

**FINECO**

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**ORDINARY SHAREHOLDERS' MEETING  
AND EXTRAORDINARY MEETING**

# **DIRECTORS' REPORT**

"Please note that this is a convenient translation of an Italian document provided for information purposes only. Therefore, the Italian version of such document shall prevail in all respects on the English translation."

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**FINECO. SIMPLIFYING BANKING.**

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**APPROVAL OF THE FINECOBANK S.P.A. FINANCIAL STATEMENTS 2019 AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS.**

**ALLOCATION OF FINECOBANK S.P.A. 2019 NET PROFIT OF THE YEAR.**

Dear Shareholders,

We have called this Ordinary Meeting to resolve, inter alia, on the approval of the Financial Statements 2019 and the allocation of the net profit for the year 2019 of FinecoBank S.p.A (the “**Company**” or “**FinecoBank**”).

In connection with the above, the proposals submitted for your approval are described below.

**1. APPROVAL OF THE FINANCIAL STATEMENTS 2019 AND ALLOCATION OF FINECOBANK S.P.A. 2019 NET PROFIT OF THE YEAR**

The Financial Statements 2019 show a profit of Eur 285,891,402.60. While reference is made to the Board of Directors' Report on Operations, which will be published in the manner and within the deadline set out by law as later explained, we hereby propose to approve the Financial Statements 2019, in its entirety and to allocate the aforesaid profit as follows:

- (i) Eur 41,177.47, equal to 0.014% of the net profit for the year, to the Legal Reserve, one fifth of the share capital having been reached;
- (ii) Eur 90,798,225.13 to the Extraordinary Reserve;
- (iii) to distribute a dividend of Eur 0.32, amounting to a total of Eur 195,052,000.00, to the 609,537,500 ordinary shares, having a par value of Eur 0.33 each, making up the share capital as at the Shareholders' Meeting date and, therefore, inclusive of the 623,900 shares resulting from the share capital increase approved by the Board of Directors of February 11, 2020.

The dividend approved by the Shareholders' meeting shall be paid, in accordance with applicable laws and regulations, on May 20, 2020 with “ex-dividend” date on May 18, 2020. Pursuant to Art. 83-terdecies of Legislative Decree no. 58 of February 24, 1998 (“Consolidated Law on Finance”), therefore, those who appear as shareholders on the basis of the accounting records at the end of the accounting day of May 19, 2020, shall be entitled to receive the dividend.

The Board of Directors clarifies that the portion of undistributed dividends with respect to the treasury shares held by the Bank at the abovementioned accounting date, shall be transferred to the Extraordinary Reserve.

The documentation envisaged by art. 154-ter of the Consolidated Law on Finance shall be made available to the public at least twenty-one days prior to the date of the shareholders' meeting in single call. (i.e. by April 6, 2020).

**2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*if you agree with the content shown in this report, we ask you to pass the following resolution:*

- 1. to approve the Financial Statements 2019, in their entirety;*
- 2. to approve the allocation of the net profit for the year of Eur 285,891,402.60, as follows: (i) to the Legal Reserve Eur 41,177.47 equal to 0.014% of the profit for the year, one fifth of the share capital having been reached; (ii) to the Extraordinary Reserve Eur 90,798,225.13; (iii) to the 609,537,500 ordinary shares having a par value Euro 0.33 each, making up the share capital – and, therefore, inclusive of the 623,900 shares resulting from the free share capital increase approved by the Board of Directors on February 11, 2020 - a dividend per share of Eur 0.32, corresponding to total Eur 195,052,000.00.*

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**COVERAGE OF THE NEGATIVE RESERVE IFRS 9**

Dear Shareholders,

We have called this Ordinary Meeting to resolve on the approval of the coverage of the Negative Reserve recognized in the FinecoBank S.p.A. Financial Statements following the first application of IFRS 9.

In connection with the above, the proposals submitted for your approval are described below.

**1. APPROVAL OF THE COVERAGE OF THE NEGATIVE RESERVE IFRS 9 RECOGNIZED IN THE FINECOBANK S.P.A. FINANCIAL STATEMENTS**

As represented in the FinecoBank S.p.A. Financial Statements, the first application of IFRS 9, which entered into force on 1<sup>st</sup> January 2018, resulted in the recognition of a Negative Reserve of Eur 4,868,256.68. Since its recognition on 1<sup>st</sup> January 2018, based on the applicable accounting standards, the aforementioned Negative Reserve has resulted in a reduction in the shareholders' equity and in the amount of available and distributable profit reserves; therefore, its coverage does not determine further impacts on the aforementioned aggregates.

We therefore propose you to approve the coverage of the aforementioned Negative Reserve recognized following the first application of IFRS 9 by using the Extraordinary Reserve for Eur 4,868,256.68.

**2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*if you agree with the content shown in this report, we ask you to pass the following resolution:*

- 1. to approve the coverage of the Negative Reserve recognized following the first application of IFRS 9 by using the Extraordinary Reserve for Eur 4,868,256.68.*

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**APPOINTMENT OF THE BOARD OF DIRECTORS, ONCE THE NUMBER OF THE DIRECTORS HAS BEEN SET AND DETERMINATION OF THE DURATION OF THEIR TERM IN OFFICE.**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to resolve, *inter alia*, on the appointment of the Board of Directors of FinecoBank S.p.A. (the "**Company**" or "**FinecoBank**"), after determining the number of Directors and their mandate.

In connection with the foregoing, the proposals submitted for your approval are described below.

**1. DETERMINATION OF THE NUMBER OF DIRECTORS, APPOINTMENT OF THE BOARD OF DIRECTORS AND SETTING OF THE DURATION OF THEIR MANDATE.**

**1.1 Reasons and evaluations of the proposal for the appointment of the Board of Directors and determining the duration of its mandate**

The Company's Board of Directors, appointed by the Ordinary Shareholders' Meeting of April 11, 2017, expires with the approval of the financial statements as at December 31, 2019; this Shareholders' Meeting is therefore called to resolve on the appointment of the new Board of Directors, after determining the number of members and the duration of their mandate.

In this regard, please note that pursuant to Article 13 of the Articles of Association and in compliance with applicable laws and regulations, the members of the Board of Directors shall be appointed on the basis of lists submitted by eligible parties. The parties with the right to submit lists are the Board of Directors as well as multiple shareholders who, either alone or together with others own, collectively, voting shares representing the percentage of share capital required by current laws or regulations. It should be noted that Consob, in its Executive Resolution of the Head of the Corporate Governance Division no. 28 of January 30, 2020, set the minimum shareholding required for FinecoBank to present lists of candidates for election to the Board of Directors and Board of Statutory Auditors at 1% of share capital.

It should also be noted that pursuant to article 13 of the Articles of Association, the Company shall be managed by a Board of Directors composed of a minimum of 9 (nine) and a maximum of 13 (thirteen) members. The members of the Board of Directors shall remain in office for three years (except where a shorter term is decided upon at the time of their appointment) and their mandate shall expire on the date of the shareholders' meeting approving the financial statements for the last year of their office.

The members of the Board must be suitable for the performance of the office, in accordance with the legislation in force at the time and the Articles of Association and, in particular, they must meet the requirements of professionalism, integrity and independence and comply with the criteria of competence,

correctness and dedication of time and the specific limits on the number of positions held as set out by legislation in force and by the Articles of Association and in any event those provided by the European Directive no. 36 of June 26, 2013 (CRD IV), for the performance of the office of director of a bank issuing shares listed on regulated markets.

Moreover, the majority of the members of the Board of Directors must meet the independence requirements established by the Corporate Governance Code for Listed Companies currently in force.

<sup>1</sup>Each list with a number of candidates equal to or greater than 3 (three) (i) must be made up of candidates belonging to both genders, to ensure respect for the gender balance to at least to the minimum extent required by current laws and regulations (i.e., at least two fifths, taking into account the provisions of Consob Communication no. 1/20 of January 30, 2020) and (ii) must ensure that at least the majority of the candidates meet the independence requirements set out in the Articles of Association, without prejudice to the fact that the first candidate on any list, including one with less than 3 (three) candidates, must meet the aforementioned independence requirements.

As mentioned, those shareholders who, either alone or jointly with others, hold shares with voting rights representing at least 1% of the share capital, are entitled to submit lists<sup>2</sup>. Ownership of the minimum shareholding for submission of the lists is determined with regard to the shares registered in the name of an individual shareholder, or more than one shareholder jointly, on the day on which the lists are filed with the Company and shall be certified in accordance with the applicable legislation; this certification can be received by the Company after the filing, provided within the period set for the publication of the lists by the Company, i.e., 21 days before the date set for the Shareholders' Meeting.

Each entitled party (including the entitled parties belonging to the same group or who are parties to a shareholders' agreement concerning FinecoBank shares, or who are otherwise related to each other by virtue of relevant relationships as envisaged under the applicable legislative and/or regulatory provisions) may submit or contribute to the submission of only one list. Likewise, each candidate may appear on only one list under penalty of ineligibility.

The lists must be filed with the Registered Office or the Head Office of the Company or by certified email by April 3, 2020. Together with each list, by the deadline indicated for their filing, the entitled persons shall also deposit any additional documents or declarations required by laws or regulations in force at the time, and by the Articles of Association as indicated in the notice of call of the Shareholders' Meeting.

A list that does not meet the above requirements shall be disregarded.

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<sup>1</sup> See Communication no. 1/20 issued by Consob on January 30, 2020, through which the Supervisory Authority has specified that "[...] pending an adjustment of the regulatory framework and taking into account the urgency connected with the application of the new provisions already from the next renewals of corporate bodies - as part of the supervisory activity on the discipline in question, the criterion of rounding up to the next higher unit provided for by paragraph 3 of Article 144-undecies will be considered. 1 ("Gender balance"), the Consob Regulation adopted by resolution no. 11971 of May 14, 1999, as amended ("Issuers' Regulation"), which is not applicable to corporate bodies made up of three members due to arithmetical impossibility. Therefore, with reference to the latter, Consob will consider that rounding down to the lower unit is in line with the new rules. The criterion of rounding up to the next higher unit provided for in paragraph 3 of the aforementioned article 144-undecies.1 of the Issuers' Regulations for corporate bodies made up of more than three members remains unchanged."

<sup>2</sup> It should be noted that Consob, in its Executive Resolution of the Head of the Corporate Governance Division no. 28 of January 30, 2020, set the minimum shareholding required for FinecoBank to present lists of candidates for election to the Board of Directors and Board of Statutory Auditors at 1% of share capital.

In relation to the above, **we invite you to read and take into account:**

- the recommendations set out by Consob in Communication no. DEM/9017893 of February 26, 2009 concerning relationships between lists;
- the "*Qualitative and quantitative composition of the Board of Directors of FinecoBank*", with the results of the preliminary analysis carried out by the Board of Directors (aided by the *Corporate Governance, Appointments and Sustainability Committee*) on its optimal qualitative/quantitative composition in view of properly performing its functions, in accordance, in particular, with the corporate governance provisions set out in Bank of Italy Circular no. 285 of December 17, 2013. This document, approved by the Board of Directors on February 25, 2020, is available on the *website* of FinecoBank ("*Governance/Shareholders' Meeting*" Section). Shareholders are in any case entitled to express differing views on the optimal composition of the Board of Directors, explaining any discrepancies with the directors' own analysis.
- the document titled "*Information on the procedure for appointing the corporate bodies of FinecoBank*" (in particular Part A of said document) with more detailed information on the procedure for the appointment of the members of the Board of Directors and the Board of Statutory Auditors and on the documents required for filing lists available on the *website* of FinecoBank (section "*Governance / Shareholders' Meeting*").

## 1.2 **Appointment procedure**

The appointment of the Board of Directors shall therefore be conducted as follows, pursuant to the Articles of Association:

- a) from the list that received the majority of votes cast, Directors equal to the number to be elected are drawn in consecutive order as they appear on the list except, depending on the case, 2 (two) or 3 (three) that will be taken from the minority list(s) that are not connected with those who submitted or voted for the list that obtained the highest number of votes in accordance with the current regulations, as specified below:
  - a.1) if only two lists are submitted, the remaining 2 (two) Directors will be drawn in consecutive order from the second list that received the highest number of votes at the meeting,
  - a.2) if 3 (three) or more lists are submitted, 2 (two) Directors will be drawn in consecutive order from the second list that obtained the highest number of votes at the meeting regardless of the percentage of votes received, while 1 (one) Director will be drawn in consecutive order from the third list that received the highest number of votes at the meeting provided that it received at least 2% of the votes cast at the meeting, it being understood that in the event of the failure to receive this percentage by the third list by number of votes the mechanism provided for in the previous paragraph a.1) will be applied.;
- b) if the majority list does not reach a sufficient number of candidates for the election of the number of Directors to be appointed, according to the mechanism indicated in paragraph a), all the candidates from the majority list shall be elected and the remaining Directors shall be taken from the list that obtained the highest number of votes from among the minority lists, in the order in which they were listed and, if necessary, from the minority lists ranked below the most-voted minority list, again in the order in which the candidates were listed, until the number of Directors to elect has been reached;
- c) if the number of candidates included in the lists submitted, both majority and minority, is lower than the number of Directors to be elected, the remaining Directors are elected by resolution passed by the Shareholders' Meeting by a relative majority (and therefore without taking into account any

- abstentions) ensuring compliance with the principles of independence and balance between the genders set out by articles 13, paragraphs 3 and 6, respectively of the Articles of Association. In the event of a tie between candidates, the shareholders' meeting shall hold a second round of voting;
- d) where only one, or no lists have been submitted, the Shareholders' Meeting shall resolve in accordance with the procedures specified in paragraph c) above; in the event of a tie between lists or candidates, the shareholders' meeting shall hold a second round of voting to establish their ranking;
- e) if the required number of independent Directors and/or of Directors of the less-represented gender is not appointed, any Directors on the most-voted list and appearing highest on the list who do not meet the requirements in question shall be replaced by the next candidates from the same list who do meet the requirements. If, following the application of this criterion, it is still not possible to identify Directors with the mentioned characteristics, this principle shall be applied to the other minority lists from which the elected candidates were drawn;
- f) if, even after applying the replacement principle set out in paragraph e) above, it is still not possible to identify any suitable Directors, the Meeting shall resolve by relative majority. In this case, the replacements shall be effected starting from the most voted lists and from the candidates bearing the highest number in consecutive order

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With reference to the faculty for the Board of Directors, expressly provided for in the Articles of Association, to submit its own list of candidates, please be informed that the outgoing Board of Directors has identified, based on the aforementioned document "*Qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A.*", its own list of candidates, which takes into account its stance on the number deemed optimal by the Directors, i.e., 11 members. The list was drawn up based on the "*Process for the selection of candidates for the position of member of the Board of Directors*" approved by the Board on August 5, 2019 (available on the Bank's website as Annex B of the FinecoBank Corporate Bodies Regulations).

## **2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*if you agree with the contents and arguments set out in this Report, having acknowledged the provisions of the Articles of Association concerning the composition and procedures for the appointment of the Board of Directors and the indications contained in the document titled "*Qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A.*", we ask you to take the following resolutions:*

- *to set the number of members of the Board of Directors to 11 and the relative mandate to 3 years;*
- *to appoint the Directors.*



**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**DETERMINATION, PURSUANT TO ARTICLE 20 OF THE CURRENT ARTICLES OF ASSOCIATION, OF THE REMUNERATION DUE TO THE DIRECTORS FOR THEIR WORK ON THE BOARD OF DIRECTORS, THE BOARD COMMITTEES AND OTHER COMPANY BODIES**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to resolve, *inter alia*, pursuant to Article 20 of the current Articles of Association, on the remuneration due to the Directors for their work the Board of Directors, the Board Committees and other Company bodies of FinecoBank S.p.A. (the “**Company**“ or “**FinecoBank**”).

In connection with the foregoing, the proposals submitted for your approval are described below.

With reference to the Directors who have just lapsed from office, please note that the Ordinary Shareholders' Meeting held on April 11, 2017 resolved upon, *inter alia*, to: (i) assign the Board of Directors the total gross amount of €370,000.00, for each year of its mandate; (ii) set, pursuant to Article 2389, paragraph 3, of the Italian Civil Code, the total annual gross remuneration for Directors appointed as Chairman and Deputy Chairman at €200,000.00; (iii) determine, for the members of the Board Committees, if any, the following annual gross remuneration: €20,000.00 for the Chairman of each Committee and €15,000.00 for each member; (iv) determine, for participation in meetings of the Board of Directors and Board Committees that may be set up, an attendance fee of €300.00, with the possibility of accruing several fees in the event of attendance of more than one meeting on the same day.

We would also like to remind you that the Company will be responsible for the payment of the insurance policy premium to cover third-party liability of company officers (including Directors) vis-à-vis third parties, as already resolved by the Shareholders' Meeting.

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In this regard, with reference to the filing by the Board of Directors of its own list of candidates, we inform you that the outgoing Board of Directors – on a proposal of the Remuneration Committee – has also consistently decided to propose to today's Shareholders' Meeting the following remuneration:

- for the Board of Directors a total gross amount of € 500,000.00 for each year of mandate;
- for Directors appointed as Chairman and Deputy Chairman an additional total gross annual compensation of € 260,000.00;
- for the Risk and Related Parties Committee, an additional gross annual compensation of € 30,000.00 for the Chairman and of € 20,000.00 for each member;
- for the other Committees that may be set up (different from the Risk and Related Parties one), an additional gross annual remuneration of € 25,000.00 for the Chairman and of € 20,000.00 for each member;

- an attendance fee of €600.00 for participation in meetings of the Board of Directors and each Board Committee, with the possibility of accruing several fees in the event of attendance of more than one meeting on the same day.

The following elements, *inter alia*, have been taken into account in drawing up this proposal:

- that FinecoBank has undertaken the role of Parent Company of the Banking Group following its exit from the UniCredit Group, and the related greater commitment required of each member of the Board of Directors; on this point, please refer to the paragraph 1.2.3 of the document "*Qualitative and quantitative composition of the Board of Directors of FinecoBank S.p.A.*", approved by the Board of Directors on February 25, 2020, and available on the *website* of FinecoBank, which sets out the commitments in terms of time availability for each role within the Board of Directors of the Bank;
- the proposed increase in the number of Directors from 9 to 11;
- the proposed increase in the number of members of the Risk and Related Parties Committee from 3 to 5;
- the recommendation of the Chair of the Italian Corporate Governance Committee of the 19 December 2019 to the boards of directors – and to the relevant committees responsible for remuneration - to verify that the amount of compensation paid to non-executive directors corresponds to the competence, professionalism and commitment required of their position;
- the market reference data (benchmark) – provided by the independent consultant of the Remuneration Committee – related to the remuneration of the administrative body of a sample of the major banks of FTSE MIB, that shows a positioning under the median of the market.

## **RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*If you share the contents and arguments set out in this Report, in accordance with and in compliance with the provisions of the Articles of Association, as well as the applicable laws and regulations in force on the matter, without prejudice to the pro tempore insurance policy in force for the coverage of the civil liability of the member of the Board of Directors, we invite you to take the following resolution:*

- *that the total annual gross remuneration for the members of the Board of Directors be set in the amount of € 500,000.00 for each year of mandate;*
- *that the additional total gross annual compensation for Directors appointed as Chairman and Deputy Chairman be set in the amount of € 260,000.00;*
- *that the additional annual gross remuneration for the Chairman of Risk and Related Parties Committee be set in the amount of € 30,000.00 and the one for each member of the same Committee be set in the amount of € 20,000.00;*
- *that the additional gross annual remuneration for the other Committees that may be set up (different from the Risk and Related Parties one) be set in the amount of € 25,000.00 for the Chairman and of € 20,000.00 for each member;*
- *that an attendance fee of €)€600.00 be set for participation in meetings of the Board of Directors and each Board Committee, with the possibility of accruing several fees in the event of attendance of more than one meeting on the same day.*

*All this is in addition to the reimbursement of expenses incurred for the office.*

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS.**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to resolve, *inter alia*, on the appointment of the Board of Statutory Auditors of FinecoBank S.p.A. (the "**Company**" or "**FinecoBank**").

In connection with the foregoing, the proposals submitted for your approval are described below.

**1. APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS**

**1.1 Reasons and evaluations of the proposal for the appointment of the Board of Statutory Auditors**

The Company's Board of Statutory Auditors, appointed by the Ordinary Shareholders' Meeting of April 11, 2017, expires with the approval of the financial statements as at December 31, 2019; this Shareholders' Meeting is therefore called to resolve on the appointment of the new Board of Statutory Auditors whose members, in accordance with the Articles of Association, will remain in office for three years and will therefore expire on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their mandate.

In this regard, please note that pursuant to article 23 of the Articles of Association and to current legal and regulatory provisions, the appointment of Standing and Alternate Statutory Auditors shall be made on the basis of lists of candidates submitted by entitled parties, in which the candidates shall be listed in numerical order.

Lists shall be divided in two sections, containing respectively up to three candidates for the position of Standing Statutory Auditor and up to two candidates for the position of Stand-in Statutory Auditor. At least the first two candidates for the position of Standing Statutory Auditor and at least the first candidate for the post as Alternate Statutory Auditor included in the respective lists must be registered for at least three years in the national register of auditors and must have practiced the statutory auditing of accounts for a period of not less than three years.

In addition, pursuant to article 23, paragraph 2, of the Articles of Association, the Statutory Auditors must be suitable to hold the office, in accordance with the provisions of the legislation in force at the time and the Articles of Association and, in particular, they must meet the requirements of professionalism, integrity and independence and comply with the criteria of competence, correctness and dedication of time and the specific limits on the number of positions held as set out by legislation in force at the time and by the Articles of Association and in any event those set out by the European Directive no. 36 of June 26, 2013 (CRD IV).

The Statutory Auditors, in addition to the independence requirements provided for by the legislation in force at the time, must be in possession of the independence requirements provided for by Art. 13, paragraph 3, of the Articles of Association.

Each list for the position of Standing Auditor and Alternate Auditor must include a number of candidates of the less represented gender such that the list satisfies at least the minimum gender balance required by the applicable laws and regulations (*i.e.*, at least one third of the Standing members of the Board of Statutory Auditors, as indicated in Consob Communication no. 1/20 of January 30, 2020, as the Board of Statutory Auditors of FinecoBank consists of three Standing Members<sup>1</sup>).

Those shareholders who, either alone or jointly with others, hold collectively shares with voting rights representing at least 1% of the share capital, are entitled to submit lists<sup>2</sup>. Ownership of the minimum shareholding for submission of the lists is determined with regard to the shares registered in the name of an individual shareholder, or more than one shareholder jointly, on the day on which the lists are filed with the Company and shall be certified in accordance with the applicable legislation; this certification can be received by the Company after the filing, provided within the period set for the publication of the lists by the Company, *i.e.*, 21 days before the date set for the Shareholders' Meeting.

Each entitled party (including the entitled parties belonging to the same group or who are parties to a shareholders' agreement concerning FinecoBank shares, or who are otherwise related to each other by virtue of relevant relationships as envisaged under the applicable legislative and/or regulatory provisions) may submit or contribute to the submission of only one list. Likewise, each candidate may appear on only one list under penalty of ineligibility.

The lists must be filed with the Registered Office or the Head Office of the Company or by certified email by April 3, 2020. Together with each list, by the deadline indicated for their filing, the entitled persons shall also deposit any additional documents or declarations required by laws or regulations in force at the time, and by the Articles of Association as indicated in the notice of call of the Shareholders' Meeting.

In the event that, upon the deadline for submitting the lists, (*i*) only one list has been filed, or only (*ii*) lists submitted by Shareholders who, under current legislation, are related to each other, the Company shall promptly give notice by a special press release within the deadline and in the manner prescribed by law; if so, lists may be submitted until **April 6, 2020** (*i.e.*, by the third day following the deadline) by Shareholders representing, alone or jointly with others, at least 0.5% of the capital made up by the ordinary shares, subject to the other terms and conditions for submission.

A list that does not meet the above requirements shall be disregarded.

In relation to the above, in filing the lists, **we invite you to read and take into account:**

- the recommendations set out by Consob in Communication no. DEM/9017893 of February 26, 2009 concerning relationships between lists;

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<sup>1</sup> See Communication no. 1/20 published by Consob on January 30, 2020, through which the Supervisory Authority has specified that "[...] pending an adjustment of the regulatory framework and taking into account the urgency connected with the application of the new provisions already from the next renewals of corporate bodies - as part of the supervisory activity on the discipline in question, the criterion of rounding up to the next higher unit provided for by paragraph 3 of Article 144-undecies will be considered. 1 ("Gender balance"), the Consob Regulation adopted by resolution no. 11971 of May 14, 1999, as amended ("Issuers' Regulation"), which is not applicable to corporate bodies made up of three members due to arithmetical impossibility. Therefore, with reference to the latter, Consob will consider that rounding down to the lower unit is in line with the new rules. The criterion of rounding up to the next higher unit provided for in paragraph 3 of the aforementioned article 144-undecies.1 of the Issuers' Regulations for corporate bodies made up of more than three members remains unchanged."

<sup>2</sup> It should be noted that Consob, in its Executive Resolution of the Head of the *Corporate Governance* Division no. 28 of January 30, 2020, set the minimum shareholding required for FinecoBank to present lists of candidates for election to the Board of Directors and Board of Statutory Auditors at 1% of share capital.

- the document titled "*Information on the procedure for appointing the corporate bodies of FinecoBank,*" and in particular Part B of said document, with more detailed information on the procedure for the appointment of the members of the Board of Statutory Auditors and on the documents required for filing lists available on the website of FinecoBank (section "*Governance / Shareholders' Meeting*").
- the "*Qualitative and quantitative composition of the Board of Statutory Auditors of FinecoBank S.p.A.*"; this contains the results of the preliminary analysis carried out by the Board of Statutory Auditors on its optimal qualitative/quantitative composition in view of properly discharging its duties and responsibilities assigned.

## **1.2 Appointment procedure**

The members of the Board of Statutory Auditors shall be appointed as follows, pursuant to the Articles of Association:

- (a) 2 (two) Standing Statutory Auditors and 1 (one) Alternate Statutory Auditor are taken from the list that has obtained the highest number of votes cast by the Shareholders, in the order in which they appear on the list;
- (b) the remaining Standing Statutory Auditor and the remaining Alternate Statutory Auditor are drawn from the list that has obtained the most votes after the one referred to in letter (a) and the first candidates of the relevant section shall be appointed as Standing Statutory Auditor and Alternate Statutory Auditor, respectively.

Where, in accordance with the above deadlines and procedures, only one, or no lists have been submitted, or the number of candidates in the list is less than that to be appointed, the shareholders' meeting shall resolve on the appointment of all, or of the missing statutory auditors by relative majority. If there is a tie between several candidates, a run-off election shall be held between them with a further vote of the Shareholders' Meeting.

The Shareholders' Meeting shall be required to ensure compliance with the provisions of applicable laws and regulations concerning gender balance.

## **1.3 Election of the Chair of the Board of Statutory Auditors**

The Chair of the Board of Statutory Auditors will go to the first candidate of the minority list of Standing Auditors receiving the most votes.

## **2. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*if you agree with the contents and arguments set forth in this Report, pursuant to and in compliance with the provisions of the Articles of Association and the applicable laws and regulations governing the appointment of the Board of Statutory Auditors, we invite you to take the following resolutions:*

*1. appointment of the Standing Auditors, including the Chair, and Alternate Auditors of FinecoBank S.p.A. for the years 2020, 2021 and 2022 and therefore until the Shareholders' Meeting to approve the financial statements at December 31, 2022.*

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**DETERMINATION, PURSUANT TO ARTICLE 23, PARAGRAPH 17, OF THE CURRENT ARTICLES OF ASSOCIATION, OF THE COMPENSATION PAYABLE TO THE STATUTORY AUDITORS.**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting of FinecoBank S.p.A. ("**FinecoBank**" or the "**Bank**") to resolve, *inter alia*, pursuant to Article 23, paragraph 17, of the current Articles of Association, on the compensation payable to the Statutory Auditors for the entire duration of the relevant mandate.

It should be remembered that the Shareholders' Meeting of 11 April 2017 had determined the gross annual remuneration to be attributed to the members of the Board of Statutory Auditors in Euro 50,000.00 per year gross to the Chairman and Euro 40,000.00 gross per year to each Standing Auditor, in addition to Euro 300.00 as attendance fee for each meeting of the Board of Statutory Auditors.

Finally, we remind you that the Company will assume the burden of paying the premium of the insurance policy to cover the civil liability of corporate officers (including the members of the Board of Statutory Auditors) towards third parties, as already approved by the Shareholders' Meeting.

On the proposal of the Remuneration Committee, the Board recommends that shareholders provide for a compensation to the members of the Board of Statutory Auditors equal to Euro 65,000 for the Chairman and Euro 50,000 for the members of the Board of Statutory Auditors, in addition to Euro 600.00 as attendance fee for each meeting of the Board of Statutory Auditors.

The following elements, *inter alia*, have been taken into account by the Board of Directors in drawing up this proposal:

- FinecoBank has undertaken the role of Parent Company of the Banking Group following its exit from the Unicredit Group, and the related greater commitment required from each member of the Board of Statutory Auditors; on this point, please refer to paragraph 1.1.2 of the document "*Qualitative and Quantitative Composition of the Board of Statutory Auditors of FinecoBank S.p.A.*" of 11 March 2020 available on the Bank's website, where commitments are made in terms of time availability of the Statutory Auditors;
- the recommendation of the Chairman of the Italian Corporate Governance Committee dated 19 December 2019 to the governing bodies of the issuing companies – and to the relevant remuneration committees – to verify that the amount of the fees paid to the members of the control body is adequate to the competence, professionalism and commitment required by their assignment;

ORDINARY SHAREHOLDERS' MEETING  
ITEM 7 ON THE AGENDA

- market reference data (benchmark) on the remuneration of the members of the control body prepared by the external independent consultant of the Remuneration Committee, compared to a sample of the main banks listed on the FTSE MIB index from which a position below the market median emerges.

**RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

*Dear Shareholders,*

*If you share the contents and arguments set out in this Report, in accordance with and in compliance with the provisions of the Articles of Association, as well as the applicable laws and regulations in force on the matter, without prejudice to the pro tempore insurance policy in force for the coverage of the civil liability of the member of the Board of Statutory Auditors, we invite you to take the following resolution:*

- 1. to determine the annual compensation payable to the Chairman and the members of the Board of Statutory Auditors for the entire duration of the relevant mandate, including the attendance fee for the meetings of the Board of Statutory Auditors.*

**ORDINARY SHAREHOLDER'S MEETING**

**DIRECTORS' REPORT**

**2020 REMUNERATION POLICY**

Dear Shareholders,

We called you at the Ordinary Shareholders' Meeting to submit to you the proposal for approval of the Section I "2020 remuneration policy" – item 8 on the Agenda – "2020 FinecoBank Compensation Policy" (hereafter also the "**2020 Compensation Policy**"), reported in the attached document which forms an integral part of this Report, prepared in compliance with the provisions of art. 123-ter of Legislative Decree 58/98 (also "**TUF**") and of Bank of Italy Circular no. 285 of 17 December 2013 on the "*Supervisory Provisions for Banks*" (hereafter, the "**Supervisory Provisions**"<sup>1</sup>) which provide that the ordinary Shareholders' Meeting approves, among other things, the Section I – *2020 remuneration policy* for the members of the Board of Directors, members of the Supervisory Board, employees and staff not linked to the company by subordinated employment relationships (in FinecoBank, the financial advisors authorized to offer off-site services), and holds an advisory vote, with reference to item 9 on the Ordinary meeting Agenda, on the Section II – *2019 remuneration report*. Approval of the compensation policy and incentive systems must be consistent with respect to prudent risk management and long-term strategies, also providing for a correct balance between the fixed and variable components of the remuneration as required by the applicable regulations; with regard to the latter, risk weighting systems and mechanisms aimed at ensuring the connection of the remuneration with actual and lasting results.

Therefore, it is proposed that this Shareholders' Meeting approves the Section I – *2020 remuneration policy*, which illustrates principles and standards that FinecoBank applies and that are used to define, implement and monitor the compensation policy and the compensation systems. The proposal was formulated by the Human Resources function, with the contribution of the Compliance, Risk Management, Finance and Network Control, Monitoring and Network Services functions, with regard to the topics whose description falls within their competence.

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<sup>1</sup> 25<sup>th</sup> update of Circular 285 of October 26, 2018



## 1. 2020 REMUNERATION POLICY

The relevant pillars of the 2020 Compensation Policy, as illustrated in the Section I – 2020 remuneration policy, which are confirmed with respect to those approved by the Shareholders' Meeting on 10 April 2019, are summarized below:

- (a) clear and transparent governance;
- (b) compliance with regulatory requirements and principles of good professional conduct;
- (c) continuous monitoring of market trends and practices;
- (d) sustainable pay for sustainable performance;
- (e) motivation and retention of all staff, with particular focus on talents and key players.

Furthermore, in line with national and international regulations, the main contents of Section I are:

- (a) performance targets set for the Chief Executive Officer and General Manager for 2020;
- (b) updates on the regulatory framework as well as on the reference peer group for remuneration benchmarking;
- (c) the ratio between variable remuneration and fixed remuneration. In particular, for employees who belong to the business functions, the maximum level - approved by the Fineco Shareholders' Meeting of 5 June 2014 - equal to 2:1 has not been changed; for the remaining part of employees, a maximum ratio of 1:1 is generally adopted, with the exception of the Corporate Control Functions Identified Staff, for which the variable remuneration is expected to not exceed one third of the fixed remuneration. For the Head of Human Resources and the Financial Reporting Manager in charge for preparing financial statements, fixed remuneration is expected to be a predominant component of total remuneration. With regard to the Financial Advisors Identified Staff, the ratio 2:1 applies between the so-called non-recurring remuneration and the recurring remuneration. The adoption of the 2:1 ratio between variable and fixed remuneration has no implications on the Bank's ability to continue to comply with prudential rules and in particular with regard to own funds requirements;
- (d) information on the role and activities of the Remuneration Committee, as well as the role of the Compliance, Internal Audit and Risk Management functions;
- (e) the definition of Identified Staff 2020 for both employees and Financial Advisors;
- (f) a complete description of the new 2020 Incentive Systems reserved for the Identified Staff (employees and Financial Advisors);
- (g) a complete description of the 2018-2020 Long-Term Incentive Systems reserved for selected employees and for Financial Advisors Identified Staff.

\* \* \*

## **2. Resolutions submitted to the Ordinary Shareholders' Meeting**

*Dear Shareholders,*

*If you share the contents and the arguments presented in this Report, we invite you to take the following resolutions:*

*“The Ordinary Shareholder’s Meeting of FinecoBank S.p.A., considering the Directors’ Report drafted according to art. 123-ter of Legislative Decree n. 58/1998 and other applicable regulations,*

*resolves*

- 1. to approve - also pursuant to art. 123-ter, paragraph 3-bis and 3-ter of TUF – the Section I - 2020 remuneration policy of FinecoBank Group, in order to define the principles and standards that Fineco applies in determining and monitoring the remuneration policy and plans for members of the Board of Directors, members of the Supervisory Board, employees and Financial Advisors authorized to offer off-site services, as well as to define the procedural conditions for possible exclusions to the policy in case of exceptional circumstances;*
- 2. to confer to the Chief Executive Officer and General Manager all the appropriate powers to bring additions and amendments to the aforementioned 2020 Compensation Policy, as it might be required by the competent supervisory authorities or as it might be necessary in view of changes in the relevant regulatory/legislative framework”.*

**ORDINARY SHAREHOLDER'S MEETING**

**DIRECTORS' REPORT**

**2019 REMUNERATION REPORT**

Dear Shareholders,

We called you at the Ordinary Shareholders' Meeting in order to hold an advisory vote on the Section II – “2019 remuneration report” – item 9 on the Agenda – of the "2020 FinecoBank Compensation Policy" (hereafter also the "**2020 Compensation Policy**"), reported in the attached document which forms an integral part of this Report, prepared in compliance with the provisions of art. 123-ter of Legislative Decree 58/98 (also “**TUF**”) and of Bank of Italy Circular no. 285 of 17 December 2013 on the "*Supervisory Provisions for Banks*" (hereafter, the "**Supervisory Provisions**"<sup>1</sup>) which provide that the ordinary Shareholders' Meeting approves, among other things, the Section I – *2020 remuneration policy* for the members of the Board of Directors, members of the Supervisory Board, employees and staff not linked to the company by subordinated employment relationships (in FinecoBank, the financial advisors authorized to offer off-site services) – item 8 on the Ordinary meeting Agenda – and holds an advisory vote on the Section II – *2019 remuneration report*. Approval of the compensation policy and incentive systems must be consistent with respect to prudent risk management and long-term strategies, also providing for a correct balance between the fixed and variable components of the remuneration as required by the applicable regulations; with regard to the latter, risk weighting systems and mechanisms aimed at ensuring the connection of the remuneration with actual and lasting results.

Therefore, shareholders are invited to hold an advisory vote on the information regarding the implementation of FinecoBank 2019 Compensation Policy approved by the Shareholders' Meeting on 10 April 2019 and included in Section II – *2019 remuneration report*.

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<sup>1</sup> 25<sup>th</sup> update of Circular 285 of October 26, 2018

## **1. 2019 REMUNERATION REPORT**

The Section II – 2019 remuneration report, by name for members of administrative and control bodies, general managers and in an aggregated form for key management personnel, provides an adequate representation of each remuneration component, pointing out its consistency with the company's compensation policy in the referred financial year. Moreover it analytically explains the remuneration awarded in the referred financial year by the company and by its subsidiaries or controlled companies for any reason and in any form, highlighting the compensation components that are likely to be referred to activities carried out in previous financial years and, as well, highlighting the compensation that has to be awarded in one or more of the following financial years in view of the activities carried out in the referred financial year, possibly stating an estimated value for the components that are not objectively measurable in the referred financial year.

In line with national and international regulations, the main contents of the 2019 remuneration report are:

- (a) a complete description of the implementation of the FinecoBank 2019 Incentive Systems reserved for the Identified Staff (employees and Financial Advisors);
- (b) remuneration structure and performance of the Chief Executive Officer and General Manager for 2019 Financial Year;
- (c) a detailed focus on the implementation, in 2019, of FinecoBank previous years' short-term and long-term Incentive Systems reserved for the Identified Staff (employees and Financial Advisors), which are subject to the completion of 2019 targets;
- (d) a complete information on the data requested by national and international regulators.

According to art. 123-ter, par. 6 of TUF the Shareholders' Meeting is required to hold an advisory vote on the aforementioned Section II. The vote is not binding.

\* \* \*

## **2. Resolution submitted to the Ordinary Shareholders' Meeting**

*Dear Shareholders,*

*If you share the contents and the arguments presented in this Report, we invite you to decide:*

*"Favorably, pursuant to art. 123-ter, paragraph 6 of TUF, on the Section II – 2019 remuneration report in order to assess the results of principles and standards applied by FinecoBank in implementing the policy and the remuneration plans, with an overview on details and reasons for the remuneration awarded to Identified Staffs, on possible exceptions to the Policy and on the evolution of the Bank's achievements, of the average remuneration and of the compensation awarded to Identified Staffs in the last five years, given that the company will anyway provide a detailed explanation, in the 2021 Compensation Policy, on how the vote has affected its practices".*

**ORDINARY SHAREHOLDER'S MEETING**

**DIRECTORS' REPORT**

**ON**

**2020 INCENTIVE SYSTEM FOR IDENTIFIED STAFF EMPLOYEES**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to submit for your approval the 2020 Incentive System aimed at granting an incentive, in cash and / or in free ordinary shares, to be paid over a multi-year period to FinecoBank Identified Staff employees, according to the methods described below and subject to the achievement of specific performance targets (hereafter, the "**2020 System**" or "**2020 Incentive System**").

This proposal is prepared in compliance with the provisions of art. 114-bis of the Legislative Decree n. 58 , 24 February 1998, and also taking into account the implementing rules issued by Consob regarding the allocation of compensation plans based on financial instruments to corporate officers, employees or independent contractors; moreover, in compliance with the aforementioned provisions, the information document pursuant to art. 84-bis of Consob Regulation 11971/99 and subsequent amendments was made available to the public within the terms of the law and to which reference should be made for the detailed description of the Incentive System illustrated in this Report.

The proposal is also in line with Fineco's Compensation Policy, with the provisions issued by Bank of Italy on remuneration and incentive policies and practices<sup>1</sup>, with the provisions of the Directive 2013/36/EU (Capital Requirements Directive or CRD IV), as well as the guidelines issued by the EBA (European Banking Authority). In this regard, it should be noted that, in compliance with the aforementioned provisions, FinecoBank has set the ratio between the variable remuneration component and the fixed remuneration component of employees belonging to the business functions, to 2:1, except applying a lower ratio when required by the applicable legislation.

**1. 2020 INCENTIVE SYSTEM FOR IDENTIFIED STAFF EMPLOYEES**

**GOALS**

The 2020 System aims at incentivizing, retaining and motivating the beneficiaries, in compliance with the provisions issued by national and international authorities targeting - in the interest of all stakeholders - remuneration systems that are: aligned with the company's long-term strategies and objectives, linked to company results, risks adjusted in order to meet both capital and liquidity requirements needed to sustain the business and, in any case, designed to avoid incentives that could drive excessive risk taking behavior for the bank and the system in its whole.

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<sup>1</sup> 25<sup>th</sup> update to the Circular n. 285 of 26<sup>th</sup> October 2018

## **BENEFICIARIES**

The following potential beneficiaries of the 2020 System are identified - in line with the criteria set out in the European Commission Regulation no. 604/2014 of 4 March 2014 - as "**Identified Staff**":

- the Chief Executive Officer and General Manager (CEO/GM), the Deputy General Managers (DGM), the Executive Vice President (EVP), the Senior Vice President (SVP);
- employees awarded a total remuneration greater than € 500,000 in the prior financial year;
- employees within the 0.3% of staff awarded the highest total remuneration in the prior financial year
- other selected roles (including new hires).

The total number of beneficiaries, as of 15 January 2020, is 18<sup>2</sup>.

## **ELEMENTS OF THE 2020 SYSTEM**

Below, the main elements of the 2020 system. In particular:

- (a) in line with the approach adopted in 2019, the 2020 System is based on the concept of "bonus pool" for determining the variable remuneration that will be granted in 2021. The link between profitability, risk and remuneration is guaranteed by directly linking the bonus pool with company results, the cost of capital and the relevant risk profiles as defined in the relevant framework for determining the risk appetite;
- (b) the bonus pool will be defined on the basis of the Fineco's performance and assigned to the Identified Staff according to individual performance;
- (c) the 2020 System - in addition to attract, retain and motivate the beneficiaries - is aligned with both national and international regulatory requirements, providing for:
  - the assignment of a variable incentive that is defined on the basis of the established bonus pool, the evaluation of the individual performance and the internal benchmark for specific roles, as well as consistent with the ratio between the fixed and variable components defined by the ordinary Shareholders' Meeting;
  - the definition of a balanced structure of "upfront" (made at the time of performance evaluation) and "deferred" payments, in cash and shares;
  - payments in shares consistent with the applicable regulatory provisions, which require periods of unavailability on them. In fact, the defined payment structure provides for the deferred allocation of shares (one year for "upfront" and "deferred" payments);
  - risk-weighted measures, in order to guarantee long-term sustainability with reference to the Bank's financial position and to ensure compliance with the Authority's expectations;
  - entry and malus conditions of capital, liquidity and profitability of FinecoBank, specific individual compliance conditions and a specific clawback clause;
- (d) the individual performance assessment is based on the achievement of specific goals that are adequately balanced on both economic-financial factors and non-economic factors (therefore, quantitative and qualitative), considering as well performance goals linked to Risks, Compliance and ESG values and objectives;

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<sup>2</sup> the overall number of Identified Staff of FinecoBank is 19, including the CEO of Fineco Asset Management DAC, beneficiary of the FAM Incentive System 2020

- (e) the payment of the total incentive so defined will be executed over a multi-year period (2021 - 2026), as indicated below and on condition that the beneficiaries are in service at the time of each payment:
- in 2021 the first installment of the overall incentive ("1<sup>st</sup> tranche"), as well as the first tranche in shares (without prejudice to the retention period) in absence of any individual values/compliance breach, considering also the gravity of any internal/external findings by the competent Functions or Authorities (i.e. Audit, Bank of Italy, Consob and/or analogous local authorities);
  - in the period 2022 - 2026 the residual amount of the total incentive will be paid in several installments in cash and/or FinecoBank free ordinary shares; each individual tranche will be subject to the application of the Zero Factor related to the year of competence and to the verification of compliance by each beneficiary with the compliance rules and with the principles of conduct and behavior, also considering the seriousness of any internal / external inspections by the competent Functions or Authorities (i.e. Audit, Bank of Italy, Consob and/or similar local authorities);
- (f) the assessment of "sustainable performance" parameters (entry and malus conditions) and the alignment between risk and remuneration are examined by the Remuneration Committee, as well as by the Risk and Related Parties Committee and defined by the Board of Directors;
- (g) the percentages of cash and shares payments are established according to the category of beneficiaries, as shown in the following table:

	2021	2022	2023	2024	2025	2026
CEO/GM and other roles provided by law with a "significant amount" <sup>3</sup> of total variable	20% cash	20% shares	12% cash	12% shares	12% shares	12% cash 12% shares
Other roles provided by law <sup>4</sup> without a "significant amount" of total variable	25% cash	25% shares	15% cash	15% shares	10% cash 10% shares	-
Other identified staff without a "significant amount" of total variable	30% cash	30% shares	10% shares	20% cash 10% shares	-	-

- (h) in line with 2019, there is a minimum threshold below which no deferral will be applied (i.e. € 75,000.00 which will be paid in cash);

- (i) the 2020 System may be offered also during the recruitment of Identified Staff from the external market. In the event that new hires are already holders of deferred incentive plans ("buy-out" bonus), the payment scheme offered will reflect the deferment methods defined by the previous employer, in any case in compliance with current legislation;
- (j) the number of shares to be paid in the respective tranches will be defined in 2021 on the basis of the arithmetic mean of the official closing prices of the FinecoBank ordinary shares recorded in the month prior to the Board resolution that evaluates the results achieved in 2020. The maximum estimated shares assignment is equal to n. 638,517 FinecoBank free ordinary shares, representing approximately the 0.10% of Fineco's share capital, of which a maximum of no. 63,851 FinecoBank ordinary shares will eventually be allocated to hiring Identified Staff from the external market and/or payment of severances;
- (k) the FinecoBank free ordinary shares assigned will be freely transferable.

### **CHANGES TO THE 2020 SYSTEM**

In order to ensure compliance with the current legal and regulatory provisions (including fiscal matter), during the implementation of the 2020 System, it's deemed appropriate to propose delegation of powers to the Chief Executive Officer and General Manager, to make any changes to the 2020 System that do not alter the substance of the resolutions of the Board of Directors and the Shareholders' Meeting, also by resorting to different solutions, which in full compliance with the 2020 System principles, enable the same results to be achieved (i.e. a different percentage distribution of the payments of the different tranches, a different deferral period, a period of restriction on the sale of the shares, the extension of the 2020 System to other beneficiaries considered equivalent to the Identified Staff, also using trust companies; the use of instruments other than FinecoBank's shares where required by the regulations, the payment of an equivalent amount in cash instead of the allocation of shares, to be determined on the basis of the market value of FinecoBank shares, taking into account the arithmetic mean of the official market prices of the ordinary shares recorded in the month preceding each board resolution related to the actual allocations).

It is understood that the aforementioned changes will in any case be adopted in compliance with the applicable legal and regulatory provisions pro tempore in force.

### **2. SHARES REQUESTED FOR THE 2020 INCENTIVE SYSTEM FOR IDENTIFIED STAFF EMPLOYEES**

The issue of free ordinary shares necessary for the implementation of the 2020 System, as in the past, will be carried out in compliance with the provisions of art. 2349 of the Italian Civil Code on the basis of the delegation granted to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code.

For this reason, Shareholders' Meeting in extraordinary session will be called to approve the proposal to assign such delegation to the Board of Directors.

In particular, for the purpose of issuing FinecoBank ordinary shares for the 2020 System, it is submitted for approval the proposal to grant a delegation to the Board of Directors pursuant to art. 2443 of the Civil Code to proceed with the increase in share capital, in compliance with the provisions of art. 2349 of the Italian Civil Code, for a maximum amount of Euro 174,234.39 (to be allocated entirely to capital), by issuing a maximum number of 527,983 new ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation with regular dividend entitlement.



Pursuant to the provisions of art. 2443 of the Italian Civil Code, pursuant to which the Directors may exercise the right to increase the capital for a maximum period of five years from the date of registration of the Shareholders' Meeting resolution granting the delegation (and therefore with respect to the date of the Shareholders' Meeting resolution up to 2025), for the allocation of the last tranche of shares envisaged for 2026, the proposal to integrate the delegation already conferred on the Board of Directors must be submitted to a future Shareholders' Meeting, so as to complete the execution of the 2020 System.

The issue of free ordinary shares necessary for the implementation of the 2020 System will be made through the use of the special reserve called "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" which, if necessary, may be reconstituted or increased by allocating a portion of available statutory profits or reserves created as a result of the allocation of Company profits which will be identified by the Board of Directors upon exercise of the delegation.

In the event that it is not possible to proceed with the issue (full or partial) of the shares serving the 2020 System (including the case in which the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" is not enough), the beneficiaries will receive an equivalent amount in cash to be determined on the basis of the arithmetic mean of the official market prices of the FinecoBank ordinary shares recorded in the month preceding every Board resolution regarding the bonus payment.

\* \* \*

*Dear Shareholders,*

*if you agree with the above, we invite you to approve the proposal on the agenda and, therefore, to take the following resolution:*

*“The Ordinary Shareholders' Meeting of FinecoBank S.p.A., having heard the proposal of the Board of Directors,*

**RESOLVES**

- 1. to adopt the 2020 Incentive System, which provides for the allocation of an incentive, in cash and / or FinecoBank ordinary shares, to be carried out within the month of April 2026, to selected beneficiaries Identified Staff, within the terms and with the methods illustrated above;*
- 2. to confer to the Chief Executive Officer and General Manager, every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)”.*

**ORDINARY SHAREHOLDER'S MEETING**

**DIRECTORS' REPORT**

**ON**

**2020 INCENTIVE SYSTEM FOR PERSONAL FINANCIAL ADVISORS (PFA)  
IDENTIFIED STAFF**

**AND ON**

**AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES.  
RELATED AND CONSEQUENT RESOLUTIONS**

**(prepared pursuant article 73, Consob Regulation)**

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**2020 INCENTIVE SYSTEM FOR PERSONAL FINANCIAL ADVISORS (PFA)  
IDENTIFIED STAFF**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the 2020 Incentive System for Personal Financial Advisors (hereinafter "**Personal Financial Advisors**" or "**PFA**"), aimed at allocating an incentive in cash and/or in FinecoBank free ordinary shares, to be granted over a multi-year period to a selected group of FinecoBank Personal Financial Advisors Identified Staff, according to the conditions described below.

This proposal has been formulated in compliance with the provisions of section 114-bis of Decree 58 dated February 24, 1998, and in accordance with the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees and independent contractors; for this purpose, a document describing the details of the incentive systems has been prepared pursuant to Section 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments, and has been made available to the public under the terms of law and reference is made to detailed description of the 2020 Incentive System described in this report.

The proposal is also in line with FinecoBank Compensation Policy, the new regulation issued by Bank of Italy<sup>1</sup> on remuneration policies and practices and the direction set by the European Directive 2013/36/UE (Capital Requirements Directive or CRD IV) and by EBA (European Banking Authority) guidelines. With this regards, it should be recalled that FinecoBank, in respect to these provisions, has defined the adoption of a ratio between the variable and the fixed remuneration equal to 2:1 for the Personal Financial Advisors Identified Staff, within the regulatory limit.

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<sup>1</sup> Circular nr. 285 of December 17, 2013. 25<sup>th</sup> update of October 23, 2018

## GOALS

The 2020 Incentive System for Personal Financial Advisors Identified Staff (hereinafter also the “**2020 PFA System**”) aims to retain and motivate the Personal Financial Advisors, in compliance with national and international regulatory requirements and with the aim to define – in the interest of all stakeholders – incentive systems aligned with long term company strategies and goals, linked to Company results, adjusted in order to consider all kind of risks, in coherence with capital and liquidity levels needed to cover the activities in place and, in any case, able to avoid misleading incentives that could drive excessive risk taking for the Bank and the system in its whole.

## BENEFICIARIES

The potential beneficiaries of the 2020 PFA System, as provided by the criteria issued by Commission Delegated Regulation (EU) No 604/2014 of March 4, 2014, are:

- personal Financial Advisors with a total remuneration (“recurring” and “non-recurring”) greater than Euro 750,000 in the last year and with an impact on Bank risk profiles;
- personal Financial Advisors Area Manager who coordinate a structure to which is linked an overall portfolio equal or greater than 5% of total network assets and with an impact on Bank risk profiles;

The total estimated number of beneficiaries, as on the date of January 15, 2020, is 12.

## ELEMENTS OF 2020 PFA SYSTEM

- (a) The 2020 PFA System is based on the “bonus pool approach” to define variable remuneration to be paid in 2021. The link between profitability, risk and reward is assured by linking directly bonus pool with company results, cost of capital and relevant risk profiles as stated in the Risk Appetite Framework;
- (b) the Bonus pool will be defined based on FinecoBank performance and assigned to beneficiaries according to individual performance;
- (c) the 2020 PFA System - besides its aims to retain and motivate beneficiaries - confirm the alignment of FinecoBank to the national and international regulatory requirements providing for:
  - the allocation of a variable incentive defined on the basis of the available bonus pool, of the individual performance evaluation as well as in coherency with the bonus cap set by the ordinary Shareholder’s meeting;
  - the definition of a balanced structure of upfront (done at the moment of performance evaluation) and deferred payments, in cash and in FinecoBank ordinary shares (also “shares”);
  - the distribution of share payments, coherently with the applicable regulatory requirements regarding the application of share retention periods. The payment structure defined requires one year retention period on upfront and deferred shares;
  - risk adjusted metrics in order to guarantee long-term sustainability with respect to company’s financial position and to ensure compliance with regulatory expectations;
  - entry and malus condition of capital, liquidity and profitability, specific individual compliance and claw-back clauses are also provided;
- (d) incentive payouts will be made over a multi-year period (2021-2024), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

- in 2021 the first instalment of the overall incentive will be provided in cash (“1<sup>st</sup> instalment”) as well as the first tranche in shares (without prejudice to the retention period) in absence of any individual values/compliance breach, considering also the gravity of any internal/external findings by the competent Functions or Authorities (i.e. Internal Audit, Consob and/or analogous local authorities);
  - over the period 2022-2024 the remaining amount of the overall incentive will be paid in several instalments in cash and/or FinecoBank ordinary shares; each further instalments will be subject to the application of the Zero Factor for the year of allocation and only awarded in absence of any individual values/compliance breach, considering also the gravity of any internal/external findings by the competent Functions or Authorities (i.e. Internal Audit, Consob and/or analogous local authorities);
- (e) the final evaluation of sustainable performance parameters (entry and malus condition) and risk-reward alignment are reviewed by the Remuneration Committee, by the Risk and Related Parties Committee and defined by the Board of Directors;
- (f) the percentages of payments in cash and shares are defined as described in the following tables:

	2021	2022	2023	2024
Personal Financial Advisors Identified Staff with ‘ “relevant” ’ <sup>2</sup> amount of non-recurring remuneration	20% cash	5% cash 20% Shares	5% cash 15% Shares	20% cash 15% Shares
Personal Financial Advisors Identified Staff with “non-relevant” amount of non-recurring remuneration	30% cash	30% Shares	10% Shares	20% Cash 10% Shares

- (g) in coherence with the 2019 PFA System, it is foreseen a specific minimum threshold below which deferral mechanism will not be applied (Euro 75,000 that will be paid in cash);
- (h) the number of ordinary shares to be allocated with the second, third and fourth instalments will be defined in 2021, on the basis of the arithmetic mean of the official closing price of FinecoBank ordinary shares during the month following the Board resolution that verifies 2020 performance achievements;
- (i) the estimated allocation is maximum number of 235,516 FinecoBank ordinary shares, representing about 0.04% of FinecoBank share capital, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the number of 737,448 treasury shares owned by the Company at the date of the present report, equal to 0.12% of share capital, and also the maximum number of treasury shares that at the moment is estimated to be assigned to support Incentive Systems already approved or that will be approved in the future, or other needs not foreseeable at the moment.
- (j) the FinecoBank ordinary shares to be allocated will be freely transferable.

## CHANGES TO THE 2020 PFA SYSTEM

<sup>2</sup> Threshold of Euro 430,000, equal to 25% of the total remuneration of the Italian High Earners according to the EBA report (Benchmarking and High Eaners Report). The threshold includes both the short-term variable remuneration and the annual tranche of the long-term variable remuneration, and it is equal to less than 10x the overall average remuneration of the Bank’s employees. As required by the regulatory provisions (Circular 285/2013), the threshold has been defined for the three-year period 2019-2021.

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal matter), during the implementation of 2020 PFA System, it deems appropriate to empower the Chief Executive Officer and General Manager, with every opportune power to implement any eventual change to the 2020 PFA System that do not change substantially the content of resolutions of Board and today's General Shareholders' Meeting, also through alternative solutions that fully comply with the principles of 2020 PFA System and allow achievement of the same results (e.g.: a different percentage distribution of the various instalments of payments; a different period of deferral; the payment of an equivalent amount in cash in lieu of granting shares, to be determined on the basis of the market value of FinecoBank shares, considering the arithmetic mean of the official closing price of FinecoBank ordinary shares during the month following each Board resolution to execute the actual grant; extension of 2020 PFA System application to other beneficiaries considered as equivalent to identified staff).

It is understood that these amendments will be adopted in any case in accordance with the applicable regulatory provisions.

\* \* \*

*Dear Shareholders,*

*If you agree with the above proposal, you are invited to approve it by adopting the following resolution:*

*"FinecoBank's ordinary shareholders' meeting, having heard the Board of Directors proposal,*

*RESOLVES*

- 1. to adopt the 2020 Incentive System for Personal Financial Advisors (PFA) Identified Staff which provides for the allocation of an incentive in cash and/or FinecoBank ordinary shares, to be performed by July 2024, to selected PFA beneficiaries in the manner and terms described above;*
- 2. to confer to the Chief Executive Officer and General Manager every opportune power of attorney to implement the present resolution and the documents which represent part of it, also rendering any amendments and/or integrations which should be necessary to enact the present deliberations of today's Shareholders' Meeting (not changing substantially the content of the resolutions)."*

**AUTHORIZATION TO PURCHASE AND DISPOSE OF TREASURY SHARES.  
RELATED AND CONSEQUENT RESOLUTIONS**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the authorization to purchase and to dispose of treasury shares. Related and consequent resolutions.

**SUPPLY RELATED TO THE 2020 PFA SYSTEM**

In order to acquire the financial instruments needed to carry out the 2020 PFA System for the Personal Financial Advisors, it is needed to propose to the Shareholders' Meeting the authorization, pursuant article 2357 civil Code, to purchase and to dispose of treasury shares. In this way the Company will have, by purchasing them on the market, the shares needed to support the 2020 Incentive System for PFA through the assignment of those shares to the beneficiaries who have the right to receive them.

The proposal foresees to confer to the Board of Directors the faculty to carry out repeated and subsequent transactions to buy and sell (or other kind of disposals) treasury shares on a revolving base, also for fractions of the maximum amount authorized, so that, at any time, the number of shares of the purchase proposed and in the Company's ownership does not exceed the limits set by the law and by the authorization provided by the Shareholders' Meeting.

The authorization request is for maximum number of 235,516 ordinary shares, equal to 0.04% of share capital and, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the nr. 737,448 treasury shares owned by the Company at the date of the present report, equal to 0.12% of share capital, and also the maximum number of treasury shares that at the moment is estimated to be assigned to support Incentive Systems already approved or that will be approved in the future, or other needs not foreseeable at the moment.

The purchase of treasury shares will be executed within the limits of the distributable earnings and of available supply consequent to the last annual report approved at the moment of the disposal of purchasing operations.

The purchasing of treasury shares reduces the net worth of an equal amount, through the inclusion in the balance sheet of a specific passive item, with negative sign.

The proposal foresees that purchasing and disposition orders of treasury shares have to be made on regulated capital markets, according to art. 132 of the Consolidated Finance Act (TUF) and to art. 144-*bis* (1) (b) of Consob regulation 11971/99, with the same operational procedures described in the guidelines of organization and management of such markets in order to guarantee equality in treatment between Shareholders and which do not allow the direct matching of purchase orders against pre-determined sell orders; in particular, these purchases will have to be made:

- (i) by public offering for purchase or trade;
- (ii) on regulated capital markets, according to the operational procedures described in the guidelines of organization and management of such markets, which do not allow the direct matching of purchase orders against pre-determined sell orders;
- (iii) by allocating to Shareholders, proportionally to their own shares, a put option to be exercised during the period of the authorization granted by the Shareholders' Meeting to purchase treasury shares.

Sell operations of treasury shares in portfolio instead will be executed in the manner deemed

recommendable for the Company's interest, including transfer and/or the assignment to execute stock granting incentive plans.

With reference to the amount of the purchasing operations, it is proposed that it should not be below the nominal per share value, equal to a nominal value of Euro 0.33 and not above, as a maximum, to the official closing price of FinecoBank ordinary shares registered in the MTA ("Mercato Telematico Azionario" – Milan Stock Exchange) in the day preceding the purchase, increased by 5%.

Regarding the disposal of the treasury shares, the Board of Directors will establish from time to time criteria for the definition of the corresponding fees and/or modalities, terms and conditions of purpose of treasury shares in portfolio, taking into consideration the procedure followed, the share price trend in the period prior to transactions and the best interest of the Company.

Finally it is proposed that the authorization to purchase is released for a period of eighteen months from the date of the Shareholders' Meeting that passed the resolution for authorization.

\* \* \*

*Dear Shareholders,*

*If you agree with the above proposal, you are invited to approve it by adopting the following resolution:*

*"FinecoBank's ordinary shareholders' meeting, having heard the Board of Directors proposal, according to the provisions of articles 2357 and 2357-ter of the Civ. Cod., 132 D, Lgs. D. n. 58/1998 and 114-bis of 11971/99 Consob Regulation*

#### **RESOLVES**

1. *to authorize the purchase and the dispose of a maximum of number 235,516 treasury shares, equal to a nominal value of Eur 0.33 each, for the purposes of "2020 PFA System" under the terms and conditions described above, considering that buy back operations of treasury shares could be executed after having received the necessary authorization of the Regulator, according to articles 77-78 Reg. UE n°575/2013 (CRR) dated June 26, 2013. It is understood that any treasury shares purchased under the present resolution as well as already in FinecoBank's possession, if exceeding the amount needed for the purposes of "2020 PFA System" or previous years' incentive systems, could be assigned for the purposes of other future incentive plans;*
2. *to confer to the Board of Directors and consequently to the Chief Executive Officer and General Manager, every opportune power of attorney to implement the present resolution and to communicate to the market, in accordance with applicable regulations."*

**ORDINARY SHAREHOLDERS' MEETING**

**DIRECTORS' REPORT**

**Amendments to the Procedures for Shareholders' Meetings.**

Dear Shareholders,

You have been called to the Ordinary Shareholders' Meeting of FinecoBank S.p.A. (the "**Company**" or "**FinecoBank**" or the "**Bank**") to resolve, *inter alia*, on the amendments of the "*Regulations for Shareholders' Meetings of FinecoBank S.p.A.*" (the "**Regulations**" or the "**Procedures**") in order to bring them in line with FinecoBank's exit from the UniCredit Banking Group as well as the implementation of FinecoBank Banking Group.

In particular, the proposed amendments are aimed at removing from the Procedures any reference to the UniCredit Banking Group and its replacement with the FinecoBank Banking Group, in order to allow the Directors and / or employees of the FinecoBank Group companies to attend the Bank's Shareholders' Meetings, whenever it is deemed useful by the Chairman of the Board of Directors.

**1. RESOLUTIONS PROPOSED TO THE ORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

*If you agree with the content and reasoning of this Report, pursuant to and in accordance with the Articles of Association as well as the current laws and regulations, you are invited to approve the following resolution:*

*"The Ordinary Shareholders' Meeting of "FinecoBank S.p.A.", having heard the report of the Board of Directors,*

*resolves to*

- 1) approve the amendments to the Regulations for Shareholders' Meetings of FinecoBank S.p.A., as described in the document attached to this Report;*
- 2) confer on the Chairman of the Board of Directors, the Deputy Chairman and the Chief Executive Officer and General Manager, separately from each other and with the power to sub-delegate, any and all the broadest powers to carry out any act – with no exclusions or exceptions – that shall become necessary or opportune to execute this resolution."*



## ANNEX

### REGULATIONS FOR SHAREHOLDERS' MEETINGS OF FINECOBANK S.P.A.

(with evidence of the proposed amendments)

#### Article 1

1. The Ordinary Shareholders' Meeting and Extraordinary Shareholders' Meeting of FinecoBank S.p.A. (hereinafter the "**Company**") are governed by law, by the Articles of Association, by these Regulations, where not covered therein, by the Chairman of the Shareholders' Meeting exercising his/her powers. These regulations also apply, if compatible, to special meetings for holders of specific classes of shares.

#### Article 2

1. Shareholders' Meetings may be attended by persons who hold voting rights, also represented by proxy, pursuant to current regulations and the Articles of Association.
2. Shareholders' Meetings are attended by the General Manager, where appointed.
3. Deputy General Managers, where appointed, Company Staff, **or, when invited by the Chairman, Corporate Officers and Staff from UniCredit FinecoBank Group companies** may also attend Shareholders' Meetings.
4. Shareholders' Meetings may also be attended, without the right to take the floor, by experts and financial analysts accredited for individual Shareholders' Meetings by financial brokers of an institutional nature, representatives of the independent auditors, journalists accredited for individual Shareholders' Meetings by Italian and foreign newspapers and periodicals, and by Italian and foreign radio and television networks. The list of persons eligible to attend Shareholders' Meetings shall be included in the minutes of the meetings or in attachments thereto.

#### Article 3

1. Persons entitled to speak at, or attend a Shareholders' Meeting pursuant to Article 2 above, must agree to their identification by Company officers, when entering the premises where the Meeting is held, and collect a special token, which will remain valid for as long as the Shareholders' Meeting lasts, and must also be shown on request to Company officers.
2. Unless otherwise indicated by the Chairman, Shareholders' Meetings will be filmed/recorded for broadcast/projection in premises linked by closed-circuit systems, and to provide support for the preparation of replies during the Meeting; these recordings shall be used by the Notary or Secretary to draft the minutes of the Shareholders' Meeting.
3. The Company reserves the right to publicly make available recordings of presentations made by Company Directors on items on the Agenda, and, where allowed by the Articles of Association, to use audio/video recordings in order to allow people with voting rights to speak at the Shareholders' Meeting using telecommunications media.

#### Article 4

1. The Chairman of the Shareholders' Meeting, who may also be assisted by Company Staff, checks the delegated powers, the right of people attending to take part in the Shareholders' Meeting and that said Meeting is duly established.
2. During the Shareholders' Meeting, as regards individual items on the Agenda, the Chairman also checks . as and when necessary – the right of persons attending to take part in discussions and vote on the items.
3. Persons entitled to vote who, for any reason, leave the premises where the Shareholders' Meeting is being held, shall record their departure and subsequent return, at the registration points.

#### Article 5

1. No equipment that can be used for recording, photographing or broadcasting the Shareholders' Meeting

may be used on the premises where the Shareholders' Meeting is being held, unless specifically authorised by the Chairman.

#### Article 6

1. After ensuring that the Shareholders' Meeting has been duly established, the Chairman reads the items on the Agenda.

#### Article 7

1. In presenting the items on the Agenda for discussion, if the Shareholders' Meeting does not object, the Chairman may follow a different order from that in the notice of call or propose the discussion of several items on the Agenda at the same time, if they are strictly related.
2. The Chairman and, if requested by the Chairman, the Directors or persons authorised to attend the Shareholders' Meeting explain the items on the Agenda.
3. Shareholders may make proposals for resolutions, other than those on the Agenda, provided they are relevant to the Agenda and do not amend or supplement the items to discuss. After evaluating the compatibility of the proposal with the Agenda, based on the above criteria, the Chairman accepts the proposal.
4. The Chairman may accept proposals for resolutions that only concern the operational proceedings of Shareholders' Meetings.
5. The Chairman oversees the discussion, enabling all persons entitled to take part, pursuant to article 8 below, to take the floor. The Chairman takes action to prevent any abuse of the above right.

#### Article 8

1. All persons participating pursuant to Article 2, paragraph 1 above, are entitled to speak on each item on the Agenda which is presented.
2. Persons intending to take the floor shall request permission from the Chairman, through the Notary or Secretary, submitting a written request with details of the issue the request refers to, after the Chairman has read the items on the Agenda and until he declares discussions regarding the issue the request refers to as closed. The Chairman usually allows persons to take the floor based on the chronological order of requests; if two or more requests are made at the same time, the Chairman allows persons to take the floor in the alphabetical order of their surnames.
3. The Chairman may authorise requests to take the floor to be made with a show of hands; in this case, the Chairman allows persons to take the floor in the alphabetical order of their surnames.
4. Persons may only speak about matters strictly related to the issues discussed.
5. Members of the Board of Directors, the Statutory Auditors and, where appointed, the General Manager, may request to take the floor in discussions.
6. Deputy General Managers, where appointed, and Company Staff, as well as Corporate Officers and Staff from ~~UniCredit~~ **FinecoBank** Group Companies may take the floor, when considered useful by the Chairman in relation to items to discuss.

#### Article 9

1. The Chairman, or if requested by the Chairman, the Directors, Statutory Auditors, General Manager, Deputy General Managers, and other Company Staff, as well as Corporate Officers and Staff of ~~UniCredit~~ **FinecoBank** Group Companies reply at the end of each speech, or after all persons have taken the floor, as regards each item on the Agenda. Before the start of or during the discussion, replies shall be given to any questions put by Shareholders prior to the Meeting which the Company has not already answered.

#### Article 10

1. The Chairman, after taking into account the nature and importance of individual items on the Agenda, and the number of people who have requested to speak, decides on the time - usually no more than ten minutes – for each speaker to take the floor.
2. Persons who have already taken the floor may ask to take the floor a

second time to reply to questions concerning the same item, for no more than five minutes.

3. If shareholders taking the floor do not observe the above procedures, the Chairman will ask them to conclude, or to leave the floor.

#### Article 11

1. Shareholders' Meeting proceedings take place in one session. During this session, if deemed appropriate and if the Shareholders' Meeting does not object, the Chairman may stop proceedings for the amount of time necessary.
2. The Chairman shall postpone the meeting by no more than five days in the case established by Article 2374 of the Italian Civil Code and may postpone the meeting in all other cases if requested or if deemed appropriate and provided the Shareholders' Meeting does not object; if the meeting is postponed, the Chairman establishes the venue, day and time of the new meeting to continue the proceedings.

#### Article 12

1. The Chairman maintains order during the Shareholders' Meeting to ensure seamless proceedings and prevent any abuse of power.
2. To this end, unless objected to by the Shareholders' Meeting, the Chairman may stop persons speaking in the following cases:
  - the speaker talks when he/she is not supposed to, or continues to talk after the allocated time;
  - following a warning, the speaker's talk is clearly and evidently not relevant to the item being discussed;
  - the speaker uses unsuitable or abusive language;
  - violence or disorder is incited.

#### Article 13

1. If one or more persons attending prevent others from discussing an issue or their conduct encourages a situation that prevents the Shareholders' Meeting from duly proceeding, the Chairman warns the persons(s), asking them to refrain from such conduct.
2. If this warning is ineffective, unless the Shareholders' Meeting objects, the Chairman arranges for the persons previously warned to leave the meeting room while the discussion takes place.

#### Article 14

1. After all persons have spoken, the Chairman concludes, declaring that discussion of the item on the Agenda to be closed.

#### Article 15

1. Before starting voting, the Chairman allows persons excluded pursuant to Article 13 above to re-enter the room.
2. The measures referred to in Articles 12 and 13 above may be adopted, if conditions so require, also during voting, with procedures that enable persons against whom the measures are taken to take part in the voting.

#### Article 16

1. The Chairman shall adopt appropriate measures to ensure that the voting process is seamless.
2. Depending on the circumstances, the Chairman may require votes to be cast after discussing each item, or all items, or some of the items on the Agenda.

#### Article 17

1. The Chairman establishes voting procedures for each Shareholders' Meeting, also allowing for the use of digital voting systems.

#### Article 18

1. After the voting process has been completed, and votes counted, the Chairman declares the proposal receiving the favourable vote of the majority required by law or by the Articles of Association as approved. If Directors or Statutory Auditors are being appointed, the Chairman declares candidates that

ORDINARY SHAREHOLDERS' MEETING  
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have won according to the criteria established in the Articles of Association as elected.

Article 19

1. As regards matters not provided for by these Regulations, the Chairman may adopt the measures and solutions considered most appropriate for the due proceedings of Shareholders' Meetings.

Article 20

1. All amendments to these Regulations shall be resolved, pursuant to current regulations, by the Ordinary Shareholders' Meeting, based on the quorums required to establish Shareholders' Meetings and pass resolutions and on formal and procedural obligations of current regulations.

EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

**DIRECTORS' REPORT**

- 1. Delegation to the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, of the authority to resolve, on one or more occasions for a maximum period of five years starting from the date of the Shareholders' resolution, to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 174,234.39 (to be allocated in full to share capital) with the emission of up to 527,983 FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Identified Staff 2020 of FinecoBank in execution of the 2020 Incentive System; corresponding updates of the Articles of Association.**
- 2. Delegation to the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, of the authority to resolve in 2025 to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 24,032.91 corresponding to up to 72,827 FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the Identified Staff 2019 of FinecoBank to complete the execution of the 2019 Incentive System; corresponding updates of the Articles of Association.**
- 3. Delegation to the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, of the authority to resolve to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 37,788.63 corresponding to up to 114,511 FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, in 2024, and for a maximum amount of Euro 70,029.30 corresponding to up to 212,210 FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, in 2025 to be granted to the beneficiaries of the Long Term Incentive Plan 2018-2020; corresponding updates of the Articles of Association.**

Dear Shareholders,

We have called this Extraordinary Shareholders' Meeting to submit for your approval the proposal to delegate authority to the Board of Directors, pursuant to Article 2443 of the civil Code, to increase the share capital pursuant under Article 2349 of the civil Code (granting of free ordinary shares to employees of FinecoBank) in order to:

1. execute the "2020 Incentive System" (hereinafter the "**2020 System**") submitted to the approval of ordinary session of the Shareholders' Meeting
2. complete the execution of the "2019 Incentive System" (hereinafter the "**2019 System**") as per the approval of the Shareholders' Meeting of April 10, 2019, as well as to
3. complete the execution of the "2018-2020 Long Term Incentive Plan" for FinecoBank employees (hereinafter the "**2018-2020 Plan**") as per the approval of the Shareholders' Meeting of April 11, 2018

We also submit for your approval the consequent amendments required to the Articles of Association.

## 1. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2020 INCENTIVE SYSTEM

It has been submitted to the approval Ordinary Shareholders' Meeting the 2020 System based on financial instruments, in order to align shareholders' and Management interests, reward long term value creation and motivate and retain key resources of FinecoBank.

The 2020 System aims to incentive in a multi-year period the following employees: Chief Executive Officer and General Manager (CEO/GM), Deputy General Managers (DGM), Executive Vice President (EVP), Senior Vice President (SVP), employees with total remuneration greater than Euro 500,000 in the last year, employees included within 0.3% of staff with the highest remuneration, employees whose remuneration is within the remuneration ranges of senior management and/or other Identified Staff and other selected roles (including new hires). The overall number of beneficiaries as at January 15, 2020 is equal to 18<sup>(1)</sup>.

Individual bonuses will be allocated to the beneficiaries of 2020 System based on available bonus pool, individual performance evaluation, internal benchmarking for specific roles and bonus cap as defined by the Ordinary Shareholders' Meeting.

Overall incentive pay-out shall be done over a multi-year period (2021-2026) in a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and in shares, providing that the beneficiaries will be still employees at the moment of each pay-out pursuant to the schemes below:

	2021	2022	2023	2024	2025	2026
CEO/GM and other roles provided by law with 'significant amount' <sup>(2)</sup> of variable pay	20% cash	20% Shares	12% cash	12% Shares	12% Shares	12% cash 12% Shares
other roles provided by law with non 'significant amount' <sup>(3)</sup> of variable pay	25% cash	25% Shares	15% cash	15% Shares	10% cash 10% Shares	-
Other Identified Staff with non 'significant amount of variable pay	30% cash	30% Shares	10% Shares	20% cash 10% Shares	-	-

The number of shares to be allocated in the respective instalments shall be defined in 2021, on the basis of the arithmetic mean of the official closing market price of Fineco ordinary shares during the

<sup>(1)</sup> The overall number of FinecoBank *Identified Staff* is 19, including the Fineco Asset Management DAC CEO, to whom 2020 Fineco Asset Management DAC Incentive System will be assigned.

<sup>(2)</sup> Threshold of Euro 430,000, equal to 25% of the total remuneration of the Italian High Earners according to the EBA report (Benchmarking and High Eaners Report). The threshold includes both the short-term variable remuneration and the annual tranche of the long-term variable remuneration, and it is equal to less than 10x the overall average remuneration of the Bank's employees. As required by the regulatory provisions (Circular 285/2013), the threshold has been defined for the three-year period 2019-2021.

<sup>(3)</sup> Eg. CEO/GM 1st reporting line.

EXTRAORDINARY SHAREHOLDERS' MEETING  
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month preceding the Board resolution that evaluates 2020 performance achievements (the maximum number of shares to support the 2020 System is estimated equal to 638,517).

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to execute the 2020 System is the resolution – on one or more occasions - by the Board of Directors upon power of attorney delegated by this Shareholders' Meeting under Article 2443 of the Italian civil Code, of a free capital increase, as allowed by Article 2349 of the Italian civil Code, within five years of the date of the Shareholders' resolution, for a maximum amount of Euro 174,234.39 (attributable entirely to capital), with the issuance of up to 527,983 new FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank. In compliance with Article 2349 of the civil Code, the consequent amendments to the Articles of Association are submitted to today's Shareholders' Meeting.

Being understood that, under the provision of Article 2443 of the Italian civil Code, the power of attorney to the Board of Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant Shareholders' resolution, in order to complete the execution of 2020 System - having a 6-years duration - it will be submitted to one of the future Shareholders' Meetings approval the proposed assignment of a further power of attorney to the Board of Directors for capital increase to service the above mentioned 2020 System through the allocation of a maximum overall number of 110,534 Fineco ordinary shares, corresponding to a capital increase of a maximum of Euro 36,476.22.

It is highlighted that a maximum number of Fineco ordinary shares equal to 63,851 will be devoted to possible new hiring of Identified Staff from external market also in reference to the so called "bonus buy-out" to be paid to possible new hires who are entitled to receive previous incentive plans assigned by previous Employer, and/or to the payment of severances. The pay-out scheme offered in such cases will mirror the one as defined by the previous Employer and regardless in compliance with actual regulations.

The capital increase would be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose which, if case, may be increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

In case it would not be possible to proceed with the issuance (full or partial) of the Fineco ordinary shares to support the 2020 System (including the case in which the amount of the "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" would not be sufficient), an equivalent amount in cash will be allocated to the beneficiaries, determined on base of arithmetic mean of the official closing market price of Fineco ordinary shares during the month preceding every Board resolution concerning the pay-out.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0.09% of existing share capital (0.10% considering the maximum number of shares equal to 638,517 which include also the 110,534 shares for the allocation of the last instalments in shares in 2026).

**2. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2019 INCENTIVE SYSTEM**

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As known, on April 10, 2019 the Ordinary Shareholders' Meeting approved the 2019 Incentive System aimed to incentivize the Identified Staff of FinecoBank, over a multi-year period (2020-2025), through a balanced structure of "upfront" (following the moment of performance evaluation) and deferred payments, in cash and/or in Fineco ordinary shares.

In the same date, the Extraordinary Shareholders' Meeting approved to give to the Board of Directors the power of attorney to issue the necessary free ordinary shares to execute the 2019 System.

Considering that, pursuant to Article 2443 of the civil Code, the power of attorney to the Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant Shareholders' resolution, during the above mentioned meeting it was anticipated to Shareholders the need to submit to a future Shareholders' Meeting approval the proposed assignment of a further power of attorney to allocate the last share instalment to be executed in 2025, as foreseen by 2019 System.

Having said that, it is submitted for the approval of today's meeting, the proposal to give to the Board of Directors the power of attorney, that will be executed in 2025, to resolve a free capital increase for a maximum number of 72,827 ordinary shares, corresponding to up to Euro 24,032.91 calculated on the basis of the par value of Fineco ordinary share equal to Euro 0.33, consequently amending the Articles of Association.

The above mentioned capital increase would be carried out using the special reserve known as "*Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank*" set up for this purpose which, if case, may be increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

### **3. DELEGATION FOR CAPITAL INCREASE TO SUPPORT THE 2018-2020 LONG TERM INCENTIVE PLAN**

As known, on April 11, 2018 the Ordinary Shareholders' Meeting approved the 2018-2020 Long Term Incentive Plan based on FinecoBank's shares which allow to align the Beneficiaries' interests to the Shareholder's, awarding the creation of Long Term value and, in the meanwhile, motivating and retaining key resources for FinecoBank.

In the same date, the Extraordinary Shareholders' Meeting approved to give to the Board of Directors the power of attorney to issue the necessary free ordinary shares to execute the 2018-2020 Long Term Incentive Plan.

Considering that, pursuant to Article 2443 of the civil Code, the power of attorney to the Directors for capital increase can't have a duration higher than five years from the date of the registration of relevant Shareholders' resolution, during the above mentioned meeting it was anticipated to Shareholders – "upon the expiring of the power of attorney" - the need to submit to the Shareholders' Meeting approval the proposed assignment of a further power of attorney to allocate the last two share instalments to be executed in 2024 and 2025, as foreseen by 2018-2020 Long Term Incentive Plan.

Having said that, it is submitted for the approval of today's meeting, the proposal to give to the Board of Directors the power of attorney, that will be executed in 2024, to resolve a free capital increase for a maximum number of 114,511 ordinary shares, corresponding to up to Euro 37,788.63 calculated on the basis of the par value of Fineco ordinary share equal to Euro 0.33, and that will be executed in 2025, to resolve a free capital increase for a maximum number of 212,210 ordinary shares,



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corresponding to up to Euro 70,029.30 calculated on the basis of the par value of Fineco ordinary share equal to Euro 0.33, consequently amending the Articles of Association.

The above mentioned capital increase would be carried out using the special reserve known as "Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank" set up for this purpose which, if case, may be increased via allocation of profits or a portion of available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance.

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In light of the above, it is proposed to amend Art. 5 of the Articles of Association, through the amendment of the paragraphs n. 13 and 16 and the insertion of an additional paragraph (n. 17). Changes submitted to Shareholders' approval are shown in the synoptic table below:

CURRENT TEXT	PROPOSED AMENDMENT
<b>TITLE II – SHARE CAPITAL - SHARES - BONDS</b>	
<p>Article 5</p> <p>1. The share capital, fully subscribed and paid up, is equal to Euro 200,941,488 represented by n. 608,913,600 ordinary shares with a par value of Euro 0.33.</p> <p>2. The share capital may be increased by way of a shareholders' resolution, through the issuance of shares, also bearing various rights, in compliance with legal requirements. In the event of an increase in share capital through a rights issue, the pre-emptive rights of shareholders may be excluded, limited to ten percent of the pre-existing share capital, provided that the issue price of the new shares corresponds to the market value of those already outstanding and that this is confirmed by a special report prepared by the appointed independent auditors.</p> <p>3. Ordinary shares are registered shares.</p> <p>4. The shares are indivisible and in the event of joint ownership they shall be regulated according to law.</p> <p>5. The extraordinary Shareholders' Meeting may resolve upon the allocation of profits to the employees of the Company in accordance with current regulations.</p>	<p>Article 5</p> <p>(unchanged)</p> <p>(unchanged)</p> <p>(unchanged)</p> <p>(unchanged)</p> <p>(unchanged)</p>

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<p>6. The Shareholders' service address for their dealings with the Company shall be the address stated in the Shareholders' registry.</p>	<p>(unchanged)</p>
<p>7. The status of shareholder implies unconditional acceptance of the deed of incorporation and of the articles of association.</p>	<p>(unchanged)</p>
<p>8. The Board of Directors, shall be empowered, pursuant to Article 2443 of the Civil Code, for a period of five years starting from the beginning of the negotiation on the Italian regulated market, to increase the share capital, free of charge – in one or more tranches – to implement the employee incentive schemes approved by the ordinary Shareholders' Meeting held on June 5, 2014, for a maximum amount of Euro 1,155,000.00 (entirely attributable to capital for Euro 0.33 per share, equal to the nominal unit value), issuing a maximum number of 3,500,000 new ordinary shares having a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend rights, by assigning the corresponding maximum amount of profit and/or profit reserves resulting from the last financial statements in question approved pursuant to Article 2349 of the Civil Code, according to the terms, conditions and methods provided for in the incentive schemes.</p>	<p>(unchanged)</p>
<p>The Board of Directors, in partial execution of the authority granted in accordance with Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of 5 June 2014, resolved on 9 February 2015 to increase the share capital by a nominal Euro 79,761 corresponding to 241,700 ordinary shares with a nominal value of Euro 0.33 each, to service the implementation of employee incentive plans. The Board of Directors, in partial exercise of the powers conferred on the same pursuant to Article 2443 of the Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, decided, on February 8, 2016, to increase the share capital by the nominal amount of Euro 95,601.99, corresponding to 289,703 ordinary shares with par value of Euro 0.33 each, to</p>	

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service the implementation of employee incentive plans.

The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 7, 2017 to increase the share capital by a nominal amount of Euro 294,372.21, corresponding to 892,037 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.

The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 7, 2017 to increase the share capital by a nominal amount of Euro 5,237.76, corresponding to 15,872 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.

The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 6, 2018 to increase the share capital by a nominal amount of Euro 163,182.69, corresponding to 494,493 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans

The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 6, 2018 to increase the share capital by a nominal amount of Euro 37.105,20, corresponding to overall 112,440 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.

The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the

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<p>Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 5, 2019 to increase the share capital by a nominal amount of Euro 110,755.92, corresponding to overall 335,624 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.</p> <p>The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of June 5, 2014, resolved on February 5, 2019 to increase the share capital by a nominal amount of Euro 23,333.64, corresponding to overall 70,708 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.</p> <p>9. The Board of Directors has the right, pursuant to Article 2443 of the Civil Code, to resolve a free increase in share capital, pursuant to Article 2349 of the Civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 23, 2015, for a maximum amount of Euro 131,159.49, with the issue of up to 397,453 new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated April 12, 2016, for a maximum amount of Euro 32,789.79 with the issue of up to 99,363 new FinecoBank ordinary shares; attributable entirely to capital at Euro 0.33 per share, equal to the par value of each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Staff of FinecoBank, which covers key positions for the achievement of the overall objectives in execution of the 2015 System.</p> <p>The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of April 23, 2015, resolved on February 6, 2018 to increase the share capital by a nominal amount of Euro 27,758.61, corresponding to</p>	<p>(unchanged)</p>
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<p>84,117 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.</p> <p>The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of April 23, 2015, resolved on February 5, 2019 to increase the share capital by a nominal amount of Euro 13,878.81, corresponding to 42,057 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.</p> <p>10. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve a free increase in share capital, pursuant to Article 2349 of the civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 12, 2016, for a maximum amount of Eur 88,440,00 (to be allocated in full to share capital at Eur 0.33 per share, corresponding to the nominal value per share) with the issue of up to 268,000 new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated April 11, 2017, for a maximum amount of Eur 22,110 with the issue of up to 67,000 new FinecoBank ordinary shares; attributable entirely to capital at Eur 0.33 per share, equal to the par value of each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Staff of FinecoBank, which covers key positions for the achievement of the overall objectives in execution of the 2016 System.</p> <p>The Board of Directors, in partial execution of the authority granted pursuant to Article 2443 of the Italian Civil Code by the Extraordinary Shareholders' Meeting of April 12, 2016, resolved on February 5, 2019 to increase the share capital by a nominal amount of Euro 20,069.28, corresponding to 60,816 ordinary shares with a par value of Euro 0.33 each, to service the implementation of the employee incentive plans.</p>	<p>(unchanged)</p>
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<p>11. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to carry out a free share capital increase, pursuant to Article 2349 of the civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 11, 2017, for a maximum amount of Eur 128,700.00 (attributable entirely to capital) with the issue of up to 390,000 new FinecoBank ordinary shares as well as (ii) from the date of the shareholders' resolution dated April 11, 2018, for a maximum amount of Eur 29,700.00 (attributable entirely to capital) with the issue of up to 90,000 new FinecoBank ordinary shares with a nominal value of Eur 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2017 System</p>	<p>(unchanged)</p>
<p>12. The Board of Directors has the right, pursuant to Article 2443 of the civil Code to resolve to carry out a free share capital increase, pursuant to Article 2349 of the civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 11, 2018, for a maximum amount of Eur 136,031.94 (attributable entirely to capital) with the issue of up to 412,218 new FinecoBank ordinary shares as well as (ii) from the date of the shareholders' resolution dated April 10, 2019, for a maximum amount of Eur 30,731.91 (attributable entirely to capital) with the issue of up to 93,127 new FinecoBank ordinary shares with a nominal value of Eur 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2018 System.</p>	<p>(unchanged)</p>
<p>13. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 11, 2018, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum</p>	<p>13. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve <b>a free increase in share capital, pursuant to Article 2349 of the civil Code</b>, one or more times and for a maximum period of five years <b>(i)</b> from the date of the shareholders' resolution dated April 11, 2018, <del>a free increase in share capital, pursuant to Article 2349 of the civil Code</del> for a maximum amount of</p>

<p>amount of Eur 324,743.10 (attributable entirely to capital) with the issue of up to 984,070 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the FinecoBank Employees in execution of the 2018 -2020 Long Term Incentive Plan.</p>	<p>Euro 324,743.10 (to be allocated in full to share capital) <b>at Euro 0.33 per share</b>, corresponding to the nominal value per share) with the issue of up to 984,070 new FinecoBank ordinary shares, <b>as well as (ii) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 37,788.63 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share) with the issue of up to 114,511, as well as (iii) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 70,029.30 with the issue of up to 212,210 new FinecoBank ordinary shares; with a nominal value of Euro 0.33 each</b>, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2018-2020 Long Term Incentive Plan.</p>
<p>14. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, in 2020, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Eur 23,333,64 (attributable entirely to capital) with the issuance of up to 70,708 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the FinecoBank Identified Staff to complete the execution of the 2014 Incentive System.</p>	<p>(unchanged)</p>
<p>15. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, in 2020, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Eur 139,517.07 (attributable entirely to capital) with the issuance of up to 422,779 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Beneficiaries of the "2014-2017 Multi Year Plan Top Management" FinecoBank Employees to complete the execution of the 2014-2017 Plan.</p>	<p>(unchanged)</p>
<p>16. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve,</p>	<p>16. The Board of Directors has the right, pursuant to Article 2443 of the civil Code to resolve <b>to carry out a free share capital increase, pursuant to</b></p>

<p>one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 10, 2019, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Eur 95,021.85 (attributable entirely to capital) with the issuance of up to 287,945 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the FinecoBank Identified Staff in execution of the 2019 Incentive System</p>	<p><b>Article 2349 of the civil Code</b>, one or more times and for a maximum period of five years <b>(i)</b> from the date of the shareholders' resolution dated April 10, 2019, <del>a free increase in share capital, pursuant to Article 2349 of the civil Code</del>, for a maximum amount of Euro 95,021.85 (to be allocated in full to share capital) <b>at Euro 0.33 per share</b>, corresponding to the nominal value per share) with the issue of up to 287,945 new FinecoBank ordinary shares <b>as well as (ii) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 24,032.91 with the issue of up to 72,827 new FinecoBank ordinary shares; with a nominal value of Euro 0.33 each</b>, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2019 Incentive System.</p> <p><b>17. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2020, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 174,234.39 (attributable entirely to capital) with the issuance of up to 527,983 new FinecoBank ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the FinecoBank Identified Staff in execution of the 2020 Incentive System.</b></p>
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It should be noted that the amendments to the Articles of Association of FinecoBank submitted to the approval of today Shareholders' Meeting are subject to the measure of examination by the Supervisory Authorities pursuant to the provisions of Article 56 of Legislative Decree September 1<sup>st</sup> 1993 no. 385/93.

The aforementioned amendments will be effective starting from the registration of the Extraordinary Shareholders' Meeting resolution at the relevant "Registro delle Imprese".

\* \* \*

*Dear Shareholders,*

*in relation to the above, considering as approved by the ordinary Shareholders' Meeting the adoption of the 2020 Incentive System and taking into account the resolutions approved during the April 11, 2018 and April 10, 2019 Meetings, respectively related to the 2018-2020 Long Incentive Plan and the 2019 Incentive System, you are invited to approve the following resolution:*



*“The Extraordinary Shareholders’ Meeting of FinecoBank S.p.A., having heard the Board of Directors’ proposal,*

**RESOLVES**

- 1. to grant the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, the authority to resolve – in 2025 – a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 24,032.91 corresponding to up to 72,827 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to FinecoBank Identified Staff, in order to complete the execution of the 2019 System approved by the Ordinary Shareholders’ Meeting on April 10, 2019. Such an increase in capital shall be carried out using the special reserve known as “Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank” set up for this purpose which, if case, may be increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;*
- 2. further to the resolution passed in point 1, to amend the paragraph no. 16 in clause 5 of the Articles of Association with the following new text:*

*“The Board of Directors has the right, pursuant to Article 2443 of the civil Code to carry out a free share capital increase, pursuant to Article 2349 of the civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders’ resolution dated April 10, 2019, for a maximum amount of Euro 95,021.85 (attributable entirely to capital) with the issue of up to 287,945 new FinecoBank ordinary shares as well as (ii) from the date of the shareholders’ resolution dated April 28, 2020, for a maximum amount of Euro 24,032.91 (attributable entirely to capital) with the issue of up to 72,827 new FinecoBank ordinary shares; with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2019 System”*

- 3. to grant the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, the authority to resolve - in 2024 - to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 37,788.63 (attributable entirely to capital), corresponding to up to 114,511 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend entitlement, and – in 2025 - to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 70,029.30 (attributable entirely to capital), corresponding to up to 212,210 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend entitlement, to be granted to Identified Staff of FinecoBank, in order to complete the execution of the 2018-2020 Long Term Incentive Plan approved by the Ordinary Shareholders’ Meeting on April 11, 2018. Such an increase in capital shall be carried out using the special reserve known as “Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank” set up for this purpose which, if case, may be increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;*
- 4. further to the resolution passed in point 1, to amend the paragraph no. 13 in clause 5 of the Articles of Association with the following text:*

*“The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve a free increase in share capital, pursuant to Article 2349 of the civil Code, one or more times and for a maximum period of five years (i) from the date of the shareholders’ resolution dated April 11, 2018,*

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- for a maximum amount of Euro 324,743.10 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share) with the issue of up to 984,070 new FinecoBank ordinary shares, as well as (ii) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 37,788.63 (to be allocated in full to share capital at Euro 0.33 per share, corresponding to the nominal value per share) with the issue of up to 114,511, as well as (iii) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 70,029.30 with the issue of up to 212,210 new FinecoBank ordinary shares; with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the Identified Staff of FinecoBank in execution of the 2018-2020 Long Term Incentive Plan.”*
5. *to grant the Board of Directors, under the provisions of Article 2443 of the Italian civil Code, the authority to resolve, on one or more occasions for a maximum period of five years from the date of Shareholders' resolution, to carry out a free capital increase, as allowed by Article 2349 of the Italian civil Code, for a maximum amount of Euro 174,234.39 (attributable entirely to capital), corresponding to up to 527,983 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those outstanding, with regular dividend entitlement, to be granted to the FinecoBank Identified Staff in execution of the 2020 Incentive System approved by today's Ordinary Shareholders' Meeting. Such an increase in capital shall be carried out using the special reserve known as “Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank” set up for this purpose which, if case, may be increased via allocation of a portion of profits or available statutory reserves, formed from the distribution of company profits that shall be identified by the Board of Directors at the moment of share issuance;*
  6. *to insert a new paragraph (no. 17) in clause 5 of the Articles of Association with the following text:*

*“The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2020, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 174,234.39 (attributable entirely to capital) with the issuance of up to 527,983 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation, with regular dividend entitlement, to be granted to the FinecoBank Identified Staff in execution of the 2020 Incentive System.”;*
  7. *to delegate to the Board of Directors all the necessary powers for issuing the new shares;*
  8. *to give to the Chief Executive Officer and General Manager all necessary power of attorney to:*
    - (i) *provide for implementing the above resolutions under the terms of the law;*
    - (ii) *accept or adopt all amendments and additions (not changing substantially the content of the resolutions) which should be necessary for registration at the “Registro delle Imprese”;*
    - (iii) *proceed with the deposit and registration, under the terms of the law, with explicit and advanced approval and ratification;*
    - (iv) *make the consequent amendments to clause 5 of the Articles of Association, as described in the resolution above.*

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