff. Questions would be answered at the end of all contributions, after suspending the meeting, if necessary.

Vittoria Giustiniani (proxy for "La Scogliera S.p.A."), having asked to speak, was invited to address the meeting.

**VITTORIA GIUSTINIANI (PROXY FOR "LA SCOGLIERA S.p.A.")**: "I wish to submit a proposal on this subject. La Scogliera's proposal is:

- to pay annual remuneration of EUR 105,000.00 to the President of the Board of Statutory Auditors, and to reimburse the expenses incurred in carrying out the role;
- to pay annual remuneration of EUR 70,000.00 to each of the two Standing Auditors, and to reimburse the expenses incurred in carrying out the role;
- to pay all Standing Auditors EUR 1,000.00 for each Board of Directors' meeting they attend in person at the registered office or any other place in which meetings are convened, and EUR 500.00 for each Board of Directors' meeting they attend via audio/video conference".

The President noting that no-one else wished to speak, thanked the outgoing Auditors and **closed discussion on this last item on the agenda and opened the voting**, first inviting the secretary to read the certification of the formalities required and to reiterate the invitations to shareholders on behalf of the President. As a consequence:

- the secretary acknowledged that as of now 280 people were present who were legitimately able to vote, representing, in person or by proxy, 40,581,636 ordinary shares, equal to around 75.41% of the 53,811,095 ordinary shares making up the share capital (data unchanged from the previous data identified);
- the President's request to participants to declare any bars to legitimacy to vote in accordance with the law and the Articles of

Association was reiterated and anyone intending not to be counted in the calculation of the majority was again invited to leave the room, notifying the staff of their exit;

- the secretary declared that the President had certified that there were no obstacles or limits to the right to vote;

- the secretary reiterated the President's invitation to those who were legitimately able to vote to not leave the meeting until the voting procedure had finished;

- the secretary read the following proposed resolution submitted by the majority shareholder, La Scogliera S.p.A.:

*"The Shareholders Meeting*

- *having acknowledged the Board of Directors' report on item 4) on the agenda;*

- *having heard the proposal of the majority shareholder 'LA SCOGLIERA S.p.A.' regarding the attribution of remuneration to the Board of Statutory Auditors;*

*RESOLVES*

*A) to pay annual remuneration of EUR 105,000.00 to the President of the Board of Statutory Auditors, and to reimburse the expenses incurred in carrying out the role;*

*B) to pay annual remuneration of EUR 70,000.00 to each of the two Standing Auditors, and to reimburse the expenses incurred in carrying out the role;*

*C) to pay all Standing Auditors EUR 1,000.00 for each Board of Directors' meeting they attend in person at the registered office or any other place in which meetings are convened, and EUR 500.00 for each Board of Directors' meeting they attend via audio/video conference".*

- participants are reminded that voting will be carried out by using the televoter;

- attendees who hold multiple proxies and who intend to express different votes are invited to go to the "assisted vote" position.

At 12:43, the President opened the voting on the proposal as set out above.

Voting was carried out via televoter.

This proposed resolution was approved by majority with:

- 38,758,513 votes for, equal to 95.50752% of the capital participating in the vote;

- 334,717 votes against, equal to 0.82480% of the

capital participating in the vote;  
- 111,809 abstained, equal to 0.27552% of the capital participating in the vote;  
- and 1,376,597 no votes, equal to 3.39217% of the capital participating in the vote;  
with the clarification that the names of the shareholders who voted for, the shareholders who voted against and the shareholders who abstained and the related number of shares are shown in the documents attached to the minutes under letter "P" and these documents, which for the purpose are to be fully reported, also show the votes expressed by the proxy, Marzia Scarpa, as a consequence of the voting instructions received from the shareholders, Serenella Bettini, holder of 31,300 shares with voting rights, and Next Holding S.p.A., holder of 45,000 shares with voting rights.  
Addressing the meeting, the President gave special thanks to Giovanni Bossi and, with **there being nothing further to discuss** and no attendee wishing to address the meeting, declared that all items on the agenda had been covered. He thanked the secretary and all the contributors. The President asked the secretary not to read out the attachments to the minutes and declared the Shareholders Meeting dissolved at 12:45.

The President  
Sebastien Egon Fürstenberg

---

Signed only with regard  
to what is indicated in the minutes  
Alessandro Csillaghy de Pacser

The secretary  
Stefano Bandieramonte

---