



# REPORT ON REMUNERATION

pursuant to article 123 ter  
of the Italian Consolidated Finance Act

Document approved by the Board of Directors  
in the meeting of March 6 2018

[www.bancaifis.it](http://www.bancaifis.it)



Banca IFIS S.p.A - Registered office in Via Terraglio 63, 30174 Mestre, Venice - Registration number in the Companies Register of Venice and Tax Code 02505630109 - VAT number 02992620274 - REA (Administrative Economic Index) number: VE - 0247118 - Fully paid-up share capital Euro 53.811.095 - Registry of Banks no. 5508 - Parent Company of the Banca IFIS Banking Group S.p.A, enrolled in the registry of Banking Groups - Member of the Interbank Deposit Protection Fund, of the Italian Banking Association, of the Italian Factoring Association, of Factors Chain International. Member of the National Compensation Fund.

## Contents

Applicable Provisions .....	6
Report Structure .....	6
SECTION I – Remuneration and incentive policies.....	8
1. Bodies and individuals involved in the preparation, approval and implementation of remuneration policies .....	8
1.1 The Shareholders' Meeting .....	8
1.2 The Board of Directors.....	8
1.3 The Remuneration Committee .....	9
<i>Composition</i> .....	10
<i>Working method</i> .....	10
<i>Remuneration Committee Meetings</i> .....	11
1.4 The Chief Executive Officer .....	11
1.5 The General Manager.....	11
1.6 The Control Functions.....	12
1.7 Other facilities involved .....	12
1.8 Independent experts involved in preparing the remuneration policy .....	12
2. Principles and purposes of the remuneration and incentive policies .....	13
2.1. Main changes from the previous financial year .....	13
3. Recipients and Contents of 2018 Policies .....	14
<i>Recipients of Policies and identification of key personnel</i> .....	14
<i>Conditions for accessing the variable component (gate)</i> .....	15
<i>Directors' Remuneration</i> .....	15
<i>Statutory Auditors Remuneration</i> .....	16
<i>Parent Company's Chief Executive Officer and General Manager's remuneration</i> .....	16
<i>Remuneration for Control Functions</i> .....	17
<i>Remuneration of other key personnel</i> .....	18
<i>Structure of variable component for key personnel</i> .....	19
<i>Malus condition</i> .....	20
<i>Claw back</i> .....	20

<i>Long Term Incentive</i> .....	21
<i>Ban on hedging strategies</i> .....	21
<i>Remuneration of Financial Agents</i> .....	21
<i>Other types of employee</i> .....	22
<i>Remuneration of non-employee contractors</i> .....	22
4. Non-monetary benefits .....	23
5. Severance pay provision .....	23
6. Implementation of Policies in subsidiaries .....	24
<i>New company acquisition: Cap.Ital.Fin S.p.A.</i> .....	24
SECTION II .....	25
1. Part One.....	25
1.1 Remuneration entries.....	25
1.2 Further information on the consistency of fees with the remuneration policy.....	26
<i>Executives (not included in the definition of executives with strategic responsibilities)</i> .....	26
<i>Middle Management and Professional Areas that hold commercial roles</i> .....	27
<i>Other Middle Management and Professional Areas</i> .....	27
<i>Other information</i> .....	27
<i>Group Companies</i> .....	27
(a) IFIS FINANCE Sp.z o.o.....	27
(b) INTERBANCA S.p.A., IFIS LEASING S.p.A., IFIS FACTORING S.r.l. and IFIS RENTAL SERVICES S.r.l.....	28
2. Part Two: remuneration paid in 2017.....	29
Table 1: remuneration paid to members of the administration and audit control bodies, to the general managers and to the other executives with strategic responsibilities (figures in thousands of euros).....	29
.....	30
Other tables: monetary incentive plans for members of the administration bodies, to general managers and to other executives with strategic responsibilities .....	31
TABLE 3A .....	31
TABLE 3B .....	32
Schedule relating to the shareholdings of directors, statutory auditors, the general manager and other executives with strategic responsibilities.....	33

*Table 1: shareholdings of members of the administration and control bodies and the general managers* ..... 33

*Table 2: shareholdings of other executives with strategic responsibilities* ..... 34

Other tables..... 35

Dear Shareholders,

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

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

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

Detailed information is also supplied regarding the contents of the “Information Document on Remuneration Plans Based on Financial Instruments” (pursuant to Article 114-*bis* of CFA/TUF and Article 84-*bis* of Consob’s [Italian Financial Market Regulatory Authority] Issuer Regulations). The Remuneration Report and the “Information Document on Remuneration Plans Based on Financial Instruments” are available 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, can be found in the report on corporate governance and information about the ownership structures, which can be found at <http://www.bancaifis.it/Corporate-Governance/Documenti-Societari>.

## INTRODUCTION

### Applicable Provisions

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

- Article 123-ter of CFA/TUF, entitled “Remuneration Report”;
- Article 114-bis of CFA/TUF, entitled “Disclosure of information to the market on awards of financial instruments to corporate officers, employees or contractors”;
- Consob Regulation no. 11971/99 (Issuer Regulations), with particular reference to Articles 84-*quater*, entitled “Remuneration Report”, and 84-*bis*, entitled “Information on awards of financial instruments to corporate officers, employees or contractors”, as well as to Appendix 3A, Template no. 7-*bis* “Remuneration Report”, of the Issuer Regulations and Template no. 7 “Information Document which is the subject of a management body explanatory report to the Shareholders’ Meeting convened to approve plans involving remuneration based on financial instruments”;
- the provisions on “Remuneration and incentive policies and practices” issued by the Bank of Italy and included in its Circular no. 285 of 17 December 2013, implementing EU Directive 2013/36/EU (CRD IV).

This Report also considers European legislation regarding:

- the delegated Regulation (EU) no. 604 of 4 March 2014 that establishes the regulatory technical standards regarding the qualitative and quantitative criteria used to identify the categories of staff whose professional activities have a significant impact on the entity’s risk profile (Key personnel or *Risk Takers*);
- Regulation (EU) no. 575 of 26 June 2013, with reference to the provisions concerning remuneration policies;
- Directive 2013/36/EU of 26 June 2013 (CRD IV), on remuneration and incentive policies and practices in banks and banking groups.

The European Banking Authority (EBA) Guidelines on the internal governance of banks and investment businesses, the provisions contained in the “Corporate Governance Code” and Borsa Italiana S.p.A.’s *format* were also considered for the Report on Corporate Governance and Ownership Structure in accordance with Article 123-*bis* of CFA/TUF.

### Report Structure

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

- **Section I:** aimed at illustrating the Company’s remuneration policy for members of the management bodies, general managers and executives with strategic responsibilities, as well as for “*Risk Takers*” not falling within the scope of Article 123-*ter* of CFA/TUF, and the

procedures used to adopt and implement this policy. This section describes the policy provided for 2018;

- **Section II**, organised in two parts; the first aimed at showing each remuneration item with name for the members of the management and control bodies, the general managers and, in aggregate form, for executives with strategic responsibilities, as well as for “Risk Takers” not included within the scope of Article 123-ter of CFA/TUF. The second part shows a table of remuneration paid during 2017 or relating to it, for whatever reason and in whatever form by the Company and Subsidiaries or affiliates, as indicated by Appendix 3A, Template 7-bis of the Issuer Regulations. A table is then placed that shows the further information required under Article 450 of Regulation (EU) no. 575 of 26 June 2013 for Banca IFIS and other Group companies.

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

## SECTION I – Remuneration and incentive policies

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

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

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

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

#### 1.1 The Shareholders' Meeting

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

- *the remuneration and incentive policies for the Board of Directors, the CEO, the Board of Statutory Auditors, the General Manager and the remaining personnel;*
- *any remuneration plans based on financial instruments;*
- *the criteria for determining 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:

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

#### 1.2 The Board of Directors

The Board of Directors, according to the provisions of Article 14 of the Articles of Association, has exclusive jurisdiction over resolutions concerning “nomination, revocation and financial remuneration of members of General Management” and *“remuneration and incentive policies to be submitted to the Shareholders' Meeting, the review, at least annually, of these policies and the responsibility for*



*their correct implementation, also with the task of ensuring that the remuneration policy is adequately documented and accessible within the corporate structure”.*

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

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

## 1.3 The Remuneration Committee

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

- provides advice and formulates proposals to the Parent Company's Board of Directors on the remuneration and incentivisation of corporate officers (including executive directors and other directors assigned specific tasks), of executives with strategic responsibilities and of the heads of the Parent Company's internal control departments and other Group companies, as well as establishes performance goals related to the variable component of remuneration;
- provides advice on determining the remuneration criteria for the remaining “key personnel” identified within the Parent Company and other Group companies in compliance with current supervisory regulations;
- 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 other committees within the Board of Directors, in particular with the Risk Management and Internal Control Committee, where the two committees are not already identically comprised or made up of a number of the same members;
- ensures the Parent Company's Internal Audit, Human Resources, Strategic Planning, Risk Management and Compliance units are involved in the process of preparing and monitoring the Group's remuneration policies and practices;
- monitors implementation of the decisions adopted by the Parent Company's Board of Directors and those of other Group companies regarding remuneration and voicing opinion, using information received from corporate facilities, on reaching performance targets linked to incentive plans and on establishing other remuneration conditions;
- formulates proposals to the Parent Company's Board of Directors regarding the criteria for allocating share options or shares to Directors and Group employees;
- regarding the latter, if possible, provides interpretation on controversial cases and rectifying the allocation conditions of each tranche as well as regulating the exercise of emerging rights for any transactions of an extraordinary nature on the Parent Company's capital (mergers, issue of shares for cash or other consideration, or as scrip issues, fractioning or grouping of shares, etc.).

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

### *Composition*

The Remuneration Committee is made up of three members chosen from among the non-executive members of the Parent Company's Board of Directors, the majority of whom are independent. As approved by the Board of Directors at its meeting of 22 March 2016, the members of the Committee are:

- Francesca Maderna (Non-Executive and Independent Director);
- Daniele Santosuosso (Non-Executive and Independent Director);
- Riccardo Preve (Non-Executive and Non-Independent Director).

The Remuneration Committee is chaired by Francesca Maderna.

### *Working method*

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

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

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

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

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

- external consultants, who have expert knowledge of remuneration policies, who may also be chosen from among the members of the Parent Company's Board of Directors, provided that these experts do not, at the same time, provide Human Resources, Executive Directors or executives with strategic responsibilities of the Parent Company and/or of the other companies of the Group with services of such significance as to compromise the consultants' independent judgement;
- any corporate officer or employee of the Parent Company or of another Group company.

The Committee may access all company information deemed relevant for the performance of its tasks and may use, autonomously, the Bank's financial resources in the amount established by the Board and with the requirement of reporting the use of funds, at least once a year, usually during the review of the Report on Corporate Governance and Ownership Structures.

Committee meetings are properly minuted and signed by the Members.

### Remuneration Committee Meetings

In 2017, the Committee met eight times. The meetings were preceded by discussion among the members and/or by prior individual examination of documentation. The average duration of a meeting was around an hour. The Committee did not use external consultancy services.

In 2017, the members of the Committee took part in all eight meetings held.

The CEO attended the meetings where issues not pertaining to him were due to be discussed. The President of the Board of Statutory Auditors also attended most meetings and, on more occasions, other standing Auditors also attended.

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

- incentive schemes applied to various business units of the Bank and the Group;
- information on the remuneration of “key personnel”;
- implementation of the remuneration policies approved by the Shareholders’ Meeting;
- incentive systems to be used in 2017;
- employee healthcare policies;
- allocation to the CEO and General Manager of variable remuneration deriving from 2016 results;
- remuneration for executives with strategic responsibility and heads of internal control functions;
- the key personnel self-assessment process.

During 2017, there was no need to make specific financial resources available to the Committee for the performance of its duties.

## 1.4 The Chief Executive Officer

The CEO, as defined pursuant to Article 15 of the Articles of Association, is responsible for implementing strategic direction 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 employees *budget*, in line with the organisational structure approved by the Board of Directors; in this regard, the CEO ensures that current and future professional/profile needs are measured and are consistent with strategic choices.

## 1.5 The General Manager

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

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

## 1.6 The Control Functions

The control functions work together, each within their respective jurisdiction, to ensure the remuneration and incentive policies are adequate and comply with current legislation and that they operate correctly.

In particular:

- Compliance verifies, among other aspects, that the company remuneration system meets the objectives of complying with regulations, the Articles of Association, as well as any ethical codes and/or other standards of conduct applicable to the Group, so that the related legal and reputational risks are properly contained especially in relationships with customers;
- Internal Audit checks, at least annually, that remuneration practices comply with the approved policies and with legislation and regulatory provisions. 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*) and with governance and risk management policies and that they take into account the level of capital and liquidity necessary to carry out planned activities. It also supports Financial Officing to determine, after approval of the financial statements by the Shareholders' Meeting, the amount of variable remuneration attributable to the CEO, the General Manager and additional potential beneficiaries of remuneration based on financial instruments, as well as to check the conditions for their attribution.

## 1.7 Other facilities involved

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

- Human Resources;
- Strategic Planning and Management Control.

## 1.8 Independent experts involved in preparing the remuneration policy

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

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

The Parent Company, in exercising its management and administration powers, defines this Group remuneration and incentive policy in accordance with the characteristics of the Group and each of its subsidiaries and in compliance with current legislation and regulatory provisions. In defining Banca IFIS Group's remuneration policy, the remuneration policies of other companies were not used as a reference.

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

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

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

A base fixed remuneration is set out for all employees that reflects their professional experience and their role, the market value of the role and the collective bargaining agreement in force. This component is sufficient for a variable part not to be paid.

For key personnel, it is also established that any interventions on the fixed component may not exceed an increase of 20% compared to the previous year's gross annual salary. In consideration of the particular complexity of extraordinary corporate operations, some key personnel may receive a *Role Based Allowance* for a maximum 18-month period. This allowance, which is configured as a predefined sum, not tied to *performance*, on proposal from the Chief Executive Officer, must be approved by the Board of Directors, after approval from the Remuneration Committee, and subsequently communicated to the interested parties by individual letter.

### 2.1. Main changes from the previous financial year

Policy reviews allow the Bank to identify whether or not remuneration systems are in line with the values, strategies and long-term business objectives, linked to company results, appropriately

corrected to take account of all risks, consistent with the levels of capital and liquidity necessary to deal with the activities undertaken and, in any case, to avoid distorted incentives that may lead to regulatory breaches or excessive risk-taking to the Bank and the financial system as a whole.

To this end, the conditions for accessing the variable component (gate) applying to all staff were amended, taking into account indicators of profitability, liquidity and capital adequacy.

The following should be noted: the increase in the Group's consolidated result, from € 60,000,000 to € 80,000,000, for all Personnel including the CEO and General Manager, and the introduction of the *Net Stable Funding Ratio* (NSFR) parameter, introduced by Basel 3, that is aimed at guaranteeing a balance between asset and liability entries in the financial statement in the time horizon beyond the year which will be identified punctually every quarter to check if it exceeds the regulatory threshold. In addition, the Group's *Liquidity Coverage Ratio* (LCR) indicator will be identified quarterly to check whether it exceeds the regulatory threshold for all four quarterly surveys.

### 3. Recipients and Contents of 2018 Policies

#### *Recipients of Policies and identification of key personnel*

Remuneration and incentive policies are defined for all Group personnel<sup>1</sup>, without prejudice to more detailed requirements for members of staff that have a substantial impact on the Group's risk profile (key personnel). These individuals are regularly identified by the Parent Company, in respect of all Group companies and taking into account the results of assessments carried out by all individual Group companies affected, taking into account these criteria:

- qualitative and quantitative criteria, expressly defined by Delegated Regulation (EU) no. 604/2014;
- further criteria, established by the Parent Company to pay particular attention to the Bank of Italy's Supervisory Provisions on *"the heads of major business lines, corporate functions or geographical areas; those who report directly to strategic supervision, management and control bodies; senior managers and senior staff of company control bodies"*<sup>2</sup> in addition to particular categories of staff such as *"financial and insurance agents and financial advisors with external distribution networks"*<sup>3</sup>.

From the self-assessment process for Group key personnel, led by Human Resources with the support of Compliance and Risk Management and approved by the Board of Directors on 19 January 2018, following the favourable opinion of the Remuneration Committee on the same date, 47 individuals fall within the category of Group key personnel, grouped into the following categories:

President of the Board of Directors	General Manager	Heads of Business Units
Vice President	Executives with strategic responsibilities of control functions	Heads of key Operational Units
Non-Executive Directors	Executives with strategic responsibilities of key Business Units	Heads of Risk Management facilities

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

<sup>2</sup> See Bank of Italy Circular no. 285/2013, Part I, Title IV, Chapter 2, Section II, Paragraph 2.

<sup>3</sup> See Bank of Italy Circular no. 285/2013, Part I, Title IV, Chapter 2, Section IV.



Chief Executive Officer	Heads of control functions	Heads of service, consultancy and support facilities
-------------------------	----------------------------	--

The Group's key personnel accounts for about 3.19% of its workforce.

Any key personal, identified on an individual basis by each subsidiary, and not considered as such by the Group, will follow the same rules set out in the remuneration and incentive policies according to the category to which they belong.

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

Access to the variable component of remuneration for all Personnel is subject to:

- the Group's consolidated result, before taxes for the financial year, being greater than € 80 million<sup>4</sup>;
- compliance with the minimum regulatory limit in force for the Group's *Liquidity Coverage Ratio* (LCR) indicator identified on a quarterly basis in the reference year;
- compliance with the minimum regulatory limit in force for the Group's *Net Stable Funding Ratio* indicator identified quarterly in the reference year;
- the Total Capital Ratio exceeding the *Overall Capital Requirement* communicated by the Supervisory Body under the "Decisions on capital" at the conclusion of the periodic supervisory review process (SREP).

If any one of these parameters is not met, the variable component will not be paid.

The variable component will also be recognised on condition that the beneficiary is still in post/employed by the Group and not serving a period of notice for resignation or termination at the moment of payment; an exception to this would be for pension contributions. Payment of a variable component will also be suspended where the Bank has instigated disciplinary proceedings for fraud or gross negligence or for acts that may lead to the individual's dismissal by just cause.

### **Directors' Remuneration**

Regarding the Board of Directors currently in office, the Shareholders' Meeting of 22 March 2016:

- resolved to attribute to individual members, for the post of Director, fixed remuneration for each of the years 2016, 2017 and 2018, in addition to reimbursement of expenses incurred in their duties;
- resolved to give all Directors, except the President, Vice President and the CEO, an attendance fee for each meeting of the Board of Directors;
- requested the Board of Directors to determine additional remuneration for Directors assigned special tasks in accordance with Article 2389 of the Italian Civil Code for each of the years 2016, 2017 and 2018, also considering, where appropriate, company results, subject to a total amount calculated for each financial year, understood as including all fees awarded to members of the Board.

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

<sup>4</sup> Elements that derive from extraordinary transactions will be disregarded from calculations, such as capital gains, corporate mergers, splits, acquisitions or any other non-recurring operation that the Board of Directors may decide on and that is likely to change the value of the indicator.

For subsidiaries, their respective Shareholders' Meetings resolved that members of the strategic supervisory bodies who fulfil other roles within the Group as employees will not receive any compensation for their role on the Board of Directors.

### **Statutory Auditors Remuneration**

Regarding the Board of Auditors, the Shareholders' Meeting of 22 March 2016:

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

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

For subsidiaries, their respective Shareholders' Meetings voted to give the President and the two Standing Auditors a fixed annual fee, as well as reimbursement of expenses.

### **Parent Company's Chief Executive Officer and General Manager's remuneration**

The CEO's remuneration includes, in addition to a fixed recurring fee, a variable component of 1.5% (the *percentage*) of the Bank's consolidated result before taxes for the financial year, for the part exceeding € 80m<sup>5</sup>, which, in turn, represents the relationship between the Group's final balance sheet<sup>6</sup> RORAC<sup>7</sup> (return on risk adjusted capital) and the Group's forecasted RORAC<sup>8</sup>, shown at formula (A):

$$\text{Variable} = 1.5 \% \times (\text{Profit Before Taxes}_{\text{Fin.Year.}} - 80,000,000) \times \frac{\text{Actual RORAC}}{\text{Forecasted RORAC}} \quad (\text{A})$$

The ratio of variable component to fixed component may not exceed a maximum of 1:1.

The General Manager's remuneration consists of a gross annual salary and a variable component of remuneration equal to 0.75% (the *percentage*) of the Bank's consolidated result before taxes for the financial year, for the part exceeding € 80m, which represents the ratio between the Group's final balance sheet<sup>9</sup> RORAC<sup>10</sup> (return on risk adjusted capital) and the Group future RORAC<sup>11</sup>, shown at formula (B):

$$\text{Variable} = 0.75 \% \times (\text{Profit Before Taxes}_{\text{Fin.Year.}} - 80,000,000) \times \frac{\text{Actual RORAC}}{\text{Forecasted RORAC}} \quad (\text{B})$$

<sup>5</sup> Elements that derive from extraordinary transactions will be disregarded from calculations, such as capital gains, corporate mergers, splits, acquisitions or any other non-recurring operation that the Board of Directors may decide on and that is likely to change the value of the indicator.

<sup>6</sup> The reference period is the same as for the objective RORAC (*ex-ante* measurement).

<sup>7</sup> Indicator calculated as the ratio between Net Profit for the period and Capital Absorbed for first pillar risks. Elements that derive from extraordinary transactions will be disregarded from calculations, such as capital gains, corporate mergers, splits, acquisitions or any other non-recurring operation that the Board of Directors may decide on and that is likely to change the value of the indicator.

<sup>8</sup> Defined in the latest approved strategic plan.

<sup>9</sup> See note 6.

<sup>10</sup> See note 7.

<sup>11</sup> See note 8.



The ratio of the variable component to fixed component may not exceed 60% of the gross annual salary.

### **Remuneration for Control Functions**

The remuneration package for key personnel belonging to the control function (Risk Manager, Compliance, Internal Audit, Anti-Money Laundering, Human Resources and Financial Reporting Officer) is made up of a predominantly fixed component and a variable part which is attributed annually based on quality and efficiency criteria.

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

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

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

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

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

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

Excellent	Good	Average	Below Average	Unsatisfactory
100% of premium	80% of premium	50% of premium	0%	0%

up to the maximum ratio between the fixed and variable components which, for the most outstanding business function staff, cannot exceed the ratio of 1:3.

Subject to the conditions to access the variable component (*gate*), depending on the goals of corporate sustainability, incentive mechanisms linked to the performance of both Banca IFIS and the Group as a whole are excluded from determining the remuneration of key personnel belonging to control functions.

### Remuneration of other key personnel

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

- a qualitative *performance* assessment carried out jointly by the CEO and the General Manager;
- reaching a determined level of corporate *cost/income* ratio;
- reaching specific economic, commercial and operating objectives and satisfying internal and external customers inclusive of corrective risk measures (MBO – *Management by Objectives*).

The limit on the ratio between the variable and fixed components of the previous year has been defined, and the amount of maximum theoretical variable component will be determined as per the following table:

Facilities	No. of Heads	% max variable on previous year's gross annual salary	Senior Management Assessment	Cost/income ratio	MBO
Executives with strategic responsibilities for key Business Units	1	60%	20%	20%	60%
Business Units	12	80%	20%	20%	60%
Risk Management Unit	8	50%	30%	20%	50%
Key Operational Units	1	50%	40%	20%	40%
Service, Consultancy and Support Units	9	50%	50%	20%	30%

To implement the management process shown above, relevant company Regulations were issued, aimed at managing the system as it has been designed.

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

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

### Structure of variable component for key personnel

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

The variable component may not exceed a 1:1 ratio compared to the fixed component and is determined when the financial statement to 31 December of the previous year is approved.

- A) The portion of deferred variable compensation is 40% and is paid in this manner:
- 50% in Banca IFIS S.p.A. shares which will be allocated after the three-year *vesting*<sup>12</sup> period expires and which will be exercisable at the end of further one-year *retention*<sup>13</sup> period set out for shares;
  - the remaining 50% of the variable component of remuneration subject to differing timescales will instead be paid in *cash* at the end of the three-year period and are subject to annual reassessment at the current legal rate.
- B) The variable component of remuneration not subject to differing timescales (the remaining 60% – *up-front*) will instead be paid:
- 50% in *cash*;
  - and the remaining 50% in Parent Company shares which will be exercisable at the end of the three-year *retention*<sup>14</sup> period set out for the shares, in line with the strategic planning horizon.

The number of shares to be allocated is determined by taking the average market price in the month preceding the determination of variable component as being the share's *fair value*, to be carried out on the date of the Shareholders' Meeting to approve the financial statement. The number of shares is determined by rounding to the nearest integer.

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

---

<sup>12</sup> Period after which shares may be allocated.

<sup>13</sup> Period during which the sale of shares is prohibited.

<sup>14</sup> See note 13.

### Malus condition

The deferred variable component is subject to the following *malus* mechanisms, which reduce the amount until it reaches zero, *ex-post*, the amount previously determined, according to the criteria listed in the following table (C).

		<b>Group Consolidated Total Capital Ratio<sup>15</sup></b>			
		< 11.38%	11.38%< <12.38%	12.38%< 13.38%	>13.38%
<b>Group RORAC</b>	≥ 15%	-100.0%	---	---	---
	10.5%< < 15%	-100.0%	-30.0%	-20.0%	-10.0%
	< 10.5%	-100.0%	-40.0%	-30.0%	-20.0%

(C)

The deferred variable component is also cancelled if the individual causes or contributes to causing:

- a significant annual loss for the Group (losses equal to or exceeding 5% of net assets);
- violations of the obligations imposed under Article 26 or, when the individual is an interested party, under Article 53, paragraphs 4 et seq., of the CBA/TUB [Italian Consolidated Banking Act/Testo Unico Bancario] or of obligations regarding remuneration and incentive schemes;
- fraudulent conduct or gross negligence causing damage to the Group;

or also where:

- the Shareholders' Meeting has decided to revoke an office for just cause, that is, the Board of Directors has decided to terminate the employment contract for just cause.

The above-mentioned criteria are audited in each of the three financial years<sup>16</sup> following determination of the variable component (*accrual period*) and are applied when the above conditions are met, taking into consideration the lower result recorded in the reference period.

### Claw back

The Group reserves the right to use whatever means it deems suitable for the restitution of the variable component recognised and/or paid to key personnel where the individual has caused or has contributed to causing:

- a significant annual loss for the Group<sup>17</sup> (losses equal to or exceeding 5% of net assets);
- violations of the obligations imposed under Article 26 or, when the individual is an interested party, under Article 53, paragraphs 4 et seq., of CBA/TUB or obligations regarding remuneration and incentive schemes;
- fraudulent conduct or gross negligence causing damage to the Group;

<sup>15</sup> EU Regulation no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

<sup>16</sup> If one of these conditions is met in at least one of the three years of observation (*accrual period*), the corrective mechanisms listed in the table will be applied.

<sup>17</sup> Elements that derive from extraordinary transactions will be disregarded from calculations, such as capital gains, corporate mergers, splits, acquisitions or any other non-recurring operation that the Board of Directors may decide on and that is likely to change the value of the indicator.

or also where a consolidated Total Capital Ratio<sup>18</sup> is lower than the *Overall Capital Requirement* communicated by the Supervisory Body under the “Decisions on capital” at the conclusion of the supervisory review process (SREP).

Also where these criteria have occurred in each of the three closed financial years<sup>19</sup> (*accrual period*) following determination of the variable component and applied on occurrence of the above conditions.

### Long Term Incentive

For Heads of business units with more than € 20m gross budget profit in the 2018 financial year, an incentive can be considered that rewards consistent excellent *performance* over time.

Essentially, if, during the three-year period 2018-2020 (*accrual period*), the average profitability results per risk achieved by *business units* is at least 90% of the budgeted figure, as at formula (D):

$$\sum_{t=1}^{3 \text{ year}} \frac{1}{3} \frac{\text{Actual BU RORAC}_t}{\text{Budgeted BU RORAC}_t} \geq 90\% \quad (\text{D})$$

subject to whether the minimum threshold of 80% of annual budget objectives has been exceeded, the CEO, in conjunction with the General Manager, will assess the quality of the Manager's work, which, if positive, will trigger the payment of an incentive, defined *ex-ante*, which will not exceed 60% of the Manager's gross annual salary for 2020, and will not exceed the maximum ratio of 1:1 between fixed and variable components, whose value will be paid in Parent Company shares with a one-year *retention period*.

### Ban on hedging strategies

It is strictly forbidden for individual employees to carry out *hedging strategies* on remuneration or on other aspects that may alter or invalidate its alignment effects with the business risk inherent in the remuneration mechanisms envisaged.

### Remuneration of Financial Agents

Within the category of employees not subject to employment contracts, particular importance is attached to Financial Agents. The Group uses an external network for recovery, both in and out of Court, of *distressed loans* and a network of agents for promoting *leasing* products.

The remuneration of individuals involved in the recovery of *distressed loans*, both in and out of Court, is contractually defined as comprising a non-recurring component determined *ex-ante* with an incentivising value, and a recurring component.

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

- the total amount of the “non-recurring” component awarded to agents (the *Bonus Pool*) is linked to the Bank's liquidity and financial circumstances identified annually in the remuneration report (*gate*);

<sup>18</sup> EU Regulation no. 575/2013 (CRR) and Directive 2013/36/EU (CRD IV).

<sup>19</sup> If one of these conditions is met in at least one of the three years of observation (*accrual period*), the corrective mechanisms listed in the table will be applied.

- criteria have been identified for the *ex-post* correction of “non-recurring” remuneration for each individual based on indicators deemed appropriate to: reflect the fulfilment of assigned tasks, compliance with internal and external regulations, correctness of behaviour, especially with customers; to contain legal and reputational risks to which the Group or Group companies may be exposed; to promote compliance with legislation and regulatory provisions and to ensure the protection and loyalty of customers.

Financial agents used by subsidiaries are remunerated in accordance with regulatory requirements for the financial intermediaries sector which are governed by Article 106 of CBA/TUB. In light of the upcoming merger of the subsidiary, IFIS Leasing S.p.A., to incorporate it into the Parent Company, the remuneration policies for agents used by this business will be reviewed<sup>20</sup>.

It should be noted that none of the agents were selected from among key personnel.

### **Other types of employee**

For remaining employees, as part of the annual assessment outlined by the collective bargaining agreement, the CEO and/or General Management may provide non-regulated *one-off* payments up to a maximum of three months' salary for each individual. This premium, except where set out by the access conditions (*gate*) described above, is aimed at rewarding excellent performance and/or particular or evident quality.

The variable remuneration system for the sales network is defined by the CEO, discussed with the Remuneration Committee, and communicated to the Board of Directors.

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

Except for what is outlined in the reference national collective bargaining agreement, the Parent Company's Board of Directors reserve the right to consider paying a premium to its employees, determining its amount and criteria.

### **Remuneration of non-employee contractors**

The Group may also use non-employee contractors whose relationships can largely be grouped into two contractual forms:

- consultancy contracts;
- quasi-self-employed contracts.

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

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

---

<sup>20</sup> “Individual group companies remain in any case responsible for compliance with the legislation and regulatory provisions directly applicable to them and for the correct implementation of guidelines provided by the Parent Company”, PRG 8 Title IV-Chapter 2 Section I-Supervisory Provisions for Banks, 7th Update of Bank of Italy Circular no. 285/2013.

## 4. Non-monetary benefits

Employees may receive some *benefits*, graded in relation to the business role and/or for service reasons, reflecting: healthcare policy, professional and extra-professional personal accident insurance, company car, official accommodation. To this end, it should be noted that following the company merger that occurred during 2017, a non-monetary benefit harmonisation process has begun, which has been partly completed with agreement of the auditors on 28 July 2017.

The attribution is summarised as follows: healthcare policy, professional and extra-professional personal accident insurance, permanent disability insurance, luncheon vouchers (for all employees – except some executives due to historical conditions not yet harmonised – with amounts ranging from € 5.29 to € 7.40), company car (recognised for some individuals based on current internal Policy), company contributions to supplementary social security/pension plans (recognised for all employees, with permanent employment contracts, with percentages that vary from 1.5% to 4% calculated on gross annual salary and/or based on profit remuneration for TFR [severance indemnity] purposes, except for some previously acquired contracts).

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

## 5. Severance pay provision

Group companies do not enter into agreements that govern ex-ante the possible early termination of employment relationships by the Company (*Golden Parachutes*), including cases of early termination of employment or where a contract is not renewed. The following are not considered *parachutes*: payments and disbursements due under law and by collective agreement provisions or based on transactions carried out under and within the limits of the above contractual and legislative provisions in order to avoid the risk of justifiable legal action. If these payments are recognised, due consideration will be given to: the employee's *performance* in previous years, the business reasons that lead to the termination of the employment relationship, length of service, age, the financial impact that this compensation may have on the Banking Group's balance sheet and liquidity, as well as current and future risk. In determining the amount to be paid, in addition to the contractually agreed notice or related payments in lieu, the Group will take into account any additional compensation whose total monthly payments are included within the maximum limit set by the banking sector's collective bargaining agreement.

The above payments are also subject to the above *claw back* conditions to be checked in each of the three closed financial years<sup>21</sup> following payment (*accrual period*).

---

<sup>21</sup> If these conditions are met in at least one of the three years of observation (*accrual period*), the corrective mechanisms listed in the table will be applied.

## 6. Implementation of Policies in subsidiaries

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

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

### *New company acquisition: Cap.Ital.Fin S.p.A.*

100% of Cap.Ital.Fin S.p.A. was acquired by Banca IFIS S.p.A. in February 2018. This is a company specialising in repayable funding through salary-backed loans and deductible at source loans for pensioners, private, public and state employees operating throughout Italy. The related remuneration policy and incentive plans will be harmonised during 2018 in line with the Parent Company's principles and guidelines.



## SECTION II

### 1. Part One

#### 1.1 Remuneration entries

For Directors, Statutory Auditors, members of the Risk Committee, Nominations Committee, Remuneration Committee and Supervisory Body, the following details are provided on remuneration entries which, for 2017, are summarised in Table 1 below.

Fixed Remuneration is shown separately in its own column, separated by role and, where necessary, reporting the following amounts at the effective date of appointment:

- in the relevant section, fees for for the role of Director are € 25,000 per member of the **Board of Directors**, € 105,000 for the **President of the Board of Statutory Auditors**, € 70,000 per **Standing Auditor**, as per the resolution adopted by the Shareholders' Meeting of 22 March 2016;
- in the relevant section, the total for **attendance fees** paid to **Directors and Auditors**, according to the rules established by the Shareholders' Meeting of 22 March 2016, for participation in meetings of the Board of Directors during 2017;
- in the relevant section, the amount for lump sum expenses incurred in their role as Directors and Statutory Auditors;
- in the relevant section, **fees for specific roles** approved by the Board of Directors pursuant to *Article 2389* of the Italian Civil Code for the President, Vice President and CEO;
- finally, in the section **fixed remuneration from employment**, annual remuneration is indicated for the **General Manager** and other employees who, during the financial year, have held, even for part of the year, a position as executive with strategic responsibility, shown gross of social security and tax deductions borne by the employee, excluding the required collective social security charges paid by the company and the severance pay provision.

The Committee Attendance Fees column lists the fees, where necessary reported at the effective date of appointment, assigned to other directors assigned special tasks and established by the Board of Directors on 22 March 2016. The amounts are as follows:

- the President of the Risk Management and Internal Control Committee, fixed annual fee for this role of € 75,000;
- for the other members of Risk Management and Internal Control Committee, a fixed annual fee for this role of € 45,000;
- for members of the Remuneration Committee, a fixed annual fee for this role of € 5,000;
- for members of the Appointments Committee, a fixed annual fee for this role of € 5,000;
- for the President of the Supervisory Body pursuant to Italian Legislative Decree 231/2001, a fixed annual fee for this role of € 25,000;
- for the other directors who make up the Supervisory Body pursuant to Italian Legislative Decree 231/2001, a fixed annual fee for the role of € 10,000.

The variable portion of the CEO's and General Manager's remuneration accrued in relation to the profit for the year 2017 is indicated in the *Profit sharing* section of the Non-equity variable

remuneration column and payment is conditional upon the conditions established in the remuneration policy being met.

Bonuses and other incentives earned, for 2017, by executives with strategic responsibilities are shown in the *Bonuses and other incentives* section of the *Non-equity variable remuneration* column. That section includes the “corporate award” for the General Manager and other executives with strategic responsibility. This award was established by the current collective bargaining agreement and approved by the Board of Directors for employees at its meeting of 28 November 2016, despite the absence of a supplementary company agreement.

The Non-monetary benefits column shows the value of the following *fringe benefits*, generally according to tax liability:

- healthcare policy (for all employees with a permanent employment contract, with some exceptions attributable to historical contractual situations);
- professional and *extra-professional* personal accident insurance;
- life insurance policy (recognised exclusively for executives of Banca IFIS S.p.A., and for employees of all subsidiary companies for whom this right already existed);
- permanent disability policy – recognised exclusively for subsidiary companies employees for whom this right already existed;
- *luncheon vouchers* (for all employees, varying from € 5.29 to € 7.40);
- company cars (for some individuals based on current internal policies);
- corporate contributions to supplementary pension provision (for all permanent employees, with percentages varying from 1.5% to 4% of gross annual salary and/or based on share remuneration for severance pay purposes, subject to certain historical contractual situations);
- official accommodation (for 16 members of personnel during the financial year).

For Executives with strategic responsibility identified for 2017 (3 executives at 31/12/2017), information is provided in aggregate form with an indication of the number of people to whom it refers (this involves 5 executives who have held this role during the year, including for part of the year).

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

Consistent with the report provided to the Shareholders’ Meeting of 21 April 2017 regarding implementation of the remuneration policies approved the previous year, (the relevant documentation is available on the Bank’s website under “*Corporate governance*” (use the path Shareholders’ Meeting > 2017, together with the minutes of the Shareholders’ Meeting of 21 April 2017, pursuant to Article 125-*quater* of CFA/TUF), some further summary information is provided on the implementation, during 2017, of the policies approved one year ago, in addition to what is already stated in other parts of this Report.

### *Executives (not included in the definition of executives with strategic responsibilities)*

For executives who received it, the average ratio between the variable and fixed components of remuneration for 2017 is 19.47%.

### *Middle Management and Professional Areas that hold commercial roles*

The average ratio between the variable and fixed components of remuneration for 2017 was 19.07%.

### *Other Middle Management and Professional Areas*

For 2017, *bonuses* were paid to 7.79% of the workforce with an average amount equal to 7.84% of gross annual salary.

### *Other information*

For completeness of information and regarding the entire company workforce, the following is also reported:

- salary increases were given to 9.22% of the company workforce with an average increase in Gross Annual Salary of 12.12%;
- promotions (increase in rank) were given to 29.99% of the company workforce;
- in 2017, the amount paid in gross annual salaries increased (including inflation and contractual increases) by 5.40% gross (please note: this percentage does not include the ex employees of IFIS Factoring and Interbanca);
- at the end of 2017 there was a temporary contract employment;
- during 2017, a further two stability agreements were formalised with employees (the total number of stability agreements at 31/12/2017 is 18).

### *Group Companies*

#### **(a) IFIS FINANCE Sp.z o.o.**

Remuneration paid to directors and employees of the Polish subsidiary, IFIS Finance Sp.z o.o. are consistent with the parameters of the Group remuneration and incentive scheme. In particular:

1. the Directors' mandate was carried out:
  - ✓ by an executive of the Parent Company free of charge and thus without the need to repay emoluments for appointments held by employees of the Parent Company;
  - ✓ by the Vice President of the Parent Company who has carried out the mandate free of charge.
2. a company bonus equal to one month's salary, paid with December 2017 salary, linked to the working period in the year, was paid to the staff in post as at 31/12/2017, whose employment relationship would continue into 2018 and with at least three months' company seniority;
3. four individuals were paid a variable component according to a model like that used by the Parent Company for the commercial network incentive system;
4. total remuneration to personnel at 31/12/2017 (13 people) was € 314,688.00.

**(b) INTERBANCA S.p.A., IFIS LEASING S.p.A., IFIS FACTORING S.r.l. and IFIS RENTAL SERVICES S.r.l.**Introduction

During 2017, Group subsidiaries implemented Banca IFIS S.p.A.'s Remuneration Policy covered by the Remuneration Report, approved by the Board of Directors at its meeting of 2 March 2017 and adopted by similar resolution in all Group companies. During 2017, IFIS Factoring S.r.l. and Interbanca S.p.A. were merged and incorporated into Banca IFIS S.p.A. on 1 August 2017 and 23 October 2017 respectively. This final report, therefore, with particular reference to the quantitative data in it, will take into account the new Banca IFIS Group structure and the organisational changes carried out.

Quantitative data from subsidiaries' 2017 remuneration policies

For details of quantitative data from subsidiaries, please refer to "Other tables" (in the second part of this Report).

Remuneration paid to members of subsidiaries' Board of Directors and Standing Auditors

No fees are paid to members of the Board of Directors of any subsidiary, who are also employees of either Banca IFIS or its subsidiaries.

Total remuneration for the single Independent Director of Interbanca S.p.A. ceasing the role on 23 October 2017 was € 22,849.32.

The total amount for the Board of Statutory Auditors of Interbanca S.p.A., ceasing on 23 October 2017, of IFIS Factoring S.r.l., ceasing 1 August 2017, of IFIS Leasing S.p.A. for the entire financial year and of IFIS Rental Services S.r.l. for the entire financial year was € 295.993 for 2017.

For the Supervisory Bodies of all subsidiaries until the end of their financial years, the 2017 total amount paid was € 69,833.33 for honoraria and € 10,475 for lump-sum expenses. All of the above amounts, which do not include other expenses (VAT, Lawyers Provident Fund), are in line with what was approved by the relevant Shareholders' Meeting.

## 2. Part Two: remuneration paid in 2017

**Table 1: remuneration paid to members of the administration and audit control bodies, to the general managers and to the other executives with strategic responsibilities (figures in thousands of euros)<sup>22</sup>**

Name and surname	Role	Fixed remuneration					Committee attendance fees	Non-equity variable remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity remuneration	Severance or termination pay
		Role payment decided by the Shareholders' Meeting	Attendance fee	Lump sum expense reimbursement	Remuneration for specific roles ex-Art. 2389 It.Civ.Code	Fixed remuneration from employment		Bonuses and other incentives	Profit sharing					
<b>Sebastien Egon Fürstenberg</b>	President of the Board of Directors													
	Banca IFIS S.p.A. fees	25	-		650						675	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>675</b>	<b>n.a.</b>	<b>-</b>	
<b>Alessandro Csillaghy De Pacser</b>	Vice President of the Board of Directors													
	Banca IFIS S.p.A. fees	25	-		500						525	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525</b>	<b>n.a.</b>	<b>-</b>	
<b>Giovanni Bossi</b>	CEO													
	Banca IFIS S.p.A. fees	25	-	-	650	-	-		650	-	1.325	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>-</b>	<b>1.325</b>	<b>n.a.</b>	<b>-</b>	
<b>Giuseppe Benini</b>	Director	25	26	14							65			
	President of the Risk Control Committee						75				75			
	Member of the Appointments Committee						5				5			
	Member of the Supervisory Body						10				10			
	Banca IFIS S.p.A. fees	25	26	14	-	-	90	-	-	-	155	n.a.	-	
<b>Giuseppe Benini</b>	Director	23												
	Fees from Banca IFIS S.p.A. subsidiaries (only fees from Interbanca January - October 2017)										23	n.a.	-	
	<b>Total</b>	<b>48</b>	<b>26</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>178</b>	<b>n.a.</b>	<b>-</b>	
<b>Francesca Maderna</b>	Director	25	21	6							52			
	Member of the Risk Control Committee						45				45			
	President of the Remuneration Committee						5				5			
	Banca IFIS S.p.A. fees	25	21	6	-	-	50	-	-	-	102	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>21</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>102</b>	<b>n.a.</b>	<b>-</b>	
<b>Antonella Malinconico</b>	Director	25	26	12							63			
	Member of the Risk Control Committee						45				45			
	Banca IFIS S.p.A. fees	25	26	12	-	-	45	-	-	-	108	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>26</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108</b>	<b>n.a.</b>	<b>-</b>	
<b>Riccardo Preve</b>	Director	25	26	15							65			
	Member of the Appointments Committee						5				5			
	Member of the Remuneration Committee						5				5			
	Banca IFIS S.p.A. fees	25	26	15	-	-	10	-	-	-	75	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>26</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>n.a.</b>	<b>-</b>	
<b>Marina Salamon</b>	Director	25	22	1							48			
	Banca IFIS S.p.A. fees	25	22	1	-	-	-	-	-	-	48	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>25</b>	<b>22</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48</b>	<b>n.a.</b>	<b>-</b>	

Name and surname	Role	Fixed remuneration					Committee attendance fees	Non-equity variable remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity remuneration	Severance or termination pay
		Role payment decided by the Shareholders' Meeting	Attendance fee	Lump sum expense reimbursement	Remuneration for specific roles ex-Art. 2389 It.Civ.Code	Fixed remuneration from employment		Bonuses and other incentives	Profit sharing					
Daniele Santosuosso	Director	25	23	13							61			
	Member of the Risk Control Committee						45				45			
	President of the Appointments Committee						5				5			
	Member of the Remuneration Committee						5				5			
	Member of the Supervisory Body						10				10			
	Banca IFIS S.p.A. fees	25	23	13	-	-	65	-	-	-	126	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries													
	<b>Total</b>	<b>25</b>	<b>23</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126</b>		<b>-</b>	
Alessandro De Nicola	Member of the Supervisory Body	70		10							80			
	Fees from Banca IFIS S.p.A. subsidiaries (from IFIS Factoring & Interbanca. Fees cover the periods January - July 2017 and January - October 2017 respectively)	70	-	10	-	-	-	-	-	-	80	n.a.	-	
	<b>Total</b>	<b>70</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>n.a.</b>	<b>-</b>	
Giacomo Bugna	President of the Board of Statutory Auditors	105	19								124			
	Banca IFIS S.p.A. fees	105	19	-	-	-	-	-	-	-	124	n.a.	-	
Giacomo Bugna	President of the Board of Statutory Auditors	126												
	Fees from Banca IFIS S.p.A. subsidiaries (from IFIS Factoring & Interbanca. Fees cover the periods January - July 2017 and January - October 2017 respectively)	126									126	n.a.	-	
	<b>Total</b>	<b>231</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>n.a.</b>	<b>-</b>	
Giovanna Ciriotto	Standing Auditor	70	19								89			
	Banca IFIS S.p.A. fees	70	19	-	-	-	-	-	-	-	89	n.a.	-	
Giovanna Ciriotto	Standing Auditor	85												
	Fees from Banca IFIS S.p.A. subsidiaries (from IFIS Factoring & Interbanca. Fees cover the periods January - July 2017 and January - October 2017 respectively)	85									85	n.a.	-	
	<b>Total</b>	<b>155</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>n.a.</b>	<b>-</b>	
Piera Vitali	Standing Auditor	85												
	Banca IFIS S.p.A. fees	-									-	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries (from IFIS Factoring & Interbanca. Fees cover the periods January - July 2017 and January - October 2017 respectively)	85									85	n.a.	-	
	<b>Total</b>	<b>85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>n.a.</b>	<b>-</b>	
Massimo Miani	Standing Auditor	70	16								86			
	Banca IFIS S.p.A. fees	70	16	-	-	-	-	-	-	-	86	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>70</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>n.a.</b>	<b>-</b>	
Andrea Martin	President of the Supervisory Body						25				25			
	Banca IFIS S.p.A. fees	-					25				25	n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25</b>	<b>n.a.</b>	<b>-</b>	
Alberto Staccione	General Manager						308				543			
	Banca IFIS S.p.A. fees							24	185	25		n.a.	-	
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308</b>	<b>-</b>	<b>24</b>	<b>185</b>	<b>25</b>	<b>543</b>	<b>n.a.</b>	<b>-</b>
Other executives with strategic responsibility (three executives at 31/12/2017 + 2 executives for part of the year)							643				884			
	Banca IFIS S.p.A. fees							173		68				
	Fees from Banca IFIS S.p.A. subsidiaries										-	n.a.	-	
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>643</b>	<b>-</b>	<b>173</b>	<b>68</b>	<b>884</b>	<b>n.a.</b>	<b>-</b>	

<sup>22</sup> The remuneration paid to the members of the Board of Directors and the Statutory Auditors' Board of Banca IFIS S.p.A. are for the entire 2017 financial year. Expiry of office is established upon approval of the financial statements as at 31/12/2018



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

From the tables set out in Annex 3A, Template No. 7-bis, of the “Issuer Regulations”, tables 3A and 3B are currently applicable to the Banca IFIS Group. These tables are shown below with profit sharing data for the CEO and the General Manager.

**TABLE 3A**

TABLE 3A: Incentive plans based on financial instruments, other than share options, for members of the administration bodies, general managers and other executives with strategic responsibility													
(A)	(B)	(1)	Financial instruments assigned in previous financial years not vested during this financial year		Financial instruments assigned during the financial year					Financial instruments vested during the financial year and not allocated	Financial instruments vested during the financial year and assignable		Financial instruments accrued in the financial year
			(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Sumame and name	Role	Plan	Number and type of financial instrument	Vesting period	Number and type of financial instrument	Fair value at allocation date	Vesting period	Allocation date	Market price at allocation date	Number and type of financial instrument	Number and type of financial instrument	Value at maturity date	Fair value
Bossi Giovanni	CEO	2014 Plan Resolution of 17/04/2014	*10664	3	-	-	-	-	-	-	-	-	-
		2015 Plan Resolution of 08/04/2015	*4517	3	-	-	-	-	-	-	-	-	-
		2016 Plan Resolution of 22/03/2016	3,576	3	-	-	-	-	-	-	-	-	-
		2017 Plan Resolution of 21/04/2017	-	-	**	325,000	2018/2021	**	**	-	-	-	195,000
Fees from Banca IFIS S.p.A. subsidiaries		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>18,757</b>	<b>9</b>	<b>-</b>	<b>325,000</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>195,000</b>
Staccione Alberto	General Manager	2014 Plan Resolution of 17/04/2014	*3021	3	-	-	-	-	-	-	-	-	-
		2015 Plan Resolution of 08/04/2015	*1280	3	-	-	-	-	-	-	-	-	-
		2016 Plan Resolution of 22/03/2016	1,018	3	-	-	-	-	-	-	-	-	-
		2017 Plan Resolution of 21/04/2017	-	-	**	92,519	2018/2021	**	**	-	-	-	55,512
		2014 Plan	-	-	-	-	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>5,319</b>	<b>9</b>	<b>-</b>	<b>92,519</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,512</b>
(*) The number of shares is determined at the market price on the allocation date. This number will be recalculated at the time of payment.													
(**) Data on assignable shares relating to incentives for 2017 results will be available following the Ordinary Shareholders Meeting convened for 19/04/2018													

**TABLE 3B**

TABLE 3B: Monetary incentive plans for members of administration bodies, general managers and other executives with strategic responsibility									
(A)	(B)	(1)	(2)			(3)			(4)
Surname and name	Role	Plan	Bonuses for the year			Bonuses for previous years			Other Bonuses
			(A) Payable/paid	(B) Deferred	(C) Period of deferment	(A) No longer payable	(B) Payable/paid	(C) Still deferred	
<b>Bossi Giovanni</b>	CEO								
Banca IFIS S.p.A. fees		2013-2014-2015-2016 Plans	-	-	-	-	455,000	455,000	-
		2017 Plan Resolution of 21/04/2017	195,000	130,000	3				
Fees from Banca IFIS S.p.A. subsidiaries		2013 Plan	-	-	-	-	-	-	-
		2014 Plan	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-
<b>Total</b>			<b>195,000</b>	<b>130,000</b>	<b>3</b>	<b>-</b>	<b>455,000</b>	<b>455,000</b>	<b>-</b>
<b>Staccione Alberto</b>	General Manager								
Banca IFIS S.p.A. fees		2013-2014-2015-2016 Plans	-	-	-	-	129,170	129,081	-
		2017 Plan Resolution of 21/04/2017	55,512	37,008	3				
Fees from Banca IFIS S.p.A. subsidiaries		2013 Plan	-	-	-	-	-	-	-
		2014 Plan	-	-	-	-	-	-	-
		2015 Plan	-	-	-	-	-	-	-
		2016 Plan	-	-	-	-	-	-	-
		2017 Plan	-	-	-	-	-	-	-
<b>Total</b>			<b>55,512</b>	<b>37,008</b>	<b>3</b>	<b>-</b>	<b>129,170</b>	<b>129,081</b>	<b>-</b>



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

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

Surname and name	Role	Investee company	Number of shares owned at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares owned at the end of the current year
Fürstenberg Sebastien Egon (including shares held indirectly through La Scogliera S.p.A.)	President	Banca IFIS S.p.A	27,026,847	0	60,000	26,966,847
Csillaghy Alessandro	Vice President	---	---	---	---	---
Bossi Giovanni	Chief Executive Officer	Banca IFIS S.p.A	1,852,586	0	0	1,852,586
Benini Giuseppe	Director	---	---	---	---	---
Maderna Francesca	Director	Banca IFIS S.p.A	1,070,422	0	0	1,070,422
Malinconico Antonella	Director	---	---	---	---	---
Preve Riccardo (including shares held indirectly through Preve Costruzioni S.p.A.)	Director	Banca IFIS S.p.A	1,242,168	4,432	0	1,244,668
Salamon Marina (held indirectly through Alchimia S.p.A.)	Director	Banca IFIS S.p.A	1,076,247	0	0	1,076,247
Santosuoso Daniele	Director	---	---	---	---	---
Bugna Giacomo	President of the Board of Statutory Auditors	---	---	---	---	---
Ciriotto Giovanna	Standing Auditor	---	---	---	---	---
Miani Massimo	Standing Auditor	---	---	---	---	---
Staccione Alberto	General Manager	Banca IFIS S.p.A	143,949	0	0	143,949

\* the assigning of Banca IFIS treasury shares as part of variable remuneration as per the remuneration and incentive policies approved by the Shareholders' Meeting

*Table 2: shareholdings of other executives with strategic responsibilities*

Number of executives with strategic responsibilities	Investee company	Number of shares owned at the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares owned at the end of the current year
5 (3 people at 31/12/2017)	Banca IFIS S.p.A	---	---	---	---

## Other tables

AGGREGATE QUANTITATIVE INFORMATION FOR BANCA IFIS S.p.A.'s BUSINESS LINES*			
BUSINESS LINE	Number	GROSS ANNUAL REMUNERATION	GROSS ANNUAL VARIABLE REMUNERATION
Credi Impresa Futuro + Internazionale B.U.s	340	12,084,475	1,826,459
Tax Receivables B.U.	25	1,069,647	177,069
Pharmacies B.U.	11	683,896	52,810
Structured Finance B.U.	7	113,471	-
NPL B.U.	229	5,369,711	531,145
PHARMA B.U.	14	687,863	79,911
Special Situations B.U.	2	71,836	3,292
General Management - Control functions**	120	4,107,222	535,867
General Management - Personnel and support structure***	464	13,480,676	1,802,005
<b>TOTAL</b>	<b>1,212</b>	<b>37,668,798</b>	<b>5,008,557</b>

**Note:**

\* - The table shows the personnel in post at 31/12/2017

\*\* - "Control Functions" includes 10 employees on secondment at other Group companies

\*\*\* - "Personnel and support structure" includes one member of personnel in post at the Equity Investment B.U.

AGGREGATE QUANTITATIVE INFORMATION FOR SUBSIDIARIES' BUSINESS LINES (INTERBANCA, IFIS LEASING, IFIS FACTORING, IFIS RENTAL SERVICES) FROM 01/01/2017 TO 22/10/2017 (1)			
BUSINESS LINES	Number of employees at 22/10/2017	GROSS ANNUAL REMUNERATION FROM 01/01/2017 TO 22/10/2017	GROSS ANNUAL VARIABLE REMUNERATION TO BE PAID AT APRIL 2018 (5)
Personnel and support structure to October 2017	229	7,666,068.91	
Company control units to October 2017	31	1,358,251.43	
IFIS Factoring Retail Banking/Factoring to July 2017	34 (2)	906,626.28 (2)	
Interbanca - Commercial Lending B.U. to October 2017	14	738,035.74	
Interbanca - Structured Finance B.U. to October 2017	8	425,181.30	
Interbanca - Workout & Recovery B.U. to October 2017	15	706,449.52	
IFIS Leasing - Auto Leasing to October 2017	96 (3)	3,100,577.18	
IFIS Rental Services - Equipment Finance Leasing to October 2017	26	688,188.23	
<b>TOTALS</b>	<b>419 (4)</b>	<b>14.682.752,31(4)</b>	

**QUANTITATIVE INFORMATION FOR SUBSIDIARIES IFIS LEASING AND IFIS RENTAL SERVICES FOR THE PERIOD 23/10/2017 - 31/12/2017**

BUSINESS LINES	Number of employees at 31/12/2017	GROSS ANNUAL REMUNERATION FROM 23/10/2017 TO 31/12/2017	GROSS ANNUAL VARIABLE REMUNERATION (BONUS)	
			GROSS ANNUAL VARIABLE REMUNERATION (BONUS)	No. OF EMPLOYEES WITH BONUS RIGHTS (6)
IFIS Leasing - Auto Leasing	98	1,064,080.70	115,961.72	12
Personnel and support structures	109	884,844.22		
Company control units	8	78,539.16		
IFIS Rental Services - Equipment Finance Leasing	25	222,936.21	59,099.25	9
<b>TOTALS</b>	<b>240</b>	<b>2,250,400.29</b>	<b>175,060.97</b>	<b>21</b>

(1) Interbanca S.p.A. was merged into Banca IFIS S.p.A. with effect from 23 October 2017; IFIS Factoring S.r.l. was merged into Banca IFIS S.p.A. with effect from 1 August 2017. The quantitative information shown in these tables relate to the period 01/01/2017-22/10/2017 except for IFIS Factoring Retail Banking which closed at 31 July 2017

(2) includes one member of Interbanca S.p.A. personnel who is on secondment

(3) includes one member of Interbanca S.p.A. personnel who is on secondment

(4) does not include IFIS Factoring Retail Banking data

(5) quantitative data missing from this column is included in Other Tables relating to the Parent Company

(6) it should be noted that the quantitative data shown refers to commercial network personnel; other quantitative data for remaining personnel is not yet available

BANCA IFIS S.p.A.	
Total remuneration recognised greater than €1 million	No.
€1 million - 1.5 million	1
€1.5 - 2 million	
€2 - 2.5 million	
€2.5 - 3 million	
€3 - 3.5 million	
€3.5 - 4 million	
€4 - 4.5 million	

# BANCA IFIS

AGGREGATE QUANTITATIVE INFORMATION FOR BANCA IFIS GROUP'S "KEY PERSONNEL" (ONLY EMPLOYEES) (SELF-ASSESSMENT CARRIED OUT 19/01/2018)								
Banca IFIS Group	No.	FIXED	VARIABLE	AVERAGE % OF VARIABLE TO FIXED	Cash up front	Equity up front	Deferred cash	Deferred equity
Key personnel	38	4,295,003.56	1,186,845.93	26.35%			13,674.00	