

Report on Remuneration  
Policy and Remuneration  
Paid

2022

## Letter from the Chairman to Shareholders



Dear Shareholders,

pursuant to Article 123-ter of Italian Legislative Decree no. 58 of 24 February 1998 (*Testo Unico della Finanza* [Italian Consolidated Law on Finance], also “**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 TUF, banking industry regulations and the corporate governance rules contained in the Corporate Governance Code, as specified below.

In particular, in light of the opportunity provided by Appendix 3A, Template no. 7-bis of the “**Regulation on Issuers**”, to comply, in a single document, with the requirements of Article 123-ter of the 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 the 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 the TUF and Article 84-bis of Consob’s [Italian Financial Market Regulatory Authority] Regulation on Issuers). The Report on Remuneration Policy and compensation paid and the Information Document on Remuneration Plans based on Financial Instruments are available at: <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, is disclosed 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 of Banca IFIS

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# Report on Remuneration Policy and compensation paid 2022

## Introduction

### 1.1. Applicable Provisions

The Report on Remuneration Policy and compensation paid (hereinafter the “**Report**”) was prepared for the Banca Ifis Group (the “**Group**”) in accordance with:

- article 123 ter of the TUF, entitled “Report on Remuneration Policy and compensation paid”;
- article 114-bis of the TUF, entitled “Disclosure of information to the market on awards of financial instruments to corporate officers, employees or contractors”;
- Consob Regulation no. 11971/1999 as updated with the amendments made by resolution no. 21623 of 10 December 2020 (hereinafter also referred to as the Regulation on Issuers), with particular reference to article 84 quater, entitled “Report on remuneration”, and 84 bis, entitled “Information on the award of financial instruments to corporate officers, employees or contractors”, as well as Annex 3A, Schedule no. 7 bis “Report on the Remuneration Policy and Fees Paid”, of the Regulation on Issuers and Scheme no. 7 “Information document forming the subject of the illustrative report of the administrative body for the shareholders' meeting called to resolve on remuneration plans based on financial instruments”;
- the provisions relating to “Remuneration and incentive policies and practices” in force issued by the Bank of Italy and contained in the 37th update of Circular no. 285 of 17 December 2013 (“**Supervisory Provisions**”);
- the Bank of Italy - Correctness of relations between intermediaries and customers, published by the Bank of Italy with Provision of 19 March 2019 in implementation of the European Banking Authority's Guidelines on remuneration policies and practices for personnel responsible for offering banking products and third-party sales network personnel;
- the relevant European legislation and, in particular:
  - Delegated Regulation (EU) no. 923 of 25 March 2021, supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on a material business unit's risk profile (the “Identified Staff” or “Risk Takers”);
  - Decision (EU) 2022/368 of the European Central Bank of 18 February 2022 on the procedure for excluding staff members from the presumption of having a material impact on the risk profile of a supervised credit institution;
  - the Guidelines on Remuneration Policies and Practices published by the EBA on 2 July 2021, pursuant to Directive 2013/36/EU.

The principles and recommendations contained in the “**Corporate Governance Code**” regarding remuneration were also taken into account (art. 5 of the Corporate Governance Code)

The provisions of the November 2020 ECB documents (“Guidance on Climate and Environmental Risks. Supervisory Expectations for Risk Management and Disclosure”) and June 2021 EBA documents (“EBA Report on management and supervision of ESG risks for credit institutions and investment firms” on management and supervision of environmental, social and governance risks of credit institutions) were also taken into account, that require the inclusion of ESG parameters in staff remuneration and incentive mechanisms.

## 1.2. 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 management bodies, the General Management, and key managers and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, for the members of the supervisory bodies, as well as for “Risk Takers” and other staff not falling within the scope of Article 123-ter of the TUF, and the procedures used to adopt and implement this policy; this section describes the policy envisaged for FY 2022;
- Section II: structured into two parts:
  - the first is aimed at showing each remuneration item with name for the members of the management and control bodies, the General Management and, in aggregate form, for key managers, as well as for “Risk Takers” not included within the scope of Article 123-ter of the TUF (in addition to the illustration of how Banca Ifis took into account the vote expressed in 2021 on Section II of the Report on Remuneration Policy and compensation paid in 2021);
  - in the second part there is an analytical report, in tabular form, as indicated in Annex 3A, Template no. 7 bis of the Regulation on Issuers (updated with the amendments made by resolution no. 21623 of 10 December 2020), of the remuneration paid during the year 2021, for any reason and in any form, by the company and by subsidiaries or associates; the additional information required pursuant to Article 450 of Regulation (EU) of 26 June 2013, no. 575 is also given in tabular form for Banca Ifis and for the other companies of the Group.

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. Principles and purposes of the remuneration and incentive policies and gender neutrality

The Parent company, in the exercise of its management and coordination powers, defines this Group remuneration and incentive policy in line with the characteristics of the Group and of each subsidiary and in compliance with the provisions in force.

The remuneration policy shall be in effect for one year.

This policy is defined by the Parent company with the aim of aligning the conduct of management and staff with the interests of all Stakeholders, directing their action towards the achievement of **sustainable medium-to-long term objectives** - including sustainable finance objectives that take into account, *inter alia*, environmental, social and governance (ESG) factors - within the framework of a **prudent assumption of current and prospective risks**, as well as helping to **attract, motivate and retain** people with the professional qualities required to profitably pursue, in accordance with corporate values and according to a **policy of prudent risk management, including strategies for the monitoring and management of impaired loans** (in line with the provisions of the prudential control process), the short and/or medium/long-term objectives correlated with the Group's strategic objectives, thereby contributing to the achievement of results aimed at strengthening the Company's operational, economic and financial solidity in the long term and safeguarding the sustainability of the Banca Ifis Group.

The remuneration and incentive policy was defined taking into account the remuneration and working conditions of its employees, the provisions of collective bargaining (applicable over time); in particular, the policy is based on the principles set out below.

The Banca Ifis Group's remuneration and incentive system aims, in particular, to:

- promote sound and effective risk management by not encouraging risk taking above the tolerated level of risk;
- promote the competitiveness and good governance of the Group;
- attract and retain in the company individuals with professionalism and skills suitable for the Group's needs, especially when they play important roles within the company organisation;
- encourage compliance with all legal and regulatory provisions, as well as transparency and correctness in relations with customers, discouraging any violation and/or unfair commercial practice;
- make corporate objectives consistent with the Group's sustainable growth objectives;
- seek the best alignment between the interests of different stakeholders;
- focus on risk containment policies;
- avoid altering or undermining the risk alignment effects inherent in remuneration arrangements;
- avoid creating situations of conflict of interest.

#### **Focus: gender neutrality**

The Bank, which has always been attentive to issues of diversity and inclusion, promotes networks and initiatives for training and empowerment of women and supports flexibility in order to combine the needs of work and family.



Banca Ifis's commitment to gender equality is expressed in an increasingly inclusive culture, which is reflected in work-life balance policies and welfare to support family needs, in particular to support maternity, parental leave and other situations of family difficulties, thanks to the activation of the increasing adoption of flexible working methods.

In this context, since December 2021, Banca Ifis has been the **first Italian bank to be certified for gender equality by the Winning Women Institute**, a company committed to spreading the principle of gender equality within the world of work. According to the Dynamic Model Gender Rating, which is based on the achievement of quantitative and qualitative KPIs, the levers subject to assessment are: opportunities for growth within the company, pay equity and HR processes, flexibility for maternity protection.

The Bank then intends to adopt internal rules outlining the method by which the Group guarantees that all employees (and collaborators) are treated with no direct or indirect distinction or preference, based on age, gender, sexual orientation, marital status, religion, language, ethnic or national origins, physical or mental disabilities, state of pregnancy, maternity or paternity, including through adoption, personal beliefs, political opinions, affiliation or trade union activities.

In accordance with the values and principles pursued by the Banca Ifis Group, the aforementioned Policy identifies the thematic areas of intervention, which make it possible to frame in the most complete way all the aspects linked to the theme of inclusiveness and embrace the complexity that characterises the Group's project on Gender Diversity and Inclusion: attraction and retention, reward and promotions, development, training, welfare policies, culture and change management.

Within the framework described, as part of the review of policies at least once a year, by the Supervisory Provisions, the Board of Directors analyses, with the support of the Remuneration Committee, the gender neutrality of remuneration policies and verifies any gender pay gap and its evolution over time.

In particular, the reasons for any gender pay gap are properly documented and corrective action taken, where necessary.

### **Focus: Sustainability**

In confirmation of its commitment to corporate social responsibility, in November 2021 the Group set up the **Sustainability Committee**, with the aim of defining the Group's sustainability strategy and, therefore, monitoring its execution; in this sense, the remuneration policy is also geared towards creating sustainable value over time for all stakeholders and the ecosystem in which the Group operates.

The Committee supports the important **path taken by the Bank in integrating ESG criteria into its mission and business model**. With a clear vision: sustainability, in all its forms, represents a lever for creating value and a fundamental driver of development, which looks at the impacts on people, the environment and the community.

The establishment of a Sustainability Committee enhances and substantiates the Group's willingness to direct its strategic guidelines on the integration of sustainability risks, in accordance with current regulations.

The Sustainability Committee is chaired by the Bank's Deputy Chairman, further confirming the commitment and value the Group places on ESG issues.

In this context, **Banca Ifis was the first Italian challenger bank to join the Net-Zero Banking Alliance (NZBA) (in October 2021)**, the initiative promoted by the United Nations aiming to speed up the sustainable transition of the international banking segment. The Net-Zero Banking Alliance currently brings together 75 institutes worldwide, which are committed to bringing their loans and investment portfolios into line with the achievement of the zero net emissions goal by 2050, as per the targets set by the Paris Climate Agreement. Under the scope of this initiative, Banca Ifis undertakes to: define its emissions-reducing objectives within 18 months of signing and report on them annually; define interim objectives to be achieved by 2030; prioritise the most significant areas of impact, namely high emissions intensity sectors; spread awareness of the progress as part of a transition strategy approved by the Board of Directors; and publish annual emissions values.

The NZBA comes in addition to the initiatives already launched by Banca Ifis to support the sustainable transition of SMEs: from the in-house programme “Ifis4Business” for the **digitisation of operative processes to allow for the ecological management of procedures**, to “Ifis Green” for the development of products and services that foster sustainable practices, such as the leasing of **electrical/hybrid and plug-in vehicles**, in which the Bank plays a leading role in Italy, with a 35% share of the market.

The Bank has also launched an initiative aimed at converting 50% of the car fleet to ecological cars, i.e. hybrid or electric, by the end of 2025.

In addition, through its Studies Office, the Bank promotes a culture of business sustainability amongst SMEs, with dedicated periodic research and analyses.

## 2. Highlights of the 2022 Remuneration Policy

With regard to the remuneration policy for FY 2021, the General Meeting of Shareholders voted overwhelmingly in favour, with 98,786% of votes cast in favour.

In light of the positive results of the shareholders' meeting vote, Banca Ifis decided to submit to the shareholders' meeting vote a remuneration policy for FY 2022 substantially in line with the past, subject to the regulatory changes provided for in particular by the Supervisory Provisions in transposition of the CRDV (Directive 2019/878/EU).

The following are the main regulatory changes with respect to the remuneration policy defined for FY 2021:

- introduction - in the reference perimeter of the corporate objectives and values with which the Group's 2022 remuneration policy must comply - of **sustainable finance objectives** that take into account, among other things, environmental, social and governance (ESG) factors, and clarification of the “**gender neutrality of remuneration policies**”, to be verified through annual monitoring of the gender pay gap and the activation, if necessary, of the related corrective actions;
- provision, in line with the provisions of the 37th update of Circular 285, **for the role of the Remuneration Committee to support the Board of Directors** in the review of policies at least once a year, in the analysis of the **gender neutrality of remuneration policies and in the verification of the gender pay gap** and its evolution over time;
- alignment to the CRDV (see Art. 94, new par. 3); in particular, for the purposes of the application of the remuneration regulations, regarding the classification between: Banks of lesser size or operational complexity<sup>1</sup> and Other Banks; **the Banca Ifis Group cannot be classified as a “bank of smaller size or operational complexity”** and is therefore required to apply the entire discipline “proportionally”, i.e. taking into account the characteristics and size as well as the riskiness and complexity of the activity carried out. However, as provided for by the applicable regulations, the Group is not required to apply the above more detailed rules<sup>2</sup> of Section III of the Supervisory Provisions to identified staff whose annual variable remuneration meets two conditions:
  - does not exceed 50.000 Euro
  - does not represent more than one third of the total annual remuneration;
- increasing the **deferral period for variable remuneration above the materiality threshold to 4 years for identified staff**;

<sup>1</sup> Banks whose balance sheet assets are, on an individual basis, equal to or less than 5 billion Euro, calculated as the average of the four years immediately preceding the current financial year, provided that they do not belong to a group with consolidated balance sheet assets equal to or greater than 30 billion Euro.

<sup>2</sup> The exceptions relate to Section III, par. 2.1, item 3 (use of financial instruments) and item 4 (deferral), par. 2.2.1 (discretionary retirement benefits)

- exclusion of the possibility of recognising more than one **retention bonus** for the same event or justification at the same time, to the same staff member, except in exceptional and duly justified cases;
- with reference to the policy relating to the process of identifying the most relevant staff, alignment with **Circular 285/2013, 37th update** and **Commission Delegated Regulation (EU) 2021/923 of 25 March 2021** (which, transposes the EBA RTS of June 2020) regarding qualitative and quantitative criteria for identifying the members of the most relevant staff, without prejudice to the possibility of introducing additional criteria to the regulatory ones.

In addition to the above, the Group intends to introduce the following major changes to its 2022 remuneration policy:

- review of short term incentive plans (**STI**) with the following characteristics:
  - introduction of a performance scorecard, containing **qualitative and quantitative KPIs**, including specific ESG objectives;
  - attribution, to each KPI, of a weight equal to at least 10%, to ensure the significance of the objective, and no more than 30%, to ensure **an adequate weighting of the multiple objectives**;
  - the possibility of **deferring a portion of the short-term incentive system** in order to retain the most deserving staff;
- for the identified staff who are recipients of variable remuneration subject to deferral pursuant to Supervisory Provisions:
  - provision, for both up-front and deferred shares, of a **retention period of 1 year**;
  - calculation of the **fair value** of the equity component on the basis of the average stock market price with reference to the **month prior** to the date of approval of the financial statements by the Shareholders' Meeting (or, in case of allocation of variable remuneration for any reason after the Shareholders' Meeting, from the date of the event, meaning any dates of signing of agreements or, failing this, the dates of approval by the competent bodies of the related awards);
  - review of the “**clusters**” of recipients of the incentive systems with reference to which the limits of the variable component on the fixed component are to be defined (within the limits approved by the Shareholders' Meeting);
  - raising the variable component to a maximum of **1,5:1 for the Chief Executive Officer**, in line with the resolutions of the Shareholders' Meeting of 21 December 2021;
  - application of the principle of “**particularly high remuneration**”, in accordance with the provisions of the Supervisory Provisions, as a limit on variable remuneration beyond which deferment periods of 5 years and deferred portions of 60% are applied; more than 50% of the deferred portion must also be made up of financial instruments;
- **simplification of gate and malus conditions** in line with regulatory provisions;
- explanation, within the Report, of the **operating criteria of the 2021-2023 Long Term Incentive Plan**, approved by the Shareholders' Meeting in 2021;
- provision for the possibility of recognising **agreements to extend notice**, in order to ensure continuity of service for highly specialised professionals;
- clarification in the Report of the **minimum permanence in the company/role** in order to accrue the variable component;
- provision for **possible reductions in the variable component on the basis of adverse scenarios**, or in the event of a **20% lower-than-expected consolidated gross income figure**.

### **3. Bodies and subjects involved in the preparation, approval and possible revision of the remuneration policy and responsible for its correct implementation**

The main Parent company bodies and personnel involved in the preparation, approval and possible review of the remuneration and incentive policy are:

- the Shareholders' Meeting;
- the Board of Directors;
- the Remuneration Committee;
- the Chief Executive Officer;
- the General Management<sup>3</sup>
- the Control Functions;
- the Human Resources Function; and
- the Business Plan Governance, Planning and Management Control Division.

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

In the preparation of the remuneration policy, the Bank availed itself of the consultancy support of the company Willis Tower Watson for the purpose of declaring the incentive systems and for the benchmarking analyses, as well as of the legal advisory firm Bonelli Erede.

#### **3.1 The Shareholders' Meeting**

The ordinary Shareholders' Meeting, in accordance with the provisions of Article 10 of the Articles of Association, in addition to establishing the remuneration due to the bodies appointed by the same, approves:

- the remuneration and incentive policies for corporate bodies and other staff;
- 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). In this regard (and as further specified in paragraph 7), the Shareholders' Meeting, in 2021, resolved to increase the ratio between the variable and fixed components of the remuneration of the Parent company's CEO to 1,5:1

<sup>3</sup> See Article 18 of the Parent company's Articles of Association: "*the General Management shall consist of, alternately, the General Manager and, if appointed, one or more Deputy General Managers, or one or more Joint General Managers*".

- 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.

## 3.2 The Board of Directors

The Board of Directors, in accordance with the provisions of Article 14 of the Articles of Association, has exclusive competence in the resolutions concerning:

- appointing, dismissing and remunerating the General Manager;
- the remuneration and incentive policies to be submitted to the Shareholders' Meeting;
- **reviewing these policies, at least annually, and being responsible for their correct implementation, with the task of ensuring that the remuneration policy is adequately documented and accessible within the corporate structure.**

As part of the at least annual review of policies, the Board of Directors analyses, with the support of the Remuneration Committee, the gender neutrality of remuneration policies and reviews the gender pay gap and its evolution over time.

In particular, the reasons for any gender pay gap are properly documented and corrective action taken, where necessary.

According to the provisions of Article 14 of the Articles of Association, the Board is vested with all the powers of ordinary and extraordinary administration, excluding only those that the law strictly reserves for the Shareholders' Meeting. Furthermore, the Board of Directors is solely responsible for the resolutions concerning, among other things:

- the business model, the strategic lines and operations, as well as business and financial plans;
- the internal control system guidelines, ensuring that the system is in line with established strategic and risk appetite measures as well as being able to stay up to date with the company's risks as they evolve and the interaction between them;
- the compliance of the Articles of Association with the provisions of the regulatory framework;
- the merger by incorporation of companies in the cases provided for by Articles 2505 and 2505 bis of the Italian Civil Code;
- an indication of which directors, in addition to those indicated in these Articles of Association, are the Company's representatives;
- the formation of internal committees within the Board of Directors;
- the Risk Appetite Framework and the risk management policies as well as, after having heard the opinion of the Board of Statutory Auditors, assessing the completeness, suitability, functionality and reliability of the risk management and internal control system as well as the suitability of the organisational, administrative and accounting structure;
- determining the Bank's general organisational structure and the subsequent internal regulations;
- determining the criteria for carrying out the Bank of Italy's instructions;
- the formation of the company control bodies, their tasks and responsibilities, the methods of administration and collaboration, information flows between these departments and between them and management; the appointment of the heads of control departments, after having heard the opinion of the Board of Statutory Auditors;
- the risk management process and assessing its compatibility with the strategic guidelines and risk management policies;

- the policies and the processes for assessing company activities, and, particularly, financial instruments, ensuring that they are always suitable and also establishing the Bank's maximum exposure limits to financial instruments or products that are uncertain or difficult to value;

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 determine the remuneration of Directors assigned special tasks.

The Board of Directors is also involved in the personnel self-assessment process and in the possible procedure to exclude the identified staff, as specified in Annex 1 of this Report ("Policy governing the process of identifying the most relevant staff") and periodically reviews the relative criteria.

### 3.3 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:

- advises and makes proposals to the Board of Directors of the Parent company on the remuneration and incentives for corporate officers (including executive Directors and other Directors assigned specific duties), joint general managers, the heads of the main business lines and the heads of the internal control functions of the Parent company, as well as on the setting of performance objectives correlated to the variable component of such remuneration;
- provides advice on determining the remuneration criteria for the remaining "identified staff" identified within the Parent company and other Group companies in compliance with current supervisory provisions;
- gives its opinion, also using the information received from the competent corporate functions, on the results of the identification process of the most relevant personnel, including any exclusions, in compliance with supervisory provisions;
- periodically assesses the adequacy, overall consistency and concrete application of the Group's remuneration policies, using the information provided by the Chief Executive Officer, where appropriate, making proposals on the matter to the Board of Directors;
- 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 Control and Risk 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 Division, the Business Plan Governance, Planning and Management Control Division, and the Risk Management and Compliance functions 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;

- 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 Remuneration Committee supports the Board of Directors in the review of policies at least once a year, in the analysis of the gender neutrality of remuneration policies and in the verification of the gender pay gap and its evolution over time. Reasons for the gender pay gap are appropriately documented and corrective action taken where necessary.

The Chairman 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.

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 - who remain in office until the approval of the financial statements at 31 December 2021 - are:

- Antonella Malinconico (Non-executive and Independent Director)<sup>4</sup>;
- Beatrice Colleoni (Non-executive and Independent Director);
- Luca Lo Giudice (Non-executive and Non-independent Director).

The Remuneration Committee is chaired by Director Antonella Malinconico<sup>5</sup>.

The term of office of the members of the Remuneration Committee is equivalent to that of the Board of Directors which appointed it, whose early termination, for any reason, determines the simultaneous termination of the Remuneration Committee. The Remuneration Committee 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 Chairman 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.

As a way of avoiding and managing conflicts of interest, 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 Chairman 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

<sup>4</sup> Prof. Malinconico took over from Prof. Arduini as Chairman of the Remuneration Committee with effect from 15 October 2020.

<sup>5</sup> The chairmanship of the Remuneration Committee lasts eighteen months from the date of appointment, unless the office of director or member of the Remuneration Committee is forfeited, revoked or the person resigns. When the presidency expires, the Board of Directors confers the office of Chairman to a different member of the Remuneration Committee holding the aforementioned requirements.

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 are experts in remuneration policies, who may also be chosen from among the members of the Board of Directors of the Parent company, provided that such experts do not at the same time provide Human Resources, executive Directors or key managers of the Parent company and/or other companies in the Group with services of such significance as to compromise the independence of judgement of the consultants;
- any corporate officer or employee of the Parent company or any other company in the Group.

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 Committee Members.

### 3.4 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.

### 3.5 The General Management

In 2021, and in particular at the Shareholders' Meeting held on 28 July 2021, the Bank's Shareholders' Meeting approved certain amendments to the Articles of Association, providing, *inter alia*, for the possibility of appointing one or more Joint General Managers as an alternative to the appointment of the General Manager.

As a consequence of the above, as from October 2021, in place of the General Manager, two Joint General Managers were appointed, who, pursuant to Art. 17 of the Articles of Association, shall implement the management directives of the CEO, assist him in the implementation of the strategic policies and corporate management and attend, upon invitation, the meetings of the Board of Directors, each with advisory functions according to their respective competences.

### 3.6 Functions involved in the process of defining remuneration policies

Annually, the Report on the Group's Remuneration Policy, on the proposal of the Remuneration Committee, is defined by the Board of Directors, and subsequently submitted to the Shareholders' Meeting for approval, in line with regulatory requirements.



In particular, the Report on the Group's Remuneration Policy is formulated by the **Human Resources function**, consistently with the need to attract and retain the professional skills needed to achieve long-term objectives and, at the same time, ensure sound and prudent risk management.

With the involvement of the Risk Management function - and the Business Plan, Planning and Management Control Department, the Human Resources function identifies the economic and financial objectives underlying the incentive systems.

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 bonus system meets the objectives of complying with regulations, the Articles of Association, as well as any codes of ethics 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 the Finance Department in determining, after the approval of the financial statements by the Shareholders' Meeting, the amount of variable remuneration due to the CEO and top management, as well as the other potential beneficiaries of the remuneration plans based on financial instruments, and in verifying the conditions for its assignment.

## **4. Remuneration of the members of the Board of Directors and the Board of Statutory Auditors**

### **4.1 Remuneration of the Directors and Auditors of the Parent company**

Directors are entitled (in addition to the reimbursement of expenses incurred due to their office) a remuneration determined by the Shareholders' Meeting at the time of appointment, in light of the required commitment, the relevant responsibilities and practices in force for the members of the boards of directors of comparable companies. Directors are also beneficiaries of D&O insurance coverage.

The directors who participate in the internal committees of the Board of Directors are granted a further and additional fixed remuneration on the basis of this participation, taking into account the greater commitment required of them and the role (of Chairman or member of the Committee) held by them.

The Board of Directors, on the proposal of the Remuneration Committee and having heard the opinion of the Board of Statutory Auditors, is responsible for determining further remuneration for directors vested with

particular offices (or special duties) pursuant to Article 2389, paragraph 3 of the Italian Civil Code also having regard, where appropriate, to corporate results.

As a rule, there are no incentive mechanisms for non-executive directors, including the Chairman. In fact, Circular 285 envisages that, for non-executive directors, “as a rule, incentive mechanisms should be avoided” and, “where present”, that they should represent “in any case an insignificant part of remuneration”, should be “consistent with the tasks performed and” should be “defined in strict compliance with the criteria set out in paragraph 2.1” of Circular 285.

The members of the Board of Statutory Auditors are entitled (in addition to the reimbursement of expenses incurred due to their office) a fixed annual remuneration determined by the Shareholders' Meeting at the time of appointment in the light of the expertise, professional requirements and commitment required for the significance of the role held (of chairman or member of the Board) and the Company's size and structure and its situation. Auditors are also beneficiaries of D&O insurance coverage.

Any form of variable remuneration is precluded for the members of the Board of Statutory Auditors.

## 4.2 Remuneration of the Directors and Auditors 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 fee 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 remuneration that can be assigned to the members of the Board of Directors of the Parent company. For the non-executive members of the Board of Directors of the subsidiaries, there are generally no incentive mechanisms.

The Shareholders' Meeting of each 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 remuneration assigned to the Board of Statutory Auditors of the Parent company. No incentive mechanisms are available for members of the Board of Statutory Auditors and there is no form of variable remuneration.

## 4.3 Remuneration of the Parent company's CEO

The Chief Executive Officer's remuneration currently consists of the following elements:

- **a fixed remuneration of a stable, irrevocable nature** that does not create risk taking incentives and does not depend on the Bank's performance, calculated based on responsibilities connected to the job and the commitment required to perform it;
- **benefits;**
- **a variable remuneration**, linked to achieving specific quantitative performance targets:
  - **short-term**, linked to annual goals;
  - **long-term**, i.e. the 2021-2023 Long-Term Incentive Plan (the “**LTI Plan**”), which was approved by Shareholders on 28 July 2021.

The CEO's remuneration package also includes the **stability bonus**

With regard to the variable remuneration of the CEO, please refer to paragraph 13.

## 5. Recipients and Policy governing the identification process of the most relevant staff

Remuneration and incentive policies are defined for all Group personnel<sup>6</sup>, without prejudice to more detailed requirements for members of staff that have a material impact on the Group's risk profile (so-called "identified staff"). 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 governing the identification process of the most relevant staff**", which forms an integral part of the remuneration and incentive policy; further information is given in Annex 1 of this Report.

Pursuant to the Supervisory Provisions, the Parent company is required to adopt a policy dealing with the process of identifying this staff.

The Policy governing the identification process of the most relevant staff defines the criteria and procedures used to identify the members of the most relevant staff, including those for determining the financial year of reference for the calculation of variable remuneration and those for any exclusion, the procedures for assessing personnel; the role played by the corporate bodies and the competent corporate functions in developing, monitoring and reviewing the identification process.

From the self-assessment process for Group's identified staff, led by Human Resources with the support of Compliance and approved by the Board of Directors of the Parent company on 9 February 2022 following the favourable opinion of the Remuneration Committee, 63 individuals are members of the identified staff for the Group (compared with 66 in 2021). It should be noted that no proceedings have been initiated to notify the competent authority of the exclusion of the identified staff.

The Group's identified staff accounts for 3,16% of the total workforce.

## 6. Remuneration structure

Pursuant to the Supervisory Provisions, **remuneration** is any form of payment or benefit, including any ancillary components (so-called allowances) paid, directly or indirectly, in cash, financial instruments or services or goods in kind (fringe benefits), in exchange for the performance of work or professional services rendered by personnel to the bank or other companies of the banking group. Payments or marginal benefits, granted to staff on a non-discretionary basis, which are part of a general bank policy and which do not produce any effect on the incentive plan for taking on or controlling risks, may not apply.

**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.

On this point, please note that:

- a base fixed remuneration is set out for all employees that reflects their professional experience and their role, in line with the provisions of collective bargaining applicable from time to time and with market benchmarks;
- For the "identified staff", it is also envisaged that any interventions on the fixed remuneration may not exceed an increase of 20% compared to the previous year's all inclusive annual salary;

<sup>6</sup> This means members of strategic supervision, management and control bodies, the Parent company's employees and contract workers and those of its Subsidiaries.

- the Board of Directors, subject to the favourable opinion of the Remuneration Committee, has the possibility of recognising indemnities for the role (so-called “role based allowances”) determined as a predefined sum, of a stable nature, not linked to performance, which does not create incentives for assumption of risks and which is functionally linked to the role held.

**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 unambiguously classified as fixed remuneration.

Variable remuneration includes:

- **short-term (annual) incentive schemes**, aimed not only at the CEO and Joint General Managers, but also at the Group's identified staff, as well as sales figures<sup>7</sup>;
- the **2021-2023 Long-Term Incentive Plan**;
- the “**company productivity bonus**” or “**variable result bonus**” (“PVR”), as defined by the national collective bargaining agreement, the conditions and criteria for the payment of which are established annually as part of the second-level negotiation;
- “**one-off**” awards (in any case not exceeding three months' pay for each person), at the time of the annual assessment, in order to reward excellent performance and/or particularly outstanding quality work by staff not belonging to the category of “identified staff”<sup>8</sup>.
- **other “one-off” acknowledgements and/or contexts** linked to extraordinary, unpredictable circumstances and/or extraordinary planning initiatives, for personnel not belonging to the “identified staff” category and for limited amounts (however, no higher than one monthly salary for each subject); based on **predefined criteria, determined in a Regulation** also containing controls and exclusion clauses with inadequate individual conduct<sup>9</sup>.

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. Any such sums paid by way of a **stability pact** or **retention bonus** shall comply with the provisions set out in the Supervisory Provisions, shall be recognised no earlier than the end of the period or the occurrence of the event, shall constitute forms of variable remuneration and as such shall be subject to all the rules applicable thereto. The same staff member shall not be awarded multiple retention bonuses, except in exceptional and appropriately justified cases (i.e., payment of retention bonuses occurs at different times and there are specific reasons for awarding them).

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

<sup>7</sup> Specific short-term incentives may be provided for any support/staff resources.

<sup>8</sup> These awards are in any case paid out when the conditions for access to the variable component (gate) are met, it being understood that, for these “one-off” awards, mentioned above, a prior resolution of the Board of Directors is required, subject to the favourable opinion of the Remuneration Committee in the event of a total amount exceeding the budget allocations.

<sup>9</sup> These acknowledgements are not subject to the conditions set out in paragraph 8 “Variable remuneration system: “access conditions” it being understood that the above “one-off” acknowledgements foresee a Board of Directors’ resolution, after favourable opinion by the Remuneration Committee, and will only be allocated if that is compatible with capital levels and with sufficient liquidity to cover Bank activities.

There are also **non-competition agreements** within the Group, stipulated in compliance with the Supervisory Provisions. Those agreements are limited in time and space and to tasks performed by the beneficiary and foresee remuneration commensurate to the commitment assigned as well as **agreements to extend notice**.

The remuneration offer is completed by various types of **benefits**, having different gradation in relation to the corporate role and/or to the service reasons. The allocation can be summarised as follows: health insurance policy, professional and extra-professional accident policy, life insurance policy, permanent disability policy, meal vouchers, company contribution to supplementary pension schemes (recognised to all employees with an open-ended employment relationship). In addition to the above, some individuals are assigned a company car, based on internal Policies in force each time. Furthermore, within the Group there is the possibility of assigning short-stay accommodation for service reasons.

All employees can have access to the aforementioned benefits on the basis of internal reference practices and regulations and therefore are not considered as benefits of a discretionary nature.

## 7. Ratio of variable remuneration to fixed remuneration

In line with the Supervisory Provisions, the ratio between the fixed and variable components is appropriately balanced in order to:

- allow flexible management of payroll costs, as the variable portion may be significantly reduced to zero depending on the level of results actually achieved during the year in question or when the Group is unable to maintain or restore a solid capital base;
- discourage behaviour focused on achieving short-term results, especially if resulting from taking high risks.

In order to achieve the above objectives, the Group establishes *ex ante* maximum and balanced limits to variable remuneration; as a **general rule**, this **maximum limit to variable remuneration has been set at a maximum of 1:1 of fixed remuneration, with the exception of Heads of Corporate Control functions, who are assigned a cap of 33% of fixed remuneration**.

With regard to the Chief Executive Officer of the Parent company, the Shareholders' Meeting held on 21 December 2021 approved the definition, with effect from FY 2022, of a ratio between the variable and fixed components of remuneration of a maximum of 1,5:1 in compliance with that permitted by Title IV, Chapter 2, Section III of the Supervisory Provisions.

So, in summary, by 2022:

	Maximum ratio of variable to fixed remuneration
CEO of Parent company	150%
Heads of Control functions	33%
Other staff (including joint general managers and identified staff) (*)	100%

(\*) With regard to the Manager in charge and the Head of the Human Resources function, the variable remuneration is contained.

## 8. Variable remuneration: access gates

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called “gate”) provided for by the following indicators measured at year-end:

- on the basis of a measure of risk-adjusted profitability, such as **RORAC** (return on risk-adjusted capital) defined as the ratio between Net Income and Capital absorbed by pillar one risks (i.e. 8% Pillar 1 Risk Weighted Asset (RWA)), the [RORAC/RORAC\*] indicator, where RORAC\* is the RORAC approved by the Board of Directors for the reporting year concurrent with the submitted annual business plan/budget, must be no less than 80%. This indicator allows profits to be weighted by 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 threshold is defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at a consolidated level, in compliance with current prudential supervisory regulations.
- related to the tolerance level, greater than the regulatory minimum equal 100%, for the **Group’s medium-long term liquidity indicator - Net Stable Funding Ratio (NSFR)**. The tolerance threshold is defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at a consolidated level, in compliance with current prudential supervisory regulations.
- 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).

Failure to meet one of these conditions will result in variable pay not being awarded.

Without prejudice to the opening of the access gates, in the presence of adverse scenarios, exceptional and unforeseeable situations, as well as in the event of a 20% lower-than-expected Gross Profit figure for the Consolidated Financial Statements, the Board of Directors may assess - on the proposal of the Remuneration Committee, subject to the opinion of the Risk Committee - a redefinition of the amounts of variable remuneration for the various categories of staff, with a consequent pro-rata reduction.

The variable component is also recognised **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 the chief executive officer mandate and/or any other agreements as may have been reached between the personnel and the Bank. Payment of a variable component will also be suspended in case of ongoing disciplinary proceedings for fraud or gross negligence against the Bank. No variable remuneration will be paid in the event of a performance evaluation with a negative summary judgement.

It should also be noted that in the event of a change of role during the financial year, the variable remuneration will be paid with reference to the internal financial year provided that the beneficiary has held the role for at least 9 months.

In addition, it is provided that in order to accrue the variable component of remuneration, beneficiaries must have been employed by the company for at least 3 months during the reference financial year

For interim periods, payment will be made proportionally.

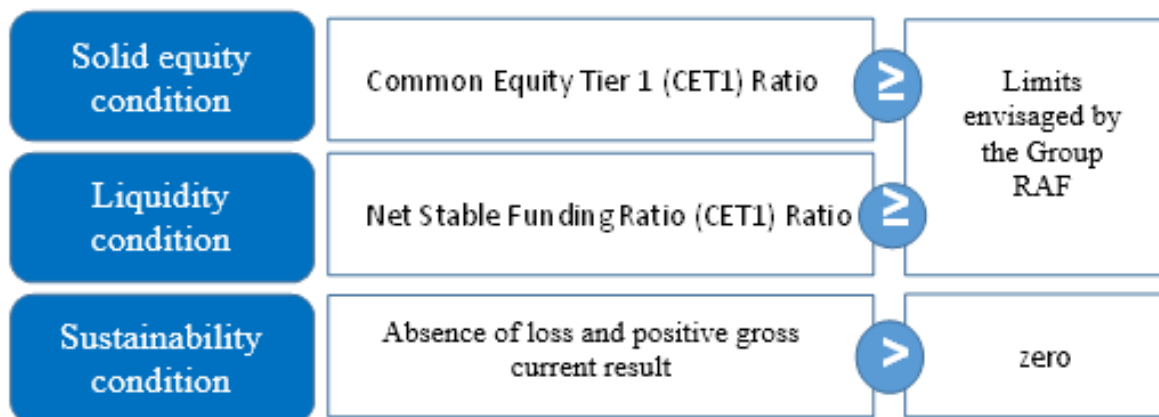


## 9. Variable remuneration: *ex post* correction mechanisms

### 9.1. *malus* clauses

The deferred variable component is subject to *malus* conditions, which, when verified, result in the amount previously determined being reduced to zero.

In the Banca Ifis Group, these conditions are as follows:



Failure to meet one of these conditions will result in deferred variable pay not being awarded.

It should be noted that for those Legal Entities that calculate their own capital soundness and liquidity limits, failure to comply with these limits constitutes a condition for non-disbursement of the deferred variable component for which the resources operating in the Legal Entity are intended, even when those of the Banca Ifis Group should be verified positively.

Equally, 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 deferred variable component is cancelled if the individual has caused or is involved in causing:**

- violations of the obligations imposed pursuant to article 26 or, when the person is an interested party, of article 53, paragraphs 4 and following, of the Consolidated Law on Banking (*Testo Unico Bancario*, "TUB") or of the obligations relating to remuneration and incentives;
- conduct that does not comply with legal, regulatory, or statutory provisions or any Codes of Ethics or Conduct applicable to the Bank resulting in a significant loss to the Group<sup>10</sup> or customers<sup>11</sup>;

<sup>10</sup> Loss equal to or greater than 5% of equity.

<sup>11</sup> The Parent company identifies as a "significant loss" to customers, any loss resulting from conduct that deviates from or otherwise fails to comply with legal, regulatory, statutory or ethical standards applicable to the Group. In particular, reference is made to cases of internal fraud, complaints upheld for improper conduct, and intentional non-compliance with the delegation system, where such cases have an effect on customers. It is understood that if these events are found to have occurred, all the investigations required by the disciplinary procedures provided for by law and by the relevant National Collective Labour Agreement applicable to these cases will be carried out and, if the conditions are met, the most appropriate disciplinary measures will be applied depending on the seriousness found and the extent of the loss suffered.

- further conduct that does not comply with the provisions of the law, regulations or the Articles of Association, or with any Codes of Ethics or Codes of Conduct applicable to the Bank in the cases envisaged by the latter;
- fraudulent conduct or gross negligence to the detriment of the Group;

or if

- the Shareholders' Meeting has resolved to revoke the appointment for just cause, or the Board of Directors has resolved to terminate the employment contract for just cause.

Ex post correction mechanisms may not lead to an increase in the variable remuneration initially awarded nor in the variable remuneration previously reduced or zeroed out as a result of the application of *malus*.

The above criteria are verified in each of the years in which the deferred variable component is deferred (4 or 5 as indicated in paragraph 10 closed following the determination of the variable component (accrual period) and applied when the above conditions are met. And so, merely by way of example, the *malus* condition with respect to the 2022 variable *bonus* will be verified in each of the 4/5 fiscal years ending after the variable component is determined (and, therefore, 2023, 2024, 2025, 2026/2027) and will be applied upon the occurrence of such conditions, to the portion pertaining to each individual year.

## 9.2 Claw back clauses

Without prejudice to the provisions of the relevant National Collective Labour Agreement on the rights and duties of employees and the Disciplinary Code and the Code of Ethics in force from time to time, the Group reserves the right to promote the appropriate actions for the restitution (so-called **clawback mechanism**) of the variable component recognised and/or paid to the staff if the subject has determined or contributed to determine:

- violations of the obligations imposed pursuant to article 26 of the TUB or, when the person is an interested party, of article 53, paragraphs 4 and following, of the Consolidated Law on Banking or of the obligations relating to remuneration and incentives;
- conduct that does not comply with legal, regulatory, or statutory provisions or any Codes of Ethics or Conduct applicable to the Bank resulting in a significant loss to the Group<sup>12</sup> or customers<sup>13</sup>;
- further conduct that does not comply with the provisions of the law, regulations or the Articles of Association, or with any Codes of Ethics or Codes of Conduct applicable to the Bank in the cases envisaged by the latter;
- fraudulent conduct or gross negligence to the detriment of the Group,

Ex post correction mechanisms may not lead to an increase in the variable remuneration initially awarded nor in the variable remuneration previously reduced or zeroed out as a result of the application of claw back. These criteria are also verified in each of the 4/5 financial years closed after the determination of the variable component (accrual period) and applied when the conditions set out above occur, with the exception of the identified staff for whom this verification must be carried out in each of the next five financial years closed.

<sup>12</sup> Loss equal to or greater than 5% of Shareholders' Equity, to be calculated net of elements deriving from extraordinary operations such as: capital increases, company mergers, spin-offs, acquisitions or any other non-recurring operation that the Board of Directors may decide upon and which may modify the value of the indicator.



## 9.3 Prohibition of hedging strategy

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

In particular, the Parent company, in order to ensure that its identified staff are not remunerated or receive payments or other benefits in any way that circumvents the supervisory provisions on remuneration and incentive policies and practices, prepares specific individual agreements through which the recipients undertake to:

- not make use of personal hedging strategies and/or resort to remuneration insurance or any other initiative aimed at altering and/or invalidating the risk alignment effects inherent in remuneration mechanisms;
- communicate the existence or opening of custody and administration accounts with other intermediaries the information relating to the transactions carried out from time to time.

The types of transactions and financial investments made by identified staff that could affect the risk alignment mechanisms and, more generally, the pursuit of the aims of the regulations on remuneration and incentive policies and practices are transactions and investments in financial instruments issued by the bank, including derivatives that have such instruments as their underlying.

## 10. Methods of payment of variable remuneration

The methods of payment of variable remuneration are governed by precise indications in the Supervisory Provisions on the **variable remuneration of the identified staff**, with particular reference to **deferment obligations, the type of payment instruments and the retention period envisaged for any portion paid in financial instruments**.

In line with the Supervisory Provisions, **the Banca Ifis Group cannot be classified as a “bank of smaller size or operational complexity”** and is therefore required to apply the entire discipline “proportionally”, i.e. taking into account the characteristics and size as well as the riskiness and complexity of the activity carried out.

However, the Group is not required to apply the above more detailed rules of Section III of the Supervisory Provisions to key personnel whose annual variable remuneration meets the following two conditions:

- does not exceed 50.000 Euro and
- does not represent more than one third of the total annual remuneration

In accordance with the Supervisory Provisions, the Group defines:

### **Materiality threshold:**

the variable remuneration of the identified staff which exceeds the amount of 50.000 Euro or represents more than one third of the total annual remuneration

### **“Particularly high” variable remuneration amount**

“Particularly high” variable remuneration amount means the lowest between:

- 25% of the average total remuneration of Italian high earners, as shown in the most recent report published by the EBA.
- 10 times the average total remuneration of Ifis Group employees.

In the light of the above, the particularly high amount of variable remuneration with reference to the Group was identified as 435.000 Euro (equal to 25% of the average total remuneration of Italian high earners<sup>14</sup>).

<sup>14</sup> EBA Report on High Earners (EBA/REP/2021/23).

### Deferral period and deferred dues

The deferral period is the vesting period to which the variable remuneration is subject, in order to take into account the development of the risks assumed by the Bank over time.

In line with the Supervisory Provisions:

- the variable component, where it exceeds the materiality threshold (and is not of a particularly high amount) is subject to deferment for a portion equal to 40%, for a period of 4 years;
- the variable component of a particularly high amount is subject to deferment for a portion equal to 60% for a period of 5 years.

### Financial instruments

The Supervisory Provisions envisage that the variable remuneration subject to deferment (pursuant to the preceding point) be balanced by a **quota of at least 50% in financial instruments**, meaning, in the Banca Ifis Group, the shares of the Parent company.

In the case of top management and particularly large amounts of variable remuneration, **it is required that more than 50% of the deferred portion be made up of financial instruments.**

### Retention period

The period during which there is a ban on the sale of shares, **set at 1 year.**

In the light of the above, **the methods of payment of variable remuneration for the identified staff adopted by the Banca Ifis Group** are set out below:

	Upfront	Deferment
equal to or less than the materiality threshold	100% cash	
higher than the materiality threshold and not of particularly high amount	<p><b>60% upfront</b>, of which:</p> <ul style="list-style-type: none"> <li>- 50% (i.e. 30% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the retention period of 1 year</li> <li>- 50% (i.e. 30% of the total variable remuneration) paid in cash</li> </ul>	<p><b>40% deferred over 4 years starting in the year following the year in which the up-front portion accrues</b>, of which:</p> <ul style="list-style-type: none"> <li>- 50% (i.e. 20% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year</li> <li>- 50% (i.e. 20% of the total variable remuneration) in cash, subject to annual revaluation at the legal rate in force over time.</li> </ul>
of particularly high amount	<p><b>40% upfront</b>, of which:</p> <ul style="list-style-type: none"> <li>- 50% (i.e. 20% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the retention period of 1 year</li> <li>- 50% (i.e. 20% of the total variable remuneration) paid in cash</li> </ul>	<p><b>60% deferred over 5 years starting in the year following the year in which the up-front portion accrues</b>, of which:</p> <ul style="list-style-type: none"> <li>- 55% (i.e. 33% of the total variable remuneration) in Banca Ifis shares, which may be exercised at the end of the further retention period of 1 year</li> <li>- 45% (i.e. 27% of the total variable remuneration) in cash, subject to annual revaluation at the legal rate in force over time.</li> </ul>

For the purpose of assigning variable remuneration in financial instruments, or in Banca Ifis shares, the Bank calculates the **fair value of the share** - at the time of the assignment - **based on the average stock market price with reference to the month prior to the date of approval of the financial statements by the Shareholders' Meeting** (or, in the case of assignment of variable remuneration for any reason subsequent to the Shareholders' Meeting, from the date of the event, this being understood to mean any dates of signing of agreements or in the absence thereof, the dates of approval by the competent bodies of the related awards). The number of shares is determined by rounding to the nearest integer.

The transfer of the ownership of the shares, both for the upfront and the deferred portion, and the full availability of the same takes place at the end of the retention period (net of taxes and withholding taxes), without prejudice to the applicability of the malus and claw back mechanisms.

Dividends and interest accruing during the deferral period on Banca ifis shares may not be paid either during or after the deferral period. In the event that, during the retention period, the Bank distributes profits, a number of shares equivalent to the value of the dividends that would have been received if the beneficiary had held the promised shares are also promised. The calculation and transfer of shares equivalent to accrued dividends are scheduled to occur at the end of the retention period and is made by taking the average share price over the thirty days prior to the dividend distribution as the reference price.

The following is the deferral schedule in light of the above:

	2022	2023	2024	2025	2026	2027	2028
Variable above materiality threshold		30% upfront monetary		10% deferred monetary		10% deferred monetary	
		30% upfront shares	Retention 1 year				
			10% deferred shares	Retention 1 year			
					10% deferred shares	Retention 1 year	
	DISBURSEMENT	60%	10%	10%	10%	10%	
Variable above particularly high amounts		20% upfront monetary	6% deferred monetary		9% deferred monetary		12% deferred monetary
		20% upfront shares	Retention 1 year				
				11% deferred shares	Retention 1 year		
				11% deferred shares	Retention 1 year		
						11% deferred shares	Retention 1 year
	DISBURSEMENT	40%	6%	11%	20%	11%	12%

## 11. Long Term Incentive Plan (LTI Plan)

Following the resolutions passed in 2021 by the Board of Directors and Shareholders' Meeting - each insofar as competent - the introduction was envisaged of a “2021-2023 Long Term Incentive Plan” (the “LTI Plan”), which sets forth the assignment to the Bank and Group’s top managers duly identified to this end by the Board of Directors, free of charge, of a certain number of options that will give the right to purchase, at a specific strike price, a corresponding number of Banca Ifis shares. These options will become exercisable after a three-year vesting period (2021, 2022 and 2023), subject to the circumstance that, at that date, the

relationship between the Bank and the beneficiaries is still in place, as well as to the achievement of predetermined quantitative and qualitative, financial and non-financial targets, linked to the Bank's long-term strategies.

The following is a summary of the major elements of the LTI Plan:

Summary of the elements of the LTI Plan 2021-2022-2023	
<b>Plan duration</b>	2021-2022-2023
<b>Instrument</b>	Free assignment of options for the purchase of Banca Ifis shares
<b>Maximum attributable options</b>	The Plan provides for the disbursement of a maximum of 1.044.000 options (without prejudice to the possibility for the Bank to also use phantom stock options)
<b>Maturity date</b>	After the expiry of the plan, i.e. in 2024, with the approval of the financial statements as at 31/12/2023 by the Shareholders' Meeting (subject to verification of the objectives of the Plan and the gates for access to variable remuneration)
<b>Activation conditions</b>	At the time of vesting and at the expiry of the subsequent deferment periods, it must be verified that the access gates established from time to time by the Remuneration Policies have been exceeded
<b>Ex-post correction mechanisms</b>	The disbursement is subject to the following <i>ex-post</i> adjustment mechanisms in accordance with the forecasts established from time to time by the Remuneration Policies: <ul style="list-style-type: none"> <li>- as regards the upfront fee, the claw back mechanisms;</li> <li>- as regards the deferred fee, the <i>malus</i> and claw back mechanisms.</li> </ul>
<b>Exercise of options</b>	<u>Deferred downstream of the one-year retention period</u> for both the up-front and deferred portions; therefore, given that the LTI plan vesting date is in 2024:
<b>Deferred share</b>	4 or 5 years, depending on whether it is an amount above the materiality threshold or a particularly high amount in line with the Supervisory Provisions
<b>Retention period</b>	1 year
<b>Method of allocation of the deferred share</b>	<i>Pro rata</i> annually starting in 2025
<b>Plan adjustment procedures</b>	<p>The Plan may be settled by payment of a net balance (including withholding taxes), or by payment of an amount of shares equal to the difference between the market value of the shares on the date of exercise and the option strike price and, according to the following formula:</p> $\frac{(\text{Market Value}^* - \text{Strike price}^{**} - \text{IRPEF withholding tax})}{(\text{Unitary Market Value of the Shares}^{***})}$ <p>* Total market value of opted shares  ** Total strike price of opted shares  *** Unit market value of the shares at the date of exercise of the options</p>

## 12. Short Term Incentive Plan (STI Plan)

The Bank defines an annual Short Term Incentive Plan (STI), the payment of which - subject to the opening of the access gates - is linked to the achievement of specific **qualitative and quantitative performance objectives, assigned to the recipients of the plan.**

Goals are declined within a performance scorecard.

The objectives sheet includes a predefined number of indicators; each indicator is given a weight in percentage terms on the total of at least 10% to ensure the significance of the objective and no more than 30% to ensure an adequate weighting of the multiple objectives.

The variable remuneration accrues according to a result curve based on the levels of achievement of the objectives; the result obtained by each KPI determines a weighted score, on a recognition curve varying between a minimum and a maximum achievable; the sum of the weighted scores obtained corresponds to the performance achieved, in proportion to which, only if at least equal to a prefixed minimum score, the amount of the incentive is quantified; the latter cannot, in any case, exceed a prefixed maximum level.

## **13. Variable remuneration of the CEO**

The variable remuneration of the Parent company's CEO is linked to the achievement of specific qualitative and quantitative performance objectives.

The Chief Executive Officer is the beneficiary:

- of a **Short-Term Incentive (“STI”) System**, referred to the year 2022;
- of a **“2021-2023 Long Term Incentive Plan” (the “LTI Plan”)**.

### **13.1 Short-term incentive scheme for the Parent company's CEO**

The objectives assigned to the Chief Executive Officer for 2022 represent a combination of **quantitative and qualitative criteria**, referring to the Group's results, as well as qualitative aspects relating to strategic action.

The performance scorecard includes the declination of the following KPIs:

**Economic-financial KPIs with a weight of 65%**, structured over three specific drivers (profitability, cost of credit and efficiency), consistent with the Group's 2022 objectives;

**KPI of strategy and sustainability with a weight of 35%**, which aim to assess the achievement of strategic directives, as well as the achievement of corporate objectives in the ESG area

**The short-term variable remuneration cap payable to the CEO is set at 60% of fixed remuneration;** variable remuneration will accrue on the basis of the degree of achievement of objectives, with variable remuneration being paid on a linear progression between 60% and 100%.

The performance scorecard assigned to the Chief Executive Officer for 2022 is shown below:

		Performance scorecard				
KPI	<b>Economic-financial KPIs</b>	65%	Minimum level	Medium level	Maximum level	
	<b>Profitability</b>	ROE: Profit attributable to the Parent company divided by the average of shareholders' equity attributable to the Parent company for the quarters 4Q21 to 4Q22	25%	-5,5%	Progression Linear	Target level
	<b>Cost of credit</b>	Impairment losses/reversals for risk (credit excluding those of the NPL Area) divided by the average balance of Group loans (excluding those of the NPL Area)	20%	+11%	Progression Linear	Target level
	<b>Efficiency</b>	<b>Cost/income ratio:</b> Total Group costs divided by the Group's net banking income	20%	+ 3%	Progression Linear	Target level
	<b>Strategy and sustainability KPIs</b>		35%	Minimum level	Medium level	Maximum level
	<b>ESG (*)</b>	1. Maintenance of the A rating issued by MSCI 2. Maintenance of gender equity commitments 3. Implementation of the first step of the conversion of the company car fleet into a hybrid one	10%	1 out of 3 targets	2 out of 3 targets	3 out of 3 targets
	<b>Strategic action</b>	Qualitative assessment of the Chief Executive Officer's achievement of strategic directives by the Board of Directors.	25%	In line with expectations	Above expectations	Excellent

(\*) Company-wide target for all identified staff

## 13.1 Long-term incentive system (2021-2023 LTI Plan) of the Chief Executive Officer of the Parent company

At the date of this Report, the Board of Directors has identified the CEO of the Parent company as the beneficiary of the LTI Plan, assigning him the right to receive, at the end of the vesting period, up to a maximum of 696.000 options, calculated for the purposes of calculating the ratio between fixed and variable remuneration, as follows: (i) 156.000 Options for FY 2021; (ii) 270.000 Options for FY 2022; and (iii) 270.000 Options for FY 2023.

In this regard, it should be noted that the ratio between fixed and variable remuneration for the CEO, is 1,5:1. The following summarises the elements of the Chief Executive Officer's LTI Plan, subject to the application of the provisions outlined in paragraph 11.

### Summary of the elements of the Chief Executive Officer's 2021-2022-2023 LTI Plan



<b>Unit value of options</b>	Euro 2																																											
<b>Maximum attributable options</b>	The CEO is attributed 696.000 options, counted for the purposes of calculating the ratio between fixed and variable remuneration as follows: (i) 156.000 options for FY 2021; (ii) 270.000 options for FY 2022; and (iii) 270.000 options for FY 2023.																																											
<b>Strike price</b>	The strike price of the Options is 12,92 Euro.																																											
<b>Exercise of options</b>	<u>Deferred downstream of the one-year retention period</u> for both the up-front and deferred portions; therefore, given that the LTI plan vesting date is in 2024:  <b>For the upfront portion (40%):</b> exercise of the options in 2025, after the one-year retention period (approval of the financial statements as at 31/12/2024 by the Shareholders' Meeting) <b>For deferred shares (60%):</b> exercise of the options on an annual pro rata basis for 5 years, starting from 2026, after the retention period of one year following approval of the financial statements by the General Meeting of Shareholders																																											
<b>Deferred share</b>	5 years, in line with the Supervisory Provisions for particularly high amount																																											
<b>2021-2022-2023 LTI Plan Objectives</b>	<table border="1"> <thead> <tr> <th colspan="6">Chief Executive Officer balance score card</th> </tr> <tr> <th rowspan="2">Indicator</th> <th rowspan="2">Objectives</th> <th rowspan="2">% weight</th> <th colspan="3">Options vested as a % applied to total goals (100%)</th> </tr> <tr> <th>min</th> <th>target</th> <th>max</th> </tr> </thead> <tbody> <tr> <td>Market indicator</td> <td>Relative TSR vs Peer Group</td> <td>25,00%</td> <td>12,50%</td> <td>18,75%</td> <td>25%</td> </tr> <tr> <td rowspan="3">Economic-financial indicators</td> <td>Pre-tax profit</td> <td>25,00%</td> <td>12,50%</td> <td>18,75%</td> <td>25%</td> </tr> <tr> <td>Cost/Income ratio</td> <td>20,00%</td> <td>10,00%</td> <td>15,00%</td> <td>20%</td> </tr> <tr> <td>Gross NPE Ratio</td> <td>15,00%</td> <td>7,50%</td> <td>11,25%</td> <td>15%</td> </tr> <tr> <td colspan="2">ESG Indicators related to NZBA, multiculturalism, gender equality, ESG rating.</td> <td>15,00%</td> <td>7,50%</td> <td>11,25%</td> <td>15%</td> </tr> </tbody> </table>	Chief Executive Officer balance score card						Indicator	Objectives	% weight	Options vested as a % applied to total goals (100%)			min	target	max	Market indicator	Relative TSR vs Peer Group	25,00%	12,50%	18,75%	25%	Economic-financial indicators	Pre-tax profit	25,00%	12,50%	18,75%	25%	Cost/Income ratio	20,00%	10,00%	15,00%	20%	Gross NPE Ratio	15,00%	7,50%	11,25%	15%	ESG Indicators related to NZBA, multiculturalism, gender equality, ESG rating.		15,00%	7,50%	11,25%	15%
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ESG Indicators related to NZBA, multiculturalism, gender equality, ESG rating.		15,00%	7,50%	11,25%	15%																																							

## 14. Short-term variable remuneration of Joint General Managers

The objectives assigned to the Joint General Managers for 2022 represent a combination of **quantitative and qualitative criteria**, referring to the Group's results, as well as qualitative aspects relating to the achievement of strategic directives.

The performance scorecard includes the declination of the following KPIs:

**Economic-financial KPIs with a weight of 65%**, structured over three specific drivers (profitability, cost of credit and efficiency), consistent with the Group's 2022 objectives;

**Strategy and sustainability KPIs with a weight of 35%**, which aim to assess the achievement of strategic directives, as well as corporate objectives in the ESG area.

Variable remuneration will accrue on the basis of the degree of achievement of objectives, with variable remuneration being paid on a linear progression between 60% and 100%.

The following are the performance scorecards assigned for 2022 to the Joint General Manager - Chief Operating Officer and the Joint General Manager - Chief Commercial Officer, respectively:

		COO	CCO				
		65%	65%	Minimum level	Medium level	Maximum level	
KPI	<b>Economic-financial KPIs</b>						
	<b>Profitability</b>	ROE: Profit attributable to the Parent company divided by the average of shareholders' equity attributable to the Parent company for the quarters 4Q21 to 4Q22	20%	20%	-5,5%		Target level
	<b>Cost of credit</b>	Impairment losses/reversals for risk (credit excluding those of the NPL Area) divided by the average balance of Group loans (excluding those of the NPL Area)	20%	25%	+11%	Progression Linear	Target level
	<b>Efficiency</b>	Cost/income ratio: Total Group costs divided by the Group's net banking income	25%	20%	+ 3%		Target level
	<b>Strategy and sustainability KPIs</b>		35%	35%	Minimum level		Medium level
	<b>ESG (*)</b>	1. Maintenance of the A rating issued by MSCI 2. Maintenance of gender equity commitments 3. Implementation of the first step of the conversion of the company car fleet into a hybrid one	10%	10%	1 out of 3 targets	2 out of 3 targets	3 out of 3 targets
	<b>Strategic action</b>	Qualitative assessment of the achievement of strategic directives, formulated by the CEO	25%	25%	In line with expectations	Above expectations	Excellent

(\*) Company-wide target for all identified staff

## 15. Short-term variable remuneration of Heads of Control functions

The remuneration package of the identified staff belonging to the control functions (Risk Management, Compliance, Internal Audit, Anti-Money Laundering) is structured with a prevalent fixed component and a contained variable part allocated annually on the basis of **qualitative** and **efficiency criteria**; in compliance with the Supervisory Provisions, the variable remuneration of the Heads of the control functions may not exceed 33% of the fixed remuneration.

When determining the remuneration of the identified staff belonging to the control functions, **incentive mechanisms linked to economic results** are in any case **excluded**.

For the year 2022, the identified staff belonging to the control functions are the recipients of an incentive system based on a performance scorecard containing **structure KPIs**, **solidarity KPIs** and **qualitative KPIs**.

The KPIs and their relative weights are defined in a specific company document.

Variable remuneration will accrue on the basis of the degree of achievement of objectives with variable remuneration being paid on a linear progression between 60% and 100%.

(\*) Company-wide target for all identified staff



## 16. Short-term variable remuneration of other staff, including the identified staff

For the year 2022, even the identified staff in compliance with paragraph 4.4 and not belonging to the above categories, shall be the recipients of an incentive system based on a performance scorecard containing, as a rule, **economic-financial KPIs/structure KPIs, solidarity KPIs and qualitative KPIs**<sup>15</sup>.

The KPIs and their relative weights are defined in a specific company document.

Variable remuneration will accrue on the basis of the degree of achievement of objectives with variable remuneration as a rule being paid on a linear progression between 60% and 100%.

## 17. Short-term variable remuneration for sales staff

The commercial resources not belonging to the identified staff (referred to in the preceding paragraphs) are the recipients, for 2022, of an incentive system based on a performance scorecard containing, in general, **economic-financial KPIs** based on the specific businesses, **solidarity KPIs and qualitative KPIs**, i.e. the qualitative assessment and verification of complaints received from customers<sup>16</sup>.

The declination of the KPIs and their relative weights is defined in a specific company document, as is the **bonus accrual configuration**, with the possibility of recognising performance above the budget within a defined maximum bonus value.

The performance scorecard for sales resources can be individual or team-based.

Finally, it should be noted that, as from 2022, the variable remuneration for personnel not belonging to the “identified staff” may be subject to **deferment mechanisms for retention purposes**. This instrument, dedicated to sales staff, provides for the payment of a portion of variable remuneration in the year following the year of performance, and the remaining portion in subsequent years. This deferred component is not paid on termination of employment (i.e. during the notice period) and is subject to claw back provisions.

## 18. 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 19 March 2019 which adopted the Guidelines of the European Banking Authority concerning

<sup>15</sup> In any case, the remuneration of the Manager in charge and the Head of Human Resources does not include incentive mechanisms linked to economic results.

<sup>16</sup> The incentive systems of the commercial network are subject to correction mechanisms (*malus*/claw back clauses) such as to allow their reduction (even significant) or cancellation. 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).

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 “relevant 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 relevant personnel and credit brokers<sup>17</sup> forming the Group’s sales network to which the remuneration policies described in this Report shall apply.

Personnel belonging to this relevant personnel category total 202, of which 167 are those offering products to customers and 35<sup>18</sup> are those to whom the former report hierarchically. The internal sales network includes the following products /Business areas:

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

For what concerns credit brokers, the agent network counts a total of about 119 agents supporting the Lease and CQS products.

The Bank also has a total of 43 agreements in place with credit brokers, including one dedicated to the leasing segment.

Having said that, for what concerns the remuneration policies and practices for relevant 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 the evaluation of creditworthiness and the approval of transactions, consistent with the delegation system for taking on the credit risk.

The variable remuneration system for the sales network is defined, as indicated in the preceding paragraph, by identifying Key Performance Indicators of a quantitative nature (such as, by way of example, among others: net banking income, number of clients started up, volumes of new business, size of the client in terms of turnover, portfolio retention, credit quality in terms of credit impairment adjustments, relationships reported and started up referring to different Business Units) and of a qualitative nature, and is subject to mechanisms for ex post correction of the variable (*malus*/claw back clauses). Among the qualitative KPIs, there is a specific target related to complaints received.

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.

## 18.1 Remuneration of financial Agents

<sup>17</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>18</sup> Of which 4 belonging to the key personnel category.

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 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, contain 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 explained to the Remuneration Committee and approved by the Board of Directors of the Parent company and of the Subsidiary where present.

It should be noted that, for the year 2022, with specific reference to agents in financial activities related to the NPL sector, the “recurring remuneration” will be calculated through a percentage to be applied on the collected amounts (subject to collection) on the basis of the characteristics of the plan and the credit entrusted (i.e. seniority of the credit, duration of the plan, percentage involvement). Again with reference to the NPL sector, non-recurring remuneration instead envisages a single bonus assigned individually to each agent based on two performance indicators and subject to recognition and exclusion criteria.

This new modulation of agents' remuneration encourages responsible behaviour based on criteria that are consistent with the Group's Code of Ethics in the delicate activity of accompanying debtors towards the construction of sustainable plans and towards re-entering the ranks of possible borrowers:

- the sharing of the risk of deactivation and non-collection on instalment plans
- the application of an incentive mechanism with the aim of rewarding fewer disconnections and greater collections in a shorter period of time
- the definition of a remuneration structure based on the quality of the Network's funding
- the transition to a 100% contingency fee structure with an accompanying plan for the transition period
- rates defined on the basis of the duration of the plan, percentage of write-off and seniority of the loan
- increased transparency on Network performance.

## 18.2 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 fixed and variable fee (or the criteria for determining it), and its method of payment.

The (fixed and potentially variable) 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 any target market rates.

## **19. Treatment for termination of office or of employment**

### **19.1 Treatment for termination of office or of employment for the identified staff.**

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 remuneration 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<sup>19</sup> (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 the identified staff. 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 the identified staff (without prejudice to the specifications below):

#### BASIC AMOUNT +/- CORRECTIVE FACTORS

The basic amount<sup>20</sup> calculation is based on company seniority, as follows:

- Up to 2 years: 7 months of recurrent salary;
- Over 2 and up to 6 years: 11 months of recurrent salary;
- Over 6 and up to 10 years: 15 months of recurrent salary;
- Over 10 and up to 15 years: 19 months of 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 Officer, the basic amount is calculated applying the following formula:  $24 * (\text{recurrent salary}/12)$ .

<sup>19</sup> In order to satisfy the regulatory provision that requires the indication of a maximum limit to severance also in terms of the number of annuities of fixed remuneration and in absolute value, it should be noted that 24 months of recurring remuneration could correspond to a maximum, of a fully theoretical nature (in the case of personnel who in the three years prior to termination always received a bonus equal to 100% of his fixed remuneration), of 3,2 years of fixed remuneration. The severance value thus determined cannot, in any case, exceed a total of 2.496.000 million Euro.

<sup>20</sup> In any case, without prejudice to the maximum limit of 24 months total *de facto* gross salary, including prior notice (if applicable).

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 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 Managers who are part of the identified staff and the remaining other identified staff, the amounts to be paid are defined based on the prior favourable opinion of the Remuneration Committee and subsequent Board of Directors approval.

\* \* \*

As a rule, consultancy contracts are not stipulated for a period following the termination of the relationship. However, this possibility is without prejudice, where this meets proven needs to continue to make use, in the interest of the company, for a limited period of time after the termination of the relationship, of the skills and contribution of the director and/or the Key Manager and for the performance of specific and predetermined activities (against a remuneration appropriately parametrised to the object and scope of the requested activity).

Furthermore, no agreements are currently in place - and normally are not stipulated - providing for the assignment or maintenance of monetary benefits for the period following the termination of the relationship (except for the possibility of granting the maintenance of assets such as cars or accommodation for limited periods of time subsequent to termination, and without prejudice to the overall maximum limit indicated above, compliance with which is verified by also calculating the value of any maintenance of these benefits).

## 19.2 Treatment for termination of office or of employment for non-relevant personnel

The provisions for the identified staff, referred to in the previous paragraph, do not apply to redundancy incentives, also connected with extraordinary operations (e.g. mergers) or corporate restructuring processes, and recognised to non-relevant personnel, provided that they jointly comply with the following conditions:

- they respond exclusively to the logic of containment of company costs and rationalisation of the personnel structure;
- they promote adherence to support measures provided for by law or collective bargaining for all employees;
- they do not produce ex ante distorting effects on the behaviour of personnel;
- they provide for claw back mechanisms, which at least cover cases of fraudulent behaviour or gross negligence to the detriment of the bank.

Incentives to leave will therefore be established pursuant to laws in force and collective negotiations applicable.

## 20. Implementation of Policies in Subsidiaries

This document on the remuneration and incentive policies drawn up by the Parent company is valid for all subsidiaries, which, with the exception of Farbanca S.p.A., are not required to draw up their own document

in this regard. Having said this, it is expected that Farbanca S.p.A. will implement this policy by means of its own shareholders' resolution.

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.

## 21. Exemptions

When exceptional circumstances occur - by that meaning specific situations where derogation to the remuneration policy is needed to pursue the long-term and sustainability interests of the company as a whole or to ensure its ability to remain on the market -, the Bank, with, in any case, no prejudice to Supervisory Provision limits, **may derogate to the following elements of the Remuneration Policy approved by the shareholders to pursue the long-term and sustainability interests of the company as a whole, or to guarantee its capacity to stay on the market:**

- the annual incentive system (Goals, Weights and/or Conditions of Access);
- the long-term incentive plan (Goals, Weights and/or Conditions of Access);
- payments in the event of resignation from office or termination of employment

Any temporary exceptions will be resolved on by the Company's Board of Directors with the favourable opinion of the Remuneration Committee, in compliance with the procedure for transactions with related parties and connected subjects.

## SECTION II

Section II of the Report is aimed at representing the application of the 2021 remuneration and incentive Policies, approved by the Shareholders' Meeting on 22 April 2021, as required by the reference regulatory framework, in particular:

- Article 450 of Regulation (EU) 575/2013 of 26 June 2013 (Capital Requirements Regulation);
- Implementing Regulation No. 637 of 15 March 2021, referred to in section vi, par. 1 - public disclosure requirements of Bank of Italy Circular no. 285 of 17 December 2013
- Bank of Italy Circular no. 285 of 17 December 2013 - First Part, Title IV, Chapter 2, Remuneration and incentive policies and practices;
- Article 123-ter of Italian Legislative Decree of 24 February 1998, no. 58 (Consolidated Law on Finance);
- Article 84-quater of the Regulation on Issuers approved with resolution no. 11971 of 14 May 1999 as subsequently amended and supplemented;
- the Corporate Governance Code for Listed Companies, updated January 2020.

The Second Section of the Remuneration Policy consists of two parts:

Part I	Descriptive in nature, it describes and represents the items that make up the remuneration of the members of the Board of Directors and control bodies, the General Managers and the Key Managers, and the procedures used for the adoption and implementation of this policy
Part II	Tabular in nature, concerning (i) the data referring to the year 2021, represented in accordance with the requirements of the Bank of Italy Circular 285/2013 relating to the fixed cost and variable component of the Group's personnel broken down by business remuneration of those who fall within the category of "identified staff" of the Group as at 31 December 2021 and (ii) the data on remuneration referring to the year 2021, represented according to Scheme 7-BIS of Annex 3A to the Regulation on Issuers, relating to Directors, Auditors and other Key Managers of the Group

### Part One

During FY 2021, the Bank implemented Section I of the remuneration policy approved by the Shareholders' Meeting on 22 April 2021, as supplemented by the addendum approved by the Shareholders' Meeting on 28 July 2021, including in light of the favourable vote cast by the Shareholders' Meeting on 22 April 2021 on **Section II** of the 2021 remuneration policy (corresponding to 98,973% of the voting rights).

In a logic of consistency with the reporting provided to the Shareholders' Meeting of 22 April 2021 regarding the implementation of the remuneration policies approved the previous year (the related documentation is available on the Bank's website in the "Corporate governance" section, path > Shareholders' Meeting > where the minutes of the Shareholders' Meeting of 22 April 2021 and the minutes of the Shareholders' Meeting of 28 July 2021 can be consulted, pursuant to Article 125 quater of TUF), we provide - in addition to what has already been said in other parts of this Report - some additional summary information on the implementation, during 2021, of the policies approved a year ago.



\* \* \*

The data shown below refer to all the companies of the Banca Ifis Group as at 31/12/2021 which are the following: Ifis Npl Investing S.p.A., Ifis Npl Servicing S.p.A., Ifis Rental Services Srl, Credifarma S.p.A., Cap.Ital.Fin. S.p.A., Ifis Real Estate S.p.A., Farbanca S.p.A., IFIS Finance Sp.zo.o, based in Poland, IFIS Finance IFN SA, based in Romania, Ifis NPL 2021-1 SPV, a securitisation vehicle that has no employees. For details of the quantitative data with reference to the **remuneration of employees**, reference should be made to the tables below (for IFIS Finance Sp.zo.o and IFIS Finance IFN SA, since it is not possible to consider the staff grades in a homogeneous manner with respect to the staff of the other subsidiaries, reference should be made only to the tables IFIS Finance Sp.zo.o and IFIS Finance IFN SA, in “Other Tables”).

\* \* \*

For details on quantitative data related to remuneration paid to **Board members and Auditors, and the Chairman of the Supervisory Body**, please refer to Table 1 (remuneration paid to members of the administration and control bodies, general managers and other key managers - figures in thousand Euro).

For what concerns **Directors, 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 2021, 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 during the year.

\* \* \*

Total Group **Employee** expenses amount to approximately 134,9 million Euro

As part of the periodic remuneration review process, in 2021 merit-based interventions were carried out, with the exclusion of the provisions of the contractual automatism in force, for approximately 19,98% of the personnel, with an overall impact of approximately 7,40% on the amount of the salaries.

With specific reference to **Financial Advisors** not linked by an employment relationship, the total amount of costs is approximately 9,27 million Euro.

\* \* \*

### **Activities carried out by the corporate bodies, in particular: Shareholders' Meeting and Remuneration Committee.**

In 2021, the **Shareholders' Meeting** met three times:

- on 22 April 2021 to approve the Group's remuneration and incentive policies for 2021;
- on 28 July 2021 (i) to make a number of amendments to the Articles of Association, including the one that determined the power of the Ordinary Shareholders' Meeting, when approving the remuneration policies, to resolve on a ratio between the variable and fixed components of the individual remuneration of personnel in excess of 100% (ratio of 1:1), but in any event not exceeding the limit provided for, pursuant to the applicable *pro tempore* legislative and regulatory provisions in force and currently equal to 200% (ratio of 2:1) as well as (ii) to update the Report on the Remuneration Policy and compensation paid with the approval of an Addendum aimed at adjusting the remuneration policies of the Banca Ifis Group in order to offer incentive for the retention of the CEO and any other Top Managers of the Bank through the provision of a long-term incentive plan for the three-year period 2021-2023, entirely based on financial instruments (iii) for the approval of the remuneration plan based on financial instruments for certain corporate figures as set out in the related information document prepared pursuant to article 114-bis of Italian Legislative Decree 24 February 1998, no. 58 and subsequent amendments and additions, and the related implementing rules (iii)



for the authorisation to purchase and dispose of treasury shares, pursuant to articles 2357 and 2357-ter of the Italian Civil Code, article 132 of Italian Legislative Decree 24 February 1998, no. 58 and subsequent amendments and additions, and article 144-bis of the Consob Regulation adopted by resolution no. 11971 of 14 May 1999 and subsequent amendments and additions.

- on 21 December 2021, for the authorisation to increase the maximum ratio between the variable and fixed components of the CEO alone, with effect from 2022, from 1:1 to 1,5:1.

\* \* \*

During 2021, the **Remuneration Committee** met a total of 9 times, including 1 joint meeting with the Appointments Committee.

The meetings were preceded by discussion among the members and/or by prior individual examination of documentation.

The average length of the meetings was approximately one hour and 40 minutes.

In 2021, the members of the Committee took part in all meetings held.

The CEO attended some meetings, during which no issues concerning him were scheduled. The Chairman of the Board of Statutory Auditors and the other Standing Auditors also attended almost all the meetings.

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

- detailed terms and conditions relating to the events involving the Chief Executive Officer;
- the identified staff self-assessment process;
- identification of the perimeter on the remuneration of key managers;
- incentive schemes applied to various business units of the Bank and the Group;
- remuneration and incentive policies of the Group: Report on the Remuneration Policy and compensation paid;
- Information document pursuant to Articles 114 bis of the TUF and 84 bis of the Regulation on Issuers;
- implementation of the remuneration policies approved by the Shareholders' Meeting and impacts of Covid 19;
- incentive systems to be used in 2021;
- determination of the variable remuneration deriving from the results of the 2021 financial year for the Chief Executive Officer, the then General Manager, key managers, the heads of internal control functions and the remaining identified staff;
- verification of the absence of conditions for the application of ex-post correction mechanisms (*malus* and claw back);
- report on the application of the 2021 remuneration policies to personnel not included in the category of identified staff;
- Long-Term Incentive plan; in examining the issues related to the implementation of the Long Term Incentive plan (hereinafter the "LTI Plan") external consultants have been involved by internal functions;
- agreement relating to the Variable Performance Bonus;

To carry out its duties, the Committee has specific financial resources at its disposal.

\* \* \*

## Opening access gates to variable remuneration for all staff and verification of malus/claw back conditions.

On the basis of the available evidence, the conditions of access to variable remuneration for all staff (so-called “gate”) were met and, following the outcome of the check carried out on the ex post correction mechanisms, no *malus*/claw back conditions were found to exist.

On the other hand, during the first quarter of 2021, following the outcome of the checks relating to the *malus*/claw back conditions, a *malus* condition was detected with reference to the 2020 financial year, with the result that the deferred variable component (cash portion and equity portion) pertaining to that year was reduced by an amount equal to 20%. It should be noted in this regard that this curtailment applies to the 2017, 2018 and 2019 Plans for which they are beneficiaries: Giovanni Bossi (former CEO of Banca Ifis S.p.A.), Alberto Staccione (General Manager of Banca Ifis S.p.A. until 5 October 2021), Luciano Colombini (former CEO of Banca Ifis S.p.A.), Paolo Formigoni (Head of Business Plan Governance, Planning and Management Control Department), Sergio Catalano (Head of ICT & Change Management), Paolo Strocchi (former Chairman of the subsidiary FBS S.p.A. - now Ifis Npl Servicing S.p.A. - who ceased office on 29 November 2019)

\* \* \*

With reference to the **variable remuneration of the Chief Executive Officer and the General Manager** represented in the table below, it should be noted that in both cases the respective objectives have been achieved and consequently:

Role	Number of resources as of 31/12/2021	Achievement of 2021 goals	Variable remuneration theoretically accrued	Variable remuneration in 2021 actually accrued	Fixed remuneration percentage in 2021	Percentage of variable remuneration in 2021
CEO	1	100%	468.000	468.000	54%	46%
GM	1	100%	185.039	185.039	63%	38%

We omit further details regarding the above for the protection of confidentiality of commercially sensitive information and forward-looking data.

Furthermore, it should be noted that during FY 2021, an agreement was signed between the Parent company Banca Ifis and the CEO of the subsidiary Farbanca S.p.A. for the latter to resign from the aforesaid office, as well as from his position as director (effective 18 November 2021), based on the merger project - currently being finalised - of the Company with another Group company.

The terms and conditions of the aforesaid agreement fully reflect the agreements already reached in the pre-acquisition phase of Farbanca S.p.A. by Banca Ifis S.p.A., mainly providing for, among other things, the payment of the following: (i) a penalty equal to the gross amount of 125.000,00 Euro due for the early termination of the office and (ii) the incentive remuneration referring to FY 2021, calculated in an amount equal to the gross amount of 40.000 Euro, subject to the occurrence of the conditions provided for by the Bank's remuneration policies and relating to the criteria for access to the variable remuneration of all Group personnel. Moreover, the aforementioned agreement provides for the payment of fixed salaries until 31/12/2021, including the consideration due under a non-competition agreement lasting 12 months from the date of termination (equal in total to the gross amount of 100.000 Euro).

\* \* \*

Also with reference to FY 2021, a **Variable Result Bonus** (to be paid in the course of FY 2022 with reference to the results of FY 2021) has been envisaged for employees who are not already recipients of other incentive systems (by way of example, but not limited to, commercial staff and the identified staff) and a Welfare Plan (to be paid in the course of FY 2022 with reference to FY 2021). Both Plans have been defined by means of a Trade Union Agreement that governs their terms and conditions, including the possibility of converting

20% of the VRB into Welfare (which would thus be added to the Standard Welfare Credit provided for in the same agreement).

\* \* \*

Finally, a comparative table of the changes that have occurred, for the years 2019, 2020 and 2021, of the following information is provided below:

- total remuneration of each of the members of the management body and the control body of the Company

Total remuneration of each of the members of the management body and the control body of the Bank						
	2019	2020	Variation %	2020	2021	Variation %
Furstenberg Sebastien Egon	692,5	700,0	1,08%	700,0	700,0	0,00%
Furstenberg Fassio Ernesto	210,0	469,1	123,38%	469,1	435,0	-7,27%
Geertman Frederik Herman					1.483,4	nd
Colombini Luciano	993,8	834,2	-16,06%	834,2	259,5	-68,89%
Arduini Simona	93,7	125,8	34,26%	125,8	126,8	0,79%
Gronchi Divo	68,4	81,6	19,30%	81,6	3,7	-95,47%
Malinconico Antonella	111,8	108,0	-3,40%	108,0	118,0	9,26%
Santosuosso Daniele	144,3	140,7	-2,49%	140,7	113,5	-19,33%
Billio Monica	83,3	105,8	27,01%	105,8	116,2	9,83%
Lo Giudice Luca	57,8	72,0	24,57%	72,0	70,3	-2,36%
Colleoni Beatrice	65,8	82,8	25,84%	82,8	93,7	13,16%
Csillaghy de Pacser Alessandro	210,8	220,8	4,74%	220,8	-	nd
Diacetti Roberto	71,3	117,4	64,66%	117,4	118,5	0,94%
Preve Riccardo	16,8	39,9	137,50%	39,9	60,8	52,38%
Regazzi Monica	-	-	nd	-	42,4	nd
Bugna Giacomo	125,0	118,0	-5,60%	118,0	122,3	3,64%
Olivetti Franco	64,0	82,0	28,13%	82,0	84,8	3,41%
Monterumisi Marinella	69,5	90,0	29,50%	90,0	90,3	0,33%
Staccione Alberto	520,1	379,9	-26,96%	379,9	519,4	36,72%
Lanza Fabio	-	-	nd	-	492,2	nd
Zingone Raffaele	-	-	nd	-	433,1	nd

(\*) For the offices that took effect during the year, the remuneration is re-proportioned to the period

- of the Banca Ifis Group's results (in terms of net banking income, net result from financial activities and net profit attributable to the Group, expressed in thousands of Euro);

Results of the Group						
Contents	2019	2020	Variation %	2020	2021	Variation %

Net banking income	€ 558.333	€ 467.800	(16,2)%	€ 467.800	€ 602.519	28,80%
Net profit (loss) from financial activities	€ 471.150	€ 376.441	(20,1)%	€ 376.441	€ 525.360	39,56%
Net profit attributable to the Parent company	€ 123.097	€ 68.804	(44,1)%	€ 68.804	€ 100.582	46,19%

- of the average annual gross remuneration, based on full-time employees.

Average annual gross remuneration based on full-time employees					
2019	2020	Variation	2020	2021	Variation
		%			%
€ 40.359	€ 44.332	9,84%	€ 44.332	€ 45.748	3,19%

### Average ratio between the variable component and fixed remuneration for fiscal year 2021 for the Executive category

Executives not included in the definition of Key Managers	
Banca Ifis S.p.A.	24,88%
Cap.Ital.Fin. S.p.A.*	-
Credifarma S.p.A.	20,00%
Farbanca S.p.A.*	-
Ifis Npl Investing S.p.A.	54,82%
Ifis Npl Servicing S.p.A.	32,63%
Ifis Real Estate S.p.A.*	-
Ifis Rental Services Srl*	-

\* these companies do not have Executives

### Average ratio between the variable component and fixed remuneration for FY 2021 for the category Middle Management and Professional Areas with commercial roles

Middle Management and Professional Areas that hold commercial roles	
Banca Ifis S.p.A.	34,57%
Cap.Ital.Fin. S.p.A.	-
Credifarma S.p.A.	29,71%
Farbanca S.p.A.	2,45%
Ifis Npl Investing S.p.A.	-

Ifis Npl Servicing S.p.A.	-
Ifis Real Estate S.p.A.	-
Ifis Rental Services Srl	32,82%

### Bonuses paid to the Middle Management and Professional Areas categories in 2021

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.	11,62%	6,90%
Ifis Npl Investing S.p.A.	19,10%	6,71%
Ifis Rental Services Srl	10,53%	7,82%
Credifarma S.p.A.	15,82%	5,25%
Cap.Ital.Fin. S.p.A.	7,52%	8,32%
Ifis Npl Servicing S.p.A.	12,31%	7,16%
Farbanca S.p.A.	-	-
Ifis Real Estate S.p.A.	-	-

### Salary increases attributed during fiscal year 2021

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.	4,89%	7,52%
Ifis Npl Investing S.p.A.	6,37%	13,29%
Ifis Rental Services Srl	-	-
Credifarma S.p.A.	2,64%	4,47%
Cap.Ital.Fin. S.p.A.	-	-
Ifis Npl Servicing S.p.A.	2,09%	6,43%
Farbanca S.p.A.	-	-
Ifis Real Estate S.p.A.	-	-

### Employees promoted during FY 2021

With reference to all Group employees	% of employees promoted compared to the average number of current employees	% average increase
Banca Ifis S.p.A.	17,15%	7,23%
Ifis Npl Investing S.p.A.	31,83%	13,95%
Ifis Rental Services Srl	21,05%	5,67%
Credifarma S.p.A.	13,19%	5,54%
Cap.Ital.Fin. S.p.A.	-	-
Ifis Npl Servicing S.p.A.	12,04%	6,60%

Farbanca S.p.A.	18,80%	10,30%
Ifis Real Estate S.p.A.	50,00%	5,46%

#### RAL increase during FY 2021 (including contractual increases)

With reference to all Group employees	
Banca Ifis S.p.A.	2,26%
Ifis Npl Investing S.p.A.	7,12%
Ifis Npl Servicing S.p.A.	1,44%
Ifis Rental Services Srl	1,55%
Credifarma S.p.A.	3,97%
Cap.Ital.Fin. S.p.A.	0,56%
Ifis Real Estate S.p.A.	2,87%
Farbanca S.p.A.	2,86%

#### Stability and/or non-competition agreements

With reference to all Group employees	Stability agreements*	Extended notice agreements	Non-competition agreements*	Retention agreements*
Banca Ifis S.p.A.	114	8	-	-
Ifis Npl Investing S.p.A.	5	-	-	-
Ifis Npl Servicing S.p.A.	13	1	1	3
Ifis Rental Services S.r.l.	-	-	-	-
Credifarma S.p.A.	-	-	-	-
Cap.Ital.Fin. S.p.A.	-	-	-	-
Ifis Real Estate S.p.A.	-	-	-	-
Farbanca S.p.A.	-	-	-	-

\* figures at 31/12/2021

#### Coordinated collaboration contract relationships

Company	Co.Co.Co.*
Banca Ifis S.p.A.	3
Ifis Npl Servicing S.p.A.	-
Ifis Npl Investing S.p.A.	-
Ifis Rental Services Srl	-
Credifarma S.p.A.	-
Cap.Ital.Fin. S.p.A.	-
Ifis Real Estate S.p.A.	1
Farbanca S.p.A.	2



\* figures at 31/12/2021



## Part two: fees paid in 2021

### Table 1: remuneration paid to members of the administration and control bodies, general managers and other key managers (figures in thousand Euro)

Name and surname	Office	Period for which the office was held	End of term	Fixed remuneration					Variable remuneration (non equity)			Total	Fair Value of equity remuneration	Severance indemnity or indemnity for termination of employment			
				Remuneration of office decided by the Shareholders' Meeting	Attendance fees	Remuneration for special offices pursuant to art. 2389 of the Italian Civil Code	Fixed remuneration as an employee	Remuneration of the Supervisory Body	Remuneration for participating in committees	Bonuses and other incentives	Profit sharing				Non-monetary benefits	Other remuneration	
Sebastian Egon Fürstenberg	Chairman of the Board of Directors	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	-	650.0	-	-	-	-	-	-	-	700.0	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	-	650.0	-	-	-	-	-	-	-	700.0	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>50.0</b>	<b>-</b>	<b>650.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>700.0</b>	<b>-</b>	<b>-</b>	
Ernesto Fürstenberg Fassio	Deputy Chairman of the Board of Directors	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	-	250.0	-	-	-	-	-	-	135.0	435.0	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	-	250.0	-	-	-	-	-	-	-	135.0	435.0	-	-
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>50.0</b>	<b>-</b>	<b>250.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.0</b>	<b>435.0</b>	<b>-</b>	<b>-</b>
Ernesto Fürstenberg Fassio	Chairman of the Board of Directors of Ifis NPL Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	-	-	-	-	-	-	-	-	-	50.0	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	-	-	-	-	-	-	-	-	-	50.0	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>100.0</b>	<b>-</b>	<b>250.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.0</b>	<b>485.0</b>	<b>-</b>	<b>-</b>
Frederik Herman Geertman	Director	from 11/02/2021 to 22/04/2021	End of office 22/04/2021	9.8	-	-	-	-	-	-	-	-	-	9.8	-	-	
Frederik Herman Geertman	CEO	from 22/04/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	599.5	-	-	-	-	-	-	16.1	918.0	1,479.6	-	
Remuneration in Banca Ifis S.p.A.				9.8	-	599.5	-	-	-	-	-	-	-	16.1	918.0	1,484.4	-
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>9.8</b>	<b>-</b>	<b>599.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16.1</b>	<b>918.0</b>	<b>1,484.4</b>	<b>-</b>
Luciano Colombi	CEO	from 01/01/2021 to 22/04/2021	End of office 22/04/2021	15.6	-	242.7	-	-	-	-	-	-	1.2	259.5	-	985.9	
Remuneration in Banca Ifis S.p.A.				15.6	-	242.7	-	-	-	-	-	-	-	1.2	259.5	-	985.9
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>15.6</b>	<b>-</b>	<b>242.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>259.5</b>	<b>-</b>	<b>985.9</b>
Luciano Colombi	CEO of Ifis NPL Investing S.p.A.	from 01/01/2021 to 26/01/2021	End of office 26/01/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Luciano Colombi	Director of Ifis Npl Investing S.p.A.	from 26/01/2021 to 22/02/2021	End of office 22/02/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Luciano Colombi	CEO of Ifis NPL Servicing S.p.A.	from 01/01/2021 to 22/04/2021	End of office 22/04/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Luciano Colombi	Chairman of the Board of Directors Farbanca S.p.A.	from 01/01/2021 to 22/04/2021	End of office 22/04/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Simona Anubali	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	1.8	-	-	-	-	-	-	-	-	51.8	-	-	
Simona Anubali	Chairman of the Control and Risk Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	75.0	-	-	-	-	75.0	-	-	
Simona Anubali	Lead Independent Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	1.8	-	-	-	75.0	-	-	-	-	126.8	-	-	
Simona Anubali	Director of Ifis Npl Investing S.p.A.	from 10/05/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	12.9	4.5	-	-	-	-	-	-	-	-	17.4	-	-	
Simona Anubali	Director of Ifis Npl Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	20.0	-	-	-	-	-	-	-	-	-	20.0	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				32.9	4.5	-	-	-	-	-	-	-	-	37.4	-	-	
<b>Total</b>				<b>82.9</b>	<b>6.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164.2</b>	<b>-</b>	<b>-</b>	
Monica Billio	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	11.0	-	-	-	-	-	-	-	-	61.0	-	-	
Monica Billio	Member of the Control and Risk Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	45.0	-	-	-	-	45.0	-	-	
Monica Billio	Member of the Appointments Committee	from 14/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	9.7	-	-	-	-	9.7	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	11.0	-	-	-	54.7	-	-	-	-	115.7	-	-	
Monica Billio	Director of Ifis Npl Investing S.p.A.	from 09/05/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	16.2	6.5	-	-	-	-	-	-	-	-	22.7	-	-	
Monica Billio	Director of Farbanca S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	20.0	-	-	-	-	-	-	-	-	-	20.0	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				36.2	6.5	-	-	-	-	-	-	-	-	42.7	-	-	
<b>Total</b>				<b>86.2</b>	<b>17.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158.4</b>	<b>-</b>	<b>-</b>	
Beatrice Collesi	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	14.0	-	-	-	-	-	-	-	-	64.0	-	-	
Beatrice Collesi	Member of the Appointments Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	10.0	-	-	-	-	10.0	-	-	
Beatrice Collesi	Member of the Remuneration Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	10.0	-	-	-	-	10.0	-	-	
Beatrice Collesi	Member of the Supervisory Body	from 14/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	9.7	-	-	-	-	-	9.7	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	14.0	-	-	-	9.7	20.0	-	-	-	93.7	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>				<b>50.0</b>	<b>14.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.7</b>	<b>20.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>93.7</b>	<b>-</b>	<b>-</b>	
Roberto Diacetti	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	50.0	11.0	-	-	-	-	-	-	-	-	61.0	-	-	
Roberto Diacetti	Member of the Control and Risk Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	45.0	-	-	-	-	45.0	-	-	
Roberto Diacetti	Chairman of the Appointments Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements as 31/12/2021	-	-	-	-	-	12.0	-	-	-	-	12.0	-	-	
Remuneration in Banca Ifis S.p.A.				50.0	11.0	-	-	-	57.0	-	-	-	-	118.0	-	-	
Roberto Diacetti	Deputy Chairman of the Board of Directors of Ifis NPL Servicing S.p.A.	from 01/01/2021 to 05/07/2021	End of office 05/07/2021	15.1	-	-	-	-	-	-	-	-	-	15.1	-	-	
Roberto Diacetti	Deputy Chairman of the Board of Directors of Farbanca S.p.A.	from 01/01/2021 to 05/05/2021	End of office 05/05/2021	5.4	-	-	-	-	-	-	-	-	-	5.4	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				20.5	-	-	-	-	-	-	-	-	-	20.5	-	-	
<b>Total</b>				<b>70.5</b>	<b>11.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>138.5</b>	<b>-</b>	<b>-</b>	
Dive Groschi	Director	from 01/01/2021 to 14/01/2021	End of office 14/01/2021	1.9	1.0	-	-	-	-	-	-	-	-	2.9	-	-	
Dive Groschi	Member of the Appointments Committee	from 01/01/2021 to 14/01/2021	End of office 14/01/2021	-	-	-	-	-	0.4	-	-	-	-	0.4	-	-	
Dive Groschi	Member of the Supervisory Body	from 01/01/2021 to 14/01/2021	End of office 14/01/2021	-	-	-	-	0.4	-	-	-	-	-	0.4	-	-	
Remuneration in Banca Ifis S.p.A.				1.9	1.0	-	-	-	0.4	0.4	-	-	-	3.7	-	-	
Dive Groschi	Director of Ifis Npl Investing S.p.A.	from 01/01/2021 to 14/01/2021	End of office 14/01/2021	0.8	0.5	-	-	-	-	-	-	-	-	1.3	-	-	
Remuneration from subsidiaries of Banca Ifis S.p.A.				0.8	0.5	-	-	-	-	-	-	-	-	1.3	-	-	
<b>Total</b>				<b>2.7</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	



Name and surname	Office	Period for which the office was held	End of term	Fixed remuneration				Remuneration for participating in committees	Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Severance indemnity for termination of employment
				Remuneration of office decided by the Shareholders' Meeting	Attendance fees	Remuneration for special offices pursuant to art. 2389 of the Italian Civil Code	Fixed remuneration as an employee		Remuneration of the Supervisory Body	Bonuses and other incentives					
Luca Lo Giudice	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	10.3	-	-	-	-	-	-	60.3	-	-	
	Member of the Remuneration Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	10.0	-	-	-	10.0	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>50.0</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70.3</b>	<b>-</b>	<b>-</b>	
Luca Lo Giudice	Chairman of the Board of Directors of Ifis Npi Investing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	8.0	-	-	-	-	-	-	58.0	-	-	
	Director of Ifis Npi Servicing S.p.A.	from 30/05/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	12.9	-	-	-	-	-	-	-	12.9	-	-	
	Chairman of the Board of Directors of Ifis Real Estate S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	20.0	-	-	-	-	-	-	-	20.0	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>82.9</b>	<b>8.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.9</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>132.9</b>	<b>18.3</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161.2</b>	<b>-</b>	<b>-</b>	
Antonella Malinconico	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	10.5	-	-	-	-	-	-	60.5	-	-	
	Member of the Control and Risk Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	45.0	-	-	-	45.0	-	-	
	Chairman of the Remuneration Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	12.0	-	-	-	12.0	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>50.0</b>	<b>10.5</b>	<b>-</b>	<b>-</b>	<b>57.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.5</b>	<b>-</b>	<b>-</b>	
Antonella Malinconico	Director of Ifis Npi Investing S.p.A.	from 01/01/2020 to 31/12/2020	End of office 31/12/2020	-	0.5	-	-	-	-	-	-	0.5	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>-</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>50.0</b>	<b>11.0</b>	<b>-</b>	<b>-</b>	<b>57.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.0</b>	<b>-</b>	<b>-</b>	
Monica Regazzi	Director	from 22/04/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	34.6	7.3	-	-	-	-	-	-	41.9	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>34.6</b>	<b>7.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.9</b>	<b>-</b>	<b>-</b>	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>34.6</b>	<b>7.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41.9</b>	<b>-</b>	<b>-</b>	
Riccardo Preve	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	10.3	-	-	-	-	-	-	60.3	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>50.0</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.3</b>	<b>-</b>	<b>-</b>	
Riccardo Preve	Chairman of the Board of Directors of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	-	-	-	-	-	-	-	50.0	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>50.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.0</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>100.0</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110.3</b>	<b>-</b>	<b>-</b>	
Daniele Santonasso	Director	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	50.0	8.5	-	-	-	-	-	-	58.5	-	-	
	Member of the Control and Risk Committee	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	45.0	-	-	-	45.0	-	-	
	Chairman of the Supervisory Body	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	10.0	-	-	-	10.0	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>50.0</b>	<b>8.5</b>	<b>-</b>	<b>-</b>	<b>45.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113.5</b>	<b>-</b>	<b>-</b>	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>50.0</b>	<b>8.5</b>	<b>-</b>	<b>-</b>	<b>55.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113.5</b>	<b>-</b>	<b>-</b>	
Giacomo Bugna	Chairman of the Board of Statutory Auditors	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	105.0	17.3	-	-	-	-	-	-	122.3	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>105.0</b>	<b>17.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122.3</b>	<b>-</b>	<b>-</b>	
Giacomo Bugna	Chairman of the Board of Statutory Auditors of Ifis Npi Investing S.p.A.	from 01/01/2021 to 18/04/2021	End of office 18/04/2021	9.0	-	-	-	-	-	-	-	9.0	-	-	
	Chairman of the Supervisory Body of Ifis Npi Investing S.p.A.	from 01/01/2021 to 18/04/2021	End of office 18/04/2021	-	-	-	-	1.5	-	-	-	1.5	-	-	
	Chairman of the Board of Statutory Auditors of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	30.0	-	-	-	-	-	-	-	30.0	-	-	
	Chairman of the Board of Statutory Auditors of Cap Itai Fin. S.p.A.	from 01/01/2021 to 20/04/2021	End of office 20/04/2021	6.0	-	-	-	-	-	-	-	6.0	-	-	
	Standing Auditor of Ifis Real Estate S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	3.5	-	-	-	-	-	-	-	3.5	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>48.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50.0</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>153.5</b>	<b>17.3</b>	<b>-</b>	<b>-</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172.3</b>	<b>-</b>	<b>-</b>	
Mariabella Montomisi	Standing Auditor	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	70.0	10.3	-	-	-	-	-	-	80.3	-	-	
	Member of the Supervisory Body	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	10.0	-	-	-	10.0	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>70.0</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90.3</b>	<b>-</b>	<b>-</b>	
Mariabella Montomisi	Standing Auditor of Ifis Npi Investing S.p.A.	from 18/04/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	14.0	-	-	-	-	-	-	-	14.0	-	-	
	Standing Auditor of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	20.0	-	-	-	-	-	-	-	20.0	-	-	
	Standing Auditor of Farbanca S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	10.0	-	-	-	-	-	-	-	10.0	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>44.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44.0</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>114.0</b>	<b>10.3</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134.3</b>	<b>-</b>	<b>-</b>	
Franco Olivetti	Standing Auditor	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	70.0	14.8	-	-	-	-	-	-	84.8	-	-	
<b>Remuneration in Banca Ifis S.p.A.</b>				<b>70.0</b>	<b>14.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84.8</b>	<b>-</b>	<b>-</b>	
Franco Olivetti	Standing Auditor of Ifis Real Estate S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	3.5	-	-	-	-	-	-	-	3.5	-	-	
	Standing Auditor of Credifarma S.p.A.**	from 15/04/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	10.6	-	-	-	-	-	-	-	10.6	-	-	
	Standing Auditor of Farbanca S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	10.0	-	-	-	-	-	-	-	10.0	-	-	
	Chairman of the Supervisory Body of Farbanca S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	5.0	-	-	-	5.0	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>24.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29.1</b>	<b>-</b>	<b>-</b>	
<b>Total</b>				<b>94.1</b>	<b>14.8</b>	<b>-</b>	<b>-</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113.9</b>	<b>-</b>	<b>-</b>	
Andrea Bellon	Director of Credifarma S.p.A.**	from 15/04/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	5.0	0.8	-	-	-	-	-	-	5.8	-	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>5.0</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	
Giampietro Bernanotte	CEO of Farbanca S.p.A.	from 01/01/2021 to 18/11/2021	End of office 18/11/2021	-	-	132.3	-	-	40.0	-	115.0	287.3	125.0	-	
<b>Remuneration from subsidiaries of Banca Ifis S.p.A.</b>				<b>-</b>	<b>-</b>	<b>132.3</b>	<b>-</b>	<b>-</b>	<b>40.0</b>	<b>-</b>	<b>-</b>	<b>115.0</b>	<b>287.3</b>	<b>125.0</b>	<b>-</b>





Name and surname	Office	Period for which the office was held	End of term	Fixed remuneration					Variable remuneration (non equity)		Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	Severance indemnity or indemnity for termination of employment
				Remuneration of office decided by the Shareholders' Meeting	Attendance in fees	Remuneration for special offices pursuant to art. 2389 of the Italian Civil Code	Fixed remuneration as an employee	Remuneration of the Supervisory Body	Remuneration for participating in committees	Bonuses and other incentives					
Marilena Segnana	Chairman of the Board of Statutory Auditors of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	30.0	-	-	-	-	-	-	-	-	30.0	-	-
	Chairman of the Supervisory Body of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	5.0	-	-	-	-	5.0	-	-
	Standing Auditor of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	20.0	-	-	-	-	-	-	-	-	20.0	-	-
Giancarlo Vitoli	Member of the Development Committee of Credifarma S.p.A.**	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	4.0	-	-	-	4.0	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	4.0	-	-	-	4.0	-	-
Piera Vitoli	Standing Auditor of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	End of office 19/02/2021	2.1	-	-	-	-	-	-	-	-	2.1	-	-
	Chairman of the Supervisory Body of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	End of office 19/02/2021	-	-	-	-	0.7	-	-	-	-	0.7	-	-
Carlo Zuccarini	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	0.7	-	-	-	0.7	-	-
	Standing Auditor of Credifarma S.p.A.**	from 01/01/2021 to 15/04/2021	End of office 15/04/2021	4.4	-	-	-	-	-	-	-	-	4.4	-	-
Marco Alessandrini	CEO of Credifarma S.p.A.** (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Development Committee of Credifarma S.p.A.** (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Rosalba Benedetto	Director of Credifarma S.p.A.** (with reversibility of emoluments)	from 15/04/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrea Bema	Director of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Daniela Bonzanini	Director of Ifis Finance S.p.A.o.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Ifis Finance I.F.N. S.A.	from 01/01/2021 to 31/12/2021	End of office 07/09/2022	-	-	-	-	-	-	-	-	-	-	-	-
Massimiliano Fabrizi	CEO of Farbanca S.p.A.	from 18/11/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Angelo Ferracchiati	Member of the Supervisory Body of Banca Ifis S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Npi Investing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Credifarma S.p.A.**	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Gian Franco Mano Foner	Director of Ifis Finance I.F.N. S.A.	from 01/01/2021 to 31/12/2021	End of office 07/09/2022	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Andrea Inticcoli	General Manager of Ifis Finance I.F.N. S.A.	from 01/01/2021 to 31/12/2021	n.a.	-	-	36.8	-	-	-	-	-	-	9.0	45.8	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	9.0	45.8	-
Fabio Lanza	Director of Ifis Npi Servicing S.p.A.	from 28/12/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Massimo Macchiocci	Director of Credifarma S.p.A. (with reversibility of emoluments)	from 01/01/2021 to 15/04/2021	End of office 15/04/2021	-	-	-	-	-	-	-	-	-	-	-	-
	CEO of Ifis Rental Services S.r.l.	from 01/01/2021 to 12/04/2021	End of office 12/04/2021	-	-	-	-	-	-	-	-	-	-	-	-
Silvia Magliocchetti	Director of Credifarma S.p.A.** (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Katia Mariotti	CEO of Ifis Npi Investing S.p.A.	from 26/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Ifis Npi Investing S.p.A.	from 01/01/2021 to 26/01/2021	End of office 26/01/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Lucia Martini	Director of Credifarma S.p.A. (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Francesco Peluso	Member of the Supervisory Body of Banca Ifis S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Npi Investing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Npi Servicing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Supervisory Body of Credifarma S.p.A.**	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Alberto Staccone	Director of Ifis Npi Investing S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Credifarma S.p.A. (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Development Committee of Credifarma S.p.A.** (with reversibility of emoluments)	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Chairman of the Board of Directors Farbanca S.p.A.	from 10/05/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Farbanca S.p.A.	from 01/01/2021 to 10/05/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
Maria Cristina Taramba	Director of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nicola Zanrato	General Manager of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raffaella Zingone	Director of Ifis Rental Services S.r.l.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Chairman of the Board of Directors of Cap.Ital Fin. S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Director of Ifis Finance I.F.N. S.A.	from 01/01/2021 to 31/12/2021	End of office 07/09/2022	-	-	-	-	-	-	-	-	-	-	-	-
	Member of the Audit Committee of Ifis Finance I.F.N. S.A.	from 01/01/2021 to 31/12/2021	End of office 26/01/2022	-	-	-	-	-	-	-	-	-	-	-	-
Fabio Lanza	Director of Farbanca S.p.A.	from 01/01/2021 to 31/12/2021	Approval of the financial statements at 31/12/2021	-	-	-	-	-	-	-	-	-	-	-	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Raffaella Zingone	Joint General Manager Chief Operating Officer***	from 05/10/2021 to 31/12/2021	n.a.	-	-	125.0	-	-	-	-	-	17.2	350.0	492.2	-
	Joint General Manager Chief Commercial Officer****	from 05/10/2021 to 31/12/2021	n.a.	-	-	285.4	-	-	-	-	-	17.7	-	433.1	-
Alberto Staccone	General Manager****	from 01/01/2021 to 05/10/2021	End of office 05/10/2021	-	-	309.3	-	-	-	-	-	25.1	-	519.4	-
	Remuneration in Banca Ifis S.p.A.	-	-	-	-	699.7	-	-	-	-	-	60.0	350.0	1,444.7	-
Other key managers (10 managers in office as at 31/12/2021)	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	699.7	-	-	-	-	-	60.0	350.0	1,444.7	-
	Total	-	-	-	-	699.7	-	-	-	-	-	60.0	350.0	1,444.7	-
Other key managers (1 manager in office as at 31/12/2021)	Remuneration in Banca Ifis S.p.A.	-	-	-	-	2,064.9	-	-	-	-	-	167.6	-	3,197.5	-
	Total	-	-	-	-	2,064.9	-	-	-	-	-	167.6	-	3,197.5	-
Other key managers (1 manager in office as at 31/12/2021)	Remuneration in Banca Ifis S.p.A.	-	-	-	-	104.1	-	-	-	-	-	10.3	-	189.4	-
	Remuneration from subsidiaries of Banca Ifis S.p.A.	-	-	-	-	104.1	-	-	-	-	-	10.3	-	189.4	-
Total				-	-	2,369.0	-	-	-	-	-	177.9	-	3,386.9	-

\* Any remuneration received by members of the Group's corporate bodies who are also employees of the Parent company is reversible.  
 \*\* Credifarma S.p.A. will undergo an extraordinary transaction during 2022.  
 \*\*\* The appointment of the Joint General Managers took place on 05/08/2021. This appointment was formalised following the authorisation of the Bank of Italy on 05/10/2021, which led to the actual effectiveness of the appointment. Entered the full amount received throughout FY 2021 without re-proportioning to the effective period of the appointment.  
 \*\*\*\* The end date of the General Manager's appointment was 05/08/2021. The termination of the appointment was formalised following the authorisation of the Bank of Italy on 05/10/2021. Entered the full amount received throughout FY 2021 without re-proportioning to the effective period of the appointment.

## Other tables: monetary incentive plans for members of the administration bodies, general managers and other key managers

The tables established by Appendix 3A, Template 7 bis, of the “Regulation on Issuers” currently applicable to the Banca Ifis Group are Tables 3A and 3B 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, other than stock options, for members of the administration bodies, general managers and other key managers

TABLE 3A: Incentive plans based on financial instruments, other than stock options, for members of the administration bodies, general managers and other key managers														
(A)	(B)	(1)	Financial instruments allocated in previous years not vested during the year		Financial instruments allocated during the year						Financial instruments vested during the year and not attributed	Financial instruments vested during the year and attributable		Financial instruments for the year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Name and surname	Office	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at date of assignment	Vesting period	Date of assignment	Market price upon allocation	Number and type of financial instruments	Number and type of financial instruments	Value at vesting date	Fair value	
Luciano Colombini	Chief Executive Officer of Banca IFIS SpA from 19/04/2019 to 22/04/2021	Remuneration in Banca Ifis S.p.A.	2019 Plan Resolution of 19/04/2019	7,381	3	-	-	-	-	-	-	-	-	
			2020 Plan Resolution of 23/04/2020	18,735	3	-	-	-	-	-	-	-	-	
			2019 Plan	-	-	-	-	-	-	-	-	-	-	-
			2020 Plan	-	-	-	-	-	-	-	-	-	-	-
			<b>Total</b>	<b>26,116</b>										
Frederik Herman Geertman	Chief Executive Officer of Banca IFIS SpA since 22/04/2021	Remuneration in Banca Ifis S.p.A.	2021 Plan Resolution of 22/04/2021	-	-	-	-	-	-	-	-	-	-	
			Remuneration from subsidiaries of Banca IFIS S.p.A.	2021 Plan	-	-	-	-	-	-	-	-	-	-
			<b>Total</b>											
Staccione Alberto	General Manager of Banca IFIS SpA until 05/10/2021	Remuneration in Banca Ifis S.p.A.	2017 Plan Resolution of 21/04/2017	910	3	-	-	-	-	-	-	1,705	19,229	
			2018 Plan Resolution of 06/03/2018	1,931	3	-	-	-	-	-	-	-	-	-
			2019 Plan Resolution of 19/04/2019	3,316	3	-	-	-	-	-	-	-	-	-
			2020 Plan Resolution of 23/04/2020	-	-	-	-	-	-	-	-	-	-	-
			2021 Plan Resolution of 22/04/2021	-	-	-	-	-	-	-	-	-	-	-
			2017 Plan	-	-	-	-	-	-	-	-	-	-	-
			2018 Plan	-	-	-	-	-	-	-	-	-	-	-
2019 Plan	-	-	-	-	-	-	-	-	-	-	-			
2020 Plan	-	-	-	-	-	-	-	-	-	-	-			
2021 Plan	-	-	-	-	-	-	-	-	-	-	-			
<b>Total</b>	<b>6,157</b>										<b>1,705</b>	<b>19,229</b>		
Zingone Raffaele	Joint General Manager Officer of Banca IFIS SpA since 05/10/2021	Remuneration in Banca Ifis S.p.A.	2021 Plan Resolution of 22/04/2021	-	-	-	-	-	-	-	-	-	-	
			Remuneration from subsidiaries of Banca IFIS S.p.A.	2021 Plan	-	-	-	-	-	-	-	-	-	-
			<b>Total</b>											
Fabio Lanza	Joint General Manager Officer of Banca IFIS SpA since 05/10/2021	Remuneration in Banca Ifis S.p.A.	2021 Plan Resolution of 22/04/2021	-	-	-	-	-	-	-	-	-	-	
			Remuneration from subsidiaries of Banca IFIS S.p.A.	2021 Plan	-	-	-	-	-	-	-	-	-	-
			<b>Total</b>											
<b>Other Key managers</b>														
Remuneration in Banca Ifis S.p.A.		2019-2020 Plan	<b>2,823</b>	<b>3</b>										
Remuneration from subsidiaries of Banca IFIS S.p.A.		2021 Plan	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>			<b>2,823</b>											

## TABLE 3B: monetary incentive plans for members of the management body, general managers and other key managers

TABLE 3B: Monetary incentive plans for members of the administration bodies, general managers and other key managers									
(A) Name and surname	(B) Office	(1) Plan	(2) Year bonus			(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 of Banca IFIS SpA from 19/04/2019 to 22/04/2021								
Remuneration in Banca Ifis S.p.A.		2019 Plan Resolution of 19/04/2019	-	-	-	-		65,894	
		2020 Plan Resolution of 22/04/2021	-	-	-	-	295,770	197,180	
Remuneration from subsidiaries of Banca IFIS S.p.A.		2019 Plan	-	-	-	-	-	-	-
		2020 Plan	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	295,770	263,074	-
<b>Frederik Herman Geertman</b>	Chief Executive Officer of Banca IFIS SpA since 22/04/2021								
Remuneration in Banca Ifis S.p.A.		2021 Plan Resolution of 22/04/2021	140,400	93,600	3	-			
Remuneration from subsidiaries of Banca IFIS S.p.A.		2021 Plan	-	-	-	-	-	-	-
<b>Total</b>			140,400	93,600					
<b>Staccione Alberto</b>	General Manager of Banca IFIS SpA until 05/10/2021								
Remuneration in Banca Ifis S.p.A.		2017-2018-2019-2020 Plans	-	-	-	-	76,181	59,212	-
		2021 Plan Resolution of 22/04/2021	55,512	37,008	3	-			
Remuneration from subsidiaries of Banca IFIS S.p.A.		2017 Plan	-	-	-	-	-	-	-
		2018 Plan	-	-	-	-	-	-	-
		2019 Plan	-	-	-	-	-	-	-
		2020 Plan	-	-	-	-	-	-	-
		2021 Plan	-	-	-	-	-	-	-
<b>Total</b>			55,512	37,008			76,181	59,212	
<b>Zingone Raffaele</b>	Joint General Manager Officer of Banca IFIS SpA since								
Remuneration in Banca Ifis S.p.A.		2021 Plan Resolution of 22/04/2021	45,000	30,000	3	-			
Remuneration from subsidiaries of Banca IFIS S.p.A.		2021 Plan	-	-	-	-	-	-	-
<b>Total</b>			45,000	30,000					
<b>Fabio Lanza</b>	Joint General Manager Officer of Banca IFIS SpA since								
Remuneration in Banca Ifis S.p.A.		2021 Plan Resolution of 22/04/2021	-	-	-	-			
Remuneration from subsidiaries of Banca IFIS S.p.A.		2021 Plan	-	-	-	-	-	-	-
<b>Total</b>			-	-	-	-	-	-	-
	Other Key managers	2021 Plan Resolution of 22/04/2021	422,600	176,400	-	-	22,500	27,480	
<b>Total</b>			422,600	176,400			22,500	27,480	

## Schedule of shareholdings of directors, auditors, the general manager and other key managers

### Table 1: equity investments of the members of the administrative and control bodies and general managers

Name and surname	Office	Investee company	No. of shares held at the end of the previous year	No. of shares purchased/received	No. of shares sold/transferred	No. of shares held at the end of the current year
Sebastien Egon Fürstenberg	Chairman	Banca IFIS S.p.A.	52.000			52.000
Ernesto Fürstenberg Fassio (through La Scogliera S.p.A.)	Deputy Chairman	Banca IFIS S.p.A.	27.174.347			27.174.347
Frederik Herman Geertman	CEO					
Daniele Umberto Santosuosso	Director					
Simona Arduini	Director (LID)					
Monica Billio	Director					
Antonella Malinconico	Director					
Roberto Diacetti	Director					
Monica Regazzi	Director					
Beatrice Colleoni	Director					
Luca Lo Giudice	Director					
Riccardo Preve (including shares held indirectly through Preve Costruzioni S.p.A.)	Director	Banca IFIS S.p.A.	1.234.500	390.500		1.625.000



Name and surname	Office	Investee company	No. of shares held at the end of the previous year	No. of shares purchased/received	No. of shares sold/transferred	No. of shares held at the end of the current year
Giacomo Bugna	Chairman					
Franco Olivetti	Standing Auditor					
Marinella Monterumisi	Standing Auditor					
Giuseppina Manzo	Alternate Auditor					
Alessandro Carducci Arsenio	Alternate Auditor					
Alberto Staccione (i)	General Manager	Banca IFIS S.p.A.	149.784	2.723		152.507
Raffaele Zingone (ii)	Joint General Manager					
Fabio Lanza (ii)	Joint General Manager					

(i) Chief Executive Officer no longer serving as of 5 October 2021. Banca IFIS treasury shares were assigned in April 2021 as part of the variable remuneration in application of the remuneration and incentive policies approved by the Shareholders' Meeting over time

(ii) appointment of Joint General Manager from 5 October 2021

## Table 2: holdings of other key managers

Number of key managers	Investee company	Number of shares held at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
12* persons as of 31/12/2021*	Banca Ifis S.p.A.	-	41.050	-	41.050

\* Excluding the General Manager and Joint General Managers

## Other tables

**QUANTITATIVE INFORMATION AGGREGATED BY BUSINESS LINE of Banca Ifis SpA\***

LINES OF BUSINESS	Number	GROSS ANNUAL REMUNERATION	GROSS ANNUAL VARIABLE REMUNERATION
CORPORATE FUNCTIONS	534	23.828.047	3.608.379
CORPORATE CONTROL FUNCTIONS	85	4.504.802	595.203
INVESTMENT BANKING	40	2.995.971	940.037
RETAIL BANKING	612	27.661.669	5.747.588
<b>TOTAL</b>	<b>1.271</b>	<b>58.990.489</b>	<b>10.891.207</b>

**Notes:**

\* The information refers to Banca Ifis S.p.A. employees in force as at 31/12/2021

**AGGREGATE QUANTITATIVE INFORMATION of the company Ifis Rental Services Srl\***

Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
<b>19</b>	<b>727.959</b>	<b>108.453</b>

**Notes:**

\* The table considers employees in force as of 31/12/2021.

**AGGREGATE QUANTITATIVE INFORMATION of the Company Ifis Npl Investing S.p.A.\***

Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
<b>34</b>	<b>1.257.458</b>	<b>380.707</b>

**Notes:**

\* The table considers employees in force as of 31/12/2021.

**AGGREGATE QUANTITATIVE INFORMATION of the Company Ifis Npl Servicing S.p.A.\***

Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
387	12.505.642	1.589.765

**Notes:**

\* The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION of the Company Credifarma S.p.A.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
37	1.517.635	177.985

**Notes:**

\* The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION of the Company Cap.Ital.Fin. S.p.A.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
39	1.132.786	3.000

**Notes:**

\* The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION of the company Ifis Real Estate S.p.A.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
2	92.367	6.068

**Notes:**

\* The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION OF Farbanca S.p.A.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration

30	1.465.272	84.553
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**Notes:**

\*The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION of the Company Ifis Finance Sp. Z.O.O.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
16	449.259	13.187

**Notes:**

\*The table considers employees in force as of 31/12/2021.

AGGREGATE QUANTITATIVE INFORMATION of the Company Ifis Finance I.F.N. S.A.*		
Number	Gross Annual Remuneration	Gross Annual Variable Remuneration
14	212.391	6.953

**Notes:**

\*The table considers employees in force as of 31/12/2021.

Banca Ifis S.p.A.	
Total remuneration recognised in excess of €. 1 million	No.
€. 1 million - 1,5 million	2
€. 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 THE “IDENTIFIED STAFF” (EMPLOYEES ONLY) OF THE BANCA IFIS GROUP								
Banca IFIS Group	No.	Fixed	Variable	% Average variable on fixed	Cash up front	Equity up front	Deferred cash	Deferred equity
Identified staff	43	6.724.711	2.805.870	38,84%	504.192	504.192	336.128	336.128

**EU REMA Table: remuneration policy**

Institutions shall describe the main elements of their compensation policies and how those policies are implemented. In particular, the following elements are described, as appropriate.

Qualitative disclosure

**a) Information regarding the bodies responsible for supervising remuneration.**

The Board of Directors was appointed by the Shareholders' Meeting on 19 April 2019 and shall remain in office until the approval of the financial statements at 31 December 2021 (April 2022). The Board of Directors of Banca Ifis (Parent company) is made up of 12 members (including 5 female directors out of 12): Sebastien Egon Furstenberg (Chair), Ernesto Furstenberg Fassio (Vice Chair), Frederik Geertman (CEO), Riccardo Preve, Simona Arduini, Antonella Malinconico, Beatrice Colleoni, Monica Billio, Daniele Umberto Santosuosso, Roberto Diacetti, Luca Lo Giudice, Monica Regazzi. 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 - who remain in office until the approval of the financial statements at 31 December 2021 - are: Antonella Malinconico (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 Director Antonella Malinconico.

The Committee may use and/or request attendance: (i) of external consultants who are experts in remuneration policies, who may also be chosen from among the members of the Board of Directors of the Parent company, provided that such experts do not at the same time provide Human Resources, Executive Directors or key managers of the Parent company and/or other companies in the Group with services of such significance as to compromise the independence of judgement of the consultants; (ii) of any corporate officer or employee of the Parent company or any other company in the Group.

The remuneration and incentive policies set out in the Report on the Remuneration Policy and compensation paid are applied to all Group Companies with registered offices in Italy and to Companies with registered offices abroad (where compatible with local legislation). The same policies contain a focus on the more detailed provisions laid down for only those members of staff who have a substantial impact on the Group's risk profile (so-called “identified staff”).

As the Parent company, pursuant to the Supervisory Provisions, the Bank is in fact required to identify the most relevant staff for the Group, taking into account all the Group companies, whether or not they are subject to this obligation on an individual basis.

The scope of the analysis therefore considers the personnel of the Group as a whole. This perimeter was identified on the basis of the results of the assessment carried out by the Parent company, including all Group companies in the analysis and taking into account the specific nature of the Group's current organisational model, according to which the Parent company performs strategic management, coordination and control functions.

**b) Information regarding the characteristics and structure of the remuneration system for identified staff.**

The main bodies and individuals of the Parent company involved in the preparation, approval and possible revision of the remuneration and incentive policy are: the Shareholders' Meeting, the Board of Directors, the Remuneration Committee, the CEO, the General Manager, Human Resources, the Control Functions and the Business Plan, Planning and Management Control Department. The Parent company, in the exercise of its management and coordination powers, defines this Group remuneration and incentive policy in line with the characteristics of the Group and of each subsidiary and in compliance with the provisions in force. The remuneration policy shall be in effect for one year. The remuneration and incentive policy is defined by the Parent company with a view to attracting, motivating and retaining people with the professional qualities required to profitably pursue, in accordance with the Company's values and according to a prudent risk management policy (in line with the provisions of the prudential control process) short- and/or medium/long-term objectives, correlated with the Group's strategic objectives, thus contributing to the achievement of results aimed at strengthening the Company's operational, economic and financial solidity in the long term and safeguarding the sustainability of the Banca Ifis Group.

The structure of the variable remuneration component must be compatible with the risk analyses undertaken by the banking group and, in order to be sustainable, must be compatible with the levels of capital and liquidity in the medium and long term.

The variable component is subject to ex post correction mechanisms (malus, claw back). In determining the remuneration of the identified staff belonging to the control functions and the Human Resources function, incentive mechanisms linked to the economic results of both Banca Ifis and the Group as a whole are in any event excluded.

**c) Description of how current and future risks are factored into remuneration processes.**

Access to the variable portion for all personnel is subject to compliance with the conditions for access (so-called "gate") provided for by the following indicators measured at year-end:

- on the basis of a measure of risk-adjusted profitability, such as RORAC (return on risk-adjusted capital) defined as the ratio between Net Profit and Capital absorbed by first-pillar risks (i.e. 8% Pillar 1 Risk Weighted Asset (RWA)), the [RORAC/RORAC\*] indicator, where RORAC\* is the RORAC defined by the Board of Directors for the reporting year, must be no less than 80%. This indicator allows profits to be weighted by 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 threshold 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 100%, for the Group's medium-long term liquidity indicator - Net Stable Funding Ratio (NSFR). The tolerance threshold is defined annually in the Banca Ifis Group's Risk Appetite Framework (RAF) at a consolidated level, in compliance with current prudential supervisory regulations.
- The consolidated Total Own Funds Capital Ratio above the tolerance threshold provided by the current RAF and thus, exceeding the Overall Capital Requirement announced by the Supervisory Body as part of the "Capital Decisions" following the periodic Supervisory Review and Evaluation Process (SREP).
- Gross NPL ratio and net NPL ratio below the alert threshold provided for the current RAF. These indicators are calculated excluding the NPL segment.

Failure to achieve more than one of the above parameters in two different areas, with the exception of capital solvency (i.e. consolidated Total Capital Ratio) and failure to respect the regulatory minimums, which must be respected at all times, will prevent payment of the variable component.

**d) The ratios between the fixed and variable components of remuneration established in accordance with article 94, paragraph 1, letter g) of the CRD.**

The remuneration of the identified staff is made up of an all-inclusive annual remuneration (RAL) and a variable component defined in advance for each individual, in relation to the role held. The limit on the variable/fixed ratio is 1:1, subject to the limit on the variable/fixed ratio with respect to control functions being 1:1/3 (of fixed compensation).

**e) Description of how the institution seeks to link the performance noted during the evaluation period to compensation levels.**

The MBO on which the determination of the variable remuneration of the identified staff is based has a different weighting for each professional category and is broken down into specific parameters according to the role covered, with the exception of the Heads of Control functions and the Head of the Human Resources Department.

With the exception of those who, in view of their role, only have qualitative objectives within the third pillar, all the others belonging to the category of identified staff are assigned more quantitative objectives, the achievement of which allows the payment of the respective variable quota. On the basis of the size of its assets, its structure, its riskiness and the complexity of its activities, the Banca Ifis Group can be traced back to the group of intermediate-sized banks.

This classification requires application of envisaged regulations only to the identified staff, allowing the 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.

That said, the Banca Ifis Group maintains a variable remuneration structure that is in any case stricter and more rigorous than the minimum regulatory limit envisaged for intermediate banks. Moreover, the deferment quota, the deferment period and the balancing quota of the variable remuneration for persons with particularly high variable remuneration are aligned with those already envisaged for other persons who fall within the category of identified staff. The variable component may not exceed a ratio of 1:1 to the fixed component and is determined at the time of approval of the Financial Statements for the year ended 31 December of the preceding year.

- The portion of the variable remuneration to be deferred is equal to 40% and is paid as follows:
  - 50% in Banca Ifis S.p.A. shares, which will be assigned after the expiry of the three-year vesting period and which will be exercisable at the end of the retention period of a further year to which the shares are subject;
  - the remaining 50% of variable remuneration subject to time deferment is instead paid in cash at the end of the three-year period and is subject to annual revaluation at the legal rate in force at the time.
- The variable component paid upfront (the remaining 60%) shall be paid as follows:
  - 50% in cash;
  - the remaining 50% in Parent company shares available at the end of the three-year retention period to which the shares are subject, in line with the strategic planning horizon.

The number of shares to be assigned is calculated by taking as the fair value of the share the average stock market price of the three months prior to determination of the variable remuneration, the latter to be carried out at the date of the Shareholders' Meeting that approves the financial statements.

Consistent with market practice, it is deemed appropriate to apply these rules of deferral and partial payment in the Bank's own shares if the variable remuneration exceeds 70.000 Euro (materiality threshold).

**f) Description of how the institution seeks to adjust compensation to reflect long-term performance.**

With regard to ex-post correction mechanisms, the following should be noted.

The deferred variable component is subject to the following malus mechanisms which reduce, up to zero, the amount previously determined before payment.

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



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The criteria envisaged are checked in each of the three financial years 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.

As regards the claw back, the related criteria are also checked in each of the three financial years closed after calculation of the variable component (accrual period) and are applied when the envisaged conditions are met, except for identified staff for whom that audit must be carried out in each of the following five financial years closed.

Finally, it is expressly forbidden for individual employees to engage in personal hedging or insurance strategies on remuneration or other aspects that may alter or affect the effects of alignment with the company risk inherent in the remuneration mechanisms envisaged.

**g) A description of the key parameters and rationale for any variable compensation scheme and any other non-cash benefits in accordance with article 450, paragraph 1, letter f) CRR.**

Variable remuneration is determined and paid in relation to the performance achieved in the reference period on the basis of the level of achievement of the objectives (KPIs) assigned, which also include qualitative objectives.

**h) At the request of the relevant member state or authority, the total compensation for each member of the governing body or senior management. Refer to Table REM 1**

EU REM1 template: remuneration awarded for the financial year

		a	b	c	d	
		MB - Strategic supervision function	MB - Management function	Other senior managers	Other members of identified staff	
1	Fixed remuneration	Number of members of identified staff	11	2	28	23
2		Total fixed remuneration	2,285,231	857,660	4,406,038	2,866,571
3		Of which cash-based	2,285,231	857,660	4,406,038	2,866,571
4		(Not applicable in the EU)				
EU-4a		Of which shares or equivalent ownership interests				
5		Of which share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which other instruments				
6		(Not applicable in the EU)				
7		Of which other forms				
8	(Not applicable in the EU)					
9	Variable remuneration	Number of members of identified staff		2	19	23
10		Total variable remuneration		1,119,139	2,062,456	1,119,175
11		Of which cash-based		195,912	345,600	103,080
12		Of which deferred		130,608	230,400	68,720
EU-13a		Of which shares or equivalent ownership interests		195,912	345,600	103,080
EU-14a		Of which deferred		130,608	230,400	68,720
EU-13b		Of which share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which deferred				
EU-14x		Of which other instruments				
EU-14y	Of which deferred					
15	Of which other forms					
16	Of which deferred					
17	Total remuneration (2 + 10)		2,285,231	1,976,799	6,468,494	3,985,746

EU REM2 template: Special payments to personnel whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d
	MB - Strategic supervision function	MB - Management function	Other senior managers	Other members of identified staff
<b>Guaranteed variable remuneration awards</b>				
1	Guaranteed variable remuneration awards - Number of members of identified staff			
2	Guaranteed variable remuneration awards -Total amount			
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap			
<b>Severance payments awarded in previous periods, that have been paid out during the financial year</b>				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of			
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount			
<b>Severance payments awarded during the financial year</b>				
6	Severance payments awarded during the financial year - Number of members of identified staff		1	
7	Severance payments awarded during the financial year - Total amount		125,000	
8	Of which paid during the financial year			
9	Of which deferred		125,000	
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap			
11	Of which highest payment that has been awarded to a single person			

EU REM3 template: deferred remuneration

		a	b	c	d	e	f	EU-g	EU-h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB - Strategic supervision function								
2	Cash-base								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB - Management function								
8	Cash-base	59,212	29,606	29,606	7,402	7,402		29,606	29,606
9	Shares or equivalent ownership interests	88,818	29,606	59,212	7,402	14,804		37,008	59,212
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms								
13	Other senior managers								
14	Cash-base	27,480		27,480		3,120			27,480
15	Shares or equivalent ownership interests	27,480		27,480		3,120			27,480
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms								
19	Other members of identified staff								
20	Cash-base	11,520		11,520		2,880			11,520
21	Shares or equivalent ownership interests	11,520		11,520		2,880			11,520
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	Total amount	226,030	59,212	166,818	14,804	34,206	0	66,614	166,818

EU REM4 Template: remuneration of 1 million EUR or more per Year

		a
	EUR	Numerber of members of identified staff, who are high earners as set out in Article 450 (i) CRR .
1	1 000 000 to 1 500 000	2
2	1 500 000 to 2 000 000	
3	2 000 000 to 2 500 000	
4	2 500 000 to 3 000 000	
5	3 000 000 to 3 500 000	
6	3 500 000 to 4 000 000	
7	4 000 000 to 4 500 000	
8	4 500 000 to 5 000 000	
9	5 000 000 to 6 000 000	
10	6 000 000 to 7 000 000	
11	7 000 000 to 8 000 000	
x	To be extended as appropriate, if further payment bands are needed	

EU REMS template: Information on remuneration of personnel whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
	MB - Strategic supervision function	MB - Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of members of identified staff									
2	11	2	13							
3	Of which other senior management									
4	Of which other members of identified staff									
5	2,285,231	1,976,799	4,262,030				2,383,836	1,044,486	7,025,918	
6	Of which variable remuneration									
7	2,285,231	857,660	3,142,891				1,473,636	814,086	4,984,887	

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

*In compliance with the requirements of Bank of Italy Circular 285 and the internal regulations of the Banca Ifis Group, the Internal Audit Department carried out a specific audit on the remuneration and incentive policies and practices to assess their effective compliance with the relevant legislation.*

*In particular, audits concerned the following areas:*

- definition of remuneration policies in order to check compliance with the regulatory framework and adequacy over favouring balanced Group governance and development mechanisms, in relation to the recent regulatory innovations introduced with the 37th update of the Bank of Italy circular no. 285/2013*
- application of the remuneration and incentive policies in order to i) assess, based on random audits, the Group's action with respect to the reference principles also related to the payment stage; ii) to ensure the accuracy of the "key personnel" identification process and the correct definition of the relative scope;*
- compliance with Supervisory Authority indications, and developments compared to previous areas of improvement suggested by the Internal Audit Department, to orient 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.*

*The main results of the audit were presented to the Remuneration Committee on 30 March 2022*







**Policy governing the identification process of the most relevant staff**

**Annex 1 to the 2022 Report on the Remuneration Policy and compensation paid**

MARCH 2022

# 1. Version history

Version	Approval date	Brief description of changes
1	07 March 2019	<i>First issuance</i>
2	10 March 2022	<i>Update</i>

# 2. Document objectives and management

## 2.1. Document objectives

This Policy, which forms an integral part of the Report on the Remuneration Policy and compensation paid, describes:

- the principles and guidelines for defining the process for identifying the most relevant staff (including those relating to possible exclusion);
- the criteria for determining the financial year of reference for the calculation of variable remuneration;
- the procedures for evaluating personnel; and
- the role played by the corporate bodies and the competent corporate functions for the preparation, monitoring and review of the identification process.

## 2.2. Recipients

This policy is applicable and disseminated, to the extent applicable, to all the organisational units of the Parent company and its subsidiaries.

## 2.3. Document management

The document is managed in the same way as the Report on the Remuneration Policy and compensation paid, of which this policy is an integral part.

Responsibility for the document management process is broken down as follows.

Drafting	Parent company			Subsidiaries
	Discussion	Approval	Publication and Archiving	Approval
<u>Manager</u> Human Resources of the Parent company	CEO Remuneration Committee	Board of Directors	Parent company's	Board of Directors and Shareholders'

Drafting	Parent company			Subsidiaries
	Discussion	Approval	Publication and Archiving	Approval
<u>Support</u> Parent company Compliance Parent company's Organisational Office		Shareholders' Meeting	Organisational Office	Meeting (for bank subsidiaries)

This policy has been shared with the Compliance function, which has assessed its compliance with applicable regulations

### 3. Identification of “most relevant staff” (identified staff)

The Supervisory Provisions for Banks on Remuneration and Incentive Policies and Practices - Circular no. 285 of 17 December 2013, as most recently updated with the 37th update published in the Official Journal on 4 December 2021 - hereinafter “**Circular**” or “**Provisions of the Bank of Italy**”, govern the process for identifying the “**most relevant staff**” (or “identified staff”), i.e. the categories of personnel whose activities have a material impact on the Bank's risk profile, which the Bank is required to carry out annually.

The 37th update of the aforementioned Provisions of the Bank of Italy is aimed at implementing the changes introduced by CRD V (Directive 2019/878/EU) on remuneration policies and practices and the Guidelines of the European Banking Authority implementing Directive 2013/36/EU (EBA/GL/2021/04). The above-mentioned directive introduces some important changes, including the criteria for the **identification of personnel who assume significant risks for the bank or the group to which it belongs, the so-called identified staff or risk-takers**: unlike the previous legislation, which did not include the list of risk-takers in the directive and referred to specific EBA Standard Regulatory Requirements (RTS) for the definition of criteria for their identification, the CRDV identifies a non-exhaustive list of staff members who must be considered risk-takers and gives the EBA the power to clarify certain definitions for the correct identification of these subjects, as well as to define criteria for the identification of further subjects whose activities have a significant impact on the risk profile of the institution<sup>21</sup>.

For the purpose of the process of identifying the most relevant staff, the European legislator established - first with Delegated Regulation (EU) No. 604/2014, then subsequently repealed by Delegated Regulation (EU) 2021/923 (hereinafter the “**Delegated Regulation**”) - *regulatory technical standards, which identify the criteria for defining managerial responsibilities, control functions, the relevant business unit/company and the significant impact on*

<sup>21</sup> Bank of Italy Circular no. 285/2013 (37th update), Part One, Title IV, Chapter 2, Section I, par. 6

*the risk profile of the business unit/company in question, and the criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution's risk profile comparably as material as that of the categories of staff mentioned in Article 92(3) of the CRD.*

In order to identify the most relevant staff, **the Bank therefore applies, in addition to the Provisions of the Bank of Italy, the technical standards of Delegated Regulation (EU) 2021/923.**

The Bank, in its capacity as Parent company, identifies the most relevant staff for the Group, having regard to all Group companies, whether or not they are subject to the discipline on an individual basis. The Bank, if necessary, identifies and applies **criteria in addition** to those established in the aforementioned Regulation, in order to identify additional personnel who take on risks relevant to the group.

The function responsible for preparing the policy governing the identification process of the most relevant staff, which forms an integral part of the Bank's remuneration and incentive policy, is the Human Resources function of the Parent company.

The **Compliance function of the Parent company**, as a control function, expresses itself on the compliance with the regulatory framework of the policies for the identification of key personnel.

The **Parent company's Risk Management** function, as a control function, supports the Human Resources function, as far as it is concerned, in verifying the existence of the quality requirements referred to in art. 3 of the Delegated Regulation.

The **Internal Audit function of the Parent company**, as a control function, on the other hand verifies ex post the compliance of the identification process of the most relevant staff with this policy.

As part of the identification process of the most relevant staff, the companies of the Group actively participate by providing the Human Resources function of the Parent company with the documentation and information necessary for the purpose and abide by the indications received.

The identification process of the most relevant staff is composed of the following sub-processes:

- identification of the scope of analysis;
- collection and analysis of all regulations and internal governance rules; verification of correspondence with the qualitative criteria set out in Art. 5 of the Regulation;
- verification of correspondence with the quantitative criteria referred to in Article 6 of the Regulation;
- drafting of the self-assessment document and related monitoring;
- presentation of the Self-Assessment document to the Remuneration Committee and approval by the Board of Directors of the Bank and (related implementation by the subsidiaries)
- approval of the document by the Shareholders' Meeting of the Bank (and its banking subsidiaries) as part of the approval of the Report on the Remuneration Policy and Fees Paid.

### 3.1. Corporate bodies involved in the approval of policies relating to the identification process of the most relevant staff

The Remuneration Committee submits this Policy for subsequent approval by the Board of Directors of the Parent company and the Shareholders' Meeting.

It is also specified that the Remuneration Committee:

The Remuneration Committee:

- has the task of proposing the remuneration of the staff whose remuneration and incentive systems are decided by the body with strategic supervisory functions in accordance with the provisions of this paragraph;

- supports the Board of Directors in the review of policies at least once a year, in the analysis of the gender neutrality of remuneration policies and in the verification of the gender pay gap and its evolution over time. Reasons for the gender pay gap are appropriately documented and corrective action taken where necessary;
  - has advisory tasks regarding determination of the criteria for the remuneration of all identified staff;
  - expresses its opinion, also making use of the information received from the competent corporate functions, on the results of the identification process of the identified staff, including any exclusions;
  - directly supervises the correct application of the rules relating to the remuneration of the heads of company control functions, in close collaboration with the body with control functions;
  - prepares the documentation to be submitted to the body with strategic supervisory functions for the related decisions;
  - collaborates with the other internal committees of the body with strategic supervisory functions, in particular with the Risk Committee, where present;
  - ensures the involvement of all competent company functions in the process of preparing and monitoring remuneration and incentive policies and practices;
  - provides an opinion, making use of the information received by the competent company functions, on the achievement of performance objectives which are linked to the incentive plans and on the ascertainment of other conditions for the payment of remuneration;
  - provides appropriate feedback on the activities carried out to the corporate bodies, including the Shareholders' Meeting.

In order to carry out its duties effectively and responsibly, the Remuneration Committee has access to company information relevant to this purpose and has sufficient financial resources to ensure its operational independence. As regards the activities of the Board of Directors, please refer to what is specified below in paragraph 3.7 of this document.

For further details on the additional roles played by the Remuneration Committee, the Board of Directors and the Shareholders' Meeting, within the scope of the remuneration policies, reference should instead be made to the Report on the Remuneration Policy and compensation paid.

### 3.2. Identification of the scope of analysis

For the purpose of identifying the most relevant staff, the Parent company's Human Resources function considers all the Group's personnel as a whole and therefore the members of the bodies with strategic supervision, management and control functions, the Group's employees and collaborators.

The Human Resources function of the Parent company then proceeds with the collection and verification of all internal regulatory legislation, in order to identify the roles of greater responsibility within the entire organisational structure of the Group.

Therefore, the scope of the analysis takes into account the following roles within the Group:

- executive and non-executive members of the Boards of Directors;
- the General Management;
- the Heads of the Control functions;
- the Heads of the functions reporting directly to the Chief Executive Officer and/or the General Management (including the Heads of the main business lines and the Heads of the relevant operating/company units);
- the Managers of the second level organisational units;

- the collaborators of the Group.

### 3.3 Determination of the financial year of reference for the calculation of variable remuneration

For the purposes of the self-assessment process of the identified staff, as provided for in Bank of Italy Circular no. 285/2013 (37th update), Part One, Title IV, Chapter 2, Section I, par. 6, the analyses carried out in relation to the quantitative criteria are based on the information reported for the financial year preceding the financial year of assessment, approved by the Shareholders' Meeting and recorded as of 31 December (the year preceding the financial year in which the variable remuneration is awarded).

In particular, the quantitative analysis is carried out with reference to all amounts of fixed and variable remuneration, calculated gross and on a full-time equivalent basis.

### 3.4 Verification of consistency with the qualitative criteria set out in Circular 285/2013, Part One, Title IV, Chapter 2, Section 1, paragraph 6 to Article 5 of Regulation 2021/923

Once the scope of the analysis has been defined, all the aforementioned roles are classified by the Parent company's Human Resources, if the prerequisites are met, within the categories set out in Circular 285/2013, Part One, Title IV, Chapter 2, Section 1, paragraph 6 and Article 5 of Regulation 2021/923.

The Bank also identifies criteria in addition to those established in the aforementioned Delegated Regulation, in order to make the attention reserved by the Supervisory Provisions of the Bank of Italy to "*the executive directors; the general managers; the joint general managers; the deputy general managers and similar figures; the heads of the main lines of business, company functions or geographical areas; those who report directly to the bodies with strategic supervision, management and control functions; managers and higher-level personnel of the corporate control functions*" as well as particular categories of personnel such as "*agents in financial and insurance activities and financial consultants qualified for out-of-office offer employed in external distribution networks*".

In particular, the Human Resources function identifies the additional personnel who, due to the professional activities carried out and the risks monitored, can have a substantial impact on the Group's risk profile, taking into account the responsibilities entrusted and the activities carried out, the hierarchical levels, the delegations and the ability to affect, individually and/or collectively, the risk profile of the Group. The presence or absence of these requirements is identified based on the analysis of internal regulations.

The outcomes of the identification process are appropriately motivated and formalised by Human Resources in the Self-Assessment document, with the support, as far as is within the remit of Compliance and Risk Management.

### 3.5 Verification of correspondence with the quantitative criteria set forth in Circular 285/2013, Part One, Title IV, Chapter 2, Section 1, paragraph 6, letter c) and Article 6 of the Regulation

Once the identified staff have been defined on the basis of the qualitative criteria set forth in Article 5 of the Delegated Regulations, Human Resources proceeds to verify the existence of the quantitative criteria set forth in Circular 285/2013, Part One, Title IV, Chapter 2, Section 1, paragraph 6, letter c) and Article 6 of the same Delegated Regulation, letters a) and b). The outcomes of the identification process are appropriately motivated and formalised by Human Resources in the Self-Assessment document.

#### 3.4.1 Exclusion of identified staff

If the Bank considers that the staff identified in implementation of Article 6, paragraph 1, of Delegated Regulation (EU) no. 923/2021 may not be considered as identified staff, the Bank, through Corporate Affairs and on the advice of Human Resources, shall promptly, and in any event within six months of the end of the previous financial year, send the Bank of Italy the application for prior authorisation referred to in Article 6, paragraph 3, of Delegated Regulation (EU) no. 923/2021 (i.e., notification of the exclusions concerning personnel whose total remuneration amount is equal to or greater than 750.000 Euro, or for banks with more than 1.000 employees, personnel who fall within the 0,3% of personnel who are assigned the highest total remuneration in the previous financial year or for the previous financial year ).

The request for prior authorisation is accompanied by the information identified in Annex A referred to in Part One, Title IV, Chapter 2, Section I of the Supervisory Provisions.

The exclusion lasts one year and concerns the year following the one in which the notification is made, with the exception of the exclusions notified for the first time, which also extend to the year in which the notification is submitted.

The application for authorisation may cumulatively concern several employees or categories of personnel whose exclusion is based on the same conditions, provided that the staff for which the exclusion is requested are clearly identifiable and the same level of information required under this paragraph is guaranteed.

Applications for authorisation for exclusions concerning staff to whom an amount of total remuneration equal to or greater than 1 million Euro is recognised (see Article 6, paragraph 4 of the Delegated Regulation) are in any case submitted individually for each employee. In these cases, the Delegated Regulation states that exclusion may only be authorised in exceptional circumstances, by which is meant unusual or infrequent situations that lead to the staff member not being considered a risk-taker. The existence of exceptional circumstances must be demonstrated in the permit application.

### 3.6 Drafting of the Self-assessment document and related monitoring

The Group's Self-assessment document is drawn up annually by the Human Resources function of the Parent company, which constitutes the preparatory phase for the preparation of the remuneration and incentive policies for the Group's personnel and which contains:

- the internal regulations of reference;
- qualitative and quantitative analysis pursuant to Articles 5 and 6 of the Delegated Regulation;
- the number of personnel identified as most relevant staff;
- the number of individuals identified for the first time;
- individual names or identifiers;
- the description of the roles and responsibilities of the staff;
- a comparison with the results of the previous identification process.

The same information concerns any personnel excluded and those for whom a request for preventive authorisation of exclusion has been submitted or is intended to be submitted, as regulated in paragraph 3.4.1.

The Human Resources function of the Parent company, with the support of the Parent company's Compliance, monitors the consistency of the contents of the Self-Assessment document with respect to any organisational changes that have occurred in order to assess the need for revision of the document itself in order to make it consistent with the organisational changes made.

### 3.7 Submission of the Self-assessment document to the Remuneration Committee and approval of the Board of Directors



The Self-assessment document is submitted for evaluation by the Parent company's Remuneration Committee and, in the event of a favourable opinion from the latter, for the approval of the Board of Directors of the Parent company and implemented by the other subsidiaries.

Following the aforementioned decisions, the subsidiaries then abide by the indications received and remain in any case responsible for compliance with the legislation directly applicable to them and for the correct implementation of the guidelines provided by the Parent company.

