

## Report on Remuneration

# 2020

**Document Approved by the Board  
of Directors in its meeting  
of 12<sup>th</sup> March 2020**

**Pursuant to article 123 ter of the CFA/TUF**

Banca IFIS S.p.A. - Registered office  
in Via Terraglio 63 - 30174 Mestre, Venice  
- Registration number in the Companies  
Registered of Venice and Tax Code  
02505630109 - VAT number 04570150278  
REA (Administrative Economic Index) number:  
VE - 247118 - Fully paid-up share capital  
Euro 53,811,095 - Registry of Banks no. 5508  
Parent Company of the Banca IFIS Banking  
Group S.p.A, registered in the Banking Group  
Registry - Member of the National Guarantee  
Fund and the Interbank Deposit Protection  
Fund, of the Italian Bank Association,  
the Italian Association for Factoring,  
Factor Chain International.



Letter from the Chairman to Shareholders

---



Dear Shareholders,

pursuant to Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (TUF [Italian Consolidated Finance Act], hereafter “CFA/TUF”), you are called to decide for or against Section I of this report.

With this report, Banca IFIS S.p.A.’s Board of Directors aims to comply with the requirements of Article 123-ter of CFA/TUF, banking industry regulations and the corporate governance rules contained in the Corporate Governance Code for Listed Companies, as specified below.

In light of the opportunity provided by Appendix 3A, Template no. 7-bis of the “Issuer Regulations”, to comply, in a single document, with the requirements of Article 123-ter of CFA/TUF and with the Bank of Italy’s Supervisory Provisions on remuneration, this report includes additional information, in aggregate form, on so-called “Risk Takers” not included within the scope of the above article of CFA/TUF.

Detailed information is also supplied regarding the contents of the “Information Document on Remuneration Plans Based on Financial Instruments” (pursuant to Article 114-bis of CFA/TUF and Article 84-bis of Consob’s [Italian Financial Market Regulatory Authority] Issuer Regulations). The Remuneration Report and the Information Document on Remuneration Plans Based on Financial Instruments” are available from the website: <http://www.bancaifis.it/Corporate-Governance/Assemblea degli Azionisti>.

Information on the requirements of reporting to the public pursuant to the Supervisory Provisions for banks – Bank of Italy Circular no. 285 of 17 December 2013 – on corporate governance, can be found in the Report on corporate governance and shareholding structures which can be found at <http://www.bancaifis.it/Corporate-Governance/Documenti-Societari>

Sebastien Egon Fürstenberg  
Chairman Banca IFIS

## Contents

Remuneration Report .....	5
INTRODUCTION .....	6
Applicable Provisions.....	6
Report Structure .....	6
SECTION I - Remuneration and incentive policies .....	8
1. Bodies and individuals involved in the preparation, approval and implementation of remuneration policies .....	8
1.1 The Shareholders' Meeting .....	8
1.2 The Board of Directors .....	9
1.3 The Remuneration Committee .....	9
<i>Composition.....</i>	10
<i>Working method.....</i>	10
<i>Remuneration Committee Meetings.....</i>	11
1.4 The Chief Executive Officer .....	12
1.5 The General Manager .....	12
1.6 The Control Functions.....	12
1.7 Other facilities involved .....	13
1.8 Independent experts involved in preparing the remuneration policy .....	13
2. Principles and purposes of the remuneration and incentive policies .....	13
2.1. Main changes from the previous financial year .....	14
3. Recipients and policy related to the key personnel identification process .....	15
<i>Policy Recipients.....</i>	15
<i>Policy related to the key personnel identification process.....</i>	16
4. Contents of the 2020 Policy.....	16
<i>Condition for accessing the variable component (gate).....</i>	16
<i>Directors' Remuneration of the Parent Company.....</i>	17
<i>Remuneration for the Statutory Auditors of the Parent Company.....</i>	18
<i>Directors' Remuneration of the Subsidiaries.....</i>	18
<i>Statutory Auditors Remuneration of the Subsidiaries.....</i>	18
<i>Remuneration of the Chief Executive Officer and the General Manager of the Parent Company.....</i>	18
<i>Remuneration of the Control Function and of the Human Resources Function.....</i>	19
<i>Remuneration of the key personnel at Group level.....</i>	20
<i>Structure of variable component for key personnel.....</i>	21
<i>Other types of employees.....</i>	22
<i>Implementation methods for the Bank of Italy Provisions on transparency of the banking and financial transactions and services - the Group's sales network.....</i>	23
<i>Remuneration of Financial Agents.....</i>	24
<i>Remuneration of non - employee contract workers.....</i>	24
<i>Malus condition.....</i>	25
<i>Claw back.....</i>	26
5. Non-monetary benefits .....	27
6. Remuneration linked to key resources staying in the company.....	27
7. Treatment for termination of office or of employment and the non-competition agreement.....	28
<i>Treatment for termination of office or of employment for key personnel .....</i>	28
<i>Treatment for termination of office or of employment for personnel that are not key personnel .....</i>	29

	<i>Non-competition agreement</i> .....	29
8.	Implementation of Policies in Subsidiaries.....	29
SECTION II .....		30
1.	Part One .....	30
1.1	Remuneration entries.....	30
1.2	Further information on the consistency of fees paid with the remuneration policy .....	30
2.	Part Two: remuneration paid in 2019 .....	34
Table 1: remuneration paid to members of the administration and control bodies, general managers and other executives with strategic responsibilities (figures in thousands of euros) .....		34
Other tables: monetary incentive plans for members of the administration bodies, general managers and other executives with strategic responsibilities.....		41
Results of audits conducted by the Internal Audit Department. ....		52
Appendix 1 Policy on the key personnel identification process		

# Remuneration Report

## INTRODUCTION

### Applicable Provisions

The Remuneration Report (hereinafter the “Report”) was prepared for the Banca IFIS Group (the “Group”) in accordance with:

- article 123 ter of the CFA/TUF, entitled “Report on remuneration policies and on payments made”;
- Article 114-bis of CFA/TUF, entitled “Disclosure of information to the market on awards of financial instruments to corporate officers, employees or contractors”;
- the Consob Regulation 11971/1999 (so-called Issuer Regulations), with particular reference to Articles 84-quater, entitled “Remuneration Report”, and 84-bis, entitled “Information on attribution of financial instruments to corporate officers, employees or contractors”, as well as to Appendix 3A, Template 7 bis “Report on Remuneration” of the Issuer Regulation and Template 7 “Information Document which is the subject of a management body explanatory report to the Shareholders’ Meeting convened to approve compensation plans based on financial instruments”;
- the provisions relating to “Remuneration and incentive policies and practices” issued by the Bank of Italy and contained in Circular no. 285 of 17 December 2013, implementing Community Directive 2013/36/EU (so-called CRD IV).

This Report also considers European regulations on the subject, in particular:

- Delegated Regulation (EU) 604 of 4th March 2014 that establishes the regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify personnel categories whose professional activities have a material impact on the risk profile of the body’s risk profile (so-called Key Personnel or Risk Takers);
- Regulation (EU) 575 of 26th June 2013, referred to provisions concerning remuneration policies;
- Directive 2013/36/EU of 26 June 2013 (CRD IV), on remuneration and incentive policies and practices in banks and banking groups.

The provisions of the “Corporate Governance Code” and the format of Borsa Italiana S.p.A. were also considered for the Report on Corporate Governance and Shareholding Structure in accordance with art. 123 bis of the CFA/TUF.

### Report Structure

Based on the current provisions, as mentioned above, this Report is divided into the following sections:

- Section I: aimed at illustrating the Group’s remuneration policy for members of the management bodies, general managers, executives with strategic responsibilities and for members of control bodies, as well as for “Risk Takers” not falling within the scope of Article 123-ter of CFA/TUF, and the procedures used to adopt and implement this policy. This section describes the policy provided for 2020;

- Section II: organised in two parts; the first is aimed at showing each remuneration item with name for the members of the management and control bodies, the general managers and, in aggregate form, for executives with strategic responsibilities, as well as for “Risk Takers” not included within the scope of Article 123-ter of CFA/TUF. The second part shows a detailed table of remuneration paid during 2019, for whatever reason and in whatever form by the Company and Subsidiaries or affiliates, as indicated by Appendix 3A, Template 7-bis of the Issuer Regulations. Other tables show the further information required under Article 450 of Regulation (EU) 575 of 26 June 2013 for Banca IFIS and other Group companies.

For incentive plans based on financial instruments, detailed information is contained in the Information Document on Remuneration Plans Based on Financial Instruments.

## **SECTION I - Remuneration and incentive policies**

---

### **1. Bodies and individuals involved in the preparation, approval and implementation of remuneration policies**

The main Parent Company bodies and personnel involved in the preparation and approval of remuneration and incentive policies are:

- the Shareholders' Meeting;
- the Board of Directors;
- the Remuneration Committee;
- the Chief Executive Officer;
- the General Manager;
- the Control Functions;
- Human Resources;
- Planning and Management Control.

The role of these members of personnel is described in the Articles of Association and/or in the corporate regulations as specified below.

#### **1.1 The Shareholders' Meeting**

The Ordinary Shareholders' Meeting, in accordance with Article 10 of the Articles of Association, "in addition to establishing the remuneration of the bodies it has appointed, approves:

- the remuneration and incentive policies for the Board of Directors, the CEO, the Board of Statutory Auditors, the General Manager and the remaining personnel;
- any remuneration plans based on financial instruments;
- the criteria for calculating the remuneration to be agreed in the event of early termination of the employment relationship or early termination of office, including the limits established for remuneration in terms of annual instalments of fixed remuneration and the maximum amount that may result from their application".

Pursuant to the same article, the Shareholders' Meeting may also:

- 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).
- establish, pursuant to Article 2389 of the Italian Civil Code, remuneration for members of the Board of Directors;
- determine a total amount of remuneration for all Directors, including those assigned specific tasks.



## 1.2 The Board of Directors

The Board of Directors, according to the provisions of Article 14 of the Articles of Association, has exclusive jurisdiction over resolutions concerning “nomination, revocation and financial remuneration of members of General Management” and “remuneration and incentive policies to be submitted to the Shareholders’ Meeting, the review, at least annually, of these policies and the responsibility for their correct implementation, also with the task of ensuring that the remuneration policy is adequately documented and accessible within the corporate structure”.

In addition, pursuant to Article 10 of the Articles of Association, the Board of Directors, with the favourable opinion of the Board of Statutory Auditors, may also determine the remuneration of Directors assigned special tasks.

At the preliminary stage, the Board uses its own internal committee (Remuneration Committee) as specified below.

## 1.3 The Remuneration Committee

The Remuneration Committee is an internal committee within the Parent Company’s Board of Directors and provides support to the Board of Directors in defining the Group’s remuneration and incentive policies. Specifically, the Committee:

- provides advice and formulates proposals to the Parent Company’s Board of Directors on the remuneration and incentive plans of corporate officers (including executive Directors and other Directors assigned specific tasks), of executives with strategic responsibilities and of the heads of the Parent Company’s internal control departments and of other Group companies, and establishes performance targets related to the variable component of remuneration;
- provides advice on determining the remuneration criteria for the remaining “key personnel” identified within the Parent Company and other Group companies in compliance with current supervisory provisions;
- directly oversees the correct application of the remuneration rules for managers of the Parent Company’s and other Group companies’ internal control functions, in close collaboration with the Board of Statutory Auditors;
- prepares documentation to be submitted to the Parent Company’s Board of Directors for its decisions;
- collaborates with the other committees within the Board of Directors, in particular with the Risk Management and Internal Control Committee, when the two committees are not already made up of a large number of the same members guaranteeing *ipso facto* that collaboration;
- ensures the Parent Company’s Internal Audit, Human Resources, Strategic Planning, Risk Management and Compliance units are involved in the process of preparing and monitoring the Group’s remuneration policies and practices;
- monitors implementation of the decisions adopted by the Parent Company’s Board of Directors and those of other Group companies regarding remuneration and, in particular, voicing opinion, using information received from corporate facilities, on reaching performance targets linked to incentive plans and on verifying the other remuneration payment conditions envisaged;

- discusses the results of the identification process of key personnel, using information from the competent company functions;
- formulates proposals to the Parent Company's Board of Directors regarding the criteria for allocating stock options or shares to Directors and Group employees;
- regarding the last point, if possible, provides interpretation on controversial cases and rectifies the allocation conditions of each tranche, as well as regulates the exercise of emerging rights for any transactions of an extraordinary nature on the Parent Company's capital (mergers, increases in capital for free or against payment, fractioning or grouping of shares, etc.).

The President of the Committee reports to the Board of Directors on the activities carried out, at the Board's next meeting. The Committee also assesses, at least annually, the adequacy, overall consistency and effective application of the Group's remuneration policies, and reports to the Parent Company's Shareholders' Meeting on the activities carried out.

## Composition

The Remuneration Committee is made up of three members chosen from among the non-executive members of the Parent Company's Board of Directors, the majority of whom are independent. As approved by the Board of Directors at its meeting of 19 April 2019, the members of the Committee are:

- Simona Arduini (Non-executive and Independent Director);
- Beatrice Colleoni (Non-Executive and Independent Director);
- Luca Lo Giudice (Non-Executive and Non-Independent Director).

The Remuneration Committee is chaired by the director Simona Arduini.

## Working method

The Remuneration Committee is appointed for three years and meets periodically, including by video link/telephone, whenever the need arises in relation to the tasks assigned to it.

If one or more members of the Committee are no longer in office, the Board of Directors may appoint new ones and/or replace these members.

As established by current Regulations, the President of the Parent Company's Board of Statutory Auditors, or another Standing Auditor delegated by them on a case by case basis, attends Committee meetings. Other members of the Board of Statutory Auditors may attend, as may, where issues affecting them are not on the agenda, the Parent Company's CEO and General Manager. It is also established that no Director may attend meetings of the Committee in which proposals are formulated for submission to the Board of Directors regarding their own remuneration.

The President of the Committee assesses, in relation to the matters to be discussed, the need to involve the Head of Risk Management to ensure that the incentive schemes are properly adjusted to take account of all the risks assumed by the Group, according to methods that are consistent with those adopted for risk management for regulatory and internal purposes.

The Committee may avail itself and/or request the presence of:

- external consultants, who have expert knowledge of remuneration policies, who may also be chosen from among the members of the Parent Company's Board of Directors, provided that these experts do not, at the same time, provide Human Resources, Executive Directors or

executives with strategic responsibilities of the Parent Company and/or of the other companies of the Group with services of such significance as to compromise the consultants' independent judgement;

- any corporate officer or employee of the Parent Company or of another Group company.

The Committee may access all company information deemed relevant for the performance of its tasks and may have autonomous use of a set of financial resources to the limit established by the Board and with the requirement of reporting on the use of funds, at least once a year, usually during the review of the Report on Corporate Governance and Shareholding Structures.

Summary minutes of Committee meetings are prepared, which are to be signed by the Members.

## Remuneration Committee Meetings

During 2019, the Committee met a total of 17 times (of which 6 as part of the previous administration). The meetings were preceded by discussion among the members and/or by prior individual examination of documentation. The average duration of the meetings was around an hour. The Committee did not use external consultancy services.

During 2019, the Committee members took part in all the seventeen meetings held (except for one member who took part in 10 of the 11 meetings held during the new administration, starting from 19th April 2019).

The Chief Executive Office attended most of the meetings, where issues not pertaining to him were due to be discussed. The President of the Board of Statutory Auditors also attended more than half the meetings and, on several occasions, other Standing Auditors also attended.

During these meetings, the Committee gave its opinion in relation to:

- incentive schemes applied to various business units of the Bank and the Group;
- information on the remuneration of "key personnel";
- implementation of the remuneration policies approved by the Shareholders' Meeting;
- incentive systems to be used in 2019;
- agreement scenarios with the Trade Union Organisations regarding Group personnel treatment harmonisation, Variable Result Bonus, and the Welfare Plan;
- audits on the absence of conditions for applying corrective mechanisms (malus and clawback) to the calculation of the variable remuneration of the CEO and the General Manager;
- allocation of variable remuneration deriving from 2018 results to the CEO and General Manager;
- remuneration for executives with strategic responsibility and heads of internal control functions;
- the key personnel self-assessment process.

During 2019, there was no need to use the financial resources available to the Committee for the performance of its duties.

## 1.4 The Chief Executive Officer

The CEO, as defined pursuant to Article 15 of the Articles of Association, is responsible for implementing strategic directions and business management, and makes use of General Management.

Regarding personnel management, the CEO is responsible for:

- defining and implementing the Group's employee management process;
- approving the employee budget, in line with the organisational structure approved by the Board of Directors; in this regard, the CEO ensures that current and future professional/profile needs are measured and are consistent with strategic choices.

## 1.5 The General Manager

As per Article 17 of the Articles of Association, the General Manager implements the CEO's management directives and assists the CEO in carrying out the Board of Directors' resolutions.

Therefore, the General Manager also has the task of making proposals to the CEO regarding the contents of the employee management process.

## 1.6 The Control Functions

The control functions work together, each within their scope of responsibility, to ensure the remuneration and incentive policies are adequate and comply with current legislation and that they operate correctly. For that purpose, the Parent Company's control functions and those of subsidiaries work together and exchange important information.

In particular:

- Compliance verifies, among other aspects, that the company remuneration system meets the objectives of complying with regulations, the Articles of Association, as well as any ethical codes and/or other standards of conduct applicable to the Group, so that the related legal and reputational risks are properly contained especially in relationships with customers;
- Internal Audit checks, at least annually, that remuneration practices comply with the approved policies and with legislation and regulatory context. The results and any abnormalities identified are brought to the attention of the bodies and functions responsible for possible corrective measures and assessment of significance with a view to prompt disclosure to the Bank of Italy. Every year, the results of the checks carried out are brought before the Shareholders' Meeting;
- Risk Management works with the Remuneration Committee to ensure that the forms of incentive remuneration are consistent with the risk appetite (for example with the Risk Appetite Framework - RAF) and with governance and risk management policies, and that they take into account the level of capital and liquidity necessary to carry out activities under way, even through the definition of risk indicators to use for corrective mechanisms (ex ante and ex post), and gives its opinion on their proper activation. It also supports Financial Department to determine, after approval of the financial statements by the Shareholders' Meeting, the amount of variable remuneration attributable to the CEO, the General Manager

and additional potential beneficiaries of compensation plans based on financial instruments, and to check the conditions for the allocation of variable remuneration.

## 1.7 Other facilities involved

Other Parent Company facilities involved in the preparation and implementation of the remuneration policy, also with reference to Subsidiaries, are:

- Human Resources, which, among other things, provides the support for the compliance function, ensuring consistency between the human resources management procedures and policies and the bank's remuneration and incentive systems of the Group;
- Planning and Management Control.

## 1.8 Independent experts involved in preparing the remuneration policy

No independent experts were involved in the preparation of the remuneration policy.

## 2. Principles and purposes of the remuneration and incentive policies

The Parent Company, on exercising its management and administration powers, defines this Group remuneration and incentive policy in accordance with the characteristics of the Group and each of its subsidiaries, and in compliance with current legislation and regulatory provisions. In defining Banca IFIS Group's remuneration policy, no remuneration policy of other companies was used as a reference.

The remuneration and incentive policies are defined by the Parent Company in accordance with corporate objectives and values, with long-term strategies and with prudent risk management policies, in line with what is defined in the provisions on the prudential control process.

Banca IFIS Group's remuneration and incentive system is based on the following principles:

- promoting sound, effective risk management, not encouraging risk-taking that exceeds the level of tolerated risk;
- fostering the Group's competitiveness and good governance;
- attracting and retaining within the company employees with the professionalism and skills that are appropriate to the needs of the Group, particularly where they hold key roles within the organisation;
- promoting compliance with all legislation and regulations, as well as transparency and fairness in dealings with customers, discouraging any infringement and/or unfair business practice;
- ensuring company performance is consistent with the Group's sustainable growth objectives;
- seeking the best alignment between the interests of different stakeholders;
- focusing attention on risk containment policies;

- avoiding altering or undermining the risk alignment effects embedded in the remuneration mechanisms;
- avoiding creating conflicts of interest.

A base fixed remuneration is set out for all employees that reflects their professional experience and their role, the market value of the role and the national collective bargaining agreement in force.

This component is sufficient for a variable part to be substantially reduced or not to be paid.

For key personnel, it is also established that any interventions on the fixed component may not exceed an increase of 20% compared to the previous year's all inclusive annual salary. Considering the specific complexity, also caused by extraordinary corporate transactions, some key personnel members could be acknowledged, for maximum 12 months, possibly renewable, a role indemnity (so-called *Role Based Allowance*). This allowance, configured as a predefined, stable sum not tied to performance and which does not create risk assumption incentives, must be approved by the Board of Directors on proposal from the Chief Executive Officer, after approval by the Remuneration Committee, and subsequently be communicated to the interested parties by letter to each one.

On this point, please note that:

- fixed remuneration is intended as stable remuneration, calculated and paid based on pre-set, non-discretionary criteria - such as levels of professional experience and responsibility – that do not create incentives to take on risks and do not depend on the bank's performance. This definition also includes the role allowance foreseen by these policies;

- variable remuneration is intended as:

- remuneration where recognition and payment can be modified related to performance however measured, excluding severance indemnity and indemnity replacing notice, when the amount is calculated as established by law and within its limits;
- any other form of remuneration that cannot be univocally classified as fixed remuneration.

## 2.1. Main changes from the previous financial year

Remuneration policies were updated through Shareholders' meeting resolution of 19th December 2019, after the Bank's new Board of Directors had been appointed on 19th April 2019; related, in particular, to provisions for the economic treatment of the CEO, treatment linked to key resources joining the company and provisions for severance indemnities.

With reference to the novelties introduced for financial year 2020, please note the following.

- With reference to the variable remuneration for the CEO for 2020, specific objectives were set on achieving the RORAC/RORAC\* indicator, where RORAC\* is the RORAC resulting from the perspective objective set based on the last strategic plan approved, to be between 80% and 100%.
- The remuneration of the General Manager has been modified to be aligned with the more challenging targets set for the CEO compared to previous years.
- Access parameters ("gates") to the variable component have been made stricter for all personnel; risk tolerance levels are used for calculation purposes instead of the minimum

regulatory limits, enriching the parameters with asset quality indicators (e.g. NPL ratio) and introducing any normalisation factors for any technical/temporary slippage.

- The number of shares to be assigned is calculated by considering the average share price for the three months (instead of the previous month) before calculation of the variable pay for the period - which shall occur at the date of the Shareholders' Meeting convened for approval of the Financial Statements - as the fair value of the share. The number of shares is determined by rounding to the nearest integer.
- Moreover, related to the Provisions on the transparency of transactions and bank and financial services of the Bank of Italy – Correctness in relations between intermediaries and customers, published by the Bank of Italy with Provision of 19th March 2019 implementing the Guidelines of the European Banking Authority on remuneration policies and practices for personnel offered bank products and for third party sales network operators, the so-called “key personnel” for the Group were identified, pursuant to that regulation identifying, as part of the sales network, personnel “offering products to customers, interacting with the latter, and those they report to hierarchically”.
- Regulations related to amounts paid when the working relationship ceases have been integrated by those applicable to non-key personnel: without prejudice to conditions established by reference regulations, obligations to calculate amounts based on a pre-set formula are no longer applicable, still established for amounts referred to personnel with an impact on the risk profile of the Bank and the Group.
- Lastly, if amounts acknowledged as remuneration linked to the key resources remaining in the company and/or non-competition agreements concern key personnel, the Remuneration Committee is suitably notified in advance in order to control and duly motivate that acknowledgement.
- Long-term incentive plans are no longer foreseen (so-called *Long Term Incentive*).

Please also note that the Shareholders' Meeting resolution of 19th December 2019 also amended art. 10 of the Articles of Association and the extract is included in this Report, establishing the right for the Shareholders' Meeting to decide to raise the ratio between variable and fixed remuneration to 2:1. The Remuneration Committee has as yet not seen the need to suggest that the Board of Directors submit the request to the Shareholders' Meeting to decide to raise that variable and fixed remuneration ratio to 2:1.

### 3. Recipients and policy related to the key personnel identification process

#### Policy Recipients

Remuneration and incentive policies are defined for all Group<sup>1</sup> personnel, without prejudice to more detailed requirements for members of staff that have a material impact on the Group's risk profile (so-called key personnel). These individuals are periodically identified by the Parent Company for all companies in the Group, whether or not they are subject to the policy on an individual basis, based on the criteria established in the “Policy related to the key personnel identification process”

---

<sup>1</sup> This means members of strategic supervision, management and control bodies, the Parent Company's employees and contract workers and those of its Subsidiaries.



## Policy related to the key personnel identification process

In accordance with the Supervisory Provisions, the Parent Company must have a policy related to the key personnel identification process, which is an integral part of the remuneration and incentive policy, referred to in Annex 1 of this Report.

The policy on the key personnel identification process defines the criteria and procedures used to identify key personnel as well as those for possible exclusion; the evaluation methods, the role performed by the corporate bodies and related company functions for the preparation, monitoring, and review of the identification process.

From the self-assessment process for Group's key personnel, led by Human Resources with the support of Compliance and approved by the Board of Directors of the Parent Company on 27th February 2020 following the favourable opinion of the Remuneration Committee, 62 individuals are identified as key personnel for the Group. Please note that no procedure to notify the competent authority of key personnel exclusion was initiated.

The aforementioned subjects are connected to specific categories with specific remuneration criteria, applicable based on a specific company Regulation for management of the key personnel incentive systems.

Besides members of the Board of Directors, the CEO and the General Manager, the following categories are identified for those purposes:

- Executives with strategic responsibilities in key business units;
- Executives with strategic responsibilities for control functions;
- Executives with strategic responsibilities;
- Heads of control functions and Head of Human Resources;
- Heads of business units;
- Heads of risk management facilities;
- Heads of key operating units.
- Heads of service, consultancy and support facilities.

The Group's key personnel accounts for 3.62% of the total workforce.

## 4. Contents of the 2020 Policy

### Conditions for accessing the variable component (gate)

For all Personnel, access to the variable part is subject to meeting levels set by the following indicators recorded at the year end date:

- based on a correct profitability measurement for the risk, such as the RORAC (return on risk-adjusted capital) established as the ratio between Net Profit and Capital absorbed by first pillar risks (i.e. 8% Risk Weighted Asset (RWA) of Pillar 1, the  $[RORAC/RORAC^*]$  indicator, where  $RORAC^*$  is the RORAC resulting from the perspective objective set in the last business plan approved by the Board of Directors, must not be lower than 80%. This indicator enables weighting profits for the underlying risks in terms of regulatory capital absorbed.



- related to the tolerance level, greater than the regulatory minimum (satisfied by the “capacity”) equal to 100%, of the Group’s short term liquidity indicator -Liquidity Coverage Ratio (LCR), recorded quarterly in the year of reference. The tolerance level is established every year in the Banca IFIS Group’s Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- related to the tolerance level, greater than the regulatory minimum equal to 100%, for the Group’s medium-long term liquidity indicator- Net Stable Funding Ratio (NSFR). The tolerance level is established every year in the Banca IFIS Group’s Risk Appetite Framework (RAF) at consolidated level, in accordance with prudential supervisory regulations in force.
- The consolidated Total Own Funds Ratio greater than the tolerance level set in the RAF in force, therefore, greater than the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the supervisory review process (SREP).
- NPL gross ratio and NPL net ratio lower than the alarm level set for the 2020 RAF. These indicators are calculated excluding the IFIS NPL segment and their calculation will be reviewed implementing the new default definition set from 31.12.2020.

Not achieving more than one of the aforementioned parameters in two different areas, excluding the capital solvency one (i.e. consolidated Total Own Funds Ratio) and not complying with the regulatory minimums, which must be complied with all the time, will block payment of the variable component.

The variable component is also awarded as long as the beneficiary is still in office/employed by the Group and not in his/her notice period for voluntary resignation or dismissal, at the time of payment, except for retirements and the natural expiration of director mandates. Payment of a variable component will also be suspended in case of ongoing disciplinary proceedings for fraud or gross negligence against the Bank or for behaviour that may lead to the individual’s dismissal for just cause.

## Directors' Remuneration of the Parent Company

The Shareholders’ Meeting of 19th April 2019 appointed the Board of Directors for the 2019, 2020 and 2021 three-year period and, at that time, also:

- resolved to attribute to individual members, for the post of Director, fixed remuneration for each of the years 2019, 2020 and 2021, in addition to reimbursement of expenses incurred in their duties;
- resolved to give all Directors, except the President, Vice President and the CEO, an attendance fee for each meeting of the Board of Directors;
- requested the Board of Directors to determine additional remuneration for Directors assigned special tasks in accordance with Article 2389 of the Italian Civil Code for each of the years 2019, 2020 and 2021, also considering, where appropriate, company results, subject to a total amount calculated for each financial year, understood as including all fees awarded to members of the Board.

There are no incentive mechanisms for Non-Executive Directors, including the President.

## Remuneration for the Statutory Auditors of the Parent Company

The Shareholders' Meeting of 19th April 2019 appointed the Board of Statutory Auditors for the 2019, 2020 and 2021 three-year period and, therefore:

- agreed to pay the President and the two Standing Auditors a fixed annual fee, as well as reimbursing expenses sustained in the performance of their duties;
- resolved to pay all Standing Auditors an attendance fee for each meeting of the Board of Directors.

No incentive mechanisms are available for members of the Board of Auditors and there is no form of variable remuneration.

## Directors' Remuneration of the Subsidiaries

Without prejudice to the principle that the members of the Board of Directors who perform other roles within the Group as employees of the Parent Company do not normally receive any compensation or, if received, it is transferred to the Parent Company, the Shareholders' Meeting of the individual subsidiary company determines the remuneration of its directors in respect of an overall maximum limit not exceeding 50% of the total amount of compensation that can be assigned to the members of the Board of Directors of the Parent Company.

## Statutory Auditors Remuneration of the Subsidiaries

Without prejudice to the principle that for members of the Board of Statutory Auditors no incentive mechanisms are provided and any form of variable remuneration is precluded, the Shareholders' Meeting of the individual Subsidiary determines the remuneration of its Board of Statutory Auditors in respect of an overall maximum limit not greater than 50% of the total amount of compensation assigned to the Board of Statutory Auditors of the Parent Company

## Remuneration of the Chief Executive Officer and the General Manager of the Parent Company

Together with their annual fixed component and other further benefits (consistent with existing company policies and practices), the Chief Executive Officer and the General Manager can accrue:

- a variable annual component with target of up to 60% of the gross annual remuneration, subordinate to control, by the Board of Directors, that the  $[RORAC/RORAC^*]^2$  indicator that must be between 80% and 100% has been met; in that case, the variable component is considered as accrued as set forth in the following Table (A) that highlights how the variable remuneration can range from a minimum of 36% ( $=60\% \times \text{target } 60\%$ ) to a maximum of 60% ( $= 100\%$  of the target 60%) of the gross annual remuneration:

TABLE (A)

Indicator achievement level [RORAC/RORAC*]	Value of variable annual component
80%	60%

<sup>2</sup> Where RORAC\* is the RORAC resulting from the perspective objective set based on the last strategic plan approved.

81%	62%
82%	64%
83%	66%
84%	68%
85%	70%
86%	72%
87%	74%
88%	76%
89%	78%
90%	80%
91%	82%
92%	84%
93%	86%
94%	88%
95%	90%
96%	92%
97%	94%
98%	96%
99%	98%
100%	100%

## Remuneration of the Control Functions and of the Human Resources Function

The remuneration package for key personnel belonging to the control functions (Risk Management, Compliance, Internal Audit, Anti-Money Laundering, and Financial Reporting Officer) and to Human Resources is made up of a main fixed component and a small variable part which is attributed annually based on quality and efficiency criteria and compliant with Circular 285 of 17th December 2013.

During recruitment, subject to consultation with and proposal by the Remuneration Committee, determination of remuneration is the responsibility of:

- the Board of Directors for the key personnel of the control functions that work for it or for the Chief Executive Officer. For operational fluidity requirements, the Board of Directors, when analysing possible candidates, in consultation with the Remuneration Committee, may delegate negotiation to the CEO, indicating the reference parameters. Following formalisation, the CEO informs the Remuneration Committee and the Board;
- of the CEO for the key personnel of the Human Resources function. Following definition, the CEO informs the Remuneration Committee and the Board.

At least annually, the Remuneration Committee analyses individual positions and, in consultation with the CEO and the General Manager, regarding the Heads of control functions and of Human Resources function, expresses its opinion and formulates proposals to the Board of Directors.

Allocation of the variable component is subject to prior quality evaluation that can be expressed on a scale of five levels of judgement and includes information on the following objectives:

- managing assigned projects and quality of service provided;
- management and development of assigned resources;
- care and prevention of the risks inherent in their own areas of responsibility;
- management and coordination of tasks assigned.

Each grading equates to a percentage of variable component to be allocated according to the following scale:

Excellent	Good	Average	Almost Average/Insufficient
100%	80%	50%	0%

without prejudice to limit between the fixed and variable components which, for key personnel belonging to business control functions cannot in any case exceed the ratio of 1:3.

As was said above, to decide the compensation of key personnel belonging to control functions and Human Resources, incentive mechanisms connected to the economic results of both Banca IFIS and the Group as a whole are excluded, as is shown in the following Table (B):

TABLE (B)

Executives	Senior Management Qualitative Assessment	Cost/income ratio	MBO	% max Bonus on previous year's RAL
Executives with strategic responsibilities for control functions	100%	-	-	33%
Heads of control functions and Head of Human Resources	100%	-	-	33%

For Executives with strategic responsibilities for Control Functions, for the Heads of Control Functions and for the Head of Human Resources, Qualitative Assessment is the only pillar applied.

### Remuneration of other key personnel at Group level

Remuneration for remaining key personnel is made up of an all inclusive annual salary (RAL) and a variable component defined in advance for each individual, in relation to their role, based on predefined criteria and on three pillars:

- a qualitative performance assessment carried out jointly by the CEO and the General Manager;
- reaching a determined level of corporate cost/income ratio;

- reaching specific economic, commercial and operating objectives and satisfying internal and external customers inclusive of corrective risk measures (MBO – Management by Objectives).

Once the ratio limit between the variable and fixed components of the previous year has been defined, the maximum theoretical amount of the variable component will be calculated as in Table C below, for the following subject categories:

TABLE (C)

Executives	Senior Management Qualitative Assessment	Cost/income ratio	MBO	% max Bonus on previous year's RAL
Executives with strategic responsibilities for key business units	20%	20%	60%	100%
Executives with strategic responsibilities	20-30%	20%	50-60%	60%
Heads of business units	20%	20%	60%	80%
Heads of risk management units	30%	20%	50%	50%
Heads of key operating units	40%	20%	40%	50%
Heads of service, consultancy and support units	50%	20%	30%	50%

The assessment method applied for the first two pillars (Top Management Assessment and Cost/Income Ratio) uses the same criteria for all subject categories, even if weighted differently.

To implement the management process shown above, relevant company Regulations will be issued, to manage the system as it has been designed.

The Remuneration Committee has a consultative role in determining the remuneration criteria that are subject to annual examination by the Board of Directors.

Subsequent work on fixed and/or variable remuneration is defined by the CEO and the General Manager under the criteria specified below. At least annually, the CEO informs the Remuneration Committee on the decisions taken.

### Structure of variable component for key personnel

The structure of the variable component of remuneration must be compatible with the risk analysis undertaken by the Banking Group and, to be sustainable, it must be compatible with the levels of capital and liquidity in the medium/long-term.

The regulations contained in Circular 285 on remuneration introduce, related to balancing the deferred component of variable remuneration, the concept of “particularly high variable remuneration

amount”<sup>3</sup> with which, at least for top management figures, (i) duration of the deferral period is not less than 5 years, (ii) more than 50% of the deferred part is made up of financial instruments and (iii) the percentage to be deferred is not less than 60%.

In compliance with the aforementioned legislation, the particularly high variable remuneration amount with reference to the Group was identified as € 337,530.80 (equal to 25% of the average total remuneration of Italian high earners, as shown in the most recent report published by the EBA).

The Banca IFIS Group is attributable, on the basis of the size of the assets, of the structure, of the risk and complexity of the activity carried out, to the definition of intermediate-sized banks. That classification requires application of the regulations to key personnel alone, while allowing application of percentages, deferral and retention periods at least equal to half of those indicated for larger banks and growing according to the characteristics of the banking group.

Given the above, the Banca IFIS Group maintains a variable remuneration structure which is stricter than the minimum regulatory limit set for intermediate banks. Among other things, the deferred portion, the deferral period and the balancing portion of the variable remuneration for persons with variable remuneration of a particularly high amount to those already envisaged were aligned with what is set for the other subjects included amongst key personnel. The variable component may not exceed a 1:1 ratio compared to the fixed component and is determined when the financial statements closed as at 31st December of the previous year are approved.

A) The portion of variable compensation to be deferred is 40% and is paid as follows:

- 50% in Banca IFIS S.p.A. shares, to be allocated after the three-year vesting period expires<sup>4</sup> and exercisable at the end of the further one-year retention period<sup>5</sup> the shares are subjected to;
- the remaining 50% of the deferred variable component of remuneration will instead be paid in cash at the end of the three-year period and is subject to annual revaluation at the current legal rate.

B) The variable component of remuneration not subject to deferral (the remaining 60% – up-front) will instead be paid:

- 50% in cash;
- the remaining 50% in Parent Company shares which will be exercisable at the end of the three-year retention period affecting them, in line with the strategic planning horizon.

The number of shares to be assigned is calculated by considering the average share price for the three months before calculation of the variable pay for the period - occurring at the date of the Shareholders' Meeting convened to approve the Financial Statements - as the fair value of the share. The number of shares is determined by rounding to the nearest integer.

In line with best market practices, it is appropriate to apply the same rules for deferral and partial payment in Bank treasury shares where the variable remuneration is greater than €70,000 (materiality threshold).

## Other types of employees

For remaining employees, as part of the annual assessment outlined by the national collective bargaining agreement (CCNL), the CEO and/or General Management may provide non-regulated one-off payments for up to a maximum of three months' salary for each individual. This bonus,

<sup>3</sup> Particularly high variable remuneration amount means the lowest between: (i) 25% of the average total remuneration of Italian high earners, as reported in the most recent report published by EBA; (ii) 10 times the total average remuneration of bank personnel

<sup>4</sup> Period after which the shares may be assigned

<sup>5</sup> Period during which the sale of shares is forbidden.

subject to verification of the existence of the access conditions (gate) described above, is aimed at rewarding excellent performance and/or particular or evident quality.

## Implementation methods for the Bank of Italy Provisions on transparency of the banking and financial transactions and services - the Group's sales network

This paragraph would like to give specific evidence of implementation of the Bank of Italy Provisions on transparency in transactions and bank and financial services - Correctness of relations between intermediaries and customers (hereinafter Transparency Provisions), published by the Bank of Italy through its Provisions of 19th March 2019 which adopted the Guidelines of the European Banking Authority concerning remuneration policies and practices related to the sale and supply of retail banking services. For that purpose, a new notion has been introduced, that of “key personnel”, including personnel offering products to customers, interacting with them, as well as those the personnel report to hierarchically.

On this assumption, as required by the regulation, here below please find indication of the number of key personnel and credit brokers<sup>6</sup> forming the Group's sales network to which the remuneration policies described in this Report shall apply.

Personnel belonging to this key personnel category total 185, of which 156 those offering products to customers and 29<sup>7</sup> those to whom the former report hierarchically. The internal sales network includes the following products /Business areas:

- Factoring;
- Filo Diretto phone selling;
- Leases;
- Pharmacies;
- Tax Receivables;
- CQS.

For what concerns credit brokers, the agent network counts a total of about 183 agents supporting the Lease and CQS products.

The Bank also has a total of 8 agreements with credit brokers as part of its factoring product.

Having said that, for what concerns the remuneration policies and practices for key personnel and credit brokers, they do not cause incentives that can induce the sales network to pursue its own interests or those of the Bank or to cause prejudice for customers in product offer terms. Above all, that is ensured by how the Bank's commercial units are structured. They, in turn, mirror an organisation establishing segregation and separation of the single Bank businesses. For that purpose, it also foresees structures designed and dedicated to assessing transactions, that guarantee downstream control of the sales process for what concerns collecting customer information and documents useful for assessing the credit merit and finalising the contractual relationship, consistent with the delegation system for taking on the credit risk.

The variable remuneration system for the internal sales network is defined by the CEO, illustrated to the Remuneration Committee and communicated to the Board of Directors of the Parent Company and the Subsidiaries where present. These are diversified systems of variable remuneration for

<sup>6</sup> “Financial Agents, credit brokers as well those other than the lender who, when exercising their commercial or professional activities, finalise the lender's loan contracts or present or propose loan contracts or other preparatory activities in view of those contracts being finalised.”

<sup>7</sup> Of which 3 belonging to the key personnel category.



people who actively create income or acquire new customers and their managers/coordinators. They must be financially sustainable and reward merit in the creation of long-lasting economic value.

The variable component of key personnel is suitably balanced compared to the fixed remuneration component and is also anchored to both qualitative and quantitative criteria, to the extent that the performance assessment can have an impact on the bonus amount and even zero it. Please also note that the relative bonus systems are subject to corrective mechanisms for the variable (malus/claw back clauses) that can consent to their reduction (even significant) or them even being zeroed<sup>8</sup>.

However, there are no bonus plans foreseen for credit brokers with whom the Bank stipulates agreements. Please refer to the following paragraph for remuneration policies intended for financial agents.

## Remuneration of Financial Agents

Within the category of contract workers not subject to employment contracts, particular importance is attached to Financial Agents. The Group avails itself or an external distribution network for the out-of-court collection of distressed credits, an agent network to promote leases and an agent network to promote and place contracts granting loans against delegation of payment and against salary or pension-backed loans.

Therefore, the remuneration of those individuals is defined as comprising a non-recurring component determined ex-ante with an incentivising value, and a recurring component. The variable component of remuneration is suitably balanced compared to its fixed component.

Furthermore, in accordance with the Bank of Italy's Supervisory Provisions:

- the total amount of the "non-recurring" component paid to the Agents (so-called Bonus Pool) is also subordinate to checking the Group's liquidity and financial circumstances identified annually in the Remuneration report (see gate);
- criteria for the ex post correction of the "non-recurring" remuneration of each individual have been identified; they are based on indicators that reflect compliance for activities assigned contractually, correct behaviour, especially in relations with customers; containing legal and reputation risks that can affect the Group or Group companies and favour compliance with regulations and protect customers keeping them loyal.

The variable remuneration system for the agent network is defined by the CEO, illustrated to the Remuneration Committee and communicated to the Board of Directors of the Parent Company and the Subsidiaries where present.

## Remuneration of non-employee contract workers

The Group may also use non-employee contract workers whose relationships can essentially be grouped into two contractual forms:

- consultancy contracts;
- continuous and coordinated collaboration contracts.

For consultancy contracts, appointments can be awarded individually outlining the type of consultancy activity, the fee (or the criteria for determining it), and its method of payment.

---

<sup>8</sup> For example with behaviour that has caused or helped cause significant damage for customers, or a significant breach of codes of ethics or conduct protecting customers applicable to the broker (measurable through any complaints received) .



The remuneration for these types of contract is determined in close connection with the profit derived from the work done by the contract workers, considering their professionalism, the complexity of the service provided and the target market rates.

## Malus condition

The variable component is subject to the following malus mechanisms which reduce the previously determined amount until it reaches zero before payment, according to the criteria listed in the Table below.

TABLE (D)

		Consolidated Total Own Funds ratio <sup>9</sup>			
		<=12.50%	12.50%< <=13.00%	13.00%< =13.50%	>13.50%
RORAC of the Group	≥ 15%	-100.0%	---	---	---
	10.5%< < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10.5%	-100.0%	-40.0%	-30.0%	-20.0%

Notwithstanding what is set out in the reference national collective bargaining agreement regarding the rights and obligations of employees and in the Disciplinary Code and Code of Ethics in force, the variable component will also be cancelled if the individual has caused or is involved in causing:

- violations of the obligations imposed under article 26, or when the subject is an affected party, of article 53, paragraphs 4 et seq., of the Italian Consolidated Banking Law (TUB/CBA) or of the obligations regarding remuneration and incentive schemes;
- behaviour contrary to laws, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank which results in a significant loss for the Group<sup>10</sup> or for customers<sup>11</sup>.
- further behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank in any cases set out by it;
- fraudulent behaviour or serious negligence causing damage to the Group;

or also where:

- the consolidated Total Own<sup>12</sup> Funds Ratio is greater than the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the periodical prudential supervisory review process (SREP).
- the Shareholders’ Meeting has decided to revoke an office for just cause, or the Board of Directors has decided to terminate an employment contract for just cause.

<sup>9</sup> EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

<sup>10</sup> Loss equal to or exceeding 5% of net equity.

<sup>11</sup> The Parent Company identifies as a “significant loss” for customers any loss deriving from deviant or non-compliant behaviour with respect to the legal, regulatory, statutory or ethical standards applicable to the Group. In particular, reference is made to cases of internal fraud, complaints accepted due to incorrect behaviour, intentional failure to comply with the delegation system, if these cases have effects on customers. It is understood that if these events occur, all investigations required by the disciplinary procedures provided for by the law and by the National Collective Labour Contract of reference applicable to these cases will be carried out and, should the conditions be satisfied, the more appropriate disciplinary measures will be applied depending on the severity found and the extent of the loss suffered..

<sup>12</sup> EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

The ex post correction mechanisms cannot lead to an increase in the initially recognized variable remuneration or to the variable remuneration previously reduced or made null following the application of malus.

The above criteria are checked in each of the three financial years<sup>13</sup> closed following calculation of the variable component (accrual period) and applied when the above-mentioned conditions occur, taking the worst result recorded in the reference period into consideration.

## Claw back

Notwithstanding what is set out in the reference national collective bargaining agreement regarding the rights and obligations of employees and in the Disciplinary Code and Code of Ethics in force, the Group reserves the right to take appropriate actions for the return of the variable component recognised and/or paid to personnel when the individual has caused or contributed to causing:

- violations of the obligations imposed under Article 26 CBA/TUB or, when the individual is an interested party, under Article 53, paragraphs 4 et seq. of the CBA/TUB or obligations regarding remuneration and incentive schemes;
- behaviour contrary to laws, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank which results in a significant loss for the Group<sup>14</sup> or for customers<sup>15</sup>.
- further behaviour contrary to legislation, regulatory provisions, the Articles of Association or any Code of Ethics or Code of Conduct applicable to the Bank in cases set out by it;
- fraudulent behaviour or serious negligence causing damage to the Group;

or if the consolidated Total Own Funds Ratio<sup>16</sup> is lower or equal to the Overall Capital Requirement communicated by the Supervisory Body as part of the “Decisions on capital” at the conclusion of the periodical prudential review process (SREP).

The ex post correction mechanisms cannot lead to an increase in the initially recognized variable remuneration or to the variable remuneration previously reduced or made null following the application of claw back. Those criteria are also checked in each of the three financial years<sup>17</sup> closed after calculation of the variable component (accrual period) and are applied when the above conditions are met, except for key personnel for whom that audit must be carried out in each of the following five financial years closed.

## Ban on hedging strategies

Individual employees are strictly forbidden to carry out hedging or insurance strategies on remuneration or on other aspects that may alter or influence the effects of business risk alignment inherent in the remuneration mechanisms applied.

In particular, to ensure that its key personnel are not remunerated or do not receive payments or other benefits via methods that are contrary to the supervisory provisions regarding remuneration

<sup>13</sup> If these conditions are met in at least one of the three years observed (accrual period), the corrective mechanisms will be applied.

<sup>14</sup> Loss equal or exceeding 5% of net equity, to be calculated net of elements deriving from extraordinary operations such as: capital increases, company mergers, de-mergers, acquisitions or any other non-recurring transaction that the Board of Directors should deliberate and appropriate change the value of the indicator.

<sup>15</sup> See note 12.

<sup>16</sup> EU Regulation 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

<sup>17</sup> If these conditions are met in at least one of the three years observed (accrual period), the corrective mechanisms will be applied.

and incentive policies and practices, the Parent Company prepares specific individual agreements through which beneficiaries agree:

- not to use personal hedging strategies and/or take out insurance on remuneration or undertake any other initiative that may alter and/or affect and/or influence the effects of business risk alignment inherent in the remuneration mechanisms;
- to notify the presence or opening of custodial and administration accounts with other intermediaries<sup>18</sup> and information regarding transactions carried out each time.

The types of financial transaction and financial investment carried out by key personnel that could impact the risk alignment mechanisms and, more generally, could prevent the bank from following the supervisory provisions regarding remuneration and incentive policies and practices are only those transactions and investments in financial instruments issued by the bank, including derivatives that are underpinned by these instruments.

## 5. Non-monetary benefits

The employees may enjoy certain benefits, having different gradation in relation to the corporate role and/or to the service reasons.

The attribution is summarised as follows: healthcare policy, professional and extra-professional personal accident insurance, life insurance, permanent disability insurance, luncheon vouchers with amounts ranging from €5.16 to €7.00, company contributions to supplementary social security/pension plans (recognised for all employees with permanent employment contracts, with percentages that vary from 1.5% to 5% calculated on all inclusive annual salary (RAL) or based on remuneration for post-employment benefit purposes, except for some previously acquired contracts).

The above benefits, since they apply to all employees, are not considered discretionary.

In addition to the above, some individuals are assigned a company car, based on internal Policies in force each time.

## 6. Remuneration linked to key resources staying in the company

Moreover, if there are motivated and documented reasons, remuneration may be linked to key resources staying in the company, and, as such, not linked to performance objectives. Those sums possibly allocated as a stability agreement (so-called retention bonus) in compliance with provisions in Bank of Italy Circular 285 of 17th December 2013 («Supervisory provisions for banks») are a form of variable remuneration and as such subject to all rules applicable.

If amounts acknowledged as remuneration linked to the key resources remaining in the company and/or non-competition agreements concern key personnel, the Remuneration Committee is suitably notified in advance in order to control and duly motivate that acknowledgement.

Lastly, in exceptional situations the Bank may allocate instruments as an entry bonus, only assigned for the first year of employment and only when prudential requirements have been complied with, when the individual is hired and for attraction purposes, not subjected to the variable remuneration rules and not included in the variable/fixed ratio limit of first year remuneration only when paid in a

---

<sup>18</sup> At present, internal custodial and administration accounts cannot be opened

single solution when the person is hired, pursuant to paragraph 2.1 of Section III of the Supervisory Provisions.

## 7. Treatment for termination of office or of employment and the non-competition agreement

### Treatment for termination of office or of employment for key personnel.

Amounts paid when the work relationship is terminated, additional to severance pay established by general employment and notice regulations (by law and collective contracts) and not determined by a third party competent to do so, such as a legal and/or arbitration authority (the “*Golden Parachutes*”), are quantified and paid by the Bank in line with the regulatory framework in force at the time, applying the following criteria, and always in accordance with and pursuing the best company interests. When recognising those payments, due consideration will be given to: the employee’s performance and conduct in previous years, the reasons that lead to the termination of the employment relationship, length of service, age, the financial impact that this compensation may have on the Banking Group’s asset situation and liquidity

In no case may the gross total amount to be paid exceed 24 months of de facto gross total salary (including fixed remuneration and the average variable remuneration of the last three years - which as such in fact also incorporates the individual’s performance, even involving a significant reduction in treatment if the performance is negative), including notice period (if applicable).

In compliance with the Bank of Italy Provisions, Golden Parachutes, when decided based on pre-set formulas, as part of an agreement to settle an ongoing or potential dispute, are not included in the calculation of the maximum ratio between variable and fixed remuneration established for key personnel. On this point, in line with reference regulations in force at the time and within the aforementioned criteria and limits, the Bank has drafted the following pre-defined formula referred to key personnel (without prejudice to the specifications below):

#### BASIC AMOUNT +/- CORRECTIVE FACTORS

The basic amount<sup>19</sup> calculation is based on company seniority, as follows:

- Up to 2 years: 7 months recurrent salary;
- Over 2 and up to 6 years: 11 months recurrent salary;
- Over 6 and up to 10 years: 15 months recurrent salary;
- Over 10 and up to 15 years: 19 months recurrent salary;
- Over 15 years: 22 months of recurrent salary.

The basic amount, if the employee is of pensionable age, cannot exceed six months of current salary.

Solely for the position of Chief Executive Office, the basic amount is calculated applying the following formula:  $24 * (\text{recurrent salary}/12)$ .

The basic amount can be decreased (up to a maximum of -100%) or increased (up to a maximum of +50% and without prejudice to the maximum limit indicated above) by a certain percentage

<sup>19</sup> In any case, without prejudice to the maximum limit of 24 months total de facto gross salary, including prior notice (if applicable).

resulting from application of specific “corrective factors to each individually acknowledged Golden Parachute.

In a specific internal document, the Bank analytically regulates the application criteria of the aforementioned corrective factors, attributing a percentage weight that decreases or increases the basic amount.

The aforementioned payments are made in compliance with Bank of Italy Provisions in force at the time and are also subject to the *malus* and *claw back* conditions mentioned above.

With reference to the Executives identified as key personnel and the remaining other key personnel, the amounts to be paid are defined based on the prior favourable opinion of the Remuneration Committee and subsequent Board of Directors approval.

### **Treatment for termination of office or of employment for personnel that are not key personnel.**

What was set forth in the previous paragraph for key personnel does not apply to incentives to leave, also connected to extraordinary transactions (e.g. mergers) or corporate reorganisation processes, and recognised for non key personnel, as long as they jointly meet the following conditions: i) respond solely to company cost containment and personnel rationalisation policies; ii) favour adhesion to support measures foreseen by the law and collective negotiations for most employees; iii) do not produce distorting effects *ex ante* on personnel behaviour; iv) foresee *claw back* mechanisms covering at least cases of fraudulent or seriously negligent conduct damaging the bank. Incentives to leave will therefore be established pursuant to laws in force and collective negotiations applicable.

### **Non-competition agreements**

The company stipulates non-competition agreements in compliance with provisions set forth in the Bank of Italy Circular 285 of 17th December 2013 («Supervisory provisions for banks»). Those agreements are limited in time and space and to tasks performed by the beneficiary and foresee compensation commensurate to the commitment assigned.

If amounts acknowledged as remuneration linked to the key resources remaining in the company and/or non-competition agreements concern key personnel, the Remuneration Committee is suitably notified in advance in order to control and duly motivate that acknowledgement.

## **8. Implementation of Policies in Subsidiaries**

This document on remuneration and incentive policies drawn up by the Parent Company applies to all Subsidiaries, therefore they are not required to draft their own documents on these subjects.

Each Subsidiary, in line with guidelines supplied periodically by the Parent Company, submits this document or an extract from it to its own strategic supervisory body. That body is responsible for its implementation in the subsidiary and will ensure that the remuneration and incentive policy is adequately documented and accessible within the corporate structure.

## SECTION II

### 1. Part One

#### 1.1 Remuneration entries

For what concerns Directors, Statutory Auditors, members of the Risks Committee, Appointments Committee, Remuneration Committee and Supervisory Body of the Parent Company Banca IFIS we are providing entries forming remuneration; for financial year 2019, they are summed up in Table 1 below to be referred to. It also includes the remuneration received by directors leaving and that of new Board members receiving the mandate through Shareholders Meeting resolution of 19th April 2019.

#### 1.2 Further information on the consistency of fees paid with the remuneration policy

Consistent with the report provided to the Shareholders' Meeting of 19th April 2019 regarding implementation of the remuneration policies approved the previous year, (the relevant documentation is available on the Bank's website under "Corporate governance" use the path > Compensation >, together with the minutes of the Shareholders' Meeting of 19th April 2019, and those of the Shareholders' Meeting of 19th December 2019, pursuant to Article 125-quater of the CFA/TUF), some further summary information is provided on implementation, during 2019, of the policies approved one year ago, in addition to what is already stated in other parts of this Report.

#### Group Companies

Group Companies are the following: IFIS NPL S.p.A., IFIS Rental Services Srl, Credifarma S.p.A., Cap.Ital.Fin. S.p.A., FBS S.p.A., FBS Real Estate S.p.A. and IFIS Finance Sp.zo.o, the latter with registered office in Poland. For details on quantitative data referred to personnel salaries please refer to the following tables (as it is not possible to consider personnel classification homogeneously with that of the Subsidiaries, for IFIS Finance Sp.zo.o please see the IFIS Finance Sp.zo.o table in "Other Tables).

For details on quantitative data related to remuneration paid to Board members and Statutory Auditors, and the Chairman of the Supervisory Body, please refer to Table 1 (compensation paid to members of the administration and control bodies, general managers and other executives with strategic responsibilities (figures in thousands of euros)).

#### Long Term Incentive, three-year period 2017-2019

The evaluation related to the 2017 – 2019 three-year period was performed and shows that no conditions occurred for accrual of the Long Term Incentive. Therefore, the incentive will not be paid.

Average ratio between the variable component and fixed remuneration for fiscal year 2019 for the Executive category

Executives not included in the definition of Executives with strategic responsibilities	
Banca IFIS S.p.A.	27.65%
IFIS NPL S.p.A.	30.70%
IFIS RENTAL Services S.r.l.*	-
Credifarma S.p.A.*	-
Cap.Ital.Fin. S.p.A.*	-
FBS S.p.A. and FBS RE S.p.A.	13.35%

\* these companies do not have Executives

Average ratio between the variable component and fixed remuneration for fiscal year 2019 for the Middle Management and Professional Areas with commercial roles categories

Middle Management and Professional Areas that hold commercial roles	
Banca IFIS S.p.A.	16.52%
IFIS NPL S.p.A.	-
IFIS RENTAL Services S.r.l.	17.97%
Credifarma S.p.A.	10.73%
Cap.Ital.Fin. S.p.A.	-
FBS S.p.A. and FBS RE S.p.A.	-

Bonuses paid to the Middle Management and Professional Areas categories in 2019

Middle Management and Professional Areas	% employees involved in the payment compared to the average number of current employees	% average bonus incidence compared to the RAL (annual salary) of employees involved
Banca IFIS S.p.A.	1.50%	13.40%
IFIS NPL S.p.A.	1.84%	13.97%
IFIS RENTAL Services S.r.l.	-	-
Credifarma S.p.A.	24.95%	8.96%
Cap.Ital.Fin. S.p.A.	6.90%	4.91%
FBS S.p.A. and FBS RE S.p.A.	13.53%	10.01%

Salary increases attributed during fiscal year 2019

With reference to all Group employees	% employees involved in the salary increase compared to the average number of current employees	% average increase
Banca IFIS S.p.A.	3.42%	8.96%
IFIS NPL S.p.A.	2.45%	8.16%
IFIS RENTAL Services S.r.l.	-	-
Credifarma S.p.A.	-	-
Cap.Ital.Fin. S.p.A.	-	-
FBS S.p.A. and FBS RE S.p.A.	2.90%	18.58%

Employees Promoted during fiscal year 2019

With reference to all Group employees	% employees promoted compared to the average number of current employees	% average increase
Banca IFIS S.p.A.	17.17%	7.25%
IFIS NPL S.p.A.	20.50%	9.09%
IFIS RENTAL Services S.r.l.	9.06%	7.93%
Credifarma S.p.A.	9.98%	6.51%
Cap.Ital.Fin. S.p.A.	-	-
FBS S.p.A. and FBS RE S.p.A.	11.59%	15.87%

RAL increase during fiscal year 2019 (including contractual increases)

With reference to all Group employees	
Banca IFIS S.p.A.	2.02%
IFIS NPL S.p.A.	2.57%
IFIS RENTAL Services S.r.l.	1.07%
Credifarma S.p.A.	0.97%
Cap.Ital.Fin. S.p.A.	0.02%
FBS S.p.A. and FBS RE S.p.A.	2.97%



### Retention bonuses and/or non-competition agreements

With reference to all Group employees	Stability agreements*	Non-competition agreements*	Retention agreements*	Of which activated in 2019
Banca IFIS S.p.A.	48	-	-	23
IFIS NPL S.p.A.	13	2	-	12**
IFIS RENTAL Services S.r.l.	-	-	-	-
Credifarma S.p.A.	-	-	-	-
Cap.Ital.Fin. S.p.A.	-	-	1	-
FBS S.p.A. and FBS RE S.p.A.	-	1	5	7***

\* data as at 31/12/2019

\*\* stability agreements

\*\*\* of which 4 retention and 3 non-competition agreements

### Coordinated collaboration contract relationships.

Company	Co.Co.Co.*
Banca IFIS S.p.A.	1
IFIS NPL S.p.A.	-
IFIS RENTAL Services S.r.l.	-
Credifarma S.p.A.	1
Cap.Ital.Fin. S.p.A.	-
FBS S.p.A. and FBS RE S.p.A.	1

\*data as at 31/12/2019

### **Variable Result Award and Welfare Plan**

Financial year 2019 also established a Variable Results Bonus (to be paid during 2020 referred to the results of financial year 2019) for employees who do not already receive other bonus system payments (as a non exhaustive example, sales and key personnel) and of a Welfare Plan (to be paid during financial year 2020 to all personnel included in the same scope as the Variable Results Bonus recipients) for financial year 2019. Both Plans are established through a Trade Union Agreement that regulates terms and conditions, including the one related to being able to convert even 20% of the VRB into Welfare (which would then be added to the Standard Welfare Credit foreseen in that agreement).

## 2. Part Two: remuneration paid in 2019

**Table 1: remuneration paid to members of the administration and control bodies, general managers and other executives with strategic responsibilities (figures in thousands of euros)**

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation				Supervisory Body fees	Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation			Bonuses and other incentives	Participation in profits					
Sebastien Egon Flirstenberg	Chairman of the Board of Directors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0		455.0								490.0		
Compensation in Banca IFIS S.p.A.				35.0	-	455.0	-	-	-	-	-	-	-	490.0	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.					-	-	-	-	-	-	-	-	-		n.a.	-
Total				35.0	-	455.0	-	-	-	-	-	-	-	490.0	n.a.	-
Sebastien Egon Flirstenberg	Chairman of the Board of Directors	from 01/01/2019 to 19/04/2019	Approval of financial statements as at 31/12/2010	7.5		195.0								202.5		
Compensation in Banca IFIS S.p.A.				7.5	-	195.0	-	-	-	-	-	-	-	202.5	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.					-	-	-	-	-	-	-	-	-		n.a.	-
Total				7.5	-	195.0	-	-	-	-	-	-	-	202.5	n.a.	-
Ernesto Flirstenberg Fassio	Vice Chairman of the Board of Directors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0		175.0								210.0		
Compensation in Banca IFIS S.p.A.				35.0	-	175.0	-	-	-	-	-	-	-	210.0	n.a.	-
Ernesto Flirstenberg Fassio	Chairman of the Board of Directors of FBS S.p.A.	from 30/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	4.2										4.2		
Compensation from subsidiaries of Banca IFIS S.p.A.				4.2	-	-	-	-	-	-	-	-	-	4.2	n.a.	-
Total				39.2	-	175.0	-	-	-	-	-	-	-	214.2	n.a.	-
Alessandro Csillaghy De Pacser	Vice Chairman of the Board of Directors	from 01/01/2019 to 19/04/2019	Approval of financial statements as at 31/12/2010	7.5		150.0								157.5		
Compensation in Banca IFIS S.p.A.				7.5	-	150.0	-	-	-	-	-	-	-	157.5	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.					-	-	-	-	-	-	-	-	-		n.a.	-
Total				7.5	-	150.0	-	-	-	-	-	-	-	157.5	n.a.	-
Luciano Colombini	Chief Executive Officer	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0		546.0					411.8	1.0		993.8		
Compensation in Banca IFIS S.p.A.				35.0	-	546.0	-	-	-	-	411.8	1.0	-	993.8	n.a.	-
Luciano Colombini	Chief Executive Officer of FBS S.p.A.	from 02/12/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
	Chairman of the Board of Directors of FBS S.p.A.	from 31/05/2019 to 29/11/2019	Approval of financial statements as at 31/12/21													
	Chief Executive Officer of IFIS NPL S.p.A.	from 10/05/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				35.0	-	546.0	-	-	-	-	411.8	1.0	-	993.8	n.a.	-
Simona Arduini	Member of the Board of Directors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0	18.8									53.8		
	Member of the Risks Control Committee	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21						31.5					31.5		
	President of the Remuneration Committee	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21						8.4					8.4		
	Lead Independent Director	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
Compensation in Banca IFIS S.p.A.				35.0	18.8	-	-	-	39.9	-	-	-	-	93.7	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				35.0	18.8	-	-	-	39.9	-	-	-	-	93.7	n.a.	-

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation				Supervisory Body fees	Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation			Bonuses and other incentives	Participation in profits					
Antonella Malinconico	Member of the Board of Directors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0	18.0									53.0		
	Member of the Risks Control Committee	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21						31.5					31.5		
Compensation in Banca IFIS S.p.A.				35.0	18.0	-	-	-	31.5	-	-	-	-	84.5	n.a.	-
Antonella Malinconico	Member of the Board of Directors of IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	20.0	6.5									26.5		
Compensation from subsidiaries of Banca IFIS S.p.A.				20.0	6.5	-	-	-	-	-	-	-	-	26.5	n.a.	-
Total				55.0	24.5	-	-	-	31.5	-	-	-	-	111.0	n.a.	-
Antonella Malinconico	Member of the Board of Directors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5	6.3									13.8		
	Member of the Risks Control Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						13.5					13.5		
Compensation in Banca IFIS S.p.A.				7.5	6.3	-	-	-	13.5	-	-	-	-	27.3	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				7.5	6.3	-	-	-	13.5	-	-	-	-	27.3	n.a.	-
Daniele Santosuosso	Member of the Board of Directors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	35.0	16.5									51.5		
	President of the Risks Control Committee	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21						52.5					52.5		
	President of Supervisory Body	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21					7.0						7.0		
Compensation in Banca IFIS S.p.A.				35.0	16.5	-	-	7.0	52.5	-	-	-	-	111.0	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				35.0	16.5	-	-	7.5	52.5	-	-	-	-	111.0	n.a.	-
Daniele Santosuosso	Member of the Board of Directors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5	6.3									13.8		
	Member of the Risks Control Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						13.5					13.5		
	President of Appointments Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5					1.5		
	Member of Remuneration Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5					1.5		
	Member of Supervisory Body	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018					3.0						3.0		
Compensation in Banca IFIS S.p.A.				7.5	6.3	-	-	3.0	16.5	-	-	-	-	33.3	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				7.5	6.3	-	-	3.5	16.5	-	-	-	-	33.3	n.a.	-
Giacomo Bugna	President of the Board of Statutory Auditors	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	73.5	15.0									88.5		
Compensation in Banca IFIS S.p.A.				73.5	15.0	-	-	-	-	-	-	-	-	88.5	n.a.	-
Giacomo Bugna	President of the Board of Statutory Auditors of IFIS Rental Services S.r.l.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	30.0										30.0		
	President of the Board of Statutory Auditors of IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	30.0										30.0		
	President of the Board of Statutory Auditors of Capitalfin S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	20.0										20.0		
	Standing auditor FBS S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	14.8										14.8		
	Standing auditor FBS Real Estate S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	3.4										3.4		
Compensation from subsidiaries of Banca IFIS S.p.A.				98.2	-	-	-	-	-	-	-	-	-	98.2	n.a.	-
Total				171.7	15.0	-	-	-	-	-	-	-	-	186.7	n.a.	-
Giacomo Bugna	President of the Board of Statutory Auditors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	31.5	5.0									36.5		
Compensation in Banca IFIS S.p.A.				31.5	5.0	-	-	-	-	-	-	-	-	36.5	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				31.5	5.0	-	-	-	-	-	-	-	-	36.5	n.a.	-
Marinella Monterumisi	Standing auditor	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	49.0	13.5									62.5		
	Member of Supervisory Body	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21					7.0						7.0		
Compensation in Banca IFIS S.p.A.				49.0	13.5	-	-	7.0	-	-	-	-	-	69.5	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				49.0	13.5	-	-	7.5	-	-	-	-	-	69.5	n.a.	-

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation					Supervisory Body fees	Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation	Bonuses and other incentives			Participation in profits						
Franco Olivetti	Standing auditor	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	49.0	15.0										64.0		
Compensation in Banca IFIS S.p.A.				49.0	15.0	-	-	-	-	-	-	-	-	-	64.0	n.a.	-
Franco Olivetti	Standing auditor FBS Real Estate S.p.A.	from 03/12/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	0.3											0.3		
Compensation from subsidiaries of Banca IFIS S.p.A.				0.3	-	-	-	-	-	-	-	-	-	-	0.3	n.a.	-
Total				49.3	15.0	-	-	-	-	-	-	-	-	-	64.3	n.a.	-
Giuseppe Benini	Member of the Board of Directors	from 01/01/2019 to 10/04/2019	Approval of financial statements as at 31/12/2018	7.5	6.3										13.0		
	President of the Risks Control Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						22.5						22.5		
	Member of Appointments Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5						1.5		
	Member of Supervisory Body	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2010						3.0						3.0		
Compensation in Banca IFIS S.p.A.				7.5	6.3	-	-	3.0	24.0	-	-	-	-	-	40.8	n.a.	-
Giuseppe Benini	Member of the Board of Directors of IFIS NPL S.p.A.	from 01/01/2019 to 09/05/2019	Office ended on 09/05/2019	7.1											7.1		
	Member of the Board of Directors of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	6.6	1.4										8.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				13.7	1.4	-	-	-	-	-	-	-	-	-	15.1	n.a.	-
Total				21.2	7.7	-	-	-	3.0	24.0	-	-	-	-	55.9	n.a.	-
Giovanni Bossi	Chief Executive Officer	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5		196.8									204.3		
Compensation in Banca IFIS S.p.A.				7.5	-	196.8	-	-	-	-	-	-	-	-	204.3	n.a.	-
Giovanni Bossi	Chairman of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 30/05/2019	Office ended on 30/05/2019														
	Chairman of the Board of Directors of Capitalfin S.p.A.	from 01/01/2019 to 17/07/2019	Office ended on 17/07/2019														
	Chief Executive Officer of IFIS NPL S.p.A.	from 01/01/2019 to 09/05/2019	Office ended on 09/05/2019														
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				7.5	-	196.8	-	-	-	-	-	-	-	-	204.3	n.a.	-
Francesca Maderna	Member of the Board of Directors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5	6.3										13.0		
	Member of the Risks Control Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						13.5						13.5		
	President of the Remuneration Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5						1.5		
Compensation in Banca IFIS S.p.A.				7.5	6.3	-	-	-	15.0	-	-	-	-	-	28.8	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				7.5	5.3	-	-	-	15.0	-	-	-	-	-	28.8	-	-
Riccardo Preve	Member of the Board of Directors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5	6.3										13.8		
	Member of Appointments Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5						1.5		
	Member of Remuneration Committee	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018						1.5						1.5		
Compensation in Banca IFIS S.p.A.				7.5	6.3	-	-	-	3.0	-	-	-	-	-	16.8	n.a.	-
Riccardo Preve	Chairman of the Board of Directors of IFIS Rental Services S.p.A.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	24.5											24.5		
Compensation from subsidiaries of Banca IFIS S.p.A.				24.5	-	-	-	-	-	-	-	-	-	-	24.5	n.a.	-
Total				32.0	63	-	-	-	3.0	-	-	-	-	-	41.3	n.a.	-
Marina Salamon	Member of the Board of Directors	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	7.5	4.8										12.3		
Compensation in Banca IFIS S.p.A.				7.5	4.8	-	-	-	-	-	-	-	-	-	12.3	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.						-	-	-	-	-	-	-	-	-		n.a.	-
Total				7.5	4.8	-	-	-	-	-	-	-	-	-	12.3	n.a.	-
Giovanna Ciriotto	Standing auditor	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2010	21.0	5.0										26.0		
Compensation in Banca IFIS S.p.A.				21.0	5.0	-	-	-	-	-	-	-	-	-	26.0	n.a.	-
Giovanna Ciriotto	Standing auditor IFIS Rental Services S.r.l.	from 01/01/2019 to 04/07/2019	Office ended on 04/07/2019	10.2											10.2		
	Standing auditor IFIS NPL S.p.A.	from 01/01/2019 to 25/11/2019	Office ended on 25/11/2019	18.1											18.1		
Compensation from subsidiaries of Banca IFIS S.p.A.				28.3	-	-	-	-	-	-	-	-	-	-	28.3	n.a.	-
Total				49.3	5.0	-	-	-	-	-	-	-	-	-	54.3	n.a.	-

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation				Supervisory Body fees	Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation			Bonuses and other incentives	Participation in profits					
Massimo Miani	Standing auditor	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018	21.0	4.0	-	-	-	-	-	-	-	-	25.0		
Compensation in Banca IFIS S.p.A.				21.0	4.0	-	-	-	-	-	-	-	-	25.0	n.a.	-
Massimo Miani	Standing auditor IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	20.0										20.0		
	President of the Supervisory Body of IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020					5.0						5.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				20.0	-	-	-	5.0	-	-	-	-	-	25.0	n.a.	-
Total				41.0	4.0	-	-	5.0	-	-	-	-	-	50.0	n.a.	-
Andrea Martin	President of Supervisory Body	from 01/01/2019 to 18/04/2019	Approval of financial statements as at 31/12/2018					7.5						7.5		
Compensation in Banca IFIS S.p.A.								7.5						7.5	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				-	-	-	-	7.5	-	-	-	-	-	7.5	n.a.	-
Filippo Contadini	Chief Executive Officer FBS Real Estate S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	68.9										68.9		
Total				68.9	-	-	-	-	-	-	-	-	-	68.9	n.a.	-
Ferruccio Di Lenarcto	Standing auditor IFIS Rental Services S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	9.8										9.8		
	President of the Supervisory Body of IFIS Rental Services S.r.l.	from 26/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21					2.2						2.2		
	President of the Board of Statutory Auditors of FBS S.p.A.	from 29/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	1.8										1.8		
	President of the Board of Statutory Auditors of FBS Real Estate S.p.A.	from 29/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	0.4										0.4		
Compensation from subsidiaries of Banca IFIS S.p.A.				12.0	-	-	-	2.2	-	-	-	-	-	14.2	n.a.	-
Alfredo Enria	Member of the Board of Directors of FBS S.p.A.	from 30/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	1.7										1.7		
Compensation from subsidiaries of Banca IFIS S.p.A.				1.7	-	-	-	-	-	-	-	-	-	1.7	n.a.	-
Giancarlo Galatiolo	Member of the Development Committee of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	4.0										4.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				4.0	-	-	-	-	-	-	-	-	-	4.0	n.a.	-
Andrea Giacomelli	Member of the Development Committee of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	4.0										4.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				4.0	-	-	-	-	-	-	-	-	-	4.0	n.a.	-
Antonio Guerriechio	Member of the Board of Directors of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	6.6	1.4									8.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				6.6	1.4	-	-	-	-	-	-	-	-	8.0	n.a.	-
Maurizio Manna	Chairman of the Board of Directors of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	37.0	1.4									38.4		
Compensation from subsidiaries of Banca IFIS S.p.A.				37.0	1.4	-	-	-	-	-	-	-	-	38.4	n.a.	-
Valentina Martina	Standing auditor IFIS NPL S.p.A.	from 26/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/2019	1.9										1.9		
Compensation from subsidiaries of Banca IFIS S.p.A.				1.9	-	-	-	-	-	-	-	-	-	1.9	n.a.	-
Massimo Moncelli	Member of the Board of Directors of FBS Real Estate S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
Total				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Francesco Natale	Standing Auditor Capitalfin S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	15.0										15.0		
	President of the Board of Statutory Auditors of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	20.0										20.0		
	President of the Supervisory Body of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020					5.0						5.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				35.0	-	-	-	5.0	-	-	-	-	-	40.0	n.a.	-
Antonello Pirri	Standing auditor Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	15.0										15.0		
	Member of the Supervisory Body of Credifarma S.p.A.	from 01/01/2019 to 06/02/2019	Office ended on 06/02/2019													
Compensation from subsidiaries of Banca IFIS S.p.A.				15.0	-	-	-	-	-	-	-	-	-	15.0	n.a.	-
Marilena Segnarla	Standing auditor IFIS Rental Services S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	9.8										9.8		
	Standing auditor FBS S.p.A.	from 29/11/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	1.3										1.3		
Compensation from subsidiaries of Banca IFIS S.p.A.				11.1	-	-	-	-	-	-	-	-	-	11.1	n.a.	-
Giancarlo Visiani	Member of the Development Committee of Credifarma S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	4.0										4.0		
Compensation from subsidiaries of Banca IFIS S.p.A.				4.0	-	-	-	-	-	-	-	-	-	4.0	n.a.	-

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation					Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation	Supervisory Body fees		Bonuses and other incentives	Participation in profits					
Piera Vitali	Standing auditor IFIS Rental Services S.r.l.	from 01/01/2019 to 04/07/2019	End of office on 04/07/2019	10.2										10.2		
	Standing Auditor Capitalfin S.p.A.	from 01/12/2019 to 31/12/2019	Approval of financial statements as at 31/12/2019	1.3										1.3		
	President of the Supervisory Body of Capitalfin S.p.A.	from 09/12/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020					0.3						0.3		
	<b>Total</b>			<b>11.5</b>	-	-	-	<b>0.3</b>	-	-	-	-	-	<b>11.8</b>	n.a.	-
Carlo Zuccarini	Standing auditor Credifarma S.p.A.	from 04/12/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	1.3										1.3		
<b>Compensation from subsidiaries of Banca IFIS S.p.A.</b>				<b>1.3</b>	-	-	-	-	-	-	-	-	-	<b>13</b>	n.a.	-
Giovanni Bandera	President of the Board of Statutory Auditors of FBS S.p.A.	from 07/01/2019 to 28/11/2019	Office ended on 28/11/2019	17.9										17.9		
<b>Total</b>				<b>17.9</b>	-	-	-	-	-	-	-	-	-	<b>17.9</b>	n.a.	-
Alessandro De Nicola	President of the Supervisory Body of IFIS Rental Services S.r.l.	from 01/01/2019 to 04/07/2019	Office ended on 04/07/2019					5.1						5.1		
<b>Total</b>				-	-	-	-	<b>5.1</b>	-	-	-	-	-	<b>5.1</b>	n.a.	-
Renzo Galeotti	Standing auditor FBS S.p.A.	from 07/01/2019 to 28/11/2019	Office ended on 28/11/2019	13.4										13.4		
<b>Total</b>				<b>13.4</b>	-	-	-	-	-	-	-	-	-	<b>13.4</b>	n.a.	-
Paolo Rovella	President of the Board of Statutory Auditors of FBS Real Estate S.p.A.	from 07/01/2019 to 20/11/2019	Office ended on 20/11/2019	4.3										4.3		
<b>Total</b>				<b>43</b>	-	-	-	-	-	-	-	-	-	<b>43</b>	n.a.	-
Elena Paola Ruio	Member of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 29/11/2019	Office ended on 29/11/2019	**115.6							70.0			70.0		495.0
	Member of the Board of Directors of FBS Real Estate S.p.A.	from 07/01/2019 to 29/11/2019	Office ended on 29/11/2019													
	General Manager FBS S.p.A.	from 07/01/2019 to 19/12/2019	n.a.													
<b>Total</b>				-	-	-	-	-	-	-	<b>70.0</b>	-	-	<b>70.0</b>	n.a.	<b>495.0</b>
Federico Stracchi	Member of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 29/11/2019	Office ended on 29/11/2019	251.4							64.1			315.5		700.0
	Chairman of the Board of Directors of FBS Real Estate S.p.A.	from 07/01/2019 to 29/11/2019	Office ended on 29/11/2019	62.8										62.8		
	<b>Total</b>			<b>314.2</b>	-	-	-	-	-	-	<b>64.1</b>	-	-	<b>378.3</b>	n.a.	<b>700.0</b>
Paolo Stracchi	Chief Executive Officer of FBS S.p.A.	from 07/01/2019 to 29/11/2019	Approval of financial statements as at 31/12/2020	404.0							183.3			587.3		500.0
<b>Total</b>				<b>404.0</b>	-	-	-	-	-	-	<b>183.3</b>	-	-	<b>587.3</b>	n.a.	<b>500.0</b>
Marina Vienna	Standing auditor Capitalfin S.p.A.	from 01/01/2019 to 30/11/2019	Office ended on 30/11/2019	13.8										13.8		
	President of the Supervisory Body of Capitalfin S.p.A.	from 01/01/2019 to 30/11/2019	Office ended on 30/11/2019					4.6						4.6		
	Standing auditor FBS Real Estate S.p.A.	from 07/01/2019 to 29/11/2019	Office ended on 29/11/2019	3.1										3.1		
	Standing auditor Credifarma S.p.A.	from 01/01/2019 to 30/11/2019	Office ended on 30/11/2019	13.8										13.8		
	Member of the Supervisory Body of Credifarma S.p.A.	from 01/01/2019 to 06/02/2019	Office ended on 06/02/2019													
<b>Compensation from subsidiaries of Banca IFIS S.p.A.</b>				<b>30.7</b>	-	-	-	<b>4.6</b>	-	-	-	-	-	<b>35.3</b>	n.a.	-
Marco Alessandrini	Chief Executive Officer of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
	Member of the Development Committee of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
<b>* Compensation from subsidiaries of Banca IFIS S.p.A.</b>				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Andrea Berna	Member of the Board of Directors of IFIS Rental S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
	Member of the Board of Directors of Capitalfin S.p.A.	from 18/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
<b>* Compensation from subsidiaries of Banca IFIS S.p.A.</b>				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Daniela Bolzanini	Member of the Board of Directors of IFIS FINANCE	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2019													
<b>* Compensation from subsidiaries of Banca IFIS S.p.A.</b>				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Francesco De Marco	General Manager FBS S.p.A.	from 20/12/2019 to 31/12/2019	n.a.													
<b>* Compensation from subsidiaries of Banca IFIS S.p.A.</b>				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Angelo Ferracchiati	Member of the Supervisory Body of Banca IFIS S.p.A.	from 01/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
	Member of the Supervisory Body of IFIS NPL S.p.A.	from 01/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
	Member of the Supervisory Body of IFIS Rental S.r.l.	from 01/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/21													
	Member of the Supervisory Body of Capitalfin S.p.A.	from 01/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
	Member of the Supervisory Body of Credifarma S.p.A.	from 21/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020													
<b>* Compensation from subsidiaries of Banca IFIS S.p.A.</b>				-	-	-	-	-	-	-	-	-	-	-	n.a.	-

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation					Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation	Supervisory Body fees		Bonuses and other incentives	Participation in profits					
Laura Gasparini	Member of the Board of Directors of Capitalfin S.p.A.	from 18/06/2019 to 05/09/2019	Office ended on 05/09/2019	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Emanuele Leoni	Member of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 05/09/2019	Office ended on 05/09/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of FBS Real Estate S.p.A.	from 07/01/2019 to 05/09/2019	Office ended on 05/09/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Massimo Macciocchi	Member of the Board of Directors of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
	Member of the Development Committee of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	Executive Officer of IFIS Rental S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of Capitalfin S.p.A.	from 01/01/2019 to 17/07/2019	Office ended on 17/07/2019	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Silvia Magliocchetti	Member of the Board of Directors of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Ruggero Miceli	Member of the Supervisory Body of Banca IFIS S.p.A.	from 01/01/2019 to 31/05/2019	Office ended on 31/05/2019	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
	Member of the Supervisory Body of IFIS NPL S.p.A.	from 01/01/2019 to 31/05/2019	Office ended on 31/05/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of IFIS Rental S.r.l.	from 01/01/2019 to 31/05/2019	Office ended on 31/05/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Capitalfin S.p.A.	from 01/01/2019 to 31/05/2019	Office ended on 31/05/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Credifarma S.p.A.	from 06/02/2019 to 21/06/2019	Office ended on 21/06/2019	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Emanuel Nalli	Member of the Board of Directors of IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
	Member of the Board of Directors of Capitalfin S.p.A.	from 24/09/2019 to 31/12/2019	Approval of financial statements as at 31/12/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of Capitalfin S.p.A.	from 01/01/2019 to 17/07/2019	Office ended on 17/07/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Francesco Peluso	Member of the Supervisory Body of Banca IFIS S.p.A.	from 19/04/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
	Member of the Supervisory Body of IFIS NPL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of IFIS Rental S.r.l.	from 26/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of IFIS Rental S.r.l.	from 01/01/2019 to 04/07/2019	Office ended on 04/07/2019	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Capitalfin S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Credifarma S.p.A.	from 06/02/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Alberto Staccione	Chairman of the Board of Directors of IFIS NFL S.p.A.	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
	Member of the Board of Directors of IFIS Rental S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of FBS S.p.A.	from 07/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/21	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Board of Directors of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Development Committee of Credifarma S.p.A. (with remuneration reversibility)	from 01/01/2019 to 31/12/2019	Approval of financial statements as at 31/12/2020	-	-	-	-	-	-	-	-	-	-	-	-	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																
Nicola Zanirato	General Manager Capitalfin S.p.A.	from 18/03/2019 to 31/12/2019	n.a.	-	-	-	-	-	-	-	-	-	-	-	n.a.	-
* Compensation from subsidiaries of Banca IFIS S.p.A.																

Name and surname	Role	Period for which the role was held	Role expiry date	Fixed compensation					Compensation for taking part in committees	Variable non equity compensation		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office indemnity or of employment
				Office indemnity decided by the Shareholders' Meeting	Attendance fees	Fees for special roles pursuant to art. 2389 Italian Civil Code	Employee salary and fixed compensation	Supervisory Body fees		Bonuses and other incentives	Participation in profits					
Raffaele Zingone	Member of the Board of Directors of IFIS Rental S.r.l.	from 05/07/2019 to 31/12/2019	Approval of financial statements as at 31/12/2021											-		
	Chairman of the Board of Directors of Capitalfin S.p.A.	from 18/06/2019 to 31/12/2019	Approval of financial statements as at 31/12/21											-		
* Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Alberto Staccione	General Manager	from 01/01/2019 to 31/12/2019	n.a.				309.3			-	185.0	25.8		520.1	n.a.	
Compensation in Banca IFIS S.p.A.				-	-	-	309.3	-	-	-	185.0	25.8	-	520.1	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				-	-	-	309.3	-	-	-	185.0	25.8	-	520.1	n.a.	-
Other executives with strategic responsibilities (2 executives employed at 31/12/2019)				-	-	-	408.6	-	-	92.6	-	34.7	-	535.9	n.a.	-
Compensation in Banca IFIS S.p.A.				-	-	-	408.6	-	-	92.6	-	34.7	-	535.9	n.a.	-
Compensation from subsidiaries of Banca IFIS S.p.A.				-	-	-	-	-	-	-	-	-	-	-	n.a.	-
Total				-	-	-	408.6	-	-	92.6	-	34.7	-	535.9	n.a.	-

\* Any fees received by the members of the Group's corporate bodies, who are also Parent Company employees, are reversible.

\*\* The amount also includes a non-competition agreement fee

Executives with strategic responsibilities identified at 31st December 2019 (including the General Manager) are 3. Information is provided at an aggregate level indicating the number of individuals referred to.



## Other tables: monetary incentive plans for members of the administration bodies, general managers and other executives with strategic responsibilities

The tables established by Appendix 3A, Template 7 bis, of the “Issuers’ Regulation” currently applicable to the Banca IFIS Group are Tables 3A and 3B are reported

below with the participation in profits data established for the Chief Executive Officer and the General Manager.

**TABLE 3A**

*Incentive plans based on financial instruments, not stock options, for members of the administration bodies, general managers and other executives with strategic responsibilities*

(A)	(B)	(1)	Financial instruments assigned in the previous financial years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and attributable		Financial instruments attributable to the financial year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Surname and name	Role	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at the assignment date	Vesting period	Assignment date	Market price at time of assignment	Number and type of financial instruments	Number and type of financial instruments	Value at the accrual date	Type/Amounts
<b>Luciano Colombini</b>	Chief Executive Officer Banca IFIS S.p.A since 19/04/2019												
Compensation in Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019			*	*205,920	2020/2023	te	te				*123,552
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	205,920	-	-	-	-	-	-	123,552
<b>Staccione Alberto</b>	General Manager Banca IFIS S.p.A												
Compensation in Banca IFIS S.p.A.		2015 Plan Resolution of 08/04/2015			-	-	-	-	-	-	2,421	37,115	-
		2016 Plan Resolution of 22/03/2016	1,018	3	-	-	-	-	-	-	-	-	-
		2017 Plan Resolution of 21/04/2017	1,137	3									
		2018 Plan Resolution of 06/03/2018	2,414	3									
		2019 Plan Resolution of 19/04/2019			*	*92,520	2020/2023	-	-		-	-	*55,512
Compensation from subsidiaries of Banca IFIS S.p.A.		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-	-	-	-	-
		2018 Plan	-	-	-	-	-	-	-	-	-	-	-
		2019 Plan	-	-	-	-	-	-	-	-	-	-	-

Total	4,569	9	-	92,520	-	-	-	2,421	37,115	55.5112
-------	-------	---	---	--------	---	---	---	-------	--------	---------

(A)	(B)	(1)	Financial instruments assigned in the previous financial years not vested during the year		Financial instruments assigned during the year					Financial instruments vested during the financial year and not attributed	Financial instruments vested during the financial year and attributable		Financial instruments attributable to the financial year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)		(10)	(11)	(12)
Surname and name	Role	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at the assignment date	Vesting period	Assignment date	Market price at time of assignment	Number and type of financial instruments	Number and type of financial instruments	Value at the accrual date	Type/Amounts
Bossi Giovanni	Chief Executive Officer Banca IFIS S.p.A with office ending on 19/04/2019												
Compensation in Banca IFIS S.p.A.		2015 Plan Resolution of 08/04/2015			-	-	-	-	-	-	8,547	131,031	-
		2016 Plan Resolution of 22/03/2016	3,576	3	-	-	-	-	-	-	-	-	-
		2017 Plan Resolution of 21/04/2017	3,993	3	-	-	-	-	-	-	-	-	-
		2018 Plan Resolution of 06/03/2018	8,480	3	-	-	-	-	-	-	-	-	-
Compensation from subsidiaries of Banca IFIS S.p.A.		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
		2017 Plan											
		2018 Plan											
Total			16,049	9	-	-	-	-	-	-	8,547	131,031	-
Strocchi Paolo	Chief Executive Officer Banca FBS SpA with office ending on 29/11/2019												
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019			*	*91,667	2020/2023	*	*				*55,000
Total			-	-	-	91,667	-	-	-	-	-	-	55,000
(*) The data of shares assignable with reference to the bonus attributed for the results of financial year 2019 will be available downstream of the resolution of the ordinary Shareholders' Meeting called for 23/04/2020													

**TABLE 3B*****Monetary incentive plans for members of the administration bodies, general managers and other executives with strategic responsibilities***

(A) Surname and name	(B) Role	(1) Plan	(2) Bonus for the year			(3) Bonus of previous years			(4) Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferment period	No longer payable	Payable/paid	Still deferred	
<b>Luciano Colombini</b>	Chief Executive Officer Banca IFIS S.p.A since 19/04/2019								
Compensation in Banca IFIS S p A		2019 Plan Resolution of 19/04/2019	123,552	82,368	3				
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan	-	-	-	-	-	-	-
<b>Total</b>			<b>123,552</b>	<b>82,368</b>	<b>3</b>	-	-	-	-
<b>Staccione Alberto</b>	General Manager								
Compensation in Banca IFIS S p A		Plans 2015-2016 2017-2018	-	-	-	-	92,640	111,024	-
		2019 Plan Resolution of 19/04/2019	55,512	37,008	3				
Compensation from subsidiaries of Banca IFIS S.p.A.		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-
		Plans 2018- 2019	-	-	-	-	-	-	-
<b>Total</b>			<b>55,512</b>	<b>37,008</b>	<b>3</b>	-	<b>92,640</b>	<b>111,024</b>	-
<b>Bossi Giovanni</b>	Director								
Compensation in Banca IFIS S p A		Plans 2015-2016 2017-2018	-	-		-	326,035	390000	-
Compensation from subsidiaries of Banca IFIS S.p.A.		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-
		2018 Plan	-	-	-	-	-	-	-
		2019 Plan	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	<b>326,035</b>	<b>390,000</b>	-
<b>Paolo Strocchi</b>	Chief Executive Officer Banca FBS SpA with office ending on 29/11/2019								
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019	55,000	36,667	3				
<b>Total</b>			<b>55,000</b>	<b>36,667</b>	<b>3</b>	-	-	-	-

(A)	(B)	(1)	(2)			(3)			(4)
Surname and name	Role	Plan	Bonus for the year			Bonus of previous years			Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)	
			Payable/paid	Deferred	Deferment period	No longer payable	Payable/paid	Still deferred	
Federico Stracchi	Vice Chairman Banca FBS SpA with office ending on 29/11/2019								
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019	64,167	-	-	-	-	-	-
Total			64,167	-	-	-	-	-	-
Elena Paola Ruvo	General Manager FBS SpA with office ending on 29/11/2019								
Compensation from subsidiaries of Banca IFIS S.p.A.		2019 Plan Resolution of 19/04/2019	70000	36,667	3	-	-	-	-
Total			70,000	36,667	3	-	-	-	-

**Schedule relating to the shareholdings of directors, statutory auditors, the general manager and other executives with strategic responsibilities**

**Table 1: shareholdings of members of the administration and control bodies and the general managers**

Name and Surname	Role	Investee company	No. of shares owned at the end of the previous fin. year	No. of shares purchased	No. of shares sold	No. of shares owned at the end of the current fin. year
Sebastien Egon Fürstenberg (including shares held indirectly through La Scogliera S.p.A.)	Chairman	Banca IFIS S.p.A.	26,995,847	130,000		27,125,847
Ernesto Fürstenberg Fassio	Vice-Chairman					
Luciano Colombini	Chief Executive Officer	Banca IFIS S.p.A.	-	6,200		6,200
Alessandro Csillaghy de Pacser	Director					
Daniele Umberto Santosuosso	Director					
Simona Arduini	Director (LID)					
Monica Billio	Director					
Antonella Malinconico	Director					
Roberto Diacetti	Director					
Divo Gronchi	Director					
Beatrice Colleoni	Director					
Luca Lo Giudice	Director					

Giovanni Bossi	Chief Executive Officer	Banca IFIS S.p.A.	1,858,599	8547 *	294,775	1,572,371
Giuseppe Benini	Director (LID)					
Marina Salamon (held indirectly through Alchimia S.p.A.)	Director	Banca IFIS S.p.A.	1,076,247		782,247	294,000
Francesca Maderna	Director	Banca IFIS S.p.A.	1,070,422			1,070,422
Riccardo Preve (including shares held indirectly through Preve Costruzioni S.p.A.)	Director	Banca IFIS S.p.A.	1,247,500			1,247,500

Giacomo Bugna	Chairman					
Franco Olivetti	Standing auditor					
Marinella Monterumisi	Standing auditor					
Giuseppina Manzo	Alternate auditor					
Alessandro Carducci Artenisio	Alternate auditor					

Name and Surname	Role	Investee company	No. of shares owned at the end of the previous fin. year	No. of shares purchased	No. of shares sold	No. of shares owned at the end of the current fin. year
Massimo Miani	Standing auditor					
Giovanna Ciriotto	Standing auditor					
Valentina Martina	Alternate auditor					
Guido Gasparini Berlingieri	Alternate auditor					
Alberto Staccione	General Manager	Banca IFIS S.p.A.	145,653	2421*		148,074

*\* assignment of Banca IFIS treasury stock as part of variable remuneration applying remuneration and bonus policies approved by the Shareholders' Meeting*



Table 2: shareholdings of the executives with strategic responsibilities

Number of Executives with strategic responsibilities	Investee company	Number of shares owned at the end of the previous fin. year	Number of shares purchased	Number of shares sold	Number of shares owned at the end of the current fin. year
2* people as at 31/12/2019*	Banca IFIS S.p.A.	---	---	---	---

\* Excluding the General Manager

Other tables

QUANTITATIVE INFORMATION AGGREGATED BY BUSINESS LINES of Banca IFIS S.p.A.			
BUSINESS LINES	Number	ANNUAL GROSS REMUNERATION	ANNUAL GROSS VARIABLE REMUNERATION
COMPANY FUNCTIONS**	494	21,235,562	2,613,549
COMPANY CONTROL FUNCTIONS	72	3,460,170	405,128
INVESTMENT BANKING	27	2,013,744	521,039
RETAIL BANKING	602	25,554,280	3,647,204
<b>TOTAL</b>	<b>1,195</b>	<b>52,263,757</b>	<b>7,186,919</b>

**Notes:**

\* The information refers to employees of Banca IFIS SpA employed at 31/12/2019

\*\* - "Company Functions" includes 4 employees seconded to other Group Companies

AGGREGATE QUANTITATIVE INFORMATION of IFIS RENTAL Services Srl*		
Number	Annual Gross Remuneration	Annual Gross Variable Remuneration
21	760,091	91,887

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

**AGGREGATE QUANTITATIVE INFORMATION of IFIS NPL S.p.A.\***

Number	Annual Gross Remuneration	Annual Gross Variable Remuneration
320	9,546,601	1,213,659

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

**AGGREGATE QUANTITATIVE INFORMATION of Credifarma S.p.A.\***

Number	Annual Gross Remuneration	Annual Gross Variable Remuneration
40	1,620,366	195,600

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

**AGGREGATE QUANTITATIVE INFORMATION of CAP.ITAL.FIN. SpA\***

Number	Annual Gross Remuneration	Annual Gross Variable Remuneration
42	1,271,227	18,743

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

**AGGREGATE QUANTITATIVE INFORMATION of IFIS NPL S.p.A.\* FBS SpA and FBS RE SpA\***

Company	Number	ANNUAL GROSS REMUNERATION	ANNUAL GROSS VARIABLE REMUNERATION
FBS SPA	104	3,467,959	135,895
FBS REAL ESTATE S.P.A.	2	83,830	1,270
<b>TOTAL</b>	<b>106</b>	<b>3,551,789</b>	<b>137,165</b>

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

AGGREGATE QUANTITATIVE INFORMATION of IFIS Finance Sp. Z.O.O.*		
Number	Annual Gross Remuneration	Annual Gross Variable Remuneration
16	459,653	33,935

**Notes:**

\* The table considers the personnel in force as of 31/12/2019

BANCA IFIS SPA	
Total remuneration acknowledged exceeding €. 1 million	No.
€. 1 million - 1.5 million	1
€. 1.5 - 2 million	
€. 2 - 2.5 million	
€. 2.5 - 3 million	
€. 3 - 3.5 million	
€. 3.5 - 4 million	
€. 4 - 4.5 million	

AGGREGATE QUANTITATIVE INFORMATION REPRESENTING "KEY PERSONNEL" (ONLY EMPLOYEES) OF THE BANCA IFIS GROUP (SELF-ASSESSMENT CONDUCTED ON 28/11/2019)								
Banca IFIS Group	No.	FIXED	VARIABLE	% AVERAGE VARIABLE ON FIXED	Cash up front	Equity up front	Cash deferred	Equity deferred
Key personnel	47	6,022,709	1,918,256	32.95%	45,000	45,000	136,316	30,000

## Results of audits conducted by the Internal Audit Department.

*In compliance with Circular 285 of the Bank of Italy and other internal regulations of the Banca IFIS Group, the Internal Audit Department conducted a specific audit on remuneration and incentive policies and practices to assess their effective compliance with reference regulations.*

*In particular, audits concerned the following areas:*

- the definition of remuneration policies in order to check adherence to the regulatory framework and adequacy on favouring balanced governance and Group development mechanisms;*
- application of policies in remuneration and incentive practices in order to assess, based on spot audits conducted, the real action of the Group compared to reference principles, also in the payment stage;*
- compliance with Supervisory Authority indications, and developments compared to previous areas of improvement suggested by the Internal Audit Department, to orient the Banca IFIS Group actions towards sector best practices.*

*After the audits conducted, Internal Audit expressed an essentially positive opinion on the remuneration and incentive policies and practices of the Banca IFIS Group.*



---

**Policy on the key personnel identification process**  
**Appendix 1 to the Remuneration Report 2020**

---

*March 2020*

## CONTENTS

1. Version history.....	1
2. Objectives and document management.....	2
2.1 Document Objectives.....	2
2.2 Intended Audience .....	2
2.3 Document Management.....	2
3. Introduction.....	3
3.1 Company bodies involved in approving the policies on the key personnel identification process .....	4
3.2 Identifying the scope of the analysis.....	4
3.3 Checks as to whether the process meets the qualitative criteria referred to in Article 3 of the Regulation.....	4
3.4 Checks as to whether the process meets the quantitative criteria referred to in Article 4 of the Regulation ..	5
3.5 Drafting the Self-Assessment document and monitoring it .....	6
3.6 Presentation of the Self-Assessment document to the Remuneration Committee and approval from the Board of Directors.....	6



## 1. Version history

Version	Approval date	Summary of amendments
1	07 March 2019	<i>First issue</i>

## 2. Objectives and document management

### 2.1 Document Objectives

This Policy, which forms an integral part of the Remuneration Report, describes the principles and guidelines by which the Parent Company and its Subsidiary Companies define their key personnel identification process. In particular, it governs:

- the criteria and procedures used to identify key personnel, including identifying those who may be excluded;
- the methods with which personnel are assessed;
- the role played by company bodies and competent company departments to develop, monitor and review the identification process.

### 2.2 Intended Audience

This Policy is applicable and released, as appropriate, to all of the Parent Company's organisational units and those of its Subsidiary Companies.

### 2.3 Document Management

This document is managed in accordance with the same process set out for the Remuneration Report, of which this Policy forms an integral part.

Responsibility for the document management process is divided as follows:

	Parent Company			Subsidiaries
Drafting	Sharing		Approval	Publication
<u>Responsibility</u> Parent Company's Human Resources <u>Support</u> Parent Company's Compliance Office Parent Company's Organisational Office	General Manager and Remuneration Committee		Board of Directors  Shareholders' Meeting	Parent Company's Organisational Office  Board of Directors

This policy is agreed with the Compliance Office.

### 3. Introduction

Pursuant to Directive 2013/36/EU of the European Parliament and of the Council, adopted in Italy by the Supervisory Provisions for Banks (Bank of Italy Circular no. 285 of 17th December 2013, 25th amendment, regarding Remuneration and Incentive Policies and Practices, “Bank of Italy Provisions” or “Bank of Italy Circular”), and the information to be given pursuant to Article 450 of EU Regulation no. 575/2013 (CRR), the Bank is obliged to identify on an annual basis the categories of personnel whose professional activities have a substantial impact on the Bank’s risk profile.

To this end, the European legislature, with Commission Delegated Regulation (EU) No. 604/2014 (the “Regulation”), established regulatory technical standards with respect to qualitative and quantitative criteria to identify categories of staff whose professional activities have a material impact on an entity's risk profile.

These criteria are also set out in the Bank of Italy Circular, which requires all banks to identify the key personnel, applying the Regulation, “with the aim of tailoring the application of the entire set of rules based on the effective capacity of individual company figures to affect the Bank’s risk profile” and to identify and apply “additional criteria to those established in the quoted Commission Delegated Regulation, if necessary, to identify further individuals who take key risks for the bank” (see Bank of Italy Circular no. 285 of 2013, Part One, Heading IV, Chapter 2, Section 1, paragraph 6).

To identify its key personnel, the Bank will apply Commission Delegated Regulation (EU) No. 604/2014 of 4th March 2014. The Parent Company will apply the quoted Regulation to identify the Group’s key personnel, with respect to all Group companies, whether or not they are subject to these regulations on an individual basis. The Bank will identify and apply criteria in addition to those established in the quoted Commission Delegated Regulation, if necessary, to identify further individuals who take key risks for the Group.

The department tasked with preparing the policy on the key personnel identification process, which forms an integral part of the Bank’s Remuneration and Incentive Policies is the Parent Company’s Human Resources department.

The Parent Company’s Compliance Office, as a control department, expresses its opinion as to whether the policy on the key personnel identification process conforms and is in line with the legislative and regulatory framework.

The Risk Management department, as a control department, supports the Human Resources department, as appropriate, in checking whether the quality requirements referred to in Article 3 of Commission Delegated Regulation are met.

The Parent Company’s Internal Audit department, as a control department, carries out post-process checks as to whether the key personnel identification process conforms with this Policy.

As part of the key personnel identification process, Group companies also play an active part, providing the Parent Company’s Human Resources department with documentation and information necessary for the purpose.

The key personnel identification process is made up of the following sub-processes:

- identify the scope of the analysis;
- check whether the process meets the qualitative criteria referred to in Article 3 of the Regulation;
- check whether the process meets the quantitative criteria referred to in Article 4 of the Regulation;
- draft the Self-Assessment document and monitor it;

- submit the Self-Assessment document to the Remuneration Committee and obtain approval from the Board of Directors.

### 3.1 Company bodies involved in approving the policies on the key personnel identification process

The Remuneration Committee is responsible for presenting this Policy for its subsequent approval by the Board of Directors of the Parent Company and the Shareholders' Meeting.

It is also specified that the Remuneration Committee:

(i) expresses an opinion, also using information received from competent company departments, on the results of the key personnel identification process, including any exclusions, pursuant to Section II, paragraph 6.1 of the Supervisory Provisions; (ii) provides advice and formulates proposals to the Parent Company's Board of Directors regarding remuneration for remaining "key personnel" identified within the Parent Company and other Group companies in accordance with current supervisory provisions; (iii) is responsible for preparing the documentation to be submitted to the Parent Company's Board of Directors for its decisions;

With regard to the activities pertaining to the Board of Directors, reference is made to what specified below in paragraph 3.6 of this document.

For more details on the further roles of the Remuneration Committee, the Board of Directors and the Shareholders' Meeting, as part of the remuneration policies, reference is made to the Remuneration Report (Section I, paragraphs 1.1 to 1.3).

### 3.2 Identifying the scope of the analysis

To identify the key personnel, the Parent Company's Human Resources department considers all Group personnel as a whole and also the members of the bodies with strategic supervision, management and control functions, and the Group's employees and contract workers.

The Parent Company's Human Resources department then collects and checks all internal regulations, in order to identify the roles of greater responsibility within the Group's internal organisational structure.

Therefore, the scope of the analysis takes particular consideration of the following roles:

- executive and non-executive members of the Board of Directors;
- General Managers;
- Heads of the Control Departments;
- Heads of the departments that report directly to the Chief Executive Officer and/or to the General Manager (including the Heads of the principal business lines and the Heads of the material company/operating units);
- Heads of second-level organisational units;
- Group contract workers.

### 3.3 Checks as to whether the process meets the qualitative criteria referred to in Article 3 of the Regulation

Once the scope of the analysis has been defined, Human Resources classifies all of the above roles into the categories referred to in Article 3 of Commission Delegated Regulation, if they meet the requirements.

The Bank also identifies criteria in addition to those established in the quoted Commission Delegated Regulation, in order to follow the Bank of Italy's Supervisory Provisions to pay particular attention to "*executive directors; general managers; joint general managers; vice general managers and similar figures; heads of major business lines, corporate functions or geographical areas; individuals who*

*report directly to strategic supervision, management and control bodies; senior managers and senior staff of company control bodies” as well as special categories of personnel, such as “financial and insurance agents and financial advisors who are approved to offer products and services out of branch with external distribution networks”. In particular, Human Resources identifies further individuals whose professional activities and safeguarded risks may have a substantial impact on the Group’s risk profile, considering the responsibilities entrusted and activities carried out, managerial levels, powers and capacity to affect, individually and/or jointly, the Group’s risk profile. Checks on whether or not these requirements are met will be carried out on the basis of an analysis of internal regulations.*

The results of the identification process are suitably reasoned and formalised by Human Resources in the Self-Assessment document, with support, as appropriate, from the Compliance Office and Risk Management department.

### **3.4 Checks as to whether the process meets the quantitative criteria referred to in Article 4 of the Regulation**

Once the key personnel have been defined on the basis of the qualitative criteria referred to in Article 3 of Commission Delegate Regulation, Human Resources will check whether or not quantitative criteria referred to in Article 4, letters a), b) and c) of Commission Delegated Regulation are met. The results of the identification process are suitably reasoned and formalised by Human Resources in the Self-Assessment document.

#### 3.4.1 Exclusion of key personnel

If the Bank believes that the personnel identified in implementing Article 4, paragraph 1 of Commission Delegated Regulation (EU) No. 604/2014 cannot be considered as key personnel, in accordance with what is set out in paragraph 2 et seq. of the same Article, it will, via its Corporate Affairs department and with guidance from Human Resources:

i) promptly, and in any case within six months of the close of the previous financial year, notify the Bank of Italy in accordance with Article 4, paragraph 4 of Commission Delegated Regulation (EU) No. 604/2014 (i.e. notify of the exclusion of personnel who earn total remuneration equal to or greater than EUR 500,000 and less than EUR 750,000). This notification is accompanied by the information identified in Appendix A referred to in Part One, Heading IV, Chapter 2, Section I of the Bank of Italy’s Supervisory Provisions. This notification includes the reasons for the exclusion, providing clear evidence of the conditions on which its decision is founded and clearly distinguishing between the situations set out in letter a) and those in letter b) of Article 4, paragraph 2 of Commission Delegated Regulation (EU) No. 604/2014. Exclusion lasts for one year and refers to the year following that in which the notification is sent, except for exclusions notified for the first time, which will also extend to the year in which the notification is sent. However, no new notification is required for personnel already excluded in the previous financial year, provided that the Bank has verified that there are no changes in the conditions on which its exclusion decision is founded;

ii) promptly, and in any case within six months of the close of the previous financial year, submit an advance authorisation application to the Bank of Italy as set out in Article 4, paragraph 5 of Commission Delegated Regulation (EU) No. 604/2014 (i.e. authorisation for exclusion of personnel who earn total remuneration equal to or greater than EUR 750,000 or personnel who are part of the 0.3% of personnel whose total remuneration was higher in the previous financial year).

This advance authorisation application is accompanied by the information identified in Appendix A referred to in Part One, Heading IV, Chapter 2, Section I of the Bank of Italy’s Supervisory Provisions. The Bank of Italy will make its decision known within 3 months of receiving complete documentation. Authorisation lasts for one year and refers to the year following that in which the application is submitted, except for exclusions authorised for the first time, which will also extend to the year in which the application is submitted.

The notification at i) and the authorisation application at ii) may, together, refer to multiple members of personnel or categories of personnel whose exclusion is founded on the same conditions, provided that the individuals for whom exclusion is requested are clearly identifiable and that the same level of information requested in accordance with this paragraph is guaranteed. Authorisation applications for exclusions relating to personnel who earn total remuneration equal to or greater than EUR 1 million (see Article 4, paragraph 5, third sentence of Commission Delegated Regulation (EU) No. 604/2014) are in any case submitted individually for each member of personnel.

### **3.5 Drafting the Self-Assessment document and monitoring it**

Annually, under the responsibility of the Parent Company's Human Resources department, the Self-Assessment document will be drafted; this document constitutes the preparatory phase for preparing the remuneration and incentive policies for Group personnel and it contains:

- the reference internal regulations
- the qualitative and quantitative analysis in accordance with Articles 3 and 4 of Commission Delegated Regulation;
- the number of personnel identified as key personnel;
- the number of individuals identified for the first time;
- the names and individual identifiers;
- the description of their roles and responsibilities of this personnel;
- a comparison with the results of the previous identification process.

The same information refers to any excluded personnel and personnel for whom an exclusion notification or application has been or will be submitted, as governed by paragraph 3.4.1.

The Parent Company's Human Resources department, with support from the Parent Company's Compliance Office, monitors whether the contents of the Self-Assessment document is in line with any organisational changes made in order to assess the need to review the document to ensure that it is in line with the organisational changes made.

### **3.6 Presentation of the Self-Assessment document to the Remuneration Committee and approval from the Board of Directors**

The Self-Assessment document complete with the list of names of individuals who are key personnel will be submitted to the Parent Company's Remuneration Committee for assessment and, if its opinion is favourable, submitted to the Parent Company's Board of Directors for approval.

Following these determinations, Subsidiary Companies follow the indications received and in any case are directly responsible for the compliance with the applicable regulations and for the correct implementation of the guidelines provided by the Parent Company.