

**Reasoned proposal of the Board of Statutory Auditors**  
at the Shareholders' Meeting of Banca Ifis S.p.A.

**– Supplementary payment for the legal audit relating to the 2020 financial statements –**

*(Translation from the original Italian text)*

Dear Shareholders,

the current legislation on auditing requires that the appointment of the Independent Auditors be submitted for approval to the Shareholders' Meeting, upon reasoned proposal of the Control Body, and therefore any changes to payments for the audit follow the same procedure.

We hereby bring to your attention the supplementary payments requested by EY with respect to the work carried out on the 2020 financial statements. We also ask that you please review the proposal of the directors on the supplementary payments already made to EY for the work carried out on the 2019 financial statements. This proposal is in the "Explanatory Report of the Board of Directors regarding the items on the agenda of the Ordinary Shareholders' Meeting convened for 22 April 2021 in single call".

On 19 March 2021, a request was received from EY for a supplementary payment as a result of additional work carried out in connection with the audit of the 2020 financial statements.

The Board considered this request during its meeting on 24 March 2020.

During said meeting, the Board examined the circumstances that gave rise to the request by the independent auditors for a supplementary payment, which can be summarised as follows:

- following the additional work carried out in order to prepare the consolidated financial statements in light of the different scope of consolidation (inclusion of Farbanca Spa) compared to the original proposal, as well as the work carried out in order to verify the goodwill entered in the consolidated financial statements; this situation required the Independent Auditors to carry out specific additional work aimed at verifying the consolidation process of the various entities belonging to the group, as well as with the involvement of specialists in the checks relating to the impairment test. This circumstance entailed additional work for the Audit Team, at around 160 hours;
- following completion of the acquisition of Farbanca S.p.A. in 2020, the reference accounting standard IFRS 3 was applied for the accounting of extraordinary transactions in the consolidated financial statements of the Bank, which entailed the application of the purchase method for this aggregation transaction, as provided for by this standard. As a result of this extraordinary event, specific activities were carried out by the audit team and the teams of EY specialists (especially by the members with the greatest professional experience), regarding the value of the purchase cost, the process of allocation of the cost of the acquisition and any difference in the fair value of the assets and liabilities acquired compared to the book value, in order to verify the Purchase Price Allocation process carried out by the Bank, as well as the consistent accounting representation in the consolidated financial statements as at 31 December 2020. This circumstance entailed additional work for the Audit Team, at around 100 hours;
- following commencement of the additional work relating to proprietary finance also through the implementation of new processes and information systems; this situation required the Auditing Company to carry out specific additional activities aimed at verifying for the first time that the systems and processes used by the Bank were adequate for the introduction of such new operations, with the involvement of teams of EY specialists (especially the members with the greatest professional experience). This circumstance entailed additional work for the Audit Team, at around 110 hours;
- following the additional work carried out on the valuation and accounting aspects of receivables subject to moratoria following the Covid-19 pandemic, as well as the effects that this period has had on the criteria of assessment methods and models with specific reference to forward looking. This circumstance entailed additional work for the Audit Team, at around 70 hours.

The requested supplementary payment of 39,700 euros, corresponding to 440 hours, represents an 8.4% increase in payment and an 6.6% increase in hours with respect to the total payments in force for the Banca Ifis Group in 2020.

The Board of Statutory Auditors examined the requests submitted by the Independent Auditors and also acquired the positive assessments made by the competent corporate structures of Banca Ifis which, in turn, discussed the terms, including economic terms, of the supplementary payments requested with the managers of the Independent Auditors.

In particular, the Finance Department presented to the Board of Statutory Auditors its assessments on the adequacy of the requests for supplementary payment of the Independent Auditors, taking into account the additional work carried out to audit the financial statements for the year 2020 and the changed context of the organisation and Group, and on the reasonableness of the content.

The Board, considering the reasons duly argued, and on the basis of the analysis carried out and the opinions acquired, expressed a favourable opinion.

As a result of the above evaluations, the Board of Statutory Auditors submitted to the Shareholders' Meeting the proposal to accept the request for supplementary payment for the additional work carried out with regard to the financial statements for the year 2020.

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Dear Shareholders,

we hereby ask that you please deliberate on the proposed supplementary payment for the additional work carried out with regard to the financial statements for the year 2020; the Board of Statutory Auditors requests that you resolve on the following:

*"The meeting of the Shareholders of Banca Ifis*

- *having taken note of the reorganisational measures and the changed scope of the company's activities and that, in relation to this, the auditing company EY S.p.a., entrusted with the legal audit of the accounts for the period 2014-2022, submitted on 19 March 2019 a request for the integration of the timeframes envisaged and the related fees relating to additional audit activities with respect to the services included in the proposal approved by the Ordinary Shareholders' Meeting of Banca Ifis S.p.a. on 17 April 2014, as integrated on 19 April 2018 and on 19 April 2019;*
- *having examined the reasoned proposal of the Board of Statutory Auditors containing the terms of the proposal of the aforesaid auditing firm and formulated on the basis of the positive assessments made by the competent corporate structures of Banca Ifis S.p.a.;*

*resolves*

- A) to accept the request for supplementary payment for the additional work carried out with regard to the financial statements for the year 2020 by the independent auditors EY S.p.a. and to pay them the supplementary fee of 39,700 euros;*
- B) to grant the Chairman of the Board of Directors and the Managing Director - also jointly and severally - the widest powers to implement this resolution".*

Venice, 24 March 2021

for the Board of Statutory  
Auditors  
The Chairman

Giacomo Bugna