

**Banca Ifis S.p.A.**

**SHAREHOLDERS' MEETING**

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON ITEM 1) EXTRAORDINARY  
PART AND ITEM 1) ORDINARY PART OF THE AGENDA OF THE SHAREHOLDERS'  
MEETING**

**CONVENED FOR 28 JULY 2022, IN A SINGLE CALL**

*(drafted pursuant to Art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998, as  
amended and supplemented)*

Shareholders,

This report (the “**Report**”) is prepared pursuant to Article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the “**Consolidated Law on Finance**”) and Article 84-*ter* of the Regulation adopted by Consob Resolution no. 11971 of 14 May 1999, as subsequently amended and supplemented (the “**Issuers’ Regulation**”), in order to illustrate to the Extraordinary and Ordinary Shareholders’ Meeting of Banca Ifis S.p.A. (“**Banca Ifis**” or the “**Bank**”), convened for 28 July 2022 in a single call (the “**Shareholders’ Meeting**”), the proposed resolutions set forth respectively in the first item on the agenda of the Extraordinary Part and the first item on the agenda of the Ordinary Part.

**Item 1) on the Agenda of the Shareholders' Meeting - Extraordinary Part**  
**Amendments to Articles 1, 3, 4, 6, 9, 10, 10-bis, 11, 12, 12-bis, 13, 14, 15, 19, 21, 22, 23, 24 and 25 of the Articles of Association. Related and consequent resolutions.**

Shareholders,

this section of the Report is prepared in accordance with Article 125-ter of the Consolidated Law on Finance and Article 72 of the Issuers' Regulation as well as in accordance with Schedule 3 of Annex 3A to the Issuers' Regulation, in order to illustrate to the Shareholders' Meeting, the proposed resolution referred to in the first item on the agenda of the Extraordinary Part.

The purpose of this section of the Report is to explain the rationale behind the proposed statutory amendments. Specifically, the statutory amendments intended to be submitted to the Shareholders' Meeting for approval concern:

- (i) granting the Board of Directors the power to make interim dividend distributions, in accordance with the most recent practices adopted by leading banks in the Italian market;
- (ii) the implementation - on a voluntary basis, given the statutory provisions to that effect already in force and with a view to full transparency towards shareholders and the market - of the recent provisions adopted by the Bank of Italy with Update no. 35 of Circular no. 285 of 17 December 2013 ("**Circular 285**") on corporate governance, through the redefinition of the tasks that cannot be delegated to the Board of Directors, as well as the strengthening of the safeguards to protect the transparency of board meetings;
- (iii) updating and adjusting governance provisions in relation to the method of appointment and the definition of the powers in charge of the Honorary Chairman and the latest regulatory changes regarding, among other things, independence and gender balance in the formation and presentation of lists, and optimising certain operational practices through:
  - a. the elimination of the provision requiring the presence in the same place of the Chairman and Secretary for the purpose of the proper conduct and recording of board business; and
  - b. the identification of the place where the Chairman is located as the location of the board meeting (the proposed amendments to the Articles of Association under points (i) - (iii), jointly, the "**Proposed Amendments**").

It should be noted that the effectiveness of the resolution approving these amendments will be conditioned by the issuance of a ruling on the conformity of the amendments to the Articles of Association with the criteria of sound and prudent management pursuant to Articles 56 and 61 now in force of Legislative Decree no. 385 of 1 September 1993 (the “**Consolidated Banking Act**”) by the Bank of Italy, where the Supervisory Authority does not issue a ruling prior to the date of this meeting.

## **1. Rationale for the Proposed Amendments**

First and foremost, the Proposed Amendments are driven by the need to bring the Bank’s Articles of Association in line with the latest market best practices, specifically giving the Board of Directors the power to make interim dividend distributions.

Further Proposed Amendments also regard (i) the adjustment, on a voluntary basis, of the Articles of Association to the provisions adopted by the Bank of Italy with the 35th update of Circular 285 on governance, particularly in relation to the non-delegable tasks of the administrative body and the strengthening of safeguards to protect the transparency of board meetings, and (ii) the updating of the Articles of Association provisions relating to the Honorary Chairman, the requirements of independence and gender balance to be considered in the presentation of lists, and certain operational practices for the better functioning of the Corporate Bodies.

Amendments to the Articles of Association will be conditional on the issuance of the Bank of Italy’s decision that they comply with the criteria of sound and prudent management under Article 56 of the Consolidated Banking Act.

That being said, the main Proposed Amendments to the Articles of Association are outlined below.

### **Article 10-bis - Shareholders’ Meetings**

In line with market standards and for the purpose of enhancing the value of the contribution to the Bank, it is proposed, prospectively, to revise the provisions regarding the figure of the Honorary Chairman in order to:

- (i) specify the method of appointment (by the Shareholders’ Meeting, upon the proposal of the Board of Directors) and the term of office (to be defined at the time of appointment,

including open-ended); and

- (ii) provide that the Honorary Chairman, if appointed, shall have the power to:
  - a. attend Board meetings and express opinions on matters under discussion;
  - b. speak at the Shareholders' Meeting; and
  - c. collaborate with the Chief Executive Officer on the pursuit and implementation of initiatives of interest to the Bank.

#### **Article 11 - Direction**

It is proposed to replace the current legal and regulatory provisions duly identified with the generic reference to "current regulations", which includes references to market regulations and codes of conduct to which the Bank adheres.

This Proposed Amendment, aimed at obviating the automatic obsolescence of the provision that would occur in the event of the repeal or replacement of a law or legislative/ministerial decree expressly referred to in the Articles of Association, applies, among other things, with reference to:

- (i) the minimum number of Directors, including when submitting lists, who must meet the independence requirements;
- (ii) diversification in the composition of the Board of Directors, particularly with regard to gender quotas;
- (iii) the requirements for corporate officers and the relevant attestation required when filing lists;
- (iv) the share quotas for the filing of lists; and
- (v) the filing and making available of lists.

#### **Article 12 - Direction**

It is proposed to formalise the criterion of analyticity in the preparation of board minutes, which, in any case, is already substantially applied by the Bank.

#### **Article 13 - Direction**

It is proposed that the provision requiring the necessary presence of the Chairman and Secretary in the same place for the proper conduct and recording of board proceedings be replaced with

the provision allowing the place where the Chairman is located to be identified as the place where the Board meeting is held.

#### **Article 14 - Direction**

It is proposed that a provision be introduced to clarify the reservation of exclusive and non-delegable powers to the Board of Directors in:

- (i) the approval, review and updating of the recovery plan, as well as its amendment and updating at the request of the Supervisory Authority;
- (ii) the adoption, at the request of the Supervisory Authority, of the changes to be made to the activity, organisational structure or corporate form of the Bank or the Banking Group, and of the other measures necessary to achieve the aims of the recovery plan, as well as the elimination of the causes that form the basis for early intervention;
- (iii) a decision to take a measure set forth in the recovery plan or to refrain from taking a measure even though the circumstances exist; and
- (iv) approval of a policy to promote diversity and inclusiveness (the Diversity Policy).

#### **Article 19 - Direction**

It is proposed to update the regulatory references of the requirements laid down for the executive in charge by the current regulations, in line with the provisions of Article 11 of the Articles of Association.

#### **Article 21 - Board of Statutory Auditors**

It is proposed that regulatory references be updated when, in particular, submitting lists, in relation to, among other things, gender balance in order to clarify the provisions on list composition.

#### **Article 24 - Financial statements and profits**

It is proposed that the Board of Directors be granted the power to distribute interim dividends in the cases, in the manner and within the limits provided by the laws and regulations in force from time to time, in accordance with industry best practices.

**Article 1 - Name**

**Article 3 - Duration**

**Article 4 - Object**

**Articles 6, 9 and 10 - Shareholders' Meetings**

**Article 12-bis and 15 - Direction**

**Articles 21 and 22 - Board of Statutory Auditors**

**Article 23 - Financial statements and profits**

**Article 25 - Dissolution**

Revisions are proposed that are merely formal in nature, with no substantive impact (e.g., correction of typos, punctuation changes, and substitution of capital or lower case letters).

**2. Comparative text of the Articles of Association**

Please find below, also in accordance with Schedule no. 3 of Annex 3A of the Issuers' Regulations:

- (i) the current texts of Articles 1, 3, 4, 6, 9, 10, 10-bis, 11, 12, 12-bis, 13, 14, 15, 19, 21, 22, 23, 24, and 25 of the Bank's Articles of Association (see column "Current Articles of Association"); and
- (ii) the Proposed Amendments made by the Board of Directors and submitted to the Shareholders' Meeting, highlighted in bold/underlined and in strike-through (see "Proposed text" column).

<b>Current Articles of Association</b>	<b>Proposed text</b>
<b>Art.1):</b> The Company is a public limited company having the name "BANCA IFIS S.p.A.".	<b>Art.1):</b> The Company is a public limited company having the name <del>"BANCA IFIS S.p.A."</del> .
<b>Art.3):</b> The terms of existence of the Company will expire on 31 (thirty-first) December 2050 (twenty, fifty), and may be extended with a resolution by the Extraordinary Shareholders' Meeting. In cases of such a resolution to extend the	<b>Art.3):</b> The terms of existence of the Company will expire on 31 (thirty-first) December 2050 (twenty, fifty), and may be extended with a resolution by the Extraordinary Shareholders' Meeting. In cases of such a resolution to extend the

<p>Company's duration, those shareholders who have not taken part in the approval of resolution do not have the right to withdraw.</p>	<p>Company's duration, those shareholders who have not taken part in the approval of resolution do not have the right to withdraw.</p>
<p><b>Art.4):</b> The Company's purpose is to collect public savings and to grant credit in its various forms, in Italy and abroad, operating in compliance with the regulations and laws in force.</p> <p>In compliance with the legal provisions in force, Banca IFIS may carry out all banking, financial and investment operations and services, create and manage open pension funds and, in general, effect any other operations that are instrumental or connected to the achievement of its business purpose.</p> <p>In carrying out its management and coordination activity and in its capacity of parent company of the Banca IFIS Group as per article 61, paragraph 4 of Legislative Decree 385/1993, the Company guides the members of the group in the execution of Bank of Italy's instructions, in the interest of group stability.</p> <p>The Company may issue bonds in accordance with the laws and regulations in force.</p>	<p><b>Art.4):</b> The Company's purpose is to collect public savings and to grant credit in its various forms, in Italy and abroad, operating in compliance with the regulations and laws in force.</p> <p>In compliance with the legal provisions in force, Banca IFIS may carry out all banking, financial and investment operations and services, create and manage open pension funds and, in general, effect any other operations that are instrumental or connected to the achievement of its business purpose.</p> <p>In carrying out its management and coordination activity and in its capacity of parent company of the Banca IFIS Group as per article 61, paragraph 4 of Legislative Decree 385/1993, the Company guides the members of the group in the execution of Bank of Italy's instructions, in the interest of group stability.</p> <p>The Company may issue bonds in accordance with the laws and regulations in force.</p>
<p><b>Art.6):</b> Shareholders' Meetings' resolutions, taken in conformity with the law and the Articles of Association, are binding on all shareholders, whether absent or dissenting. Shareholders who have not participated in</p>	<p><b>Art.6):</b> Shareholders' Meetings' resolutions, taken in conformity with the law and the Articles of Association, are binding on all shareholders, whether absent or dissenting. Shareholders who have not participated in</p>

<p>the approval of resolutions concerning the introduction or removal of restrictions to the circulation of the bank's shares do not have the right to withdraw.</p> <p>Shareholders' Meetings may be ordinary and extraordinary, as per the law.</p> <p>The Meetings may be held under convening beyond the second, in adherence with the provisions of the law.</p> <p>Shareholders' Meetings may be held away from the registered office, provided that they take place in Italy.</p>	<p>the approval of resolutions concerning the introduction or removal of restrictions to the circulation of the bank's shares do not have the right to withdraw.</p> <p>Shareholders' Meetings may be ordinary and extraordinary, as per the law.</p> <p>The Meetings may be held under convening beyond the second, in adherence with the provisions of the law.</p> <p>Shareholders' Meetings may be held away from the registered office, provided that they take place in Italy.</p>
<p><b>Art.9):</b> The Shareholders' Meeting may be attended by holders of voting rights for whom the Company has received the notification issued by the intermediary at the end of the third day of open trading preceding the date set for the Shareholders' Meeting on first call. The communication is made based on the evidence at the end of the accounting day of the seventh day of open trading set for the Shareholders' Meeting on first call.</p> <p>All this without prejudice to legitimate attendance and the exercise of the right to vote should such communication be received by the Company beyond the aforementioned term, provided that this is before the start of the Shareholders' Meeting the call notice refers to.</p> <p>The voting right holders may have themselves</p>	<p><b>Art.9):</b> The Shareholders' Meeting may be attended by holders of voting rights for whom the Company has received the notification issued by the intermediary by the end of the third day of open trading preceding the date set for the Shareholders' Meeting on first call. The communication is made based on the evidence at the end of the accounting day of the seventh day of open trading set for the Shareholders' Meeting on first call.</p> <p>All this without prejudice to legitimate attendance and the exercise of the right to vote should such communication be received by the Company beyond the aforementioned term, provided that this is before the start of the Shareholders' Meeting the call notice refers to.</p> <p>The voting right holders may have themselves</p>

<p>represented in the Shareholders' Meeting, pursuant to the law, by means of written proxy or proxy granted by electronic means. The electronic notification of the proxy may be made using a special form available on the Company's website.</p> <p>The Company designates for each Shareholders' Meeting, indicating them accordingly in the notice to convene, one or more individuals to whom the holders of voting rights may grant, following the methods established by applicable normative provisions, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy has effect with regard to the proposals for which voting instructions have been provided.</p> <p>With regard to the majorities for the validity of resolutions and the drafting of the minutes, reference is made to the provisions of the law, to applicable regulations, to the Articles of Association and to the Shareholders' Meeting Regulations.</p>	<p>represented in the Shareholders' Meeting, pursuant to the law, by means of written proxy or proxy granted by electronic means. The electronic notification of the proxy may be made using a special form available on the Company's website.</p> <p>The Company designates for each Shareholders' Meeting, indicating them accordingly in the notice to convene, one or more individuals to whom the holders of voting rights may grant, following the methods established by applicable normative provisions, a proxy with voting instructions on all or some of the proposals on the agenda. The proxy has effect with regard to the proposals for which voting instructions have been provided.</p> <p>With regard to the majorities for the validity of resolutions and the drafting of the minutes, reference is made to the provisions of the law, to applicable regulations, to the Articles of Association and to the Shareholders' Meeting Regulations.</p>
<p><b>Art.10):</b> The ordinary Shareholders' Meeting approves the remuneration and incentive policies. In particular, the ordinary Shareholders' Meeting, in addition to establishing the remuneration due to the bodies it has appointed, approves:</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies for the Board of Directors, the Chief Executive</li> </ul>	<p><b>Art.10):</b> The ordinary Shareholders' Meeting approves the remuneration and incentive policies. In particular, the ordinary Shareholders' Meeting, in addition to establishing the remuneration due to the bodies it has appointed, approves:</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies for the Board of Directors, the Chief Executive</li> </ul>

<p>Officer, the Board of Statutory Auditors, the General Manager, the Joint General Manager(s) and the remaining personnel;</p> <ul style="list-style-type: none"> <li>- any remuneration plans based on financial instruments (e.g. stock options);</li> <li>- criteria to determine the remuneration to be paid in the case of an early termination of an employment relationship or early termination of an office, including the maximum limits set for this remuneration in terms of annual fixed amount and the maximum amount deriving from their application.</li> </ul> <p>In addition, the ordinary Shareholders' Meeting shall have the faculty to decide, when approving the remuneration policies, the ratio between the variable and the fixed component of individual remuneration of personnel that exceeds 100% (1:1 ratio), but which, in any way, may not exceed the limit set forth by the applicable legal and regulatory provisions <i>pro tempore</i> (currently equal to 200%, a ratio of 2:1). The proposal may be considered validly approved with the majorities provided for by the legislation applicable over time, namely, at present:</p> <ul style="list-style-type: none"> <li>- with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' Meeting, if the Shareholders' Meeting consists of at least half of the share capital;</li> </ul>	<p>Officer, the Board of Statutory Auditors, the General Manager, the Joint General Manager(s) and the remaining personnel;</p> <ul style="list-style-type: none"> <li>- any remuneration plans based on financial instruments (e.g. stock options);</li> <li>- criteria to determine the remuneration to be paid in the case of an early termination of an employment relationship or early termination of an office, including the maximum limits set for this remuneration in terms of annual fixed amount and the maximum amount deriving from their application.</li> </ul> <p>In addition, the ordinary Shareholders' Meeting shall have the faculty to decide, when approving the remuneration policies, the ratio between the variable and the fixed component of individual remuneration of personnel that exceeds 100% (1:1 ratio), but which, in any way, may not exceed the limit set forth by the applicable legal and regulatory provisions <i>pro tempore</i> (currently equal to 200%, a ratio of 2:1). The proposal may be considered validly approved with the majorities provided for by the legislation applicable over time, namely, at present:</p> <ul style="list-style-type: none"> <li>- with the favourable vote of at least 2/3 of the share capital represented at the Shareholders' Meeting, if the Shareholders' Meeting consists of at least half of the share capital;</li> </ul>
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<p>- with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' Meeting, whatever the share capital the Shareholders' Meeting consists in. The fees payable to the members of the Board of Directors are established at the time of their appointment or by the Shareholders' Meeting, pursuant to art. 2389 of the ICC. The remuneration of directors vested in particular positions in accordance with the Articles of Association may be established by the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors. The Shareholders' Meeting may determine a total amount of remuneration for all Directors, including those assigned specific tasks.</p>	<p>- with the favourable vote of at least 3/4 of the share capital represented at the Shareholders' Meeting, whatever the share capital the Shareholders' Meeting consists in. The fees payable to the members of the Board of Directors are established at the time of their appointment or by the Shareholders' Meeting, pursuant to art. 2389 of the <del>ICC</del><b>Italian Civil Code</b>. The remuneration of directors vested in particular positions in accordance with the Articles of Association may be established by the Board of Directors, having received the favourable opinion of the Board of Statutory Auditors. The Shareholders' Meeting may determine a total amount of remuneration for all Directors, including those assigned specific tasks.</p>
<p><b>Art.10-bis):</b> The Shareholders' Meeting may appoint an Honorary Chairman, even from outside the members of the Board of Directors, chosen from among the people who have significantly contributed to the prestige and development of the Company. If appointed, the Honorary Chairman, who is not a director, may attend Shareholders' Meetings and meetings of the Board of Directors, in an advisory capacity and without voting rights. The Honorary Chairman may be appointed by the Board of Directors to represent the Company, among other things.</p>	<p><b>Art.10-bis):</b> <b>On the proposal of the Board of Directors,</b> the Shareholders' Meeting may appoint an Honorary Chairman, even from outside the members of the Board of Directors, chosen from among the people who have significantly contributed to the prestige and development of the Company, <b>also determining the remuneration.</b> <b>The Honorary Chairman serves for the period of time, including an indefinite period, determined by the Shareholders' Meeting at the time of appointment.</b> If appointed, the Honorary Chairman, who is not a director, may attend Shareholders'</p>

	<p>Meetings and meetings of the Board of Directors, in an advisory capacity and without voting rights, <b>expressing opinions on the matters discussed and has the faculty to intervene</b> in Shareholders' Meetings. <b>The Honorary Chairman collaborates with the Chief Executive Officer in connection with the development and implementation of initiatives involving the Company and may serve</b> <del>The Honorary Chairman may be entrusted by the Board of Directors</del> as a representative of the Company, <i>inter alia</i>.</p>
<p><b>Art.11):</b> The Company is governed by a Board of Directors consisting of five to fifteen members, elected by the Shareholders' Meeting. They must possess professionalism and authority so as to ensure a high level of internal dialogue within the body to which they belong, and to make a significant contribution to shaping the will of the same; and at least a quarter of the members must possess the independence requirements provided for by applicable legislation and regulation in force at the time.</p> <p>The composition of the bodies must reflect an adequate degree of diversification in terms, among other things, of skills, experience, age, gender, international scope.</p> <p>For the purposes of appointing or co-opting the directors, the Board of Directors</p>	<p><b>Art.11):</b> The Company is governed by a Board of Directors consisting of five to fifteen members, elected by the Shareholders' Meeting. They must possess such professionalism and authority as to ensure a high level of internal dialectic within the body to which they belong and to make a major contribution to the formation of its will <del>and at least a quarter of the</del>.</p> <p><b>A number of members equal to at least the extent provided for by the legislation, including regulations, applicable from time to time in force, including but not limited of market regulations and codes of conduct to which the Bank adheres (jointly, the "Governing Legislation")</b> must meet the requirements of independence set forth in the <b>Governing Legislation and regulations</b></p>

<p>identifies in advance the qualitative and quantitative composition it deems optimal by identifying and justifying the theoretical profile (including professionalism and any independence characteristics) of the candidates.</p> <p>The results of the analyses carried out by the Board of Directors must be brought to the attention of the shareholders in due time so that the choice of candidates to be presented can take the professional skills required into account. Of course, the possibility remains for the shareholders to carry out their own assessments on the optimal composition of the body and to present candidacies consistent with these, giving reasons for any differences with respect to the analyses carried out by the board.</p> <p>The Directors remain in office for the period, not exceeding three financial years, established at the time of their appointment, and expire on the date of the Shareholders' Meeting called to approve the financial statements related to the last year of their office.</p> <p>The appointment of the members of the Board of Directors is based on lists presented by the shareholders; candidates are listed in sequential order and their number must not exceed the maximum number of Members established by the Articles of Association.</p>	<p><del>applicable over time.</del></p> <p>The composition of the bodies must reflect an adequate degree of diversification in terms, among other things, of skills, experience, age, gender, international scope, <b>in compliance with Governing Legislation.</b></p> <p>For the purposes of appointing or co-opting the directors, the Board of Directors identifies in advance the qualitative and quantitative composition it deems optimal by identifying and justifying the theoretical profile (including professionalism and any independence characteristics) of the candidates.</p> <p>The results of the analyses carried out by the Board of Directors must be brought to the attention of the shareholders in due time so that the choice of candidates to be presented can take the professional skills required into account. Of course, the possibility remains for the shareholders to carry out their own assessments on the optimal composition of the body and to present candidacies consistent with these, giving reasons for any differences with respect to the analyses carried out by the board.</p> <p>The Directors remain in office for the period, not exceeding three financial years, established at the time of their appointment, and expire on the date of the Shareholders' Meeting called to approve the financial</p>
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<p>The right to present a list is only granted to shareholders who, at the time of the presentation of the list, own, alone or jointly, a stake of at least 1% (one percent) of ordinary shares or other minimum ownership threshold that - pursuant to the governing legislation - will be indicated in the notice of convocation of the Shareholders' Meeting which is called upon to deliberate on the appointment of the members of the Board of Directors.</p> <p>A shareholder may not submit or vote for more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who are party to a shareholders' agreement concerning the Company's shares may not submit or vote for more than one list, not even through a third party or trust company.</p> <p>A candidate may only be on one list under penalty of ineligibility.</p> <p>The lists are deposited at the registered office of the Company by the twenty-fifth day before the date of the first-call Shareholders' Meeting and are made available to the public at the registered office of the company, on the Company's website and by the other means set forth by the applicable regulatory framework, at least twenty days before the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares</p>	<p>statements related to the last year of their office.</p> <p>The appointment of the members of the Board of Directors is based on lists presented by the shareholders; candidates are listed in sequential order and their number must not exceed the maximum number of Members established by the Articles of Association.</p> <p>The right to present a list is only granted to shareholders who, at the time of the presentation of the list, own, alone or jointly, a stake of at least 1% (one percent) of ordinary shares or other minimum ownership threshold that - pursuant to the governing legislation - will be indicated in the notice of convocation of the Shareholders' Meeting which is called upon to deliberate on the appointment of the members of the Board of Directors.</p> <p>A shareholder may not submit or vote for more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who are party to a shareholders' agreement concerning the Company's shares may not submit or vote for more than one list, not even through a third party or trust company.</p> <p>A candidate may only be on one list under penalty of ineligibility.</p> <p>The lists are deposited at the registered office of the Company by the twenty-fifth day</p>
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<p>needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to submit the lists, the shareholders may produce the related certification also after the filing, provided that it is within the deadline for the publication of the lists by the Company.</p> <p>Lists must be supplied complete with:</p> <ul style="list-style-type: none"> <li>- information relating to the identity of shareholders who submitted lists, stating the overall percentage of shares held;</li> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as indicated in Article 147-ter of Legislative Decree no. 58/1998 and art. 144-quinquies of the “Implementing Regulation of Legislative Decree no. 58/1998 concerning the discipline of issuers” with the latter;</li> <li>- exhaustive information on the candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves certifying the possession of the requirements and criteria provided for by the applicable legislation and regulation in force at the time, and their acceptance of the</li> </ul>	<p>before the date of the first-call Shareholders’ Meeting and are made available to the public at the registered office of the company, on the Company’s website and by the other means set forth by the <b>G</b>governing <b>L</b>egislation, at least twenty days before the date of the first-call Shareholders’ Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to submit the lists, the shareholders may produce the related certification also after the filing, provided that it is within the deadline for the publication of the lists by the Company.</p> <p>Lists must be supplied complete with:</p> <ul style="list-style-type: none"> <li>- information relating to the identity of shareholders who submitted lists, stating the overall percentage of shares held;</li> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as indicated in Article 147-ter of Legislative Decree no. 58/1998 and art. 144-quinquies of the “Implementing Regulation of Legislative Decree no. 58/1998 concerning the discipline</li> </ul>
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<p>candidacy.</p> <p>Candidates who do not meet the requirements and criteria established by Article 26 of Legislative Decree no. 385/1993 and the relative implementation regulations, also of a regulatory nature, in force at the time, may not be included in said lists. Each list must also indicate:</p> <ul style="list-style-type: none"> <li>- at least a quarter of the members (if this ratio is not an integer, round it down to the next lowest whole number if the first decimal is less than or equal to 5; otherwise round it up to the next highest whole number) that meet the independence obligations provided for both by the Corporate Governance Code for Listed Companies required by Borsa Italiana S.p.A. and Article 148, paragraph 3 of Legislative Decree no. 58/1998. These candidates must be the first four names on the list in sequential order;</li> <li>- at least a third of the list must be made up of candidates representing the least represented gender, except for lists containing fewer than three candidates.</li> </ul> <p>Lists that do not comply with the requirements outlined above shall be deemed not to have been submitted.</p> <p>Members of the Board of Directors are elected as follows:</p> <ol style="list-style-type: none"> <li>1) all Directors except one are elected from the list obtaining the highest number of votes</li> </ol>	<p>of issuers” with the latter;</p> <ul style="list-style-type: none"> <li>- exhaustive information on the candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves certifying the possession of the requirements and criteria provided for by the <del>G</del><b>G</b>overning <del>L</del><b>L</b>egislation <del>and regulation in force at the time</del>, and their acceptance of the candidacy.</li> </ul> <p><b>The lists can only include candidates who have certified that they</b> <del>Candidates who do not meet the requirements and criteria established by Article 26 of Legislative Decree no. 385/1993 and the relative implementation regulations, also of a regulatory nature, in force at the time</del><b>the Governing Legislation.</b> Each list must also indicate:</p> <ul style="list-style-type: none"> <li>- <del>at least one quarter of members</del><b>if the number of candidates is equal to or greater than 2, candidates who meet the independence requirements provided for by the Governing Legislation, in the minimum number provided for by the Governing Legislation, also having regard to the segment in which the shares are listed (if this</b> <del>the ratio is not</del><b>yields</b> a whole number, it is rounded down to the lower integer if the first decimal is less than or equal to 5; otherwise it is rounded up to the upper integer)<del>who meet the independence requirements provided for</del></li> </ul>
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<p>at the Shareholders' Meeting, according to the sequential order with which they are indicated on the list;</p> <p>2) from the list that obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, not even indirectly, with the shareholders who presented or voted on the list with the highest number of votes, then a director is declared.</p> <p>If these drawing criteria do not guarantee the balance between genders to the extent established by the laws and regulations in force from time to time, a scrolling mechanism shall be applied to the drawing from the list that obtained the highest number of votes at the Shareholders' Meeting, based on the sequential order in which the candidates are indicated, that excludes the candidate or candidates of the gender most represented and draws the candidate or candidates of the missing gender.</p> <p>If just one list of candidates is submitted, the names indicated on that list will be elected as Members of the Board of Directors, up to the number of Directors to be elected less one, who shall be elected by the Shareholders' Meeting there and then, based on a simple</p>	<p><del>both by the Code of Corporate Governance of Listed Companies prepared by Borsa Italiana S.p.A. and by Article 148, paragraph 3 of Legislative Decree No. 58/1998.</del> These candidates must be the first <del>four</del> names on the list in sequential order;</p> <p>- a number of candidates, <b>at least equal to the measure provided for in the Governing Legislation, of at least one third</b> belonging to the least represented gender, except for lists with fewer than three candidates.</p> <p>Any list where the above provisions <b>on members</b> are not observed is considered as not having been presented.</p> <p>Members of the Board of Directors are elected as follows:</p> <p>1) all Directors except one are elected from the list obtaining the highest number of votes at the Shareholders' Meeting, according to the sequential order with which they are indicated on the list;</p> <p>2) from the list that obtained the highest number of votes at the Shareholders' Meeting and which, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, not even indirectly, with the shareholders who presented or voted on the list with the highest number of votes, then a director is declared.</p> <p>Should this selection criteria fail to ensure</p>
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<p>majority but excluding from the vote the shareholders who submitted the single list, and based on the proposal of the shareholders entitled to the right to vote pursuant to this paragraph.</p> <p>In any case, at least one quarter of the members of the Board of Directors must possess the independence requirements established both by the Code for Listed Companies prepared by Borsa Italiana S.p.A. and by art. 148, paragraph 3 of Legislative Decree no. 58/1998.</p> <p>If, during the year, less than a quarter of the directors are in possession of these requirements, the Board will resolve to terminate the role of one or two of its Members who have ceased to meet such requirements, based on a criterion of shorter tenure, or, in the case of equal tenure, lower age, and will co-opt one or two independent members.</p> <p>The laws in force, without the involvement of list voting, shall govern any replacement of Directors, except in the event that all Directors cease their roles.</p> <p>Moreover, in the event of the resignation of the director declared from the list that obtained the highest number of votes at the Shareholders' Meeting and who, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way,</p>	<p>proper gender balance to the extent established on a case by case basis by the <del>Governing Legislation—Italian Law's applicable legislation and regulation in force at the time</del>, a sliding mechanism is applied to the selection from the list which obtained, during the Shareholders' Meeting, the highest number of votes based on the sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and draws the candidate or candidates of the <del>unrepresented</del> <b>least represented</b> gender.</p> <p>If just one list of candidates is submitted, the names indicated on that list will be elected as Members of the Board of Directors, up to the number of Directors to be elected less one, who shall be elected by the Shareholders' Meeting there and then, based on a simple majority but excluding from the vote the shareholders who submitted the single list, and based on the proposal of the shareholders entitled to the right to vote pursuant to this paragraph.</p> <p>In any case, <del>at least one quarter of the</del> <b>at least the number of</b> members of the Board of Directors <b>envisaged by the Governing Legislation</b> must possess the independence requirements established <del>both by the Code for Listed Companies prepared by Borsa</del></p>
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<p>even indirectly, with the members who have submitted or voted on the list that appeared first by number of votes, the Board will first check the continued availability of the candidates included on the list, according to the its sequential order, and will co-opt members based on this criterion of preference.</p> <p>In the event of the termination of a director belonging to the least represented gender, the co-opted director shall still belong to the same gender.</p>	<p><del>Italiana S.p.A. and by art. 148, paragraph 3 of Legislative Decree no. 58/1998</del> <b>by the Governing Legislation.</b></p> <p>If, during the course of the financial year, a number of directors less than <del>one-quarter</del> <b>the minimum number required by the Governing Legislation</b> turn out to meet these requirements, the Board will resolve to disqualify one or more of its members who have lost these requirements, according to a criterion of less seniority in office or, if equal, <b>seniority in office, according to a criterion of lesser age, and. The Board will then</b> co-opt one or more independent members, <b>subject to compliance with the gender balance, at least to the extent required by the Governing Legislation.</b></p> <p>The laws in force, without the involvement of list voting, shall govern any replacement of Directors, except in the event that all Directors cease their roles.</p> <p>Moreover, in the event of the resignation of the director declared from the list that obtained the highest number of votes at the Shareholders' Meeting and who, pursuant to art. 147-ter, paragraph 3 of Legislative Decree no. 58/1998, is not connected in any way, even indirectly, with the members who have submitted or voted on the list that appeared first by number of votes, the Board will first check the continued availability of the</p>
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	<p>candidates included on the list, according to the its sequential order, and will co-opt members based on this criterion of preference.</p> <p>In the event of the termination of a director belonging to the least represented gender, the co-opted director shall still belong to the same gender.</p>
<p><b>Art.12):</b> The Board elects from among its members a Chairman and may elect a Deputy Chairman. In the event of the Chairman’s absence or unavailability, the Deputy Chairman presides. In the event of absence or unavailability of the Deputy Chairman the most senior Director presides.</p> <p>The Chairman promotes the effective functioning of the corporate governance system, guaranteeing a balance of powers with respect to the Chief Executive Officer and the other executive directors. He/she acts as an interlocutor with the controlling body and the internal committees. To this end, in addition to possessing the characteristics required of directors, he/she must have the specific skills necessary to carry out the tasks assigned to him/her. In order to carry out his/her function effectively, the Chairman must have a non-executive role and not carry out, even de facto, management functions.</p> <p>The Chairman guarantees the effectiveness</p>	<p><b>Art.12):</b> The Board elects from among its members a Chairman and may elect a Deputy Chairman. In the event of the Chairman’s absence or unavailability, the Deputy Chairman presides. In the event of absence or unavailability of the Deputy Chairman the most senior Director presides.</p> <p>The Chairman promotes the effective functioning of the corporate governance system, guaranteeing a balance of powers with respect to the Chief Executive Officer and the other executive directors. He/she acts as an interlocutor with the controlling body and the internal committees. To this end, in addition to possessing the characteristics required of directors, he/she must have the specific skills necessary to carry out the tasks assigned to him/her. In order to carry out his/her function effectively, the Chairman must have a non-executive role and not carry out, even de facto, management functions.</p> <p>The Chairman guarantees the effectiveness</p>

<p>of the Board’s discussion and ensures that the resolutions it reaches are the result of adequate dialogue and the conscious and reasoned contribution of all its members. For these purposes, the Chairman shall ensure that:</p> <ul style="list-style-type: none"> <li>- the directors are provided in reasonable advance with the documentation supporting the board’s resolutions or, at least, with general information on the matters to be discussed;</li> <li>- the documentation supporting the resolutions, particularly when provided to non-executive members, is adequate in both quality and quantity with respect to the items on the agenda.</li> </ul> <p>The Board, after hearing the Chairman, appoints the Secretary, who may also be chosen from outside the members of the administrative body, and his/her alternate. The Secretary is responsible for drawing up and keeping the minutes of each meeting, which must be signed by the person presiding over the meeting and by the Secretary himself.</p> <p>To carry out the Board’s work, the Chairman may be assisted by a person of his/her choice, even chosen from outside the members of the Board of Directors.</p>	<p>of the Board’s discussion and ensures that the resolutions it reaches are the result of adequate dialogue and the conscious and reasoned contribution of all its members. For these purposes, the Chairman shall ensure that:</p> <ul style="list-style-type: none"> <li>- the directors are provided in reasonable advance with the documentation supporting the board’s resolutions or, at least, with general information on the matters to be discussed;</li> <li>- the documentation supporting the resolutions, particularly when provided to non-executive members, is adequate in both quality and quantity with respect to the items on the agenda.</li> </ul> <p>The Board, after hearing the Chairman, appoints the Secretary, who may also be chosen from outside the members of the administrative body, and his/her alternate. The Secretary is responsible for drawing up and keeping the minutes of each meeting, which must be signed by the person presiding over the meeting and by the Secretary himself. <b>The minutes of the Board of Directors’ meetings shall detail the decision-making process, including an account of the underlying rationale, and shall be adequate to enable a reconstruction of the course of the debate and the various positions expressed.</b></p>
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	<p>To carry out the Board’s work, the Chairman may be assisted by a person of his/her choice, even chosen from outside the members of the Board of Directors.</p>
<p><b>Art. 12-bis):</b> In compliance with the legislative provisions in force, the Board of Directors shall set up an Appointments Committee, a Control and Risk Committee, a Remuneration Committee, and any internal board committees it deems appropriate, within its sphere of authority. The members of the committees are appointed, revoked, and supplemented, as necessary, by the Board of Directors.</p> <p>The committees are vested with the functions and powers assigned to them by current legislation and regulations and by the Board of Directors.</p>	<p><b>Art. 12-bis):</b> In compliance with the legislative provisions in force, the Board of Directors shall set up an Appointments Committee, a Control and Risk Committee, a Remuneration Committee, and any internal board committees it deems appropriate, within its sphere of authority. The members of the committees are appointed, revoked, and supplemented, as necessary, by the Board of Directors.</p> <p>The committees are vested with the functions and powers assigned to them by the <del>current</del> <del>legislation and regulations</del> <del>and</del> <del>by</del> <del>the</del> <del>Board</del> <del>of</del> <del>Directors</del>.</p>
<p><b>Art. 13):</b> The convocation of the Board of Directors is made by the Chairman by letter, fax, e-mail or other suitable form at the domicile of each director at least three days before the meeting’s scheduled date. In case of urgency, the convocation may be sent even just one day before the meeting’s scheduled date.</p> <p>In preparing the agenda and managing the board’s discussion, the Chairman ensures that matters of strategic importance are treated with priority, ensuring that all the</p>	<p><b>Art. 13):</b> The convocation of the Board of Directors is made by the Chairman by letter, fax, e-mail or other suitable form at the domicile of each director at least three days before the meeting’s scheduled date. In case of urgency, the convocation may be sent even just one day before the meeting’s scheduled date.</p> <p>In preparing the agenda and managing the board’s discussion, the Chairman ensures that matters of strategic importance are treated with priority, ensuring that all the</p>

<p>necessary time is dedicated to them.</p> <p>Board meetings will be validly established even when held through means of telecommunication, as long as all the participants can be identified by the Chairman and all other attendees are allowed to follow the discussion and intervene in real time in the discussion of the topics, are allowed to receive, transmit and view documents relating to these topics, and all of the above is acknowledged in the relative minutes. Once these conditions are met, the meeting of the Board of Directors is considered held in the place where the Chairman is located and where the Secretary of the meeting must also be, in order to allow the drafting of the relative minutes.</p> <p>The resolutions of the Board are valid if the majority of the directors in office are present, and are taken by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Board of Directors prevails.</p> <p>The Board of Directors meets at time intervals usually not exceeding three months, whenever the Chairman deems it necessary, or when it is requested by the Chief Executive Officer or at least three directors. The Board may also be convened by at least two statutory auditors upon notice given to the Chairman of the Board of Directors.</p>	<p>necessary time is dedicated to them.</p> <p>Board meetings will be validly established even when held through means of telecommunication, as long as all the participants can be identified by the Chairman and all other attendees are allowed to follow the discussion and intervene in real time in the discussion of the topics, are allowed to receive, transmit and view documents relating to these topics, and all of the above is acknowledged in the relative minutes. Once these conditions are met, the meeting of the Board of Directors is considered held in the place where the Chairman is located <del>and where the Secretary of the meeting must also be, in order to allow</del> the drafting of the relative minutes.</p> <p>The resolutions of the Board are valid if the majority of the directors in office are present, and are taken by an absolute majority of those present. In the event of a tie, the vote of the Chairman of the Board of Directors prevails.</p> <p>The Board of Directors meets at time intervals usually not exceeding three months, whenever the Chairman deems it necessary, or when it is requested by the Chief Executive Officer or at least three directors. The Board may also be convened by at least two statutory auditors upon notice given to the Chairman of the Board of Directors.</p>
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<p><b>Art.14):</b> The Board of Directors is responsible for all the powers of ordinary and extraordinary administration, excluding those that, by law, lie within the competence of the Shareholders' Meeting.</p> <p>Besides duties that may not be delegated by law, the Board of Directors is exclusively responsible for resolutions regarding:</p> <ul style="list-style-type: none"> <li>- the business model, the strategic guidelines and operations and the business and financial plans;</li> <li>- the guidelines of the internal control system and the verification that the same is consistent with the set strategic guidelines and the risk appetite and that the same is able to capture the evolution of the corporate risks and their interactions;</li> <li>- the criteria to identify the more significant operations to submit to the prior examination of the risk control function;</li> <li>- the amendments of the Articles of Association according to legal provisions;</li> <li>- mergers by incorporation with other companies, in the cases provided for by articles 2505 and 2505-bis of the Italian Civil Code;</li> <li>- the reduction of capital in case of withdrawal;</li> <li>- the indication of which Directors, in addition to those stated in these Articles of Association, may represent the Company;</li> </ul>	<p><b>Art.14):</b> The Board of Directors is responsible for all the powers of ordinary and extraordinary administration, excluding those that, by law, lie within the competence of the Shareholders' Meeting.</p> <p>Besides duties that may not be delegated by law, the Board of Directors is exclusively responsible for resolutions regarding:</p> <ul style="list-style-type: none"> <li>- the business model, the strategic guidelines and operations and the business and financial plans;</li> <li>- the guidelines of the internal control system and the verification that the same is consistent with the set strategic guidelines and the risk appetite and that the same is able to capture the evolution of the corporate risks and their interactions;</li> <li>- the criteria to identify the more significant operations to submit to the prior examination of the risk control function;</li> <li>- the amendments of the Articles of Association according to legal provisions;</li> <li>- mergers by incorporation with other companies, in the cases provided for by articles 2505 and 2505-bis of the Italian Civil Code;</li> <li>- the reduction of capital in case of withdrawal;</li> <li>- the indication of which Directors, in addition to those stated in these Articles of Association, may represent the Company;</li> </ul>
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<ul style="list-style-type: none"> <li>- the setting up of committees within the Board of Directors;</li> <li>- the Risk Appetite Framework and the risk management policies as well as, having heard the opinion of the Board of Statutory Auditors, the evaluation of the completeness, adequacy, functionality, and reliability of the internal control and risk management systems and of the adequacy of the organisational, administrative and accounting structure;</li> <li>- the determination of the general organisation of the Bank's structure and of the consequent internal regulations;</li> <li>- the setting up and regulations, also for the structure of the signatory powers, of branches, subsidiaries, agencies, counters, representative offices and addresses, both in Italy and abroad, as well as their closing;</li> <li>- the transfer of the registered office within the national territory;</li> <li>- the buying and selling of equity investments, companies and/or companies divisions bringing about changes in the group, or investments and/or disinvestments that exceed 1% (one percent) of the bank's net equity as shown in the last approved financial statements of the Company;</li> <li>- the determination of criteria for carrying out Bank of Italy's instructions;</li> <li>- the appointment, dismissal and</li> </ul>	<ul style="list-style-type: none"> <li>- the setting up of committees within the Board of Directors;</li> <li>- the Risk Appetite Framework and the risk management policies as well as, having heard the opinion of the Board of Statutory Auditors, the evaluation of the completeness, adequacy, functionality, and reliability of the internal control and risk management systems and of the adequacy of the organisational, administrative and accounting structure;</li> <li>- the determination of the general organisation of the Bank's structure and of the consequent internal regulations;</li> <li>- the setting up and regulations, also for the structure of the signatory powers, of branches, subsidiaries, agencies, counters, representative offices and addresses, both in Italy and abroad, as well as their closing;</li> <li>- the transfer of the registered office within the national territory;</li> <li>- the buying and selling of equity investments, companies and/or companies divisions bringing about changes in the group, or investments and/or disinvestments that exceed 1% (one percent) of the bank's net equity as shown in the last approved financial statements of the Company;</li> <li>- the determination of criteria for carrying out Bank of Italy's instructions;</li> <li>- the appointment, dismissal and</li> </ul>
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<p>remuneration of General Management members;</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies to submit to the Shareholders' Meeting, the review, at least on a yearly basis, of such policies and the responsibility for their correct implementation, with the purpose of also ensuring that the remuneration policy is adequately documented and accessible within the corporate structure;</li> <li>- the setting up of the corporate audit functions, the related tasks and responsibilities, the coordination and collaboration methods, the information flows between such functions and between them and the corporate bodies;</li> <li>- the appointment, after having heard the opinion of the Board of Statutory Auditors, of subjects responsible for the internal auditing functions;</li> <li>- the risk management process and the assessment of its compatibility with the strategic directions and with the risk management policies;</li> <li>- the policies and the processes for the assessment of the corporate activities, and, in particular, of the financial instruments, verifying their continuous adequacy and setting also the top limits of the Bank's exposure to financial instruments or products of an uncertain or difficult evaluation;</li> </ul>	<p>remuneration of General Management members;</p> <ul style="list-style-type: none"> <li>- the remuneration and incentive policies to submit to the Shareholders' Meeting, the review, at least on a yearly basis, of such policies and the responsibility for their correct implementation, with the purpose of also ensuring that the remuneration policy is adequately documented and accessible within the corporate structure;</li> <li>- the setting up of the corporate audit functions, the related tasks and responsibilities, the coordination and collaboration methods, the information flows between such functions and between them and the corporate bodies;</li> <li>- the appointment, after having heard the opinion of the Board of Statutory Auditors, of subjects responsible for the internal auditing functions;</li> <li>- the risk management process and the assessment of its compatibility with the strategic directions and with the risk management policies;</li> <li>- the policies and the processes for the assessment of the corporate activities, and, in particular, of the financial instruments, verifying their continuous adequacy and setting also the top limits of the Bank's exposure to financial instruments or products of an uncertain or difficult evaluation;</li> </ul>
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<ul style="list-style-type: none"> <li>- the process for the development and the validation of the internal systems for the risk assessment not employed for regulatory purposes and the periodical assessment of their correct working;</li> <li>- the process for the approval of new products and services, the start of new activities, the entry into new markets;</li> <li>- the corporate policy in the matter of outsourcing of corporate functions;</li> <li>- the Code of Ethics which the members of the corporate bodies and the employees shall have to comply with in order to mitigate the operational and reputational risks of the Bank and to favour the spread of a culture of the internal controls.</li> </ul> <p>The directors report promptly, but at least on a quarterly basis, to the Board of Statutory Auditors during Board of Directors' Meetings, or even directly, in writing, about the activities performed, the most significant operations carried out by the Company or its subsidiary companies and situations that could result in conflict of interest.</p>	<ul style="list-style-type: none"> <li>- the process for the development and the validation of the internal systems for the risk assessment not employed for regulatory purposes and the periodical assessment of their correct working;</li> <li>- the process for the approval of new products and services, the start of new activities, the entry into new markets;</li> <li>- the corporate policy in the matter of outsourcing of corporate functions;</li> <li>- the approval, review and updating of the recovery plan, as well as its amendment and updating at the request of the Supervisory Authority;</li> <li>- the adoption, at the request of the Supervisory Authority, of the changes to be made to the activity, organisational structure or corporate form of the bank (or the banking group), and of the other measures necessary to achieve the aims of the recovery plan, as well as the elimination of the causes that form the basis for early intervention;</li> <li>- a decision to take a measure set forth in the recovery plan or to refrain from taking a measure even though the circumstances exist;</li> <li>- approval of a policy to promote diversity and inclusiveness;</li> <li>- the Code of Ethics which the members of the corporate bodies and the employees shall have to comply with in order to mitigate the</li> </ul>
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	<p>operational and reputational risks of the Bank and to favour the spread of a culture of the internal controls.</p> <p>The directors report promptly, but at least on a quarterly basis, to the Board of Statutory Auditors during Board of Directors' Meetings, or even directly, in writing, about the activities performed, the most significant operations carried out by the Company or its subsidiary companies and situations that could result in conflict of interest.</p>
<p><b>Art.15):</b> The Board appoints a Chief Executive Officer from among its members, who is in charge of conducting company operations aimed at achieving corporate strategic direction and objectives. The Board also confer special tasks onto individual directors, all in accordance with and within the limits established by art. 2381 of the ICC. The Board may also appoint attorneys for specific acts or categories of acts and special attorneys. The Chief Executive Officer is responsible for implementing strategic directions and company management, and makes use of the General Management.</p> <p>The Chief Executive Officer reports to the Board of Directors on his/her activities on a quarterly basis.</p> <p>The Chief Executive Officer:</p> <ul style="list-style-type: none"> <li>- defines and oversees the implementation of the risk management process;</li> </ul>	<p><b>Art.15):</b> The Board appoints a Chief Executive Officer from among its members, who is in charge of conducting company operations aimed at achieving corporate strategic direction and objectives. The Board also confer special tasks onto individual directors, all in accordance with and within the limits established by art. 2381 of the <del>C.C.</del> <b>Italian Civil Code</b>. The Board may also appoint attorneys for specific acts or categories of acts and special attorneys. The Chief Executive Officer is responsible for implementing strategic directions and company management, and makes use of the General Management.</p> <p>The Chief Executive Officer reports to the Board of Directors on his/her activities on a quarterly basis.</p> <p>The Chief Executive Officer:</p> <ul style="list-style-type: none"> <li>- defines and oversees the implementation of the risk management process;</li> </ul>

<ul style="list-style-type: none"> <li>- defines and is responsible for implementing the process (heads of unit, procedures, conditions) to approve investments in new products, the distribution of new products or services and the start of new activities or entry into new markets;</li> <li>- defines and supervises the implementation of the company policy regarding the outsourcing of company functions;</li> <li>- defines and is responsible for implementing the processes and methodologies used to assess company activities, and, particularly, financial instruments; and is responsible for keeping them constantly updated;</li> <li>- defines the internal information flows aimed at ensuring full knowledge and governability of risk factors and verification of compliance with the Risk Appetite Framework for corporate bodies and control departments;</li> <li>- within the scope of the Group's Risk Appetite Framework, if a tolerance threshold has been defined, authorises the exceeding of the risk appetite within the limit represented by the tolerance threshold, and promptly informs the Board of Directors, identifying the managerial actions needed to restore the assumed risk within the pre-set objective;</li> <li>- implements the initiatives and interventions required to ensure the continuous</li> </ul>	<ul style="list-style-type: none"> <li>- defines and is responsible for implementing the process (heads of unit, procedures, conditions) to approve investments in new products, the distribution of new products or services and the start of new activities or entry into new markets;</li> <li>- defines and supervises the implementation of the company policy regarding the outsourcing of company functions;</li> <li>- defines and is responsible for implementing the processes and methodologies used to assess company activities, and, particularly, financial instruments; and is responsible for keeping them constantly updated;</li> <li>- defines the internal information flows aimed at ensuring full knowledge and governability of risk factors and verification of compliance with the Risk Appetite Framework for corporate bodies and control departments;</li> <li>- within the scope of the Group's Risk Appetite Framework, if a tolerance threshold has been defined, authorises the exceeding of the risk appetite within the limit represented by the tolerance threshold, and promptly informs the Board of Directors, identifying the managerial actions needed to restore the assumed risk within the pre-set objective;</li> <li>- implements the initiatives and interventions required to ensure the continuous</li> </ul>
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<p>completeness, adequacy, functionality and reliability of the internal control system and informs the Board of Directors of the results of the checks carried out to;</p> <ul style="list-style-type: none"> <li>- prepares and implements the necessary corrective or adjustment measures in case of deficiencies or anomalies, or following the introduction of new relevant products, activities, services or processes;</li> <li>- implements the ICAAP process;</li> <li>- with specific reference to the credit and counterparty risks, in line with the strategic lines, approves specific guidelines aimed at ensuring the efficacy of the system used to manage risk mitigation techniques and at guaranteeing compliance with the general and specific requisites of said techniques.</li> </ul> <p>In case of emergencies, the Chief Executive Officer may adopt decisions regarding any business or transaction that does not fall under the exclusive purview of the Board of Directors, immediately notifying the Chairman of such decisions and announcing them to the Board at the first subsequent meeting.</p>	<p>completeness, adequacy, functionality and reliability of the internal control system and informs the Board of Directors of the results of the checks carried out to;</p> <ul style="list-style-type: none"> <li>- prepares and implements the necessary corrective or adjustment measures in case of deficiencies or anomalies, or following the introduction of new relevant products, activities, services or processes;</li> <li>- implements the ICAAP process;</li> <li>- with specific reference to the credit and counterparty risks, in line with the strategic lines, approves specific guidelines aimed at ensuring the efficacy of the system used to manage risk mitigation techniques and at guaranteeing compliance with the general and specific requisites of said techniques.</li> </ul> <p>In case of emergencies, the Chief Executive Officer may adopt decisions regarding any business or transaction that does not fall under the exclusive purview of the Board of Directors, immediately notifying the Chairman of such decisions and announcing them to the Board at the first subsequent meeting.</p>
<p><b>Art.19):</b> As per article 154-bis of Legislative Decree 58/1998 and if the necessary, compulsory approval has been given by the Board of Statutory Auditors, the Board of Directors appoints a Corporate Accounting Reporting Officer.</p>	<p><b>Art.19):</b> As per article 154-bis of Legislative Decree 58/1998 and if the necessary, compulsory approval has been given by the Board of Statutory Auditors, the Board of Directors appoints a Corporate Accounting Reporting Officer.</p>

<p>This Corporate Accounting Reporting Officer must comply with the regulations regarding both the requisites of honourability for election to the position of Statutory Auditor, as per article 2 of Italian M.D. 162 of 30 March 2000, and the requisites of professionalism for election to the position of Director of a public bank, as per article 1, paragraph 1 of the Italian M.D. 161 of 18 March 1998.</p> <p>The Corporate Accounting Reporting Officer puts in place suitable administrative and accounting procedures for the drawing up of statutory and consolidated financial reports for the accounting year, together with every other communication of a financial nature, also carrying out any other assignment provided for by the law.</p> <p>The Board of Directors is responsible for ensuring the Corporate Accounting Reporting Officer has the necessary powers and means to accomplish the assignments attributed to him/her and to ensure that administrative and bookkeeping procedures are effectively respected.</p> <p>Under article 154-bis of Legislative Decree 58/1998, the Board of Directors gives this manager the necessary powers and means to accomplish the assignments attributed to him/her at nomination.</p> <p>The Corporate Accounting Reporting Officer is subject to the provisions governing the</p>	<p>This Corporate Accounting Reporting Officer must comply with the regulations regarding both the requisites of honourability <del>for election to the position of Statutory Auditor, as per article 2 of Italian D.M. 162 of 30 March 2000,</del> and the requisites of professionalism <del>for election to the position of Director of a public bank, as per article 1, paragraph 1 of the Italian D.M. 18 March 1998 no. 161</del> provided for <b>by the Governing Legislation</b>.</p> <p>The Corporate Accounting Reporting Officer puts in place suitable administrative and accounting procedures for the drawing up of statutory and consolidated financial reports for the accounting year, together with every other communication of a financial nature, also carrying out any other assignment provided for by the law.</p> <p>The Board of Directors is responsible for ensuring the Corporate Accounting Reporting Officer has the necessary powers and means to accomplish the assignments attributed to him/her and to ensure that administrative and bookkeeping procedures are effectively respected.</p> <p>Under article 154-bis of Legislative Decree 58/1998, the Board of Directors gives this manager the necessary powers and means to accomplish the assignments attributed to him/her at nomination.</p> <p>The Corporate Accounting Reporting Officer</p>
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<p>Directors of the Company for their area of responsibility, excepting the activities that fall under the normal working relationship with the Company.</p>	<p>is subject to the provisions governing the Directors of the Company for their area of responsibility, excepting the activities that fall under the normal working relationship with the Company.</p>
<p><b>Art.21):</b> The Board of Statutory Auditors is made up of three standing and two alternate auditors.</p> <p>The Board of Statutory Auditors is appointed based on lists presented by the shareholders, in which the candidates are listed in sequential order; their number may not exceed that of the members of the body to be elected. Each list consists of two sections: one for candidates for the office of Standing Auditor, and the other for candidates for the office of Alternate Auditor.</p> <p>A list may be submitted by the shareholder or shareholders who, at the time of submission, own an equity interest equal to at least 1% (one percent) of ordinary shares, or to another lower ownership threshold that – pursuant to governing legislation – will be indicated in the notice convoking the Shareholders’ Meeting called to pass a resolution to appoint the members of the Board of Statutory Auditors.</p> <p>A shareholder may not submit or vote for more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who are</p>	<p><b>Art.21):</b> The Board of Statutory Auditors is made up of three standing and two alternate auditors.</p> <p>The Board of Statutory Auditors is appointed based on lists presented by the shareholders, in which the candidates are listed in sequential order; their number may not exceed that of the members of the body to be elected. Each list consists of two sections: one for candidates for the office of Standing Auditor, and the other for candidates for the office of Alternate Auditor.</p> <p>A list may be submitted by the shareholder or shareholders who, at the time of submission, own an equity interest equal to at least 1% (one percent) of ordinary shares, or to another lower ownership threshold that – pursuant to <b>G</b>governing <b>L</b>egislation – will be indicated in the notice convoking the Shareholders’ Meeting called to pass a resolution to appoint the members of the Statutory Auditors.</p> <p>A shareholder may not submit or vote for more than one list, even through a third party or a trust company. Shareholders belonging to the same group and shareholders who are</p>

<p>party to a shareholders' agreement concerning the Company's shares may not submit or vote for more than one list, not even through a third party or trust company. A candidate may only be on one list under penalty of ineligibility.</p> <p>Lists must be submitted to the Company's registered office at least twenty-five days prior to the date set for the first-call Shareholders' Meeting, and are made available to the public at the registered office, on the Company's website and through the other methods provided for by current legislation and regulatory provisions at least twenty-one days prior to the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to submit the lists, the shareholders may produce the related certification also after the filing, provided that it is within the deadline for the publication of the lists by the Company.</p> <p>Lists must be supplied complete with:</p> <ul style="list-style-type: none"> <li>- information relating to the identity of shareholders who submitted the lists, stating</li> </ul>	<p>party to a shareholders' agreement concerning the Company's shares may not submit or vote for more than one list, not even through a third party or trust company. A candidate may only be on one list under penalty of ineligibility.</p> <p>Lists shall be submitted to the Company's registered office at least twenty-five days prior to the date set for the first-call Shareholders' Meeting, and are made available to the public at the registered office, on the Company's website and through the other methods provided for by <del>G</del>governing <del>L</del>legislation at least twenty-one days prior to the date of the first-call Shareholders' Meeting.</p> <p>Ownership of the minimum number of shares needed to submit a list is determined by taking into account the shares recorded in the name of the individual shareholder or multiple joint-shareholders on the day lists are submitted to the Company. In order to prove the ownership of the number of shares necessary to submit the lists, the shareholders may produce the related certification also after the filing, provided that it is within the deadline for the publication of the lists by the Company.</p> <p>Lists must be supplied complete with:</p> <ul style="list-style-type: none"> <li>- information relating to the identity of shareholders who submitted the lists, stating</li> </ul>
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<p>the overall percentage of shares held;</p> <ul style="list-style-type: none"> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as provided for by Article 144-quinquies of the “Implementing Regulation of Legislative Decree no. 58/1998 concerning the discipline of issuers” with the latter as well as other significant relationships;</li> <li>- exhaustive information on candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements established by law and their acceptance of candidacy.</li> </ul> <p>Candidates who already hold the post of auditor in five other listed companies or who do not possess and criteria provided for by Article 26 of Legislative Decree no. 385/1993 and the relative implementation regulations, also of a regulatory nature, in force at the time or that fall within the cases referred to in art. 148, paragraph 3 of Legislative Decree no. 58/1998 may not be included in the candidate list.</p> <p>Each list shall contain at least one candidate for the office of Standing Auditor and at least one candidate for the office of Alternate Auditor belonging to the less represented gender. This requirement does not apply to</p>	<p>the overall percentage of shares held;</p> <ul style="list-style-type: none"> <li>- a declaration of the shareholders other than those who hold, including jointly, a controlling or relative majority shareholding, certifying the absence of relationships as provided for by Article 144-quinquies of the “<del>Implementing Regulation</del>” of Legislative Decree no. 58/1998 concerning the discipline of issuers” with the latter as well as other significant relationships;</li> <li>- exhaustive information on candidates’ personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements established by law and their acceptance of candidacy.</li> </ul> <p>Candidates who already hold the post of auditor in five other listed companies or who do not possess and criteria provided for by Article 26 of Legislative Decree no. 385/1993 and the relative implementation regulations, also of a regulatory nature, in force at the time or that fall within the cases referred to in art. 148, paragraph 3 of Legislative Decree no. 58/1998 may not be included in the candidate list.</p> <p>Each list must contain <del>at least one candidate</del> <b>candidates</b> for the office of standing auditor and <del>at least one candidate</del> <b>candidates</b> for the office of alternate auditor belonging to <del>the least represented gender</del> <b>both genders at</b></p>
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<p>lists with fewer than three candidates.</p> <p>Outgoing auditors may be re-elected.</p> <p>The election of the auditors proceeds as follows:</p> <ol style="list-style-type: none"> <li>1) two standing auditors and one alternate are elected from the list obtaining the highest number of votes, according to the sequential order with which they are indicated on the list;</li> <li>2) from the list that obtained the highest number of votes among the lists presented and voted on by shareholders who are not connected to the reference shareholders pursuant to art. 148, paragraph 2 of Legislative Decree no. 58/1998, the candidate indicated in first place in the relevant section of the list is elected standing auditor; the candidate indicated in first place in the relevant section of the same list is elected alternate auditor.</li> </ol> <p>In the case of a tie between two or more lists, the oldest candidates will be elected as Statutory Auditors.</p> <p>If the above-mentioned drawing criteria do not ensure the presence on the Board of at least one Standing Auditor and one Alternate Auditor belonging to the less represented gender, a scrolling mechanism shall be applied to the drawing from the list that obtained the highest number of votes at the Shareholders' Meeting, based on the</p>	<p>least to the minimum extent provided for by the Governing Legislation. This requirement does not apply to lists that - considering both sections - present fewer than three candidates.</p> <p>Outgoing auditors may be re-elected.</p> <p>The election of the auditors proceeds as follows:</p> <ol style="list-style-type: none"> <li>1) two standing auditors and one alternate are elected from the list obtaining the highest number of votes, according to the sequential order with which they are indicated on the list;</li> <li>2) from the list that obtained the highest number of votes among the lists presented and voted on by shareholders who are not connected to the reference shareholders pursuant to art. 148, paragraph 2 of Legislative Decree no. 58/1998, the candidate indicated in first place in the relevant section of the list is elected standing auditor; the candidate indicated in first place in the relevant section of the same list is elected alternate auditor.</li> </ol> <p>In the case of a tie between two or more lists, the oldest candidates will be elected as Statutory Auditors.</p> <p>If the selection criteria do not ensure <del>election of at least one Standing Auditor and one Alternate Auditor belonging to the least represented gender</del> gender balance as</p>
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<p>sequential order in which the candidates are indicated, that excludes the candidate or candidates of the most represented gender and draws the candidate or candidates of the missing gender.</p> <p>The standing auditor elected from the minority list shall be declared Chairman of the Board of Statutory Auditors.</p> <p>If only lists with fewer than three candidates have been submitted and there is no candidate of the less represented gender, the presence of an alternate auditor of the less represented gender will not be mandatory, while the standing members of the Board will be appointed as follows:</p> <ol style="list-style-type: none"> <li>1) the Chairman by drawing from the list that has obtained the highest number of minority votes;</li> <li>2) a standing auditor by drawing from the majority list;</li> <li>3) a standing auditor with majority vote at the Shareholders' Meeting who, without any list constraint, will be required to appoint a member belonging to the less represented gender.</li> </ol> <p>The statutory auditor forfeits the office in the cases provided for by law as well as if the requirements required by the articles of association are no longer fulfilled.</p> <p>In the event of the replacement of a standing auditor, the alternate belonging to the same</p>	<p><b>envisaged by the Governing Legislation</b>, a sliding mechanism is applied to the selection from the list obtaining, during the Shareholders' Meeting, the highest number of votes based on the sequential order in which the candidates are indicated. This mechanism excludes the candidate or candidates of the most represented gender and selects the candidate or candidates of the <del>missing</del> <b>least represented</b> gender.</p> <p>The standing auditor elected from the minority list shall be declared Chairman of the Board of Statutory Auditors.</p> <p>If only lists with fewer than three candidates have been submitted and there is no candidate of the less represented gender, the presence of an alternate auditor of the less represented gender will not be mandatory, while the standing members of the Board will be appointed as follows:</p> <ol style="list-style-type: none"> <li>1) the Chairman by drawing from the list that has obtained the highest number of minority votes;</li> <li>2) a standing auditor by drawing from the majority list;</li> <li>3) a standing auditor with majority vote at the Shareholders' Meeting who, without any list constraint, will be required to appoint a member belonging to the less represented gender.</li> </ol> <p>The statutory auditor forfeits the office in the</p>
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<p>list as the one who left takes over, provided that the presence of at least one standing auditor belonging to the less represented gender is guaranteed. Otherwise, the other alternate auditor will take over.</p> <p>If, despite the provisions hereof, only one list is presented or only one list receives votes, three Standing and two Alternate Auditors will be elected – on condition that the list in question receives the majority of the votes represented at the Shareholders’ Meeting – in the order in which they are indicated on that list for the respective post. The Standing Auditor candidate indicated in first place on the list will be appointed Chairman of the Board of Statutory Auditors.</p> <p>If it is necessary to appoint Standing and/or Alternate Auditors to supplement the Board of Statutory Auditors following early termination of the auditors in office, the Shareholders’ Meeting will act as follows: if auditors elected from the majority list must be replaced, the auditor(s) are appointed by majority vote, without list constraints. If, however, it is necessary to replace a Statutory Auditor designated from the minority list, the Shareholders’ Meeting will replace them by relative majority vote, choosing the candidate from among the candidates on the list from which the auditor to be replaced was elected. These candidates</p>	<p>cases provided for by law as well as if the requirements required by the articles of association are no longer fulfilled.</p> <p>In the event of the replacement of a standing auditor, the alternate belonging to the same list as the one who left takes over, provided that the presence of <del>at least a standing auditor</del> <b>number of standing auditors</b> belonging to the least represented gender is ensured, <b>at least in the number envisaged by Governing Legislation</b>. Otherwise, the other alternate auditor will take over.</p> <p>If, despite the provisions of this article, only one list is presented or only one list receives votes, three Standing and two Alternate Auditors will be elected - – on condition that the list in question receives the majority of the votes represented at the Shareholders’ Meeting - – in the order in which they are indicated on that list for the respective post. The Standing Auditor candidate indicated in first place on the list will be appointed Chairman of the Board of Statutory Auditors, <b>without prejudice to respect, at all times, for gender balance as envisaged by Governing Legislation</b>.</p> <p>If it is necessary to appoint Standing and/or Alternate Auditors to supplement the Board of Statutory Auditors following early termination of the auditors in office, the Shareholders’ Meeting will act as follows: if</p>
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<p>will have confirmed their candidacy at least twenty-five days before the date set for the first-call Shareholders' Meeting, together with statements confirming that no reasons for ineligibility or incompatibility exist, and that they possess the requirements needed to hold the post.</p> <p>If this latter mechanism does not guarantee the presence of at least one statutory auditor belonging to the less represented gender, the appointment will take place by majority vote, without any list restrictions.</p>	<p>auditors elected from the majority list must be replaced, the auditor(s) are appointed by majority vote, without list constraints. If, however, it is necessary to replace a Statutory Auditor designated from the minority list, the Shareholders' Meeting will replace them by relative majority vote, choosing the candidate from among the candidates on the list from which the auditor to be replaced was elected. These candidates will have confirmed their candidacy at least twenty-five days before the date set for the first-call Shareholders' Meeting, together with statements confirming that no reasons for ineligibility or incompatibility exist, and that they possess the requirements needed to hold the post.</p> <p>If this latter mechanism does not guarantee the presence of at least one statutory auditor belonging to the less represented gender, the appointment will take place by majority vote, without any list restrictions.</p>
<p><b>Art.22):</b> The Board of Statutory Auditors supervises:</p> <ul style="list-style-type: none"> <li>a) the observance of the Law, the Articles of Association and the regulations;</li> <li>b) compliance with the principles of correct administration;</li> <li>c) the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete</li> </ul>	<p><b>Art.22):</b> The Board of Statutory Auditors supervises:</p> <ul style="list-style-type: none"> <li>a) the observance of the Law, the Articles of Association and the regulations;</li> <li>b) compliance with the principles of correct administration;</li> <li>c) the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete</li> </ul>

<p>operation;</p> <p>d) the completeness, adequacy, functionality and reliability of the risk management and internal control system;</p> <p>e) the operations of management and coordination by the Bank;</p> <p>f) other acts and facts specified by the Law; fulfilling all the functions entrusted to it in compliance with the relative regulations provided for by the law.</p> <p>The Board of Statutory Auditors ascertains, in particular, the suitable coordination of all the departments and structures involved in the internal control system, including the auditing company entrusted with accounting management, promoting any corrective actions if necessary.</p> <p>To this end, the Board of Statutory Auditors and the Independent Auditors exchange data and information relevant to the performance of the related duties.</p> <p>In carrying out the necessary checks and inspections, the statutory auditors may make use of the structures and functions responsible for internal control and, at any time, even individually carry out inspections and controls.</p> <p>The Board of Statutory Auditors may ask the directors, the General Manager or the Joint General Manager(s), executives and other employees for any information, even with</p>	<p>operation;</p> <p>d) the completeness, adequacy, functionality and reliability of the risk management and internal control system;</p> <p>e) the operations of management and coordination by the Bank;</p> <p>f) other acts and facts specified by the Law; fulfilling all the functions entrusted to it in compliance with the relative regulations provided for by the law.</p> <p>The Board of Statutory Auditors ascertains, in particular, the suitable coordination of all the departments and structures involved in the internal control system, including the auditing company entrusted with accounting management, promoting any corrective actions if necessary.</p> <p>To this end, the Board of Statutory Auditors and the Independent Auditors exchange data and information relevant to the performance of the related duties.</p> <p>In carrying out the necessary checks and inspections, the statutory auditors may make use of the structures and functions responsible for internal control and, at any time, even individually carry out inspections and controls.</p> <p>The Board of Statutory Auditors may ask the directors, the General Manager or the Joint General Manager(s), executives and other employees for any information, even with</p>
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<p>reference to subsidiaries, on the progress of corporate operations or on specific business. They may exchange information with the corresponding bodies of the subsidiaries regarding the administration and control systems and the general performance of the corporate business.</p> <p>Notwithstanding the obligation to report to the Supervisory Authorities any acts or facts that may constitute management irregularity or violation of rules provided for by current legislation, the Board of Statutory Auditors reports any deficiencies and irregularities to the Board of Directors and requests the adoption of suitable corrective measures, verifying their effectiveness over time.</p>	<p>reference to subsidiaries, on the progress of corporate operations or on specific business. They may exchange information with the corresponding bodies of the subsidiaries regarding the administration and control systems and the general performance of the corporate business.</p> <p>Notwithstanding the obligation to report to the Supervisory Authorities any acts or facts that may constitute management irregularity or violation of rules provided for by <b>G</b>governing <b>L</b>egislation, the Board of Statutory Auditors reports any deficiencies and irregularities to the Board of Directors and requests the adoption of suitable corrective measures, verifying their effectiveness over time.</p>
<p><b>Art.23):</b> The accounting year closes on thirty-first December every year.</p> <p>The Board of Directors draws up the annual financial statements in observance with the Law.</p>	<p><b>Art.23):</b> The accounting year closes on the thirty-first of December every year.</p> <p>The Board of Directors draws up the annual financial statements in observance with the Law.</p>
<p><b>Art.24):</b> The net profit resulting from the balance sheet, less the amount necessary for the compulsory legal reserve, is divided among the shareholders in proportion to the shares held; unless the Shareholders' Meeting specifically resolves that such profit should be entirely or partially allocated to extraordinary reserves, the Board of Directors or put aside for following</p>	<p><b>Art.24):</b> The net profit resulting from the balance sheet, less the amount necessary for the compulsory legal reserve, is divided among the shareholders in proportion to the shares held; unless the Shareholders' Meeting specifically resolves that such profit should be entirely or partially allocated to extraordinary reserves, the Board of Directors or put aside for following</p>

<p>accounting years.</p> <p>The dividends not collected are transferred to the Company.</p>	<p>accounting years.</p> <p>The dividends not collected are transferred to the Company.</p> <p><b>The Board of Directors may approve the distribution of interim dividends in the cases, in the manner and within the limits of the rules and regulations in force over time.</b></p>
<p><b>Art.25):</b> Should the Company be dissolved in any way and for any reason, the Shareholders' Meeting will establish how the company is to be liquidated and will nominate one or more liquidators, determining the powers of such liquidators.</p>	<p><b>Art.25):</b> Should the Company be dissolved in any way and for any reason, the Shareholders' Meeting will establish how the company is to be liquidated and will nominate one or more liquidators, determining the powers of such liquidators.</p>

### 3. Assessments on the validity of the right of withdrawal

It is believed that the Proposed Amendments do not fall under any of the cases of withdrawal provided for by the current provisions of the law and the Articles of Association.

### 4. Proposed resolution

In light of the above, the Board of Directors intends to submit the following for your approval

#### PROPOSED RESOLUTION

*"The Shareholders' Meeting of Banca Ifis S.p.A., in an extraordinary session, having examined the explanatory report of the Board of Directors on the first item on the agenda of the Extraordinary Part,*

#### ***resolves***

- a) *to amend Articles 1, 3, 4, 6, 9, 10, 10-bis, 11, 12, 12-bis, 13, 14, 15, 19, 21, 22, 23, 24 and 25 of the Articles of Association, as per the "Proposed Text" in the Board of Directors' Explanatory Report and, to that effect, adopt the new text of the Articles of Association attached to the same Board of Directors' Report;*

- b) *to empower the Board of Directors to execute the above resolution, attributing to the Chief Executive Officer and the General Counsel, jointly and severally and with the right to sub-delegate, within the limits of the law, all power and authority to provide for whatever is necessary to implement the above resolution, as well as to carry out the necessary formalities, including the registration of the resolution in the Business Register, so that the adopted resolution obtains the approvals required by law, with the power to introduce any non-substantial amendments, additions or deletions that may be required for the purpose, including during registration, and in general all that is necessary for the complete execution of the resolution itself with any and all powers for this purpose necessary and appropriate, none excluded and excepted, including for the purpose of fulfilling any formalities, acts, filing of petitions or documents, required by the competent Market Supervisory Authorities and/or by the provisions of law or regulations however applicable; and*
- c) *to authorise the Chief Executive Officer and the General Counsel, jointly and severally and with the power to sub-delegate, to file and publish, in accordance with the law, the updated text of the Articles of Association with the changes made to the same following the previous resolution, and subject to the issuance by the Bank of Italy of the order certifying that the amendments to the Articles of Association comply with the criteria of sound and prudent management pursuant to Article 56 of the Consolidated Banking Act”.*

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**Item 1) on the Agenda of the Shareholders' Meeting - Ordinary Part**

**Amendment to certain provisions of the “2021-2023 Long Term Incentive Plan” and related amendments to Section I of the Report on Remuneration Policy for FY 2022 and fees paid during FY 2021. Related and consequent resolutions.**

Shareholders,

this section of the Report is prepared for the purpose of explaining to the Shareholders' Meeting, the proposed amendment to the plan called the “2021-2023 Long Term Incentive Plan” (the “**LTI Plan**”) approved, in accordance with Article 114-bis of the Consolidated Law on Finance, by the Bank's Shareholders' Meeting of 28 July 2021, referred to in the first agenda item of the Ordinary Part.

Specifically, in execution of the resolution of the Shareholders' Meeting of 28 July 2021, the Board of Directors on 9 June 2022, upon the proposal of the Bank's Remuneration Committee which met on 8 June 2022, resolved to include among the beneficiaries of the LTI Plan 13 members of the Bank's top management, including 12 executives with strategic responsibilities (the “**Additional Beneficiaries**”), assigning to these Additional Beneficiaries a total of 318.800 option rights that grant the right to purchase a corresponding number of shares of the Bank upon payment of a defined consideration (the “**Options**”), for each of the financial years 2022 and 2023, subject to the limit of the fixed/variable ratio (of 1:1) of their remuneration.

It should be noted that the Additional Beneficiaries of the LTI Plan also include the Bank's current Financial Reporting Manager (the “**Corporate Accounting Reporting Officer**”) and the Head of the Bank's Human Resources Department (the “**Human Resources Manager**”) whose variable remuneration - pursuant to Bank of Italy Circular of 17 December 2013, no. 285 “*Supervisory Provisions for Banks*”, Title IV, Chapter 2, “*Remuneration and Incentive Policies and Practices*”, as most recently updated, (the “**Circular**”) - must be “*limited*” and, if any, “*consistent with the tasks assigned and independent of the results achieved by the areas subject to control*” therefore seeking “*to avoid bonuses linked to economic results*”.

In light of the foregoing, the Board of Directors, upon the proposal of the Remuneration Committee, intends to propose to the Shareholders' Meeting to amend the LTI Plan and its regulations (the “**Proposed Amendment**”) in order to provide for the following specific

performance targets for the Reporting Officer and the HR Manager in line with the provisions of the Circular:

- a) for the Reporting Officer: achievement of certain performance targets in terms of market indicators (Relative TSR<sup>1</sup> vs Peer Group, with a percentage of 25%), ESG indicators (in line with the strategic plan, with a percentage of 30%), and a target in terms of qualitative assessment (by the CEO) of the contribution made to digital transformation, in line with the priorities of the strategic plan, through the effective execution of planned investments (with a percentage of 45%);
- b) for the HR Manager: achievement of performance targets in terms of market indicators (Relative TSR<sup>2</sup> vs Peer Group, with a percentage of 25%), ESG indicators (in line with the strategic plan, with a percentage of 30%), and a target in terms of qualitative assessment of the contribution made to digital transformation, in line with the priorities of the strategic plan, through the effective execution of the workforce transformation (with a percentage of 45%),

while all further terms and conditions of the LTI Plan and its regulation are unchanged.

The information document on the LTI Plan prepared in accordance with Schedule 7 of Annex 3A to the Issuers' Regulation, updated to take into account the Proposed Amendment as well as the inclusion of the Additional Beneficiaries illustrated above, has been made available to the public in the manner and within the time-frame required by applicable legal and regulatory provisions, including in a version that shows evidence of the changes made.

The adoption of the Proposed Amendment as described above also entails the need to align with the new version of the LTI Plan the provisions set forth in Paragraph 11 (Long Term Incentive Plan (LTI Plan)) of Section I of the Report on Remuneration Policy for FY 2022 and Fees Paid during FY 2021 prepared pursuant to Article 123-ter of the Consolidated Law on Finance, Article 84-quater of the Issuers' Regulation, as well as in accordance with Annex 7-bis to the aforementioned Issuers' Regulation and approved by the Shareholders' Meeting on 28 April

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<sup>1</sup> Relative TSR refers to the total return of the Bank's equity stock measured against its positioning relative to the TSR of comparison peers. Total Shareholder Return measures the increase in share price and dividends paid per share, over a given period of time.

<sup>2</sup> Relative TSR refers to the total return of the Bank's equity stock measured against its positioning relative to the TSR of comparison peers. Total Shareholder Return measures the increase in share price and dividends paid per share, over a given period of time.

2022 (the “**Remuneration Report**”). Therefore, the Board of Directors on 9 June 2022, upon the proposal of the Remuneration Committee which met on 8 June 2022, resolved to submit to the Shareholders’ Meeting the approval of certain amendments to Paragraph 11 (Long-Term Incentive Plan (LTI Plan)) of Section I of the Remuneration Report. The Remuneration Report, updated to take into account the Proposed Amendment, has been made available to the public in the manner and within the time-frame required by applicable legal and regulatory provisions, including in a version highlighting the changes made.

In light of the above, the Board of Directors intends to submit the following for your approval

### **PROPOSED RESOLUTION**

*“The meeting of the Shareholders of Banca Ifis S.p.A., in an ordinary session,*

- (i) examined the Board of Directors’ explanatory report on the first agenda item of the Ordinary Part (the “Explanatory Report”) and noted the proposed resolutions contained therein;*
- (ii) examined the information document pursuant to Article 84-bis of the regulation adopted by Consob Resolution no. 11971/1999 on the Bank’s long-term incentive plan called the “2021-2023 Long Term Incentive Plan” approved by the Bank’s Shareholders’ Meeting held on 28 July 2021 (the “LTI Plan”), which was made available to the public in the manner and within the time-frame prescribed by applicable legal and regulatory provisions (the “Updated Information Document”);*
- (iii) reviewed Paragraph 11(Long Term Incentive Plan (LTI Plan)) of Section I of the “Report on Remuneration Policy for FY 2022 and Fees Paid in FY 2021”, approved by the Shareholders’ Meeting held on 28 April 2022 (the “Remuneration Report”), the updated text of which was made available to the public in the manner and within the time-frame required by applicable legal and regulatory provisions;*

#### **resolves**

- a) to approve, pursuant to and in accordance with Article 114-bis of the Consolidated Law on Finance, the amendment of the provisions of the LTI Plan and its regulations as outlined in the Explanatory Report and the Updated Information Document, subject to all further terms and conditions not otherwise amended;*

- b) *to approve the updates to Section I of the Remuneration Report as illustrated in the Explanatory Report and the updated version of the Remuneration Report, the updated text of which has been made available to the public in the manner and within the time-frame prescribed by the applicable legal and regulatory provisions;*
- c) *to grant the Board of Directors - and on its behalf the Chairman of the Board of Directors and the Chief Executive Officer, jointly and severally and with the power to sub-delegate to third parties, including those outside the Board of Directors - all and any powers necessary or even only appropriate to fully and completely implement this resolution and the amendments set forth herein with respect to the LTI Plan and, the related regulations and the Remuneration Policy as well as to execute the LTI Plan as amended therein including, but not limited to, providing for the disclosure to the market, drafting and/or finalising any document in connection with this resolution and any related document, pursuant to the applicable laws and regulations in force, as well as, in general, their execution”.*

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Venice - Mestre, 15 June 2022