

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

**SHAREHOLDERS' MEETING**

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE ITEMS ON THE  
AGENDA OF THE EXTRAORDINARY AND ORDINARY SHAREHOLDERS' MEETING  
CONVENED FOR 20 APRIL 2023, 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 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 20 April 2023 in a single call (the “**Shareholders' Meeting**”), the proposed resolutions set forth respectively in item 1) on the agenda of the Extraordinary Part and in items 1), 2) and 3) on the agenda of the Ordinary Part.

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

### **Amendments to Articles 2, 4, 6, 8, 12, 14 and 20 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) the location of the Bank's institutional chair and operational offices in Rome and Milan, respectively;
- (ii) the transposition of the recent provisions adopted with Update no. 39 of Bank of Italy Circular no. 285 of 17 December 2013 ("**Circular no. 285/2013**") on, *inter alia*, banking groups and consolidated supervision, through the precise indication of the powers attributed to the Bank, as parent company of the Banca Ifis Banking Group ("**Group**"), to exercise management and coordination activities with respect to the companies belonging to the Group and the related non-delegable tasks at the head of the Board of Directors; and
- (iii) the updating, in line with industry best practices, of the provisions concerning the powers and prerogatives of the Chairman of the Board of Directors and the persons called upon to replace him in the event of his absence or impediment (the proposals to amend the Articles of Association under (i) - (iii), jointly, "**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 Law on**

Banking”) by the Bank of Italy, where the Authority does not issue a ruling prior to the date of this Shareholders' Meeting.

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

The Proposed Amendments stem, first and foremost, from the need to adapt the Bank's Articles of Association to the changes introduced with the 39th update of Circular no. 285/2013 and to the most recent market best practices concerning, respectively, the Bank's management and coordination activities over the companies belonging to the Group and the duties and prerogatives of the Chairman of the Board of Directors.

Furthermore, the Proposed Amendments concern the location of the institutional and operational offices in Rome and Milan, respectively, as well as the adjustment of the statutory provisions on the replacement of the Chairman in light of the absence of a Deputy Chairman as of November 2022.

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 Law on Banking.

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

### Article 2 - Office

It is proposed to update the statutory provision by indicating the location of the institutional offices of the Presidency in Rome and operational offices in Milan, without changing the registered office (Venice-Mestre).

In particular, the Rome office will be devoted primarily to handling relations with the supervisory bodies and public and private industry associations and authorities, while those in Milan will be devoted to operational activities functional to the pursuit of the corporate purpose.

### Article 4 - Object

It is proposed to update the provision in the Articles of Association concerning the Bank's management and coordination activities over the companies belonging to the Group in accordance with the provisions of the Bank of Italy in the above-mentioned update of Circular no. 285/2013.

#### Article 6 - Shareholders' Meetings

Taking into account the measures to contain the spread of the COVID-19 pandemic and the consequent emergency regulations and practices adopted during the three-year pandemic period concerning, *inter alia*, the remote holding of company shareholders' meetings, as well as the recent orientation expressed by the Commission for Uniform Principles on Companies established by the Notary Board of Milan in its Opinion no. 200 of 23 November 2021 "*Statutory clauses legitimising the calling of shareholders' meetings exclusively by telecommunication means*"<sup>(1)</sup>, it is proposed to supplement the provision of the Articles of Association by providing that the Board of Directors may establish in the notice of call, where provided for by law, that the Shareholders' Meeting shall be held, also exclusively, by telecommunication means, omitting the indication of the physical location of the meeting.

#### Article 8 - Shareholders' Meetings

It is proposed to supplement the provision of the Articles of Association by providing that, in the event of the absence or impediment of the Chairman, the power to designate the person, whether internal or external to the Bank, required to preside over an individual meeting lies with the Deputy Chairman, if appointed, or, in the event of his absence or impediment, with the most elderly Director.

#### Article 12 - Direction

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<sup>(1)</sup> In its Opinion no. 200 of 23 November 2021, the Commission for Uniform Principles on Companies established by the Notary Board of Milan expressly clarified that "*the clauses of the Articles of Association of joint stock companies and limited liability companies that, in allowing attendance of shareholders' meeting by telecommunication means, pursuant to Article 2370, paragraph 4, of the Italian Civil Code, expressly attribute to the administrative body the power to establish in the call notice that the shareholders' meeting shall be held exclusively by telecommunication means, omitting the indication of the physical location of the meeting, are legitimate*".

In line with market best practices and the initiatives undertaken by the Bank to further optimise its governance structures, also in light of the Bank of Italy Guidelines on the composition and functioning of LSI boards of directors of 29 November 2022, it is proposed to revise the statutory provisions concerning the duties and prerogatives of the Chairman of the Board of Directors in order to:

- (i) specify that, unless otherwise designated by the Board of Directors, in the event of the Chairman's absence or impediment, he may be replaced by, in addition to the Deputy Chairman if appointed, the Honorary Chairman if elected from among the members of the Board of Directors or, in subordinate position, by the most elderly Director;
- (ii) make explicit certain prerogatives that are implicit in the Chairman's powers in conducting the work of the Board and in the pursuit of its functions, including:
  - a) entertaining and supervising the management of relations with shareholders, also with the help of the competent corporate functions, in agreement with the Chief Executive Officer;
  - b) handling institutional relations with the supervisory bodies and public and private industry associations and authorities, and the external communication of information concerning the Bank, and oversees external relations, also using the competent corporate functions and appointed consultants;
  - c) if the Chairman is not a member, attending meetings of internal board committees as an occasional or permanent invitee without voting rights;
  - d) promoting the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and overseeing the implementation of the Bank's and the Group's social, philanthropic, welfare and cultural initiatives in compliance with the regulations, including internal ones, in force from time to time and the appreciation of the artistic heritage;
  - e) exercising the other powers functional to the exercise of his office;
  - f) requesting and receiving information also on specific aspects of the management of the Bank and the Group as well as on their current and prospective performance,

also having access to corporate functions for this purpose.

Article 14 - Direction

In line with the provisions of the 39th update of Circular no. 285/2013 and the most recent market practices, it is proposed to amend the provision of the Articles of Association by specifying the reservation of exclusive and non-delegable powers to the Board of Directors with regard to:

- (i) demerger resolutions in the cases provided for in Article 2506-ter, last paragraph, of the Italian Civil Code; and
- (ii) the determination of criteria for exercising management and coordination activities over Group companies and assure compliance with supervisory regulations, including the execution of measures issued by the Bank of Italy in the interest of Group stability.

**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 2, 4, 6, 8, 12, 14 and 20 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).

Current Articles of Association	Proposed text
<b>Art. 2 - Office</b>	
The Company has its registered office in Venice-Mestre.  It is permitted to set up branches,	The Company has its registered office in Venice-Mestre, <u>as well as institutional offices of the Presidency in Rome and operational</u>

Current Articles of Association	Proposed text
<p>subsidiaries, offices, agencies, representative offices and the like, in Italy and abroad.</p> <p>The company Headquarters are located at the Company's registered office.</p>	<p><a href="#">offices in Milan</a>.</p> <p>It is permitted to set up branches, subsidiaries, offices, agencies, representative offices and the like, in Italy and abroad.</p> <p>The company Headquarters are located at the Company's registered office.</p>
<b>Art. 4 - Purpose</b>	
<p>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 to 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</p>	<p>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>The Company, in its capacity as Parent company of the Banca Ifis Banking Group, pursuant to Article 61, paragraphs <a href="#">1 and 4</a> of Legislative Decree no. 385/1993, issues, in the exercise of its management and coordination activities, instructions to the members of the <a href="#">gGroup</a> in order to <a href="#">ensure</a></p>



Current Articles of Association	Proposed text
<p>Group stability.</p> <p>The Company may issue bonds in accordance with the laws and regulations in force.</p>	<p><u>compliance with supervisory regulations, including the execution <del>of instructions</del> of general and specific measures</u> issued by the Bank of Italy in the interest of the <del>g</del>Group's stability.</p> <p>The Company may issue bonds in accordance with the laws and regulations in force.</p>
<b>Art. 6 - Shares</b>	
<p>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 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>The Shareholders' Meetings may be held away from the registered office, provided that they take place in Italy.</p>	<p><u>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 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.</u></p> <p><u>Shareholders' Meetings may be ordinary and extraordinary, as per the law.</u></p> <p><u>The Meetings may be held under convening beyond the second, in adherence with the provisions of the law.</u></p> <p><u>The Shareholders' Meetings may be held away from the registered office, provided that they take place in Italy and without prejudice to the provisions below.</u></p>

Current Articles of Association	Proposed text
	<p><u>The Board of Directors is entitled to stipulate in the call notice that the Shareholders' Meeting be held, where provided for by law, even exclusively, by means of telecommunications, omitting the indication of the physical location of the meeting. In this case, those entitled to vote may attend the Shareholders' Meeting by the telecommunications means indicated in the notice of call and exercise their right to vote, including electronically, in the manner provided for therein.</u></p>
<b>Art. 8 - Shares</b>	
<p>The Ordinary Shareholders' Meeting is convened at least once a year, within 120 (one hundred twenty) days from the end of the fiscal year, to deliberate on the subjects attributed to it by Italian Law and the Articles of Association.</p> <p>The Shareholders' Meeting is normally presided over by the Chairman of the Board of Directors, who is also vested, among other things, with the power to appoint the person, either inside or outside of the Company, who is required to preside over a single Shareholders' Meeting. If the Chairman is absent or unavailable, the Deputy Chairman of the Board of Directors has the</p>	<p>The Ordinary Shareholders' Meeting is convened at least once a year, within 120 (one hundred twenty) days from the end of the fiscal year, to deliberate on the subjects attributed to it by Italian Law and the Articles of Association.</p> <p>The Shareholders' Meeting is normally presided over by the Chairman of the Board of Directors, who is also vested, among other things, with the power to appoint the person, either inside or outside of the Company, who is required to preside over a single Shareholders' Meeting. If the Chairman is absent or unavailable, the Deputy Chairman of the Board of Directors has the</p>

Current Articles of Association	Proposed text
<p>appointment power.</p> <p>The Chairman of the Shareholders' Meeting appoints the Secretary for the Meeting and, in any case, may be assisted during the Meeting by the Secretary of the Board of Directors, appointed pursuant to Article 12, and by external consultants identified and appointed by him for that purpose.</p> <p>The provisions of Article 2371(2) of the Italian Civil Code apply where the presence of a notary is required by law.</p>	<p>appointment power, <u>if appointed, or, in the event of his absence or impediment, the most elderly Director.</u></p> <p>The Chairman of the Shareholders' Meeting appoints the Secretary for the Meeting and, in any case, may be assisted during the Meeting by the Secretary of the Board of Directors, appointed pursuant to Article 12, and by external consultants identified and appointed by him for that purpose.</p> <p>The provisions of Article 2371(2) of the Italian Civil Code apply where the presence of a notary is required by law.</p>
<b>Art. 12 - Direction</b>	
<p>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 acts as an interlocutor with the controlling body and</p>	<p>The Board elects from among its members a Chairman and may elect a Deputy Chairman. <u>Unless otherwise designated by the Board of Directors,</u> in the event of the Chairman's absence or impediment, the Deputy Chairman, <u>if appointed, or the Honorary Chairman if elected from among the members of the Board of Directors, or, alternatively,</u> <del>In the event of absence or unavailability of the Deputy Chairman</del> the most elderly Director presides.</p> <p>The Chairman:</p> <p>a) promotes the effective functioning of</p>

Current Articles of Association	Proposed text
<p>the internal committees. To this end, in addition to possessing the characteristics required of directors, he must have the specific skills necessary to carry out the tasks assigned to him. In order to carry out his 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 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</p>	<p>the corporate governance system, guaranteeing a balance of powers with respect to the Chief Executive Officer and the other executive directors. He 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 must have the specific skills necessary to carry out the tasks assigned to him. In order to carry out his function effectively, the €Chairman must have a non-executive role and not carry out, even de facto, management functions-;</p> <p>b) <del>The — Chairman</del> guarantees the effectiveness 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</li> </ul>

Current Articles of Association	Proposed text
<p>administrative body, and his 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. 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.</p> <p>To carry out the Board's work, the Chairman may be assisted by a person of his choice, even chosen from outside the members of the Board of Directors.</p>	<p>to be discussed;</p> <ul style="list-style-type: none"> <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<del>;</del></li> <li>- <u>matters of strategic importance are prioritised;</u></li> </ul> <p>c) <u>requests and receives information also on specific aspects of the management of the Bank and the Group as well as on their current and prospective performance, also having access to corporate functions for this purpose;</u></p> <p>d) <u>can entertain and supervise the management of relations with shareholders, also with the help of the competent corporate functions, in agreement with the Chief Executive Officer;</u></p> <p>e) <u>handles institutional relations with the supervisory bodies and public and private industry associations and authorities, and the external communication of information concerning the Bank, and oversees external relations, also using the</u></p>

Current Articles of Association	Proposed text
	<p><u>competent corporate functions and appointed consultants;</u></p> <p>f) <u>if he is not a member, he may attend meetings of internal board committees as an occasional or permanent invitee without voting rights;</u></p> <p>g) <u>promotes the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and oversees the implementation of the Bank's and the Group's social, philanthropic, welfare and cultural initiatives in compliance with the regulations, including internal ones, in force from time to time and the appreciation of the artistic heritage;</u></p> <p>h) <u>exercises the other powers functional to the exercise of his office.</u></p> <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 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. The minutes of the Board of Directors'</p>

Current Articles of Association	Proposed text
	<p>meetings shall detail the decision-making process, including an account of the <a href="#">underlying</a> rationale, and shall be adequate to enable a reconstruction of the course of the debate and the various positions expressed.</p> <p>To carry out the Board’s work, the Chairman may be assisted by a person of his choice, even chosen from outside the members of the Board of Directors.</p>
<b>Art. 14 - Direction</b>	
<p>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 lines and operations, as well as business and financial plans;</li> <li>- the internal control system guidelines, ensuring that the system is in line with established strategic and risk appetite measures as well as being able to stay up</li> </ul>	<p>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 lines and operations, as well as business and financial plans;</li> <li>- the internal control system guidelines, ensuring that the system is in line with established strategic and risk appetite measures as well as being able to stay up</li> </ul>

Current Articles of Association	Proposed text
<p>to date with the company's risks as they evolve and the interaction between them;</p> <ul style="list-style-type: none"> <li>- the criteria for identifying the most significant transactions to be subjected to prior examination by the risk control function;</li> <li>- the compliance of the Articles of Association with the provisions of the regulatory framework;</li> <li>- the merger by incorporation of companies in the cases provided for by Articles 2505 and 2505 bis of the Italian Civil Code;</li> <li>- the reduction of capital in the event of withdrawal;</li> <li>- an indication of which directors, in addition to those indicated in these Articles of Association, are the company's representatives;</li> <li>- the formation of internal committees within the Board of Directors;</li> <li>- the Risk Appetite Framework and the risk management policies as well as, after having heard the opinion of the Board of Statutory Auditors, assessing the completeness, suitability, functionality and reliability of the risk management and internal control system as well as the</li> </ul>	<p>to date with the company's risks as they evolve and the interaction between them;</p> <ul style="list-style-type: none"> <li>- the criteria for identifying the most significant transactions to be subjected to prior examination by the risk control function;</li> <li>- the compliance of the Articles of Association with the provisions of the regulatory framework;</li> <li>- the merger by acquisition of companies <a href="#">and demergers</a> in the cases provided for in Articles 2505 and 2505-bis of the Italian Civil Code, <a href="#">also as referred to in Article 2506-ter, last paragraph, of the Italian Civil Code</a>;</li> <li>- the reduction of capital in the event of withdrawal;</li> <li>- an indication of which directors, in addition to those indicated in these Articles of Association, are the company's representatives;</li> <li>- the formation of internal committees within the Board of Directors;</li> <li>- the Risk Appetite Framework and the risk management policies as well as, after having heard the opinion of the Board of Statutory Auditors, assessing the</li> </ul>



Current Articles of Association	Proposed text
<p>suitability of the organisational, administrative and accounting structure;</p> <ul style="list-style-type: none"> <li>- determining the Bank's general organisational structure and the subsequent internal regulations;</li> <li>- the setting up and organisation, also for the purposes of the articulation of the signatory powers, of Branches, Subsidiaries, Agencies, Branches, Recipients, Representations, in Italy and abroad, as well as their suppression;</li> <li>- the transfer of the registered office within national territory;</li> <li>- the acquisition and sale of equity investments, companies and/or business units involving changes in the group or investments or divestments exceeding 1% (one percent) of the shareholders' equity shown in the Company's latest approved financial statements;</li> <li>- determining the criteria for carrying out the Bank of Italy's instructions;</li> <li>- appointing, dismissing and remunerating the General Manager;</li> <li>- the remuneration and incentive policies to be submitted to the Shareholders' Meeting, the review, at least annually, of</li> </ul>	<p>completeness, suitability, functionality and reliability of the risk management and internal control system as well as the suitability of the organisational, administrative and accounting structure;</p> <ul style="list-style-type: none"> <li>- determining the Bank's general organisational structure and the subsequent internal regulations;</li> <li>- the setting up and organisation, also for the purposes of the articulation of the signatory powers, of Branches, Subsidiaries, Agencies, Branches, Recipients, Representations, in Italy and abroad, as well as their suppression;</li> <li>- the transfer of the registered office within national territory;</li> <li>- the acquisition and sale of equity investments, companies and/or business units involving changes in the group or investments or divestments exceeding 1% (one percent) of the shareholders' equity shown in the Company's latest approved financial statements;</li> <li>- the determination of criteria for <a href="#"><u>exercising management and coordination activities over Group companies and compliance with supervisory regulations, including the execution of measures</u></a></li> </ul>

Current Articles of Association	Proposed text
<p>such policies and responsibility for their proper implementation, with the task of ensuring, moreover, that the remuneration policy is adequately documented and accessible within the corporate structure;</p> <ul style="list-style-type: none"> <li>- the establishment of company control functions, their tasks and responsibilities, the methods of coordination and collaboration, the information flows between these functions and between them and the company 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 assessing its compatibility with the strategic guidelines and risk management policies;</li> <li>- the policies and the processes for assessing company activities, and, particularly, financial instruments, ensuring that they are always suitable and also establishing the Bank's maximum exposure limits to financial instruments or products that are uncertain or difficult to value;</li> </ul>	<p><u>issued by the Bank of Italy in the interest of Group stability</u><del>execution of the instructions of the Bank of Italy;</del></p> <ul style="list-style-type: none"> <li>- appointing, dismissing and remunerating the General Manager;</li> <li>- the remuneration and incentive policies to be submitted to the Shareholders' Meeting, the review, at least annually, of such policies and responsibility for their proper implementation, with the task of ensuring, moreover, that the remuneration policy is adequately documented and accessible within the corporate structure;</li> <li>- the establishment of company control functions, their tasks and responsibilities, the methods of coordination and collaboration, the information flows between these functions and between them and the company 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 assessing its compatibility with the</li> </ul>

Current Articles of Association	Proposed text
<ul style="list-style-type: none"> <li>- the process for the development and validation of internal risk measurement systems not used for regulatory purposes and the periodic assessment of their proper functioning;</li> <li>- the process for approving new products and services, starting new operations, and entering new markets;</li> <li>- the company's policy regarding the outsourcing of company 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> </ul>	<ul style="list-style-type: none"> <li>strategic guidelines and risk management policies;</li> <li>- the policies and the processes for assessing company activities, and, particularly, financial instruments, ensuring that they are always suitable and also establishing the Bank's maximum exposure limits to financial instruments or products that are uncertain or difficult to value;</li> <li>- the process for the development and validation of internal risk measurement systems not used for regulatory purposes and the periodic assessment of their proper functioning;</li> <li>- the process for approving new products and services, starting new operations, and entering new markets;</li> <li>- the company's policy regarding the outsourcing of company 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</li> </ul>

Current Articles of Association	Proposed text
<ul style="list-style-type: none"> <li>- approval of a policy to promote diversity and inclusiveness;</li> <li>- the code of ethics with which members of corporate bodies and employees are required to comply in order to mitigate the Bank's operational and reputational risks and encourage the spread of a culture of 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>	<p>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;</p> <ul style="list-style-type: none"> <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 with which members of corporate bodies and employees are required to comply in order to mitigate the Bank's operational and reputational risks and encourage the spread of a culture of 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>
<b>Art. 20 - Corporate signature and representation</b>	

Current Articles of Association	Proposed text
<p>Legal representation of the Company, before third parties and in court, and the corporate signature are the responsibility of the Chairman of the Board of Directors and, in the event of his absence or impediment, to the Deputy Chairman, to the Chief Executive Officer.</p> <p>Legal representation includes, by way of example, the right to promote any act and initiative for the protection of the rights and interests of the Company, also through the request of precautionary or emergency measures and the exercising of executive actions; the exercise, withdrawal and renunciation of the right of complaint, as well as the establishment of a civil party and its revocation in any judicial, administrative and arbitration and conciliatory proceeding before any authority in every state and level, with all the powers to the necessary purpose, including that of granting the relative powers of attorney for disputes, including general ones, of carrying out questioning provided for by the law and with every legal right also to reconcile, settle and compromise with arbitrators and to renounce acts and actions.</p> <p>The Board of Directors may, for certain categories of acts and business, grant power</p>	<p>Legal representation of the Company, before third parties and in court, and the corporate signature are the responsibility of the Chairman of the Board of Directors and, in the event of his absence or impediment, to the Deputy Chairman, <a href="#">where appointed</a>, to the Chief Executive Officer.</p> <p>Legal representation includes, by way of example, the right to promote any act and initiative for the protection of the rights and interests of the Company, also through the request of precautionary or emergency measures and the exercising of executive actions; the exercise, withdrawal and renunciation of the right of complaint, as well as the establishment of a civil party and its revocation in any judicial, administrative and arbitration and conciliatory proceeding before any authority in every state and level, with all the powers to the necessary purpose, including that of granting the relative powers of attorney for disputes, including general ones, of carrying out questioning provided for by the law and with every legal right also to reconcile, settle and compromise with arbitrators and to renounce acts and actions.</p> <p>The Board of Directors may, for certain categories of acts and business, grant power</p>

Current Articles of Association	Proposed text
<p>of attorney, with the relative power to sign for the Company, also to persons outside the Company. The Chief Executive Officer may appoint attorneys for specific acts or categories of acts, within the powers granted by the Board.</p> <p>To facilitate the performance of the Company's work, the Board may authorise managers and other employees to sign, individually or jointly, for those categories of transactions determined by the Board of Directors itself.</p>	<p>of attorney, with the relative power to sign for the Company, also to persons outside the Company. The Chief Executive Officer may appoint attorneys for specific acts or categories of acts, within the powers granted by the Board.</p> <p>To facilitate the performance of the Company's work, the Board may authorise managers and other employees to sign, individually or jointly, for those categories of transactions determined by the Board of Directors itself.</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 2, 4, 6, 8, 12, 14 and 20 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 Law on Banking” .*

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

### **Financial statements at 31 December 2022:**

**1.1) approval of the financial statements at 31 December 2022, presentation of the consolidated financial statements at 31 December 2022 and the consolidated non-financial statement pursuant to Italian Legislative Decree no. 254 of 30/12/2016 - Sustainability Report;**

**1.2) allocation of the period result;**

**related and consequent resolutions.**

Shareholders,

The draft financial statements at 31 December 2022 <sup>(2)</sup>, which we submit for your approval, show a profit for the year of 79.796.332 Euro.

Taking into account the amount distributed as an interim dividend for FY 2022 on 23 November 2022 of 1,00 Euro per share (gross of withholding taxes) as per the Board of Directors' resolution of 10 November 2022, the balance of the dividend relating to FY 2022 (gross of withholding taxes) of 0,40 Euro per ordinary share will be paid with ex coupon (no. 27) (the "ex date") on 22 May 2023 and includes the portion attributable to treasury shares held by the Company.

Pursuant to Art. 83-*terdecies* of the Consolidated Law on Finance eligibility for the dividend is determined based on the shareholders of record on the intermediary's books as per Article 83-*quater*, paragraph three of the Consolidated Law on Finance at the end of 23 May 2023 (the "record date").

The aforementioned payment of the balance on the dividend for FY 2022, gross of withholding taxes, is scheduled to be paid on 24 May 2023 (the "payment date").

The total disbursement of the balance of the dividend for FY 2022, determined gross of the portion relating to treasury shares pursuant to Art. 2357-*ter* of the Italian Civil Code, is equal to a maximum of 21.524.438,00 Euro.

The proposal is in line with what had already been communicated to the market on 20 January

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<sup>(2)</sup> The draft financial statements and consolidated financial statements for the year ended 31 December 2022 were approved by the Board of Directors at its meeting on 9 March 2023.



last, when the Corporate Events Calendar was published, and on 9 February last, when the preliminary 2022 results were released.

We also submit for your attention the consolidated financial statements at 31 December 2022 which, although not subject to approval by the Shareholders' Meeting, supplement the information provided with the financial statements of the Bank.

For more information regarding the financial statements, reference should be made to the contents of the reports and deeds filed at the Company's registered office pursuant to Art. 2429, paragraph three, of the Italian Civil Code and the authorised storage mechanism [www.emarketstorage.com](http://www.emarketstorage.com), as well as published on the website [www.bancaifis.it](http://www.bancaifis.it).

### **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., having examined the explanatory Directors' Report, the figures of the financial statements of Banca Ifis S.p.A. at 31 December 2022 and the report of the Board of Directors, having acknowledged the report of the Board of Statutory Auditors and the report of the Independent Auditors,*

#### ***resolves***

- a) *to approve the financial statements for the year ended 31 December 2022, with the report on operations presented by the Board of Directors;*
- b) *to allocate net profit for the year of 79.796.332 Euro as follows:*
  - (i) *considering the amount already distributed as interim dividend for FY 2022 on 23 November 2023 of 1,00 Euro per share, distribute to shareholders a balance of the dividend for FY 2022 (gross of withholding taxes) of 0,40 Euro per ordinary share with ex-dividend date (no. 27) on 22 May 2023. This dividend includes the portion attributable to the Bank's treasury shares. Pursuant to Art. 83-terdecies of the*

*Consolidated Law on Finance, the entitlement to the payment of the dividend is determined with reference to the evidence in the accounts of the intermediary referred to in Art. 83-quater, third paragraph, of the Consolidated Law on Finance, at the end of the accounting day of 23 May 2023 (the “record date”);*

- (ii) allocating the remainder to other reserves.*
- c) to pay the aforementioned balance of the dividend for FY 2022 from 24 May 2023 (the “payment date”). The payment will be made through the authorised intermediaries with which the shares are registered in the Monte Titoli System.”.*

*\*\*\**

## Item 2) on the Agenda of the Shareholders' Meeting - Ordinary Part

### Remuneration:

**2.1) Report on remuneration policy and remuneration paid pursuant to Art. 123-ter of Italian Legislative Decree no. 58/1998: approval of Section I - 2023 Ifis Group Remuneration and Incentive Policy;**

**2.2) Report on remuneration policy and remuneration paid pursuant to Art. 123-ter of Italian Legislative Decree no. 58/1998: non-binding resolution on Section II - Information on fees paid in FY 2022;**

**2.3) Amendment to certain provisions of the 2021-2023 Long-Term Incentive Plan; related and consequent resolutions.**

### **1. Report on remuneration policy and remuneration paid in accordance with Art. 123-ter of Legislative Decree no. 58/1998**

Dear Shareholders,

We present to you the document "Report on remuneration policy for FY 2023 and remuneration paid during FY 2022" approved by the Bank's Board of Directors at its meeting on 9 March 2023 (the "**Report**").

With the above-mentioned document, the Board aimed at implementing the provisions set out in Art. 123-ter of the Consolidated Law on Finance, as well as current banking regulations and the self-regulation rules contained in the Corporate Governance Code.

The Report therefore also contains additional information, in aggregate form, on "risk takers" <sup>(3)</sup> not included in the scope of the aforementioned article of the Consolidated Law on Finance.

With regard to the regulatory framework, reference should be made in particular to the following:

- (i) with reference to primary and secondary legislation applicable to listed companies:

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<sup>(3)</sup> Pursuant to Delegated Regulation (EU) No. 2021/923.

- a) Art. 123-ter of the Consolidated Law on Finance containing the provision to make available to the public at least twenty-one days prior to the date of the Ordinary Shareholders' Meeting held to approve the financial statements a report on the remuneration policy and fees paid;
  - b) Art. 84-quater of the Issuers' Regulation setting out the obligation to make available to the public the aforementioned report on the remuneration policy and fees paid drawn up in compliance with "Schedule 7 bis" of Annex 3 A of the Issuers' Regulation;
- (ii) with reference to the secondary legislation applicable to banks and banking groups, in particular, Circular no. 285/2013;
- (iii) with reference to the self-regulation rules of listed companies:
- a) the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A.; and
  - b) the most recent "Format for the report on corporate governance and shareholding structure" of listed companies made available by Borsa Italiana S.p.A..

The text of the Report was approved by the Board of Directors after receiving the favourable opinion of the Remuneration Committee, which examined it from a preliminary viewpoint for the profiles of competence.

In summary, the Report consists of:

- (i) a Section I aimed at illustrating, for the members of the management bodies, general managers, key managers and members of the control bodies (without prejudice to the provisions of Art. 2402 of the Italian Civil Code), as well as for the "Risk Takers" not included in the scope of application of Art. 123-ter of the Consolidated Law on Finance, the Company's remuneration policy and the procedures used for the adoption and implementation of such policy; this section describes the planned policy for FY 2023 (the "**Remuneration Policy**");

the Shareholders' Meeting is called upon to pass a binding resolution for or against this Section I of the Report (the Remuneration Policy);

- (ii) a Section II divided into two parts:
- a) the first part is aimed at representing, by name, for the members of the management and control bodies and the general managers and, in aggregate form, for the key managers as well as for the “Risk Takers”, each of the items that make up the remuneration, highlighting their consistency with the reference policy and providing information on how the Company took into account the vote expressed by the Shareholders' Meeting on Section II of the report for the previous year; and
  - b) in the second part there is an analytical report, in tabular form, as indicated in Annex 3A, Template no. 7 *bis* of the Issuers' Regulation, of the remuneration paid during FY 2022 or related to it, for any reason and in any form, by the company and by subsidiaries or associates; the additional information required pursuant to Article 450 of Regulation (EU) of 26 June 2013, no. 575 is also given in tabular form for Banca IFIS S.p.A. and for the other companies of the Group.

The Shareholders' Meeting is called upon to pass a non-binding resolution for or against this Section II of the Report.

With regard to the main changes made by the Remuneration Policy with respect to the Remuneration Policy for FY 2022, on which the Shareholders' Meeting voted in favour on 28 April 2022 and 28 July 2022 (the “**2022 Remuneration Policy**”), it should be noted that in light of the positive outcome of the shareholders' meeting vote on the 2022 Remuneration Policy, the Board decided to prepare and submit to the shareholders' meeting vote the Remuneration Policy for FY 2023, which is substantially in line with the 2022 Remuneration Policy.

However, the main changes (albeit not of a structural nature) with respect to the 2022 Remuneration Policy are set out below:

- (i) the updating and amendment of certain application mechanisms of the Group's “*2021-2023 Long-Term Incentive Plan*” approved, in accordance with Article 114-*bis* of the Consolidated Law on Finance, by the Bank's Shareholders' Meeting of 28 July 2021 and amended by the Bank's Shareholders' Meeting of 28 April 2022 (the “**LTI Plan**”), relating to the exercise windows of the vested stock options, as more fully described

below at paragraph 2 of this report (relating to item 2.3 on the agenda of the Shareholders' Meeting - Ordinary Part);

- (ii) the modification of certain levels and weights relative to the KPIs of the Chief Executive Officer and the Joint General Managers; in particular, it should be noted that, compared to 2022, for 2023 the minimum level of the Cost Income ratio is proposed at 3,5% instead of 3%; furthermore, for the Chief Commercial Officer the weights relative to the economic-financial KPIs have been equalised with those of the Chief Executive Officer, thus increasing the weight of ROE from 20% to 25% and reducing the weight of the cost of credit from 25% to 20%;
- (iii) for employees falling into the category of “key personnel”, it is provided that any interventions on the fixed remuneration (for the same role) exceeding 20% compared to the gross annual remuneration of the previous year may only be carried out upon decision of the Board of Directors after consulting the Remuneration Committee (also on the basis of appropriate evidence in terms of market benchmarking).

The Report will be made available to the public, at the Company's registered office and at the authorised storage facility [www.emarketstorage.com](http://www.emarketstorage.com), as well as on the Bank's website [www.bancaifis.it](http://www.bancaifis.it) (section Corporate Governance/Remuneration/Extraordinary and Ordinary Shareholders' Meeting of 20 April 2023) by 30 March 2023 together with the Report on Corporate Governance and Shareholding Structure.

## **2. Amendment to certain provisions of the “2021-2023 Long-Term Incentive Plan”**

Dear Shareholders,

This section of the Report is prepared for the purpose of explaining to the Shareholders' Meeting, the proposed amendment to the LTI Plan, namely the Group's “2021-2023 Long-Term Incentive Plan” approved, in accordance with Article 114-*bis* of the Consolidated Law on Finance, by the Bank's Shareholders' Meeting of 28 July 2021 and amended by the Bank's Shareholders' Meeting of 28 April 2022.

Without prejudice to all the structural features of the plan already approved (beneficiaries, objectives and vesting conditions, performance period, number of financial instruments, etc.),

with a view to further strengthening the alignment of long-term interests between management and shareholders, during the meeting of 9 March 2023 - upon the proposal of the Remuneration Committee met on 8 March 2023 - the Board of Directors intends to submit to the Shareholders' Meeting to amend the LTI Plan and the related regulation (the "**Amendment Proposal**") in order to provide for the possibility for the beneficiaries, at the opening of each option exercise window (both up-front and deferred) to postpone the exercise of all or part of the options that may have vested and may already be exercised in such window in the subsequent "exercise windows" provided under the LTI Plan, thus deferring the exercise of such financial instruments, without prejudice to the final deadline after the last retention period (2029 or 2030, in the case of particularly high amounts of variable remuneration).

The information document relating to the LTI Plan pursuant to Article 84-*bis* of the Issuers' Regulation and prepared in accordance with Scheme No. 7 of Annex 3A of the Issuers' Regulation, updated to take into account the proposed amendment described above, has been made available to the public in the manner and within the time limits set forth by applicable laws and regulations.

### **3. 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.,*

- (i) having examined the Board of Directors' explanatory report on item 2 on the of the Ordinary Part (the "Explanatory Report") and noted the proposed resolutions contained therein;*
- (ii) having examined the document entitled "Report on remuneration policy for FY 2023 and on remuneration paid during FY 2022" drafted pursuant to Articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of the Issuers' Regulation adopted by*

*Consob Resolution no. 11971/1999 and approved by the Board of Directors of the Bank in its meeting of 9 March 2023 (the “Report”);*

- (iii) having examined the information document pursuant to Article 84-bis of the Issuers’ 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 and amended by the Bank’s Shareholders’ Meeting of 28 April 2022 (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”);*

**resolves**

- a) to approve the contents of Section I of the document entitled “Report on Remuneration Policy and Remuneration Paid” drafted pursuant to and in accordance with Article 123-ter, paragraphs 3-bis and 3-ter, of Italian Legislative Decree no. 58 of 24 February 1998, also in order to adapt the remuneration policies of the Banca Ifis Banking Group for 2023 and, specifically, also the sub paragraphs (20.1 and 20.2) pursuant to paragraph no. 20 of Section 1 of the document called “Remuneration Report” indexed respectively “Treatment established if the assignment ceases or the work relationship is terminated for key personnel” and “Treatment established if the assignment ceases or the work relationship is terminated for non key personnel”, as well as Annex no. 1 of the Report itself containing the Policy related to the key personnel identification process;*
- b) to express a favourable opinion, pursuant to and for the purposes of Article 123-ter, paragraph 6 of Legislative Decree no. 58 of 24 February 1998 on Section II of the Report;*
- c) 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;*
- d) 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, 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.”.*

**\*\*\***

### **Item 3) on the Agenda of the Shareholders' Meeting - Ordinary Part**

#### **Appointment of the Honorary Chairman. Related and consequent resolutions.**

Shareholders,

pursuant to Article 10-*bis* of the Articles of Association, the Shareholders' Meeting may appoint, upon the proposal of the Board of Directors, even outside the members of the Board itself, an Honorary Chairman, chosen from among persons who have significantly contributed to the prestige and development of the Bank, also determining the remuneration and duration - also indefinite - of the office.

Furthermore, under the same provision of the Articles of Association, the Honorary Chairman:

- (i) if not a director, may attend Shareholders' Meetings and meetings of the Board of Directors, in an advisory capacity and without voting rights, expressing opinions on the matters discussed and has the faculty to intervene in Shareholders' Meetings;
- (ii) collaborates with the Chief Executive Officer in connection with the pursuit and implementation of initiatives involving the Bank;
- (iii) may perform the specific tasks, including those of representation, assigned to it by the Board of Directors over time.

Furthermore, subject to the approval by the Shareholders' Meeting of the proposed amendments to Article 12, paragraph one, of the Articles of Association illustrated above under item 1 on the agenda of the Extraordinary Part, the Honorary Chairman, if elected from among the members of the Board of Directors, may replace the Chairman in conducting the Board's business in the event of his absence or impediment.

In light of the foregoing, and with the favourable opinion of the Appointments Committee, the Board of Directors resolved to propose to the Shareholders' Meeting, pursuant to Article 10-*bis* of the Articles of Association, to:

- (i) appoint Sebastien Egon Fürstenberg as Honorary Chairman by virtue of, among other things, his status as founder of the Bank and his fundamental contribution to the development, value creation, history, reputation and prestige of the Group. In addition, the appointment of Sebastien Egon Fürstenberg as Honorary Chairman would allow the

Bank to continue to benefit from the Founder's knowledge of its business, the markets in which it operates and its internal and external dynamics, as well as to make use of his experience gained since the Bank's foundation in 1983 for the purposes of the Group's strategic decisions, thus favouring the continuation of its growth in continuity, respect and consistency with its tradition and identity;

- (ii) establish that the appointment of Founder Sebastien Egon Fürstenberg as Honorary Chairman of the Bank is for an indefinite term;
- (iii) mandate the Board of Directors to determine, with the support of the Remuneration Committee and an independent third party consultant expert in the matter, the gross annual remuneration to be attributed to the Founder Sebastien Egon Fürstenberg for the office of Honorary Chairman of Banca Ifis S.p.A., it being understood that such amount may not indicatively exceed the annual remuneration attributed to him for the offices of member and Chairman of the Board of Directors of Banca Ifis S.p.A. for FY 2022.

#### **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 ordinary session, having examined the explanatory report of the Board of Directors on the third item on the agenda of the Ordinary Part, in accordance Article 10-bis of the Articles of Association,*

#### ***resolves***

- a) to appoint the Founder, Sebastien Egon Fürstenberg, as Honorary Chairman of Banca Ifis S.p.A.;*
- b) to establish that the appointment of Founder Sebastien Egon Fürstenberg as Honorary Chairman of Banca Ifis S.p.A. is for an indefinite term;*

- c) *to mandate the Board of Directors to determine, with the support of the Remuneration Committee and an independent third party consultant expert in the matter, the gross annual remuneration to be attributed to the Founder Sebastien Egon Fürstenberg for the office of Honorary Chairman of Banca Ifis S.p.A., it being understood that such amount may not indicatively exceed the annual remuneration attributed to him for the offices of member and Chairman of the Board of Directors of Banca Ifis S.p.A. for FY 2022.”.*

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Venice - Mestre, 16 March 2023

For the Board of Directors

The Chairman

(Ernesto Fürstenberg Fassio)



## BANCA IFIS S.p.A.'S ARTICLES OF ASSOCIATION

### CORPORATE NAME

**Art. 1)** The company is a public limited company having the name “**BANCA IFIS S.p.A.**”.

### HEADQUARTERS

**Art. 2)** The Company has its registered office in Venice-Mestre, as well as institutional headquarters of the Presidency in Rome and operational offices in Milan. It is permitted to set up branches, subsidiaries, offices, agencies, representative offices and the like, in Italy and abroad. The company Headquarters are located at the Company’s registered office.

### TERM OF EXISTENCE

**Art. 3)** 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 Company’s duration, those shareholders who have not taken part in the approval of resolution do not have the right to recede.

### NATURE OF BUSINESS

**Art. 4)** 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.

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.

In carrying out its management and coordination activity and in its capacity of Parent company to the Banca Ifis Group as per article 61, paragraphs 1 and 4 of Legislative Decree 385/1993, the Company guides the members of the Group to ensure compliance with supervisory rules, including the execution of general instructions and in particular those given by the Bank of Italy, in the interest of Group stability.

The Company may issue bonds in accordance with the laws and regulations in force.

### CAPITAL

**Art. 5)** The share capital is 53.811.095,00 (fifty-three million, eight hundred and eleven thousand, and ninety-five point zero zero) Euro, represented by 53.811.095 (fifty-three million, eight hundred and eleven thousand, and ninety-five) ordinary shares of a nominal value of 1 (one) Euro each.

#### SHAREHOLDERS' MEETINGS

**Art. 6)** 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 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.

Shareholders' Meetings may be ordinary and extraordinary, as per the law.

The Meetings may be held under convening beyond the second, in adherence with the provisions of the law.

The Shareholders' Meetings may be held away from the registered office, provided that they take place in Italy and without prejudice to the provisions below.

The Board of Directors is entitled to stipulate in the call notice that the Shareholders' Meeting be held, where provided for by law, even exclusively, by means of telecommunications, omitting the indication of the physical location of the meeting. In this case, those entitled to vote may attend the Shareholders' Meeting by the telecommunications means indicated in the notice of call and exercise their right to vote, including electronically, in the manner provided for therein.

**Art. 7)** Each share gives the right to one vote.

**Art. 8)** The Ordinary Shareholders' Meeting is convened at least once a year, within 120 (one hundred twenty) days from the end of the fiscal year, to deliberate on the subjects attributed to it by Italian Law and the Articles of Association.

The Shareholders' Meeting is normally presided over by the Chairman of the Board of Directors, who is also vested, among other things, with the power to appoint the person, either inside or outside of the Company, who is required to preside over a single Shareholders' Meeting. If the Chairman is absent or unavailable, the Deputy Chairman of the Board of Directors has the appointment power, if appointed, or, in the event of his absence or impediment, the most elderly Director.

The Chairman of the Shareholders' Meeting appoints the Secretary for the Meeting and, in any case, may be assisted during the Meeting by the Secretary of the Board of Directors, appointed pursuant to Article 12, and by external consultants identified and appointed by him for that purpose.

The provisions of Article 2371(2) of the Italian Civil Code apply where the presence of a notary is required by law.

**Art. 9)** The Shareholders' Meeting may be attended by holders of voting rights for  
Articles of Association - 20 April 2023

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.

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.

The voting right holders may have themselves 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.

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.

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.

**Art. 10)** 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:

- the remuneration and incentive policies for the Board of Directors, the Chief Executive Officer, the Board of Statutory Auditors, the General Manager, the Joint General Manager(s) and the remaining personnel;
- any remuneration plans based on financial instruments (e.g. stock options);
- 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.

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 *pro tempore* (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:

- 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;
- 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 Italian Civil Code. The remuneration of directors invested 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.

**Art. 10-bis)** On the proposal of the Board of Directors, 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, also determining the remuneration.

The Honorary Chairman serves for the period of time, including an indefinite period, determined by the Shareholders' Meeting at the time of appointment.

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, expressing opinions on the matters discussed and has the faculty to intervene in Shareholders' Meetings. The Honorary Chairman collaborates with the Chief Executive Officer in connection with the development and implementation of initiatives involving the Company and may serve as a representative of the Company, *inter alia*.

## MANAGEMENT

**Art. 11)** 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.

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 to market regulations and codes of conduct to which the Bank adheres (jointly, the "Governing Legislation"), must meet the requirements of independence set forth in the Governing Legislation.

The composition of the bodies must reflect an adequate degree of diversification in terms, among other things, of skills, experience, age, gender, international scope, in compliance with Governing Legislation.



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.

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.

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.

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.

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.

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. A candidate may only be on one list under penalty of ineligibility.

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 Governing Legislation, at least twenty days before the date of the first-call Shareholders' Meeting.

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.

Lists must be supplied complete with:

- information relating to the identity of shareholders who submitted lists, stating the overall percentage of shares held;

- 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;
- exhaustive information on candidates' personal and professional characteristics, as well as a declaration by the candidates themselves confirming possession of the requirements and criteria established by Governing Legislation and their acceptance of candidacy.

Only candidates who have attested to meeting the requirements and criteria stipulated in the Governing Legislation may be included in the lists. Each list must also indicate:

- where there are 2 or more candidates, candidates who meet the requirements of independence provided for by the Governing Legislation, in the minimum number provided for by the Governing Legislation, also taking into account the segment in which the shares are listed (if the ratio does not result in a whole number, it is approximated to the lower integer if the first decimal is less than or equal to 5; otherwise it is approximated to the upper integer). These candidates must be the first names on the list in sequential order;
- a number of candidates, at least equal to the measure provided for in the Governing Legislation, belonging to the least represented gender, except for lists with fewer than three candidates.

Any list where the above provisions on members are not observed is considered as not having been presented.

Members of the Board of Directors are elected as follows:

- 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;
- 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.

If these drawing criteria do not guarantee the balance between genders to the extent established by the Governing Legislation, 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 least represented gender.

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.

In any case, at least as many members of the Board of Directors as stipulated by the Governing Legislation must meet the independence requirements established by the Governing Legislation.

If, during the course of the financial year, fewer than the minimum number of directors provided for in the Governing Legislation are found to meet these requirements, the Board shall resolve the disqualification of one or more of its members who have lost these requirements, according to a criterion of less seniority in office or, if seniority in office is equal, according to a criterion of lesser age. The Board will then co-opt one or more independent members, subject to compliance with the gender balance, at least to the extent required by the Governing Legislation. 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.

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 candidates included on the list, according to the sequential order, and will co-opt members based on this criterion of preference.

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.

**Art. 12)** The Board elects from among its members a Chairman and may elect a Deputy Chairman. Unless otherwise designated by the Board of Directors, in the event of the Chairman's absence or impediment, the Deputy Chairman, if appointed, or the Honorary Chairman if elected from among the members of the Board of Directors, or, alternatively, the most elderly Director.

The Chairman:

- a) 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 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 must have the specific skills necessary to carry out the tasks assigned to him. In order to carry out his function effectively, the Chairman must have a non-executive role and not carry out, even de facto, management functions;
- b) guarantees the effectiveness 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:
  - 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;
- 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;
  - matters of strategic importance are prioritised;
- c) requests and receives information also on specific aspects of the management of the Bank and the Group as well as on their current and prospective performance, also having access to corporate functions for this purpose;
- d) can entertain and supervise the management of relations with shareholders, also with the help of the competent corporate functions, in agreement with the Chief Executive Officer;
- e) handles institutional relations with the supervisory bodies and public and private industry associations and authorities, and the external communication of information concerning the Bank, and oversees external relations, also using the competent corporate functions and appointed consultants;
- f) if he is not a member, he may attend meetings of internal board committees as an occasional or permanent invitee without voting rights;
- g) promotes the culture of corporate social responsibility and the ethical and sustainable development of the Bank and the Group in the long term and oversees the implementation of the Bank's and the Group's social, philanthropic, welfare and cultural initiatives in compliance with the regulations, including internal ones, in force from time to time and the appreciation of the artistic heritage;
- h) exercises the other powers functional to the exercise of his office.

The Board, after hearing the Chairman, appoints the Secretary, who may also be chosen from outside the members of the administrative body, and his 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. 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.

To carry out the Board's work, the Chairman may be assisted by a person of his choice, even chosen from outside the members of the Board of Directors.

**Art. 12-bis)** 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.

The committees are vested with the functions and powers assigned to them by the Governing Legislation and by the Board of Directors.

**Art. 13)** 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.

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 necessary time is dedicated to them.

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. If these prerequisites are met, the meeting of the Board of Directors is deemed to be held at the place where the Chairman is located.

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.

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.

**Art. 14)** 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.

Besides duties that may not be delegated by law, the Board of Directors is exclusively responsible for resolutions regarding:

- the business model, the strategic guidelines and operations and the business and financial plans;
- 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;
- the criteria to identify the more significant operations to submit to the prior examination of the risk control function;
- the amendments of the Articles of Association according to legal provisions;
- the merger by acquisition of companies and demergers in the cases provided for in Articles 2505 and 2505 bis of the Italian Civil Code, also as referred to in Article 2506 ter, last paragraph, of the Italian Civil Code;
- the reduction of capital in case of withdrawal;
- the indication of which Directors, in addition to those stated in these Articles of Association, may represent the Company;
- the setting up of committees within the Board of Directors;
- 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;

- the determination of the general organisation of the bank's structure and of the consequent internal regulations;

- 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;

- the transfer of the registered office within the national territory;

- 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;

- the determination of criteria for exercising management and coordination activities over Group companies and compliance with supervisory regulations, including the execution of measures issued by the Bank of Italy in the interest of Group stability;

;

- the appointment, dismissal and remuneration of General Management members;

- 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;

- 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;

- the appointment, after having heard the opinion of the Board of Statutory Auditors, of subjects responsible for the internal auditing functions;

- the risk management process and the assessment of its compatibility with the strategic directions and with the risk management policies;

- 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;

- 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;

- the process for the approval of new products and services, the start of new activities, the entry into new markets;

- the corporate policy in the matter of outsourcing of corporate functions;

- the approval, review and updating of the recovery plan, as well as its amendment and updating at the request of the Supervisory Authority;

- 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;

- a decision to take a measure set forth in the recovery plan or to refrain from taking a measure even though the circumstances exist;
- approval of a policy to promote diversity and inclusiveness;
- 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.

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.

**Art. 15)** 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 confers special tasks onto individual directors, all in accordance with and within the limits established by art. 2381 of the Italian Civil Code. 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.

The Chief Executive Officer reports to the Board of Directors on his activities on a quarterly basis.

The Chief Executive Officer:

- defines and oversees the implementation of the risk management process;
- 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;
- defines and supervises the implementation of the company policy regarding the outsourcing of company functions;
- 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;
- 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;
- 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;
- implements the initiatives and interventions required to ensure the continuous 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;

- 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;
- implements the ICAAP process;
- 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.

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.

**Art. 16)** The Board of Directors may also delegate, setting in advance the limits thereof, powers of credit-granting and day-to-day management to personnel of the Company on the basis of their functions and/or level of seniority, singularly and/or as member of a Committee chaired by a person appointed by the Board itself.

The decisions thus taken must be made known to the Board itself, according to the formalities and frequency fixed by the Board of Directors.

**Art. 17)** The Board of Directors may appoint a General Manager and, where appropriate, one or more Deputy General Managers, determining their duties and the duration of their office. The General Manager exercises his duties within the framework of the powers conferred by the Board of Directors and oversees the implementation of the management directives of the Chief Executive Officer and assists in the implementation of strategic directions and company management.

The General Manager participates in the meetings of the Board of Directors with advisory functions.

In the event of absence or impediment, as determined by the Board of Directors, the General Manager is replaced by one of the Deputy General Managers, if appointed.

Before third parties, the signature of the Deputy General Manager, who replaces the General Manager, constitutes proof of the absence or impediment of the latter.

As an alternative to the appointment of the General Manager and the Deputy General Managers, the Board of Directors may appoint one or more Joint General Managers, determining the duration of the related office and its duties, which are to be exercised in compliance with the guidelines issued by the Board of Directors and by the Chief Executive Officer, according to their respective competences.

The Joint General Manager or, when more than one is appointed, the Joint General Managers, supervise the implementation of the management directives of the Chief Executive Officer, assist the Chief Executive Officer in the implementation of strategic directions and company management and participate, upon invitation, in the meetings of the Board of Directors, each with advisory functions in accordance with their respective competences.



**Art. 18)** The General Management shall consist of, alternately, the General Manager and, if appointed, one or more Deputy General Managers, or one or more Joint General Managers. As part of the provisions of the main internal regulations approved by the Board of Directors, they manage ongoing business by directing the personnel designated for this purpose.

**Art. 19)** 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 names a Manager charged with preparing the company's financial reports. The Manager charged with preparing the company's financial reports must comply with the regulations regarding both the requisites of integrity and of professionalism envisaged by Governing Legislation.

The Manager charged with preparing the company's financial reports 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.

The Board of Directors is responsible for ensuring the Manager charged with preparing the company's financial reports has the necessary powers and means to accomplish the assignments attributed to him and to ensure that administrative and bookkeeping procedures are effectively respected.

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 at nomination.

The Manager charged with preparing the company's financial reports 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.

#### CORPORATE SIGNATURE AND REPRESENTATION

**Art. 20)** Legal representation of the Company, before third parties and in court, and the corporate signature are the responsibility of the Chairman of the Board of Directors and, in the event of his absence or impediment, to the Deputy Chairman, where appointed, to the Chief Executive Officer.

Legal representation includes, by way of example, the right to promote any act and initiative for the protection of the rights and interests of the Company, also through the request of precautionary or emergency measures and the exercising of executive actions; the exercise, withdrawal and renunciation of the right of complaint, as well as the establishment of a civil party and its revocation in any judicial, administrative and arbitration and conciliatory proceeding before any authority in every state and level, with all the powers to the necessary purpose, including that of granting the relative powers of attorney for disputes, including general ones, of carrying out questioning provided for by the law and with every legal right also to reconcile, settle

and compromise with arbitrators and to renounce acts and actions.

The Board of Directors may, for certain categories of acts and business, grant power of attorney, with the relative power to sign for the Company, also to persons outside the Company. The Chief Executive Officer may appoint attorneys for specific acts or categories of acts, within the powers granted by the Board.

To facilitate the performance of the Company's work, the Board may authorise managers and other employees to sign, individually or jointly, for those categories of transactions determined by the Board of Directors itself.

#### THE BOARD OF STATUTORY AUDITORS

**Art. 21)** The Board of Statutory Auditors is made up of three standing and two alternate auditors.

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.

A list may be presented 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 Statutory Auditors.

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. A candidate may only be on one list under penalty of ineligibility.

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 Governing Legislation at least twenty-one days prior to the date of the first-call Shareholders' Meeting.

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.

Lists must be supplied complete with:

- information relating to the identity of shareholders who submitted the lists, stating the overall percentage of shares held;
- 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;

- 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.

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.

Each list must contain candidates for the office of standing auditor and candidates for the office of alternate auditor belonging to both genders at 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.

Outgoing auditors are eligible for re-election.

The election of the auditors proceeds as follows:

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;

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.

In the case of a tie between two or more lists, the oldest candidates will be elected as Statutory Auditors.

If these drawing criteria do not guarantee the balance between genders on the Board as envisaged by the Governing Legislation, 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.

The standing auditor elected from the minority list shall be declared Chairman of the Board of Statutory Auditors.

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:

1) the Chairman by drawing from the list that has obtained the highest number of minority votes;

2) a standing auditor by drawing from the majority list;

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.

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.

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 at least the number of standing auditors belonging to the least represented gender envisaged by Governing Legislation. Otherwise the other alternate auditor will take over.

If, despite the provisions hereof and what is set out in the present 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, without prejudice to respect, at all times, for gender balance as envisaged by Governing Legislation.

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 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.

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.

**Art. 22)** The Board of Statutory Auditors supervises:

- a) the observance of the Law, the Articles of Association and the regulations;
  - b) compliance with the principles of correct administration;
  - c) the adequacy of the organisational, administrative and accounting structure adopted by the Company and its concrete operation;
  - d) the completeness, adequacy, functionality and reliability of the risk management and internal control system;
  - e) the operations of management and coordination by the Bank;
  - 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.

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.

To this end, the Board of Statutory Auditors and the Independent Auditors exchange data and information relevant to the performance of the related duties.

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.

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 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.

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 Governing 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.

#### ANNUAL FINANCIAL STATEMENTS AND PROFIT

**Art. 23)** The accounting year closes on thirty-first December every year.

The Board of Directors draws up the annual financial statements in observance with the Law.

**Art. 24)** 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 accounting years.

The dividends not collected are transferred to the Company.

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.

#### LIQUIDATION

**Art. 25)** 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.

#### APPLICABLE LAWS

**Art. 26)** All that is not specifically stated in these Articles of Association is governed

by the applicable laws in force.