

**FINECO**

B A N K

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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 2020 and presentation of the Consolidated Financial Statements.****Allocation of FinecoBank S.p.A. 2020 net profit of the year.**

Dear Shareholders,

We have called this Ordinary meeting to resolve, *inter alia*, on the approval of the Financial Statements 2020 and the allocation of the net profit for the year 2020 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 2020 and allocation of Finecobank S.p.A. 2020 net profit of the year**

The Bank closed the year 2020 with net profit for the year of € 323,122,986.40.

In formulating the proposal for the allocation of profit for the year, we note that on December 15, 2020 the European Central Bank adopted Recommendation ECB/2020/62, published in the Official Journal of the European Union on December 18, 2020 (repealing Recommendation ECB/2020/35 of July 27, 2020) on dividend distribution and share buy-back policies that credit institutions and significant supervised groups should adopt in the economic conditions resulting from the COVID-19 emergency, which emphasizes the importance of continuing to take a prudent approach to dividend distributions or share buy-backs aimed at remunerating shareholders.

In a press release on December 16, 2020, the Bank of Italy announced its decision to maintain an extremely prudent approach, in line with the stance adopted by the European Central Bank for significant banks, in order to safeguard the ability of banks to absorb losses and provide loans to support the economy. In particular, the Bank of Italy recommended that, until September 30, 2021, Italian less significant banks should:

- refrain from deciding or paying out dividends or limit these dividends to no more than 15 per cent of the accumulated profit for the financial years 2019 and 2020, or no more than 20 basis points in terms of the Common Equity Tier 1 ratio (in any case the lower of the two);
- refrain from deciding on or paying out provisional dividends in relation to profit for 2021;
- exercise extreme prudence in calculating variable remuneration.

In the absence of a substantial worsening in the macroeconomic situation, starting on September 30, 2021 the Bank of Italy, in line with the European Central Bank's recommendations, will revert to assessing dividend distribution and remuneration policies based on the ordinary supervisory review and evaluation process for individual banks.

In view of the recommendations of the Supervisory Authorities and considering that the amount of the dividend per share calculated on the basis of the indications described above would be equal to approximately 1 euro cent, 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 2020, in its entirety and to allocate the aforesaid profit as follows:

- (i) € 23,909.82 to the Legal Reserve, corresponding to 0.007% of the profit for the year, having reached the limit of a fifth of the share capital;
- (ii) € 322,506,418.83 to the Extraordinary Reserve;
- (iii) € 592,657.75 to the Unavailable Reserve pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005,

postponing the distribution of the dividend to a date after 30 September 2021, subject to further recommendations by the aforementioned Supervisory Authorities regarding the distribution of dividends which further postpone the date indicated above.

The documentation referred to in art. 154-ter of the TUF will be made available to the public at least twenty-one days before the date of the Shareholders' Meeting in single call (*i.e.* by 6 April 2021).

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

The following proposed resolution is submitted to the 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 2020, in their entirety;*
- 2. to approve the allocation of the net profit for the year of € 323,122,986.40, as follows: (i) to the Legal Reserve Euro 23,909.82 equal to 0.007% of the profit for the year, having reached the limit of a fifth of the share capital; (ii) to the Extraordinary Reserve € 322,506,418.83; (iii) to the Unavailable Reserve pursuant to Article 6, paragraph 1, letter a) of Legislative Decree 38/2005 € 592,657.75”.*

**ORDINARY SHAREHOLDERS' MEETING****DIRECTORS' REPORT****Filling of the vacancy on the Board of Directors. Related and consequent resolutions.**

Dear Shareholders,

You are hereby invited to attend the Ordinary Shareholders' Meeting of FinecoBank S.p.A. (the "**Company**") called to consider and approve the resolution to fill the vacancy on the Board of Directors following the resignation of Non-Executive Director Mr. Andrea Zappia due to professional commitments, effective on 1 March 2021.

Having regard to the resolution of the Ordinary Shareholders' Meeting of 28 April 2020 to set the number of Directors at 11 (in line with the former outgoing Board's recommendation on its numerical composition), the Board of Directors - at its meeting of 16 March 2021 - elected to co-opt Mrs. Alessandra Pasini as Director of the Company pursuant to Article 2386 of the Italian Civil Code by resolution approved by the Board of Statutory Auditors.

The new Director was selected following the "*Process for Selecting Candidates for the Office of Chairperson, Chief Executive Officer and Member of the Board of Directors*", (available on the Bank's website as Attachment B to the Regulations of the Corporate Boards of FinecoBank), in which the Nomination Committee played a central role and which was supported by the advisory firm Egon Zehnder. Mrs. Alessandra Pasini was elected upon recommendation of the Nomination Committee in accordance with the requirements and in line with the criteria identified by the Board in the document "*Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.*", approved on 25 February 2020 and as updated on 16 March 2021 to take into account the recent *Board Review* and the entry into force of Italian Decree 23 November 2020, No. 169 of the Ministry of Economy and Finance, as well as the FinecoBank's Fit & Proper Policy currently in force.

Given that, pursuant to Article 2386 of the Italian Civil Code, the Directors nominated by the Board of Directors to replace those who vacated their office during the financial year should remain in office until the next Shareholders' Meeting, it has now become necessary to submit to the Shareholders' Meeting the proposed resolution to fill the vacancy on the Board by appointing a new Director.

In this respect, the Board of Directors resolved in its meeting of 16 March 2021, following the favourable opinion of the Nomination Committee, to put forward to the Shareholders' Meeting that the Board vacancy be filled by appointing the co-opted Director Mrs. Alessandra Pasini.

Finally, we remind you that the tenure of the Director that you appoint will end on the date of the Shareholders' Meeting held to approve the Financial Statements for the year 2022, together with the expiry of tenure of all other currently serving members of the Board of Directors that were appointed for the years 2020-2022 at the Ordinary Shareholders' Meeting of 28 April 2020.

The newly appointed Director will be paid the remuneration resolved by the Shareholders' Meeting of 28 April 2020.

Pursuant to the Articles of Association, the Ordinary Shareholders' Meeting will resolve on the matter by relative majority, without the application of the list voting system, without prejudice to the respect of the principles of independence and gender balance prescribed by the applicable law and regulations.

The document "*Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.*" is available to shareholders on the Company's *website* and provides that they may apply to fill the Board vacancy, bearing in mind the outcomes of the pre-identification process conducted by the Board concerning its qualitative and quantitative composition considered optimal for it to discharge its duties and responsibilities effectively, and duly explaining any divergence with the analyses conducted by the Board.

### **Resolutions proposed to the Ordinary Shareholders' Meeting**

The following proposed resolution is submitted to the Shareholders' Meeting:

*"The Shareholders' Meeting of FinecoBank S.p.A., having examined the Directors' Report and the document "Qualitative and Quantitative Composition of the Board of Directors of FinecoBank S.p.A.",*

*resolves*

- *that Mrs. Alessandra Pasini, born in Padua on 19 September 1973, be appointed as Director of the Board until the expiry of the tenure of the current Board of Directors, which is to say until the Shareholders' Meeting that will be held to approve the Financial Statements for the year 2022".*

**ALESSANDRA PASINI**

*Address:* P.zza S. Ambrogio 6  
20123 Milano (MI) Italy  
Mob: +39 338 6577367

*place of birth:* Padova  
*Date of birth:* 19 settembre 1973

**PROFESSIONAL EXPERIENCE****SNAM S.P.A.**

*November 2016 – to date*

***Chief Financial Officer & Chief International and Business Development Officer***

Snam is the largest European energy infrastructure player in Europe, with an EV of 28bn mld, listed on the Milan stock exchange and an active presence in energy transition.

***CFO in charge of:*** Planning & Control and Strategic Planning, Finance, Tax, Accounting and Merger & Acquisitions. Actively involved in investors dialogue on business, financials and ESG matters

***Chief International and Business Development Officer:*** in charge of managing Snam portfolio of foreign companies & investments and presence, with an aggregated EBITDA of Eur 1.2bn on a 100% basis (Desfa in Greece, Tap in Greece and Albania, TAG and GCA in Austria, Terega in France, Albغاز in Albania, Interconnector UK in Belgium/UK), and of Snam Global Solutions (Revenues 30mln) which sells technology services on gas infrastructure and energy transition businesses. In charge of all Business Development activities across the group. Has led the entry of Snam in China (where we sell services to CNPC, CNOOC and Sinopec among others) and India (where we are jointly realizing with a local partner a factory to support gas mobility (compressors and dispensers).

Led the launch of 4 start ups from 2018 in energy efficiency, biomethane, sustainable mobility and hydrogen which have grown from several inorganic acquisitions and insourcing of competences. These start ups by the end of the plan are expected to reach at least 150mln of EBITDA starting from a negligible number today. Fully involved with Snam CEO on all the initiatives related to hydrogen and in that context lead the R&D partnership with ITM (share price up c. 3x since our entry) and entry in De Nora, world largest electrodes and cells producer. As part of the international strategic dialogues manages senior dialogue (CEOs, direct reports) with industrial partners and other players in the segments where Snam operates and with all infrastructure funds, financial partners and sovereign wealth funds. From a geographic focus, priority has been given to developing strategic dialogue with US players as it is a key market where Snam is not yet present, Brazil, Middle East, India and China (the latter three where we are now present).

Managing a team of **ca. 250 people**, at both corporate functions and within each Business Units.

Member of the **Investment Committee** and of **Agile Steering Committee** (in charge for key decisions around Energy Transition Businesses (energy efficiency, biomethane, sustainable mobility and hydrogen). In charge with the EVP Regulatory Affairs of Snam 10 year plan, cost/benefit analysis for the investments and involved in all regulatory analysis.

Participates to Snam boards for all strategic discussions, M&A/business development, key business partnership, budget/forecasts/strategic. Lead interaction with Control Risk Committee around strategic initiatives and financial/tax matters.

**Change management**

Actively involved in promoting talents (internal mentoring program and development plans on young talents giving them growing responsibilities) and in Snam Institutes activities. Also cooperate with universities on graduate and undergraduate programs (Bocconi & Luiss). Active participant to diversity, inclusion and social (internal and external foundations) activities.

**Other roles**

Member of De Nora board and of the Consultation Committee with CDP Reti S.p.A. on Italgas. Has been Chairwoman of Snam Rete Gas (SRG) S.p.A. and member of SRG, of Snam4Mobility and of TAP AG Boards.

**Results since arrival with the team:** 1) > Eur 5bn capital markets funding and 5 liability managements, with cost of debt decreased from 2.4% to c1.2%; 2) successful international expansion with the acquisitions of a stake in Gas Connect Austria,

*In compliance with Italian Law 196/2003, further amendments and integrations, I hereby consent to any legal use of all the above personal data*

control of Desfa, and, with financial partners, 49% of ADNOC gas pipelines, 3) successful acquisition of Infrastrutture Trasporto Gas and a stake in ALNG and OLT in Italy; 4) c. 900mln of shares buy back; 4) cost cutting effort on 25% of the available cost base; 5) led Snam to current 40% of sustainable finance instruments and targeting 60% of total financing by 2024, with first sustainable loan, first Climate Action Bond, and second Transition Bond from a gas utility.

## **BARCLAYS**

**July 2013 - October 2016**

**Head of Banking Italy - Milano**

In 2013 she joined Barclays as Deputy Head of Banking for Italy, then becoming Head of Banking for Italy and reporting directly to the Head of EMEA. Responsible of the Italian franchise, reporting to Co-Head of EMEA Banking around M&A, Equity and Debt Capital Markets, loans/derivatives and corporate banking products. Responsible on all P&L decisions, hiring and firing, talent development. Member of the Country Coordination Committee of Barclays Italia and of the Branch Risk and Control Committee. Member of the EMEA Diversity Committee and in this context has been co-responsible of EMEA mentoring program. Over the years managed various relevant transactions, among which the recent listing of Enav, the demerger of Italgas from Snam, Gtech's acquisition of IGT for USD 5.6 bn and the financing of the transaction, which was the largest acquisition from an Italian corporate in the US in recent years, as well as the Eur 2 bn convertible bond from Telecom Italia, the sale of Telecom Argentina by Telecom Italia and the sale by Eni of its upstream assets in Russia. In charge of the relationship with the following clients: Eni, Saipem, Snam, Terna, Telecom Italia, Mediaset, Fininvest, De Agostini Group, Cir Group, Ministry of Economy and Finance, CDP, F2i, Poste, Ferrovie, Enav, STM, Techint, CNH, ERG, API, Edison, Hera, A2A, Acea, Barilla, Ferrero, Perfetti, Luxottica, Campari, Lavazza, Luxottica, Tod's, Amplifon, Maire. Responsible for the dialogue with infrastructure players and sovereign wealth funds.

## **CITI**

**July 1997- May 2013**

**MD - Global Banking – Milan and London**

At the beginning of the career in 1997-99 rotated in investment banking, corporate banking and has been Chief of Staff of the Country Manager Italy. In 2000 joined the investment banking team managing the separation of Snam Rete Gas from Eni and its subsequent IPO. Then, holding positions of increasing responsibility and visibility, dealt with various M&A, bank financing, debt and equity capital markets transactions in the utilities, industrial and consumer space. A list of main executed transactions is in appendix and includes transactions carried out in Italy, Europe, US and Latam.

## **KRAFT JACOBS SUCHARDS (PHILIP MORRIS)**

**March 1997 – May 1997**

**Milan**

P&C Cheese Division

**Dec. 1996 – March 1997 Citibank**

Stage in the credit department

**Milan**

## **EDUCATION / TRAINING:**

**October 2000 - December 2000 Schroder Salomon Smith Barney Associate Program, Barcellona**

**September 1997- February 1998 CITICORP Associate Development Program, Londra**

**September 1992 - February 1997 Università Commerciale L. Bocconi, Milan, Laurea Clea, 110/110 cum laude**

**September 1995 - December 1995 Erasmus Universiteit Rotterdam, Exchange Program – R. School of Management**

**September 1987 - June 1992 Liceo Scientifico G.B. Grassi, Saronno, 60/60**

**LANGUAGES:** Italian – mother tongue; english– fluent

**PERSONAL INTEREST:** golf, travel, ski, tennis, photography, reading and classical music concerts



## APPENDIX – LIST OF NOTABLE TRANSACTIONS

Most significant transactions led in Barclays include:

- Global Coordinator on Enav IPO (2016)
- Advisor to CDP Reti in the demerger of Italgas from Snam (2016)
- Advisor to 2i Reti Gas in its acquisition of Gas Natural distribution business (2016 – completed in 2017)
- Advisor to eni in the sale of Versalis (2016 – non completed)
- Advisor to eni in the possible sale of its gas customers business and on its possible sale of Bluestream stake (2016 – non completed)
- Advisor to Saipem in the sale of their infrastructure division (2016 - failed)
- Advisor to Snam in a confidential buy-side in Germany (2016)
- Advisor to First State on Olt (on going)
- Advisor to Barclays in the sale of its retail business to Che Banca! (2015)
- Euro 2bn convertible bond from Telecom Italia (2015)
- Acquisition financing to ChemChina in the context of the takeover of Pirelli (2015)
- Equity Advisor to eni in its 2015-2018 strategic plan
- Advisor to Gtech in its USD 5.6bn acquisition of IGT and MLA and bookrunner in the USD10bn acquisition financing (2014/2015)
- Acquisition financing to ERG for its acquisition of Eon hydro assets (2014/2015)
- Advisor to Macquarie on an infrastructure asset (2014)
- Fairness opinion to Indesit independent board members (2014)
- Hera debut green bond (2014)
- Advisor to eni in the sale of their Russian Business (2013)
- Acquisition financing to Ramsey for the acquisition of Generale de Santè (2013)
- Advisor to Telecom Italia independent board members in the sale of Telecom Argentina to Fintech (2013)
- Advisor to Snam in its acquisition of TIGF (2013)
- Several capital markets transactions (bond issuance and liability management) for Telecom Italia, Snam, Terna, A2A, Hera (first green bond), Wind, CNHI, Ferrovie
- Sace subordinated issuance (2015)

List of main transactions executed at Citi:

- Advisory role to Telecom Italia in their sale of La7 e MTV (2012 / 2013)
- Bookrunner/MLA in Snam Eur 11bn intercompany refinancing with eni and subsequent capital markets take out (2012)
- Advisory role to a consortium of infrastructure investor in the acquisition of a minority stake in Gassled (2012)
- Debut Eurobond Luxottica (2012)
- Liability Management with Telecom Italia (2012)
- Advisor to GIP of a 45% stake in Transitgas from Fluxys (2011/2012)
- Structuring and arranger of a USD800mln ECA financing to eni / Saipem (2012)
- Advisor to eni in the acquisition of Nuon Belgium (2011)
- Advisor to TotalErg in the Totalerg refinancing (2011)
- Advisor to Telecom Italia and Tim Brasil in the creation of a JV in the cloud space (2011)
- Advisor to eni in the sale of selected upstream assets in the Gulf of Mexico (2010)
- Advisor to Eiser in the acquisition of a 30% stake in Herambiente from Hera (2010)
- Advisor and financing provider to Amplifon in its acquisition of NHC Group (2010)
- Bookrunner in Hera convertible bond (2010)
- Advisor to CNH in the restructuring of its JV in Japan (2009)
- Advisor to the Ministry of Economy and Finance in the right issue executed by Finmeccanica (2008)



- Advisor to Colony Capital in the attempted acquisition of Tamoil (2007)
- Advisor to Alitalia in its search for partners, concluded with the entry of Air France – KLM (2007/2008)
- Attempted acquisition of Endemol by De Agostini with a consortium of investors (2007)
- Advisor to Gazprom in the acquisition by Eni and Enel of Yukos assets (2007 / call option in 2009)
- Advisor to First Reserve in the attempted acquisition of Italvento (2007)
- Advisor and financing provider to Permira in its successful acquisition of Valentino (2007)
- Restructuring of Barilla capital structure (2007)
- Acquisition by Perfetti Van Melle of Chupa Chups (2006)
- Advisor to Fintecna in the purchase of Alitalia ground operations (2005)
- Advisor (and financing bank) to ERG in the attempted acquisition of a target (2005 - failed)
- Adviser to Perfetti in the attempted acquisition of CSM (2005)
- Advisor to Mapfre in the attempted acquisition of Toro Assicurazioni (2006)
- Co-lead manager in the attempted IPO of API (2006)
- Advisor to eni in the sale of its Shipping Division to Carbofin S.p.A. (2003)
- Advisor to a consortium (Acea/Electrabel/Energia Italiana) in the acquisition of enel gencos, successfully concluded with the acquisition of Interpower SpA (2002)
- Advisor to Eni in the spin out via conferimento of its national distribution grid (Snam Rete Gas) and bookrunner in its subsequent floatation on the Italian stock exchange (2001)
- Advisor to Agip Petroli in relation to the disposal of downstream assets to dealers (2001-2002)
- Advisor to Tommy Hilfinger in his attempted acquisition of Valentino (2002)
- Advisor to Finmare in the divestiture of Almare di Navigazione S.p.A. to Premuda S.p.A. (2000)
- Advisor to KJS in the sale of a pool of food assets (2000)
- Advisor to Cecchi Gori Group in the sale of its TV business TMC to Seat Pagine Gialle (2000)
- Advisor to BNL in the sale of BNL's stake in Banco di Napoli to San Paolo IMI (2000)
- Advisor to Telecom Italia in the optimisation/divestiture of its real estate portfolio (1999)
- Advisor to Citicorp in the acquisition of a minority stake in Fincantieri share capital (1999)
- Privatisation by Finmare of Italia di Navigazione S.p.A. and Lloyd di Navigazione S.p.A. (1998)
- Sale of Akros Finanziaria S.p.A. (1998)

**DICHIARAZIONE DI CANDIDATURA, ACCETTAZIONE CARICA E ATTESTAZIONE DELL'INESISTENZA DI CAUSE DI INELEGGIBILITÀ, DECADENZA E INCOMPATIBILITÀ, NONCHÉ DI POSSESSO DEI REQUISITI PRESCRITTI DALLE DISPOSIZIONI VIGENTI, ANCHE REGOLAMENTARI**

La sottoscritta Alessandra Pasini, nata a Padova, il 19 settembre 1973, residente in Milano, cittadinanza Italiana, codice fiscale PSNLSN73P59G224S, in relazione alla candidatura ad Amministratore di FinecoBank, sotto la propria responsabilità:

**DICHIARA**

- di accettare irrevocabilmente l'eventuale nomina quale membro del Consiglio di Amministrazione di FinecoBank S.p.A.;

**VISTE**

tra l'altro, le disposizioni di cui agli artt. 2382 e 2387 Cod. civ., all'art. 26 del D.lgs. 1° settembre 1993, n. 385, all'art. 148, comma 3, del D.Lgs. 24 febbraio 1998, n. 58 (il "TUF") come richiamato dall'art. 147-ter, comma 4, del TUF, all'art. 2, Raccomandazione 7, del Codice di Corporate Governance adottato dal Comitato per la Corporate Governance, all'art. 147-quinquies del TUF, al Decreto del Ministero dell'Economia e delle Finanze del 23 novembre 2020, n. 169 ("DM 169/2020") ed al Decreto del Ministero della Giustizia del 30 marzo 2000 n. 162, nonché, in generale, le disposizioni previste dalla legge, dai regolamenti e/o dallo Statuto vigenti;

**DICHIARA E ATTESTA**

ex art. 46 e 47 del D.P.R. 28 dicembre 2000, n. 445, sotto la propria responsabilità e consapevole che, ai sensi dell'articolo 76 del citato D.P.R. 28 dicembre 2000, n. 445, le dichiarazioni mendaci, la falsità negli atti e l'uso di atti falsi o contenenti dati non più rispondenti a verità sono puniti ai sensi del codice penale e delle leggi speciali in materia, alla data di sottoscrizione della presente, di essere in possesso dei requisiti prescritti dalla normativa vigente e dallo Statuto sociale di Fineco per ricoprire la carica di Consigliere della Società, come di seguito precisato:

**(A) REQUISITI DI PROFESSIONALITÀ E COMPETENZA**

- di essere in possesso dei requisiti di professionalità e competenza previsti dalla disciplina normativa e regolamentare vigente e, in particolare, dagli artt. 7 e 10 del DM 169/2020;

**(B) REQUISITI DI ONORABILITÀ, CORRETTEZZA E ALTRE CAUSE IMPEDITIVE ALL'ASSUNZIONE DELLA CARICA**

- di non trovarsi in una delle condizioni di ineleggibilità o decadenza previste dall'art. 2382 c.c.;
- di essere in possesso dei requisiti di onorabilità previsti dall'art. 3 del DM 169/2020 e dall'art. 2 del DM 162/2000;

- di essere in possesso del requisito di correttezza nelle condotte personali e professionali pregresse ai sensi dell'art. 4 del DM 169/2020; nel caso in cui sussista una o più delle situazioni individuate dall'art. 4, comma 2, del DM 169/2020, di impegnarsi a comunicarle alla Società e, in particolare, al Consiglio di Amministrazione, precisando che tale/i situazione/i non compromette/ono la sussistenza del requisito di correttezza;
- di poter agire con piena indipendenza di giudizio e consapevolezza dei doveri e dei diritti inerenti all'incarico, nell'interesse della sana e prudente gestione della Società e nel rispetto della legge e di ogni altra norma applicabile, impegnandosi a comunicare alla Società e, in particolare, al Consiglio di Amministrazione, le informazioni riguardanti le eventuali situazioni di cui all'art. 13, comma 1, lettere a), b), c), h) e i) del DM 169/2020 e le motivazioni per cui quelle situazioni non inficiano in concreto l'indipendenza di giudizio;
- di non trovarsi in nessuna delle condizioni ostative di cui alla vigente normativa, avuto riguardo altresì al regime di incompatibilità di cui all'art. 17 del D.Lgs. 27 gennaio 2010 n. 39 e alle relative disposizioni di attuazione relativamente alla società di revisione Deloitte S.p.A. per l'incarico di revisione legale dei conti conferito dall'assemblea ordinaria della Società e relativamente alla società di revisione che è stata proposta all'Assemblea del prossimo 28 aprile per il conferimento dell'incarico di revisione per gli esercizi 2022-2030;

(C) CAUSE DI SOSPENSIONE

- di non ricadere in alcuna delle cause di sospensione di cui all'art. 6 del DM 169/2020;

(D) DISPONIBILITÀ DI TEMPO E LIMITE AL CUMULO DI INCARICHI

- di poter dedicare adeguato tempo allo svolgimento dell'incarico di Consigliere di FinecoBank ai sensi dell'art. 16 del DM 169/2020 e tenuto conto di quanto indicato nella Composizione Qualitativa;
- con riferimento ai limiti al numero degli incarichi di cui all'art. 17 del DM 169/2020: (barrare la casella di riferimento)
  - di rispettare i predetti limiti al numero degli incarichi;
  - di impegnarsi sin da ora a rassegnare le proprie dimissioni dalle eventuali cariche che siano incompatibili con la carica di Consigliere di FinecoBank, ove nominato/a dalla predetta Assemblea della Società, nel tempo utile rispetto al termine di cui all'art. 23, comma 7, del DM 169/2020;

(E) ALTRE CAUSE DI INCOMPATIBILITÀ

con riferimento alle situazioni di incompatibilità di cui all'art. 2390 c.c. e ai divieti di cui all'art. 36 del D.L. n. 201/2011, convertito dalla Legge n. 214/2011 (c.d. "divieto di interlocking"): (barrare la casella di riferimento)

- di non ricoprire alcuna carica negli organi gestionali, di sorveglianza e di controllo né funzioni di vertice di imprese concorrenti operanti nei mercati del credito, assicurativi e finanziari;
- di impegnarsi sin da ora a rassegnare le proprie dimissioni dalle eventuali cariche e/o funzioni che siano incompatibili con la carica di Consigliere di FinecoBank, ove nominato/a dalla predetta Assemblea della Società;

(F) REQUISITI DI INDIPENDENZA (barrare la casella di riferimento)

- di essere in possesso dei requisiti di indipendenza previsti dall'art. 13 dello Statuto sociale di FinecoBank e dall'art. 2, Raccomandazione 7 del Codice di Corporate Governance delle società quotate;
- di NON essere in possesso dei requisiti di indipendenza previsti dall'art. 13 dello Statuto sociale di FinecoBank S.p.A. e dall'art. 2, Raccomandazione 7 del Codice di Corporate Governance delle società quotate;
- di essere in possesso dei requisiti di indipendenza previsti dall'art. 13 del D.M. 169/2020;
- di NON essere in possesso dei requisiti di indipendenza previsti dall'art. 13 del D.M. 169/2020;
- di essere in possesso dei requisiti di indipendenza previsti dall'art. 148, comma 3, del TUF;
- di NON essere in possesso dei requisiti di indipendenza previsti dall'art. 148, comma 3, del TUF.

Il sottoscritto, altresì:

- **si impegna** a comunicare tempestivamente a FinecoBank S.p.A. ogni modifica rispetto a quanto sopra dichiarato e a produrre, su richiesta della Società, la documentazione idonea a confermare la veridicità dei dati dichiarati;

- presa visione dell'informativa di cui al Regolamento (UE) n. 2016/679 allegata alla presente, **autorizza** la pubblicazione dei dati sopra indicati e delle informazioni sulle caratteristiche personali e professionali contenute nel *curriculum vitae*, nella c.d. "scheda profilo" (Allegato) e nell'elenco degli incarichi ricoperti presso altre società allegati alla presente dichiarazione.

Luogo/Data 20/03/21

Firma 

Allegati:

- *Curriculum vitae*
- Elenco degli incarichi ricoperti presso altre società
- Dichiarazione di conoscenza/esperienza maturata nelle aree di competenza previste nel documento "Composizione qualitativa e quantitativa del consiglio di amministrazione di Finecobank S.p.A." (cfr. Allegato A)

## Allegato A

### DICHIARAZIONE DI CONOSCENZA/ESPERIENZA MATURATA NELLE AREE DI ESPERIENZA PROFESSIONALE E COMPETENZA PREVISTE NEL DOCUMENTO “COMPOSIZIONE QUALITATIVA E QUANTITATIVA DEL CONSIGLIO DI AMMINISTRAZIONE DI FINECOBANK S.P.A.”

La sottoscritta Alessandra Pasini, nata a Padova, il 19 settembre 1973, residente in Milano, cittadinanza Italiana, codice fiscale PSNLSN73P59G224S in relazione all’assunzione della carica di Amministratore di FinecoBank S.p.A. – fermo il rispetto di quanto previsto dalla vigente regolamentazione in materia di requisiti di professionalità e competenza – dichiara di essere in possesso di una buona conoscenza ed esperienza in due o più delle aree di competenza di seguito indicate:

- CONOSCENZA DEL SETTORE BANCARIO E DELLE TECNICHE DI VALUTAZIONE E DI GESTIONE DEI RISCHI CONNESSI ALL’ESERCIZIO DELL’ATTIVITÀ BANCARIA:** *acquisita tramite una esperienza pluriennale di amministrazione, direzione e controllo nel settore finanziario;*
- ESPERIENZA DI GESTIONE E DI ORGANIZZAZIONE AZIENDALE:** *acquisita tramite un’attività pluriennale di amministrazione, direzione o controllo in imprese o gruppi di rilevanti dimensioni economiche;*
- CAPACITÀ DI INTERPRETAZIONE DEI DATI ECONOMICO-CONTABILI DI UNA ISTITUZIONE FINANZIARIA:** *acquisita tramite una esperienza pluriennale di amministrazione e controllo in imprese del settore finanziario o di esercizio di attività professionali o di insegnamento universitario;*
- COMPETENZA DI TIPO GOVERNANCE (audit, legale, societario, sistemi di remunerazione ecc.):** *acquisita tramite esperienze pluriennali di gestione o di controllo svolte all’interno di imprese – con particolare riferimento a quelle del settore finanziario – di rilevanti dimensioni o di esercizio di attività professionali o di insegnamento universitario;*
- CONOSCENZA DELLA REGOLAMENTAZIONE AFFERENTE AL SETTORE BANCARIO E FINANZIARIO:** *acquisita attraverso specifiche esperienze pluriennali all’interno di imprese finanziarie o di organismi di vigilanza o di esercizio di attività professionali o di insegnamento universitario;*
- CONOSCENZA DELLE DINAMICHE GLOBALI DEL SISTEMA ECONOMICO – FINANZIARIO:** *acquisita attraverso significative esperienze svolte all’interno di enti di ricerca, uffici studi di imprese o di organismi internazionali, autorità di vigilanza;*
- ESPERIENZA E CONOSCENZA DEI MERCATI DI RIFERIMENTO IN CUI OPERA FINECOBANK:** *acquisite attraverso studi o indagini svolte presso enti di ricerca o attraverso lo svolgimento di attività imprenditoriali o professionali pluriennali svolte presso istituzioni o enti, gruppi o imprese (pubbliche o private) anche a vocazione internazionale;*

- COMPETENZA IN AMBITO COMPLIANCE:** *acquisita attraverso studi o esperienze professionali pratiche maturate in occasione di precedenti posizioni ricoperte quali, ad esempio, esperienze in ambito compliance o in organi di controllo (ivi incluse quelle in ambito prodotti);*
- ESPERIENZA INTERNAZIONALE E CONOSCENZA DEI MERCATI ESTERI IN CUI OPERA FINECOBANK:** *acquisite attraverso studi o precedenti esperienze accademiche o professionali;*
- CONOSCENZA ED ESPERIENZA IN AMBITO INFORMATION TECHNOLOGY:** *acquisite attraverso studi od esperienze professionali pratiche maturate in occasione di precedenti posizioni ricoperte;*
- COMPETENZA IN AMBITO SOSTENIBILITÀ:** *con particolare riferimento agli aspetti strategici e alla gestione dei rischi rilevanti nell'ottica della sostenibilità a medio e lungo periodo, acquisita anche attraverso studi od esperienze professionali pratiche maturate in occasione di precedenti posizioni ricoperte.*

Infine, la sottoscritta si impegna a comunicare tempestivamente a FinecoBank S.p.A. ogni successiva variazione di quanto sopra dichiarato.

Luogo/Data 20/03/21

Firma Aldo Peri

**DOTT.SSA ALESSANDRA PASINI**

**ELENCO INCARICHI DI AMMINISTRAZIONE E CONTROLLO RICOPERTI**  
*LIST OF POSITIONS COVERED*

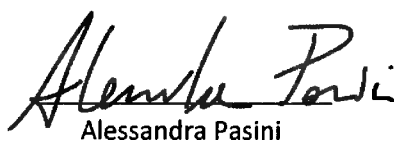
**INDUSTRIE DE NORA S.P.A.**

**Membro del Consiglio di Amministrazione**  
*Member of the Board of Directors*

**ADNOC GAS PIPELINES ASSETS LCC**

**Membro del Consiglio di Amministrazione**  
*Member of the Board of Directors*

Milano, 22 marzo 2021

  
Alessandra Pasini

## ORDINARY SHAREHOLDERS' MEETING

### DIRECTORS' REPORT

#### **Filling of vacancy on the Board of Statutory Auditors and appointment of its Chairperson. Related and consequent resolutions.**

Dear Shareholders,

We hereby invite you to attend the Ordinary Shareholders' Meeting called to consider and approve, among other things, the resolution to fill the vacancy on the Board of Statutory Auditors of FinecoBank S.p.A. and to appoint its Chairperson.

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

Following the resignation of standing Statutory Auditor and Chairperson Mrs. Elena Spagnol tendered on 17 September 2020 and effective on 1 October 2020, Mrs. Luisa Marina Pasotti - alternate Statutory Auditor elected on the same list (and only one slate submitted at that time) as the outgoing Statutory Auditor - joined the Board of Statutory Auditors pursuant to law and the Company's Articles of Association. Pursuant to article 23(14) of the Articles of Association, the latter also assumed the office of Chairperson. Furthermore, following the resignation of standing Statutory Auditor Ms. Chiara Orlandini tendered on 5 October 2020 and effective on 12 October 2020, Mr. Giacomo Ramenghi - alternate Statutory Auditor elected on the same list (and only one slate submitted at that time) as the outgoing Statutory Auditor - joined the Board of Statutory Auditors pursuant to law and the Company's Articles of Association.

Given that, pursuant to applicable law and the Articles of Association, any new statutory auditor who replaces a retiring statutory auditor must remain in office until the next Shareholders' Meeting - which must, in turn, comply with the principle of due representation of minorities and gender balance making its appointment - we invite you to fill the vacancy on the Board of Statutory Auditors (by derogation of the list voting system) by appointing two Statutory Auditors, including the Chairperson, whose tenures will expire together with the serving members of the Board (i.e. at the Shareholders' Meeting held to approve the Financial Statements as at 31 December 2022) and, where necessary, by appointing one or two alternate Statutory Auditors.

Pursuant to article 23(14) of the Articles of Association, if the Shareholders' Meeting fails to ratify the appointment of the alternate Auditor who has acceded to the office of the standing Statutory Auditor, that person will return to the role of alternate Statutory Auditor.

We also remind you that Statutory Auditors must comply with the requirements laid down in applicable law and the Articles of Association. In particular, it bears noting that Italian Ministry of Economy and Finance Decree No. 169 of 23 November 2020 (recently adopted in implementation of Article 26 of Italian Legislative Decree 385/1993), which is applicable to appointments made after 30 December 2020, introduced new provisions regarding the requirements and suitability criteria for serving as corporate officers (including members of the Board of Statutory Auditors) of banks.



In relation to the above, in submitting the candidates, **we invite you to read and take into account** the document entitled "*Qualitative and Quantitative Composition of the Board of Statutory Auditors of FinecoBank S.p.A.*", which contains the outcomes of the preliminary analysis carried out by the Board of Statutory Auditors regarding its qualitative/quantitative composition considered optimal for it to duly discharge the functions assigned to it, last updated to take into account the provisions of Italian Ministry of Economy and Finance Decree No. 169 of 23 November 2020.

A document containing information on submitting applications for candidacy is published on the Company's website, accompanied by a list of minimum documentation requirements and the declaration forms that must be submitted.

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

Dear Shareholders,

We invite you - should you agree with the contents and arguments set forth in this Report, pursuant to and in compliance with the Articles of Association and all applicable laws and regulations in force in the matter - to appoint two standing Statutory Auditors, including the Chairperson, to fill the vacancy on the Board of Statutory Auditors (and, if appropriate, one or two alternate Statutory Auditors), who will remain in office until the expiry of the tenure of the current Board, which is to say until the Shareholders' Meeting that will be held to approve the Financial Statements for the year 2022.

**ORDINARY SHAREHOLDERS' MEETING****DIRECTORS' REPORT****Appointment of the independent auditor of FinecoBank S.p.A. for the years 2022-2030 and remuneration.**

Dear Shareholders,

With the approval of the financial statements as at 31 December 2021 (2022 Shareholders' Meeting) of FinecoBank S.p.A. ("**FinecoBank**"), the mandate for the legal audit of the accounts granted to Deloitte & Touche S.p.A. for the nine-year period 2013-2021 will expire.

In order to ensure an adequate handover period between the outgoing auditor and the newly appointed auditor, it was decided to bring forward the appointment of the new auditor for the financial years 2022-2030, submitting it to the approval of the Shareholders' Meeting 2021 together with the determination of the relevant remuneration.

Pursuant to Legislative Decree no. 39 of 27 January 2010, as amended, and in accordance with EU Regulation 537/2014 (the "**Regulation**"), the assignment cannot be granted to the outgoing auditor (Deloitte & Touche S.p.A.).

Also in accordance with the abovementioned laws, the procedure for selecting a new auditor was managed by the Board of Statutory Auditors, in its capacity as the Committee for Internal Control and Accounts Auditing. At the end of the selection procedure, the Board of Statutory Auditors identified – in compliance with the provisions of the Regulation – two possible alternatives, expressing a duly justified preference for one of the two.

The Board of Directors therefore submits to the approval of this Shareholders' Meeting the reasoned proposal formulated by the Board of Statutory Auditors pursuant to articles 13(1) and 19(1)(f) of Legislative Decree no. 39 of 27 January 2010, regarding the appointment of the independent auditor of FinecoBank for the financial years 2022-2030 and the determination of the relevant remuneration and associated adjustment criteria, the text of which is attached hereto.



## REASONED PROPOSAL OF THE BOARD OF STATUTORY AUDITORS of FINECOBANK S.p.A.

PURSUANT TO ARTICLE 13 OF LEGISLATIVE DECREE NO. 39 OF 27 JANUARY 2010  
FOR THE APPOINTMENT OF THE ENTITY IN CHARGE OF THE STATUTORY AUDIT  
AND DETERMINATION OF FEES FOR THE YEARS 2022-2030

Dear Shareholder,

with the approval of the financial statements as at 31 December 2021 by the Shareholders' Meeting of **FinecoBank S.p.A.** (hereinafter, also "**FinecoBank**"), which will be called in 2022, the mandate for the statutory audit of the accounts for the nine-year period 2013 - 2021 will expire; *Deloitte & Touche S.p.A.* had been appointed for that mandate by the same Shareholders' Meeting on 16 April 2013.

On the basis of the current legislation, since *Deloitte & Touche S.p.A.* cannot be appointed again, the **new engagement for the statutory audit of the accounts** must be entrusted by the Shareholders' Meeting on the reasoned proposal of the Board of Statutory Auditors in its capacity as the Internal Control and Audit Committee, pursuant to Article 19 of Legislative Decree 39/2010, following a specific **selection procedure** in accordance with the criteria and procedures set out in Article 16 of European Regulation no. 537/2014 (hereinafter the "European Regulation").

The Board of Statutory Auditors, in agreement with the relevant corporate functions, deemed it appropriate to **move forward the start of the selection procedure** for the appointment of the entity in charge of the statutory audit of the accounts for the period 2022 - 2030; this is common practice among the main listed companies, as it ensures an adequate handover between the outgoing auditor and the new appointed auditor, as well as ensuring compliance with the time limits set to safeguard the auditor's independence (*cooling in period* pursuant to Article 5 of the European Regulation, which provides that the auditor must refrain from providing certain types of services other than the statutory audit as of the financial year immediately preceding the first year of the audit engagement).

In its capacity as company exercising management and coordination activities pursuant to art. 2497-bis of the Italian Civil Code, the Parent Company FinecoBank S.p.A. has chosen to appoint a **Group's sole auditor** also to ensure greater efficiency of the FinecoBank Group's audit process, since the company appointed to audit the consolidated financial statements has full responsibility for issuing the related opinion (European Directive 2006/43/EC and, for Italy, Legislative Decree 39/2010). The selection procedure for the assignment of the audit engagement for the period 2022 - 2030 ensures the decision-making autonomy of the relevant bodies of the Group companies with respect to their own *governance* rules and any legal limits.

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### FinecoBank S.p.A.

Piazza Durante, 11 – 20131 Milan

Toll-free number 800 52 52 52

From a mobile phone or abroad 02

2899 2899

helpdesk@finecobank.com

FinecoBank S.p.A. - Registered office 20131 Milan - Piazza Durante, 11

Head Office - 42123 Reggio Emilia - Via Rivoluzione d'Ottobre, 16

Share Capital Euro 201,152,834.19, fully subscribed and paid up - a Bank registered in the Register of Banks and Parent Company of the FinecoBank Banking Group - Register of Banking Groups no. 3015 - VAT no. 12962340159 TIN and registration in the Milan-Monza-Brianza-Lodi Companies Register at no. 01392970404 - R.E.A. no. 1598155. Member of the National Compensation Fund and of the National Interbank Deposit Guarantee Fund.

CERTIFIED EMAIL (PEC): finecobankspa.pec@actaliscertymail.it



Given the foregoing, it was deemed appropriate to provide that the Shareholders' Meeting, called to approve the financial statements of FinecoBank S.p.A. as at 31 December 2020, would also be called to **pass resolution upon to decide on the appointment of the statutory auditors of FinecoBank S.p.A., as well as to approve the statutory auditor's fee and the related adjustment criteria, on the basis of a reasoned proposal by the Board of Statutory Auditors.**

In accordance with the provisions of the aforementioned Article 16 of the European Regulation, since the appointment concerns the statutory audit of a Public Interest Entity ("PIE") as defined in Article 16 of Legislative Decree 39/2010, the proposal made by the Board of Statutory Auditors, submitted for approval, identifies **two possible alternatives for the engagement, expressing a preference, duly justified, for one of the two.**

The proposal has not been influenced by third parties and none of the clauses of the type referred to in Article 16(6) of the European Regulation have been applied.

## 1. Regulatory framework

The EU and national legislation on statutory audit has been amended by the following provisions:

- directive 2006/43/EC as amended by Directive 2014/56/EU (the "**Directive**") on the statutory audit of annual accounts and consolidated accounts, implemented by Legislative Decree No. 39 of 27 January 2010 as last amended by Legislative Decree No. 135 of 17 July 2016 (the "**Decree**"); and
- the **European Regulation** on public interest entities and the audit of public interest entities, applicable since 17 June 2016.

The purpose of the new legislation is to further harmonise the rules originally introduced by Directive 2006/43/EC at EU level to strengthen the independence and transparency of auditors and improve the quality of their work, also with a view to enhancing public confidence in the annual and consolidated financial statements of these public interest entities.

## 2. Selection procedure

### 2.1 Introduction

The procedure for the selection of the auditor was launched in August 2020 and was coordinated by the **Manager in Charge of Financial Reporting**, supported by a specific Working Group made up of personally appointed individuals who are members of certain internal units (in addition to the Financial Reporting Officer, the Head of the Global Banking Services Department and the Head of the Legal & Corporate Affairs Department); in addition, the Head of Internal Audit participated in the selection procedure, without voting rights, to ensure the independence and correctness of the process, as well as the Head of the Compliance Department, for the aspects falling within his responsibility. The entire Board of Statutory Auditors participated, as an invited guest, in all the meetings of the Working Group in order to constantly monitor the progress of the entire procedure.



The Board of Statutory Auditors contributed, together with the relevant corporate units, to the **definition of the processes and procedures** for identifying the audit firms receiving the requests for participation in the tender according to transparent and non-discriminatory criteria, as provided for by law, ensuring the participation of bidders with adequate expertise and experience in the sector and with suitable organisation to perform the audit of the FinecoBank Group (hereinafter the "**Group**").

## **2.2 Procedure for selecting the firms to be invited to the tender and request for bids**

The selection procedure and the request for participation in the tender through the submission of bids for the services were defined and carried out **in full compliance with art. 16 of the European Regulation** in order to ensure a high-quality statutory audit service, appropriate to the size and structure of the Group.

Before starting the selection process, in agreement with the Board of Statutory Auditors, FinecoBank **identified clear and objective selection criteria** through the formulation of the information required for submission of the Bids, to ensure the transparency and non-discrimination of the process and the traceability of the activities carried out and of the decisions made, with the aim of giving due consideration to both qualitative and quantitative elements.

In order to identify the audit firms to be invited to tender, it was stipulated that they had **to meet the following standards**:

- having the legal form of a company limited by shares (Italian società per azioni);
- having performed, in the last 10 years, statutory audit engagements in Public Interest Entities in the banking sector with a structure comparable to that of the FinecoBank Group<sup>1</sup>;
- having a *network* that fully covers the geographical area of operations of the companies of the FinecoBank Banking Group (other than through commercial *partnerships*).

In accordance with the selection procedure, the following **4 audit networks** that comply with the **standard** listed above were identified from among **the audit firms listed in the Register of Auditors**, established at the Ministry of Economy and Finance, with the exception of **Deloitte & Touche** S.p.A., the outgoing auditor, namely: *BDO Italia* S.p.A, *KPMG* S.p.A., *Ernst&Young* S.p.A. and *PriceWaterhouseCoopers* S.p.A..

It should be noted that the selection procedure did not preclude the participation of firms which received less than 15 % of the total audit fees from public-interest entities in Italy in the previous calendar year, in accordance with Article 16, paragraph 3(a) of the European Regulation.

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<sup>1</sup> For this purpose, audit firms were considered which, over the last 10 years (2010-2019), have performed statutory audit engagements in public interest entities operating in the banking sector and listed in the FTSE MIB index at the end of 2019.



On 15 October 2020, a **request** was sent to the four identified firms to express their interest in participating in the tender for the assignment of statutory audit engagements for the FinecoBank Group.

The **tender specifications**, defined on the basis of market *benchmarks*, were characterised by a high degree of granularity of the information requested, both at an overall Group level and for the companies within the scope of consolidation.

This approach made it possible to define in advance the contractual conditions for each individual company at Group level, to be incorporated, if necessary, into individual contracts following the appointment. More specifically, the tender documents defined included transparent and non-discriminatory selection criteria, which were used to assess the proposals put forward by the Audit Firms.

The **assessment criteria** adopted provide for the award of up to 100 points, of which 70 points allocated to qualitative criteria and 30 points to quantitative criteria, as detailed below:

Qualitative criteria (maximum 70 points)

*A. Organisation / Experience in relevant countries and sectors*

A.1 Governance and coordination (maximum 5 points)

A.2 Presence in local markets relevant for FinecoBank Banking Group (maximum 5 points)

A.3 Knowledge of the FinecoBank Banking Group and Expertise in the banking sector (maximum 5 points)

*B. Technical expertise of the audit team*

B.1 Experience of Partners/Managers and of the Team dedicated to FinecoBank Banking Group (maximum 25 points)

B.2 Assessments on technical skills (*Risk Management, Impairment, Fair value, IAS/IFRS, IT Audit, TAX, Legal, Compliance, Internal Control System, Non-financial Statement*) (maximum 10 points)

*C. Audit Strategy - Adequacy of audit strategy and plan - focus on key risks* (maximum 10 points)

*D. Professional mix (Partner, Audit Team Manager, with indication of hours for each professional level)* (maximum 10 points)

Quantitative criteria (maximum 30 points)

*E. Value of the bid*

E.1 Quotation of the services (maximum 27 points)

E.2 Criterion for determining the price of additional tasks not included in the tender (maximum 3 points).

On 30 October 2020, FinecoBank sent the following companies: - *BDO* S.p.A. ("BDO"); - *Ernst&Young* S.p.A. ("EY"); - *KPMG* S.p.A. ("KPMG") and - *PriceWaterhouseCoopers* S.p.A.



("PWC", and, jointly, the "Bidding Companies") a Letter of **Invitation** (henceforth also "Letter of Invitation") to submit a bid for the performance of the required services for the nine-year period 2022-2030 for the Company and the Group. Within the deadline, the Bidding Companies provided documentation proving compliance with the above criteria and expressed their willingness to participate in the tender.

The request to participate in the tender was made by FinecoBank also on behalf of its subsidiary Fineco Asset Management DAC, whose needs were taken into account in defining the tender specifications.

Concurrently with the assignment of the audit mandate for the Parent Company, the latter will sign a Framework Agreement with the appointed auditor containing the financial conditions applicable to all Group companies, which are binding for the entire nine-year period. Accordingly, if a Group company decides to appoint the Auditor, or one of its *network* companies, it may do so under the conditions laid down in this Framework Agreement.

The request for quotation included:

- the scope of the tender, including FinecoBank and its subsidiary Fineco Asset Management DAC
- the terms and conditions of the tender, with specific reference to legal, incompatibility and independence and economic aspects
- the description of statutory audit services, of non-compulsory audit services and of other services to be quoted (detailed in footnote 2, page 7)
- the list of required information, both of a qualitative and quantitative nature, in accordance with defined criteria as set out above.

The deadline for submission of the bids, initially set for 30 November 2020, was extended for all Bidding Companies to 4 December 2020 following a request received from one of them. **Within the new deadline, FinecoBank received Bids from BDO, KPMG and PWC** with the required information and documentation, while on 20 November 2020 *Ernst&Young* S.p.A. announced its decision not to submit its bid for statutory audit services to the FinecoBank Group for the nine-year period 2022-2030.

### 2.3 Selection process

On 7 December 2020, the Financial Reporting Officer, in the presence of the Chairman of the Board of Statutory Auditors, the Head of the Internal Audit Function and the Secretary of the Working Group, **opened the binding bids received** from the Bidding Companies.

After examining the responses, accompanied by supporting documentation, **further examination meetings** were held **with each individual Bidding Company** for a description of their technical proposal, thus allowing for a finalisation of the assessment.

On the basis of the documentation received, and taking into account the assessment criteria, the Board of Statutory Auditors, together with the aforementioned corporate units, following dedicated collegial sessions and in light of in-depth investigations, shared and validated by the Board of Statutory Auditors, and following meetings for further analysis held



with the individual Bidding Companies, **assessed the Bids in detail** by analysing, for each assessment criterion, the individual distinctive and qualifying aspects of each of the Bids.

In particular, the preliminary analyses carried out on the Bids and on the supplementary information requested and received from the individual Bidding Companies showed, inter alia, that:

- all the Bids contain a specific and reasoned declaration concerning the **commitment** to prove the independence requirements provided for by law;
- all the Bidding Firms have, albeit with different characteristics and levels, appropriate **organisation and technical-professional skills** in light of the size and **complexity of the engagement**, pursuant to the Decree, and meet the requirements stipulated by the European Regulation.

### **3. Assessment of the Bids received**

The assessment procedure was carried out by assigning a score to each of the Bidding Companies - for each individual item identified within the categories ("*drivers*") of the qualitative and quantitative criteria detailed above - **according to defined parameters and criteria**, with a maximum of 100 points, of which 70 points for the qualitative criteria and 30 points for the quantitative criteria.

In detail, the procedure assigned a score between 1 and 5 (where the score of 5 is given to the best bid for that specific criterion) to each individual item identified. The score assigned to each sub-category is calculated as the average of the scores assigned to each item, compared to the score for the whole sub-category.

The sum of the scores in each sub-category determined the final score awarded to the individual Audit Firm. The comparison of the scores awarded to all bidding firms determines the ranking.

In view of the above, the Working Group carried out an evaluation of the Bids, which resulted in **the following ranking**:

1. *KPMG*;
2. *PWC*;
3. *BDO*.





The **results** of the qualitative and quantitative **assessment** by macro-category are provided below:

Driver	Max Score	Score awarded		
		BDO	PWC	KPMG
Organisation / Experience in relevant countries and sectors	15 pts	7.39	10.01	14.39
Technical expertise of the <i>team</i> (focus on major Companies)	35 pts	26.82	31.33	35.00
Audit Strategy - Adequacy of audit strategy and plan with respect to FinecoBank requirements, with focus on key risks and <i>IT-AUDIT</i>	10 pts	9.14	9.85	9.52
Professional mix ( <i>Partner, Audit Team Manager</i> , with indication of hours for each professional level)	10 pts	8.01	9.37	10.00
<b>Total qualitative criteria</b>	70 pts	<b>51.37</b>	<b>60.56</b>	<b>68.91</b>
<b>Total quantitative criteria (Value of the bid)</b>	30 pts	<b>29.82</b>	<b>20.84</b>	<b>22.90</b>
<b>TOTAL</b>	100 pts	<b>81.19</b>	<b>81.40</b>	<b>91.81</b>

The figures relating to the Value of the Bids are set out below:

Company	BDO		PWC		KPMG	
	no. hours	€	no. hours	€	no. hours	€
FinecoBank S.p.A.	5,400	243,000	5,671	335,000	5,960	325,240
Fineco Asset Management DAC	380	33,000	532	49,635	850	49,500
<b>Total recurring services</b>	<b>5,780</b>	<b>276,000</b>	<b>6,203</b>	<b>384,635</b>	<b>6,810</b>	<b>374,740</b>
<b>FinecoBank S.p.A. - Non-recurring services<sup>2</sup></b>	<b>--</b>	<b>63,000</b>	<b>--</b>	<b>115,000</b>	<b>--</b>	<b>95,000</b>

<sup>2</sup> Non-recurring services include:

- issue of *Comfort Letter* and *Bring Down Letter* in relation to the issuing of financial instruments on the market. The specified fee refers to *Additional Tier 1* financial instruments. In response to a request for clarification from a bidding firm, the Working Group specified that FinecoBank may need to issue *Additional Tier 1* instruments similar to those issued in July 2019 or *Tier 2* instruments in the future, although there is no current need to do so
- evidence-gathering procedures in support of the amounts and information contained in the TLTRO reporting models, for the certification of data.



<b>Total Value of the Bid</b>	--	<b>339,000</b>	--	<b>499,635</b>	--	<b>469,740</b>
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and the relevant **details of FinecoBank S.p.A.'s recurring services:**

Service	BDO		PWC		KPMG	
	no. hours	€	no. hours	€	no. hours	€
Audit of annual and consolidated accounts, including an opinion on the consistency of the management report, proper bookkeeping and tax compliance <sup>3</sup>	2,300	103,500	2,468	148,000	2,250	128,037
<b>Statutory audit</b>	<b>2,300</b>	<b>103,500</b>	<b>2,468</b>	<b>148,000</b>	<b>2,250</b>	<b>128,037</b>
Audit of the consolidated half-yearly financial report and audit of the individual financial statements as at 30 June prepared for the purpose of inclusion of accrued profit in Tier 1 capital	700	31,500	710	42,500	630	34,103
Issue of <i>Comfort</i> Letter as at 31 December of each year for the purpose of including profit from the annual and consolidated accounts for the year in Tier 1 capital	200	9,000	223	13,500	253	14,450
Audit of the individual financial statements as at 31 March and 30 September prepared for the purpose of inclusion of accrued profit in Tier 1 capital	800	36,000	740	45,000	940	51,000
<b>Non-compulsory audit</b>	<b>1,700</b>	<b>76,500</b>	<b>1,673</b>	<b>101,000</b>	<b>1,823</b>	<b>99,553</b>
<b>Other services<sup>4</sup></b>	<b>1,400</b>	<b>63,000</b>	<b>1,530</b>	<b>86,000</b>	<b>1,887</b>	<b>97,650</b>
<b>Total hours and fees FinecoBank</b>	<b>5,400</b>	<b>243,000</b>	<b>5,671</b>	<b>335,000</b>	<b>5,960</b>	<b>325,240</b>

<sup>3</sup> The performance of tax duties does not fall within the definition of Statutory Audit.

<sup>4</sup> Other services include:

- limited review of the FinecoBank Banking Group's non-financial statement
- carrying out of procedures and issuing of certification regarding the calculation of the contribution to the National Guarantee Fund
- audit service regarding the statement of advertising expenditures
- issue of the report required under Article 23 para. 7 of the Bank of Italy Regulation of 5 December 2019 enacting Articles 4-*undecies* and 6, para. 1b) and c-bis) of Legislative Decree 58/98
- carrying out of procedures and issuance of attestation for certification of data reported for the calculation of the contribution to the Single Resolution Fund



With regard to the **adjustment of fees** for FinecoBank S.p.A., the Bidding Companies have provided for an annual update (starting from 2023) within the limits of the ISTAT cost of living index adjustment compared to the previous year.

All the Bidding Companies have stated that there will be no adjustments to the fees except in the event of exceptional or unforeseeable circumstances at the time of drafting the bid, such as to require a greater number of hours and/or a different mix of professional roles involved in the service compared to what initially envisaged, such as, for example, changes in the structure and size of the Bank and/or the Group, changes in regulations, in accounting and/or audit standards, corporate or extraordinary transactions.

FinecoBank Working Group has therefore prepared its **Report on the conclusions of the selection procedure** for the appointment of the entity in charge of the statutory audit of the accounts for the period 2022 - 2030 set out above, which was submitted by the Financial Reporting Officer to the Board of Statutory Auditors for validation within the scope of its responsibilities under the legislation in force.

At its meeting of 5 March 2021, the Board of Auditors then **validated the Report on the conclusions of the selection procedure** prepared by the Working Group.

#### 4. Recommendation of the Board of Statutory Auditors

On the basis of the procedure carried out in relation to the appointment of the entity in charge of the statutory audit of the accounts of FinecoBank S.p.A. for the nine-year period 2022 - 2030, of the Bids received, of the assessments carried out and of the results of such assessments, taking into account the provisions of Article 16, paragraph 2, of European Regulation no. 537/2014, the Board of Statutory Auditors

#### SUBMITS

to the Shareholders' Meeting of FinecoBank S.p.A., alternatively, a **proposal to grant the mandate** for the statutory audit of the accounts of FinecoBank S.p.A. for the nine-year period 2022-2030, to the company *KPMG S.p.A.* or to the company *PricewaterhouseCoopers S.p.A.*, whose financial components, in terms of fees and hours, having made reference to the annual adjustment details and criteria, are summarised as follows:

Service	PWC		KPMG	
	no. hours	€	no. hours	€
Statutory audit	2,468	148,000	2,250	128,037
Non-compulsory audit	1,673	101,000	1,823	99,553
<b>Total</b>	<b>4,141</b>	<b>249,000</b>	<b>4,073</b>	<b>227,590</b>



Considering that Article 16, paragraph 2, of the European Regulation no. 537/2014 requires that a duly justified preference be expressed by the audit committee, the Board of Statutory Auditors, between the two alternatives, unanimously

**EXPRESSES ITS PREFERENCE**

in favour of the company **KPMG S.p.A.** whose bid obtained the highest score, in terms of both the qualitative and overall score, in light of the procedure conducted and described above, as well as in line with the identified needs of FinecoBank S.p.A. and with the independence requirements set out in the legislation and

**DECLARES**

pursuant to Article 16(2) of European Regulation No 537/2014 that this Recommendation has not been influenced by third parties and that none of the clauses referred to in paragraph 6 of the mentioned Article have been applied.

Varese, 5 March 2021

Board of Statutory Auditors

*Signed:* Luisa Marina Pasotti (Chairman)

*Signed:* Giacomo Ramenghi

*Signed:* Massimo Gatto

**ORDINARY SHAREHOLDER'S MEETING****DIRECTORS' REPORT****2021 Remuneration Policy.**

Dear Shareholders,

We called you at the Ordinary Shareholders' Meeting to submit to you the proposal for approval of Section I "2021 remuneration policy" – item 6 on the Agenda – of "2021 FinecoBank Group Remuneration policy and report", 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, Section I – *2021 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 7 on the Ordinary meeting Agenda, on Section II – *2020 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 and, 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 Section I – *2021 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, CRO, CFO 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. 2021 Remuneration Policy

The relevant pillars of the Group's compensation policy, as illustrated in Section I – 2021 remuneration policy, which are confirmed with respect to those approved by the Shareholders' Meeting on 28 April 2020, 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 and, consistently, for the Deputy General Managers for the year 2021, confirming the focus on ESG topics and sustainable development
- (b) updates on the regulatory framework
- (c) the ratio between variable remuneration and fixed remuneration. In particular, for employees belonging to business functions, the maximum level of 2:1 - approved by the Fineco Shareholders' Meeting of 5 June 2014 - has not been changed; for all other 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 the total remuneration. With regards to Financial Advisors Identified Staff, a ratio of 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 CRO functions;
- (e) the definition of 2021 Identified Staff for both employees and Financial Advisors;
- (f) a description of the new 2021 Incentive Systems reserved for the Identified Staff (employees and Financial Advisors);
- (g) a description of the new 2021-2023 Long-Term Incentive System reserved for selected employees, including Identified Staff and other key resources of the Bank.

\* \* \*

## 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,*

### *DECIDE*

- 1. To approve - also pursuant to art. 123-ter, paragraph 3-bis and 3-ter of TUF – Section I - 2021 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 2021 Remuneration policy and report, 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****2020 Remuneration Report.**

Dear Shareholders,

We called you at the Ordinary Shareholders' Meeting in order to hold an advisory vote on Section II – “2020 remuneration report” – item 7 on the Agenda – of the "2021 FinecoBank Group Remuneration policy and report" reported in the attached document that 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, Section I – *2021 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 6 on the Ordinary meeting Agenda – and holds an advisory vote on Section II – *2020 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 2020 compensation policy approved by the Shareholders' Meeting on April 28<sup>th</sup> 2020 and included in Section II – *2020 remuneration report*.

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



## 1. 2020 Remuneration Report

Section II – 2020 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 2020 remuneration report are:

- (a) a description of the implementation of the FinecoBank 2020 Incentive Systems reserved for Identified Staff (employees and Financial Advisors);
- (b) a description of the execution of the 2018-2020 Long Term Systems reserved for selected employees and for Financial Advisors Identified Staff;
- (c) remuneration structure and performance of the Chief Executive Officer and General Manager for the 2020 Financial Year;
- (d) a detailed focus on the execution of FinecoBank previous years' short-term and long-term Incentive Systems reserved for Identified Staff (employees and Financial Advisors), subject to the achievement of 2020 entry conditions;
- (e) a complete information on the data requested by national and international regulators, including 2020 regulatory updates.

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 Section II – 2020 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 remuneration report, on how the vote has affected its practices".*

**ORDINARY SHAREHOLDER'S MEETING****DIRECTORS' REPORT****2021 Incentive System for Identified Staff employees.**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to submit for your approval the 2021 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 "**2021 System**" or "**2021 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 were 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 Remuneration 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 to 2:1 for employees belonging to the business functions, except applying a lower ratio when required by the applicable legislation.

**1. 2021 Incentive System for Identified Staff employees****GOALS**

The 2021 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.

**BENEFICIARIES**

The following potential beneficiaries of the 2021 System are identified - in line with the criteria defined by the current regulation - as "**Identified Staff**":

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

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- 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 and whose activity has a material impact on the Bank's risk profile;
- 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 19 January 2021, is 20<sup>2</sup>.

### ELEMENTS OF THE 2021 SYSTEM

Below, the main elements of the 2021 system. In particular:

- (a) in line with the approach adopted in 2020, the 2021 System is based on the concept of "bonus pool" for determining the variable remuneration that will be granted in 2022. 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 2021 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 both "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 21, including the CEO of Fineco Asset Management DAC, beneficiary of the FAM 2021 Incentive System

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- (e) the payment of the total incentive so defined will be executed over a multi-year period (2022 - 2027), as indicated below and on condition that the beneficiaries are in service at the time of each payment:
- in 2022 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 2023 - 2027 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:

	2022	2023	2024	2025	2026	2027
CEO/GM and other roles provided by law with a "significant amount" <sup>3</sup> of total variable remuneration	20% cash	20% shares	12% cash	12% shares	12% shares	12% cash 12% shares
Other roles provided by law <sup>4</sup> with no "significant amount" of total variable remuneration	25% cash	25% shares	10% cash	10% shares	10% shares	10% cash 10% shares
Other identified staff with no "significant amount" of total variable remuneration	30% cash	30% shares	10% shares	10% cash 10% shares	10% cash	-

- (h) in line with 2020, there is a minimum threshold below which no deferral will be applied and the entire amount will be paid in cash;

<sup>3</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 Eainers 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>4</sup> For instance the first reporting line of the Management Body (CEO) and responsible of main business areas.

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- (i) the 2021 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 2022 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 2021. The maximum estimated shares assignment is equal to n. 541,828 FinecoBank free ordinary shares, representing approximately the 0.09% of Fineco's share capital, including FinecoBank ordinary shares that may eventually be allocated to hiring Identified Staff from the external market and/or for severance payments;
- (k) the FinecoBank free ordinary shares assigned will be freely transferable.

**CHANGES TO THE 2021 SYSTEM**

In order to ensure compliance with the current legal and regulatory provisions (including fiscal matter), during the implementation of the 2021 System, it's deemed appropriate to propose delegation of powers to the Chief Executive Officer and General Manager, to make any changes to the 2021 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 2021 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 2021 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 2021 Incentive System for Identified Staff employees**

The issue of free ordinary shares necessary for the implementation of the 2021 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 2021 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 143,131.89 (to be allocated entirely to capital), by issuing a maximum number of 433,733 new ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation with regular dividend entitlement.

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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 2026), for the allocation of the last tranche of shares envisaged for 2027, 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 2021 System.

The issue of free ordinary shares necessary for the execution of the 2021 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 2021 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.

### 3. Resolutions submitted to the Ordinary Shareholders' Meeting

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 2021 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 2027, 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****2021-2023 Long Term Incentive Plan for employees.**

Dear Shareholders,

We have called you to the Ordinary Shareholders' Meeting to request your approval for the 2021-2023 Long Term Incentive Plan for employees (hereinafter also the “**2021-2023 Plan**” or the “**Plan**”), providing for the grant of an incentive in FinecoBank free ordinary shares to selected FinecoBank employees, over a multi-year period, according to the conditions described below and subject to the achievement of specific performance conditions.

This proposal has been prepared in compliance with the provisions of art. 114-bis of the Legislative Decree n. 58, 24 February 1998, and in accordance to the provisions set forth by Consob with reference to incentive plans based on financial instruments assigned to corporate officers, employees or independent contractors; moreover, in compliance with the aforementioned provisions, an information document pursuant to art. 84-bis of the Consob Regulation no. 11971/99 and subsequent amendments were made available to the public under the terms of law and to which reference is made for a detailed description of the Plan illustrated in this report.

The proposal is also in line with Fineco's Remuneration Policy, with the provisions issued by Bank of Italy on remuneration and incentive policies and practices, 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 to 2:1 for employees belonging to the business functions, except applying a lower ratio when required by the applicable legislation.

**1. 2021-2023 Long Term Incentive Plan for employees****GOALS**

The 2021-2023 Plan aims at incentivizing, retaining and motivating in the long term 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.

**BENEFICIARIES**

The beneficiaries of the Plan are estimated on 19 January 2021 in 100 employees selected from the Bank's "key" resources, including Executives with Strategic Responsibility. The Heads of the Corporate Control Functions, for which is applied a maximum incidence of variable remuneration of 33% on fixed remuneration are excluded from the Plan.

**ELEMENTS OF THE PLAN**

- (a) The Plan aims to incentivize, retain and motivate the beneficiaries for the 2021-2023 performance years and sets goals linked to FinecoBank 2021-2023 targets in terms of value creation, industrial sustainability, risk e stakeholder value;
- (b) specifically, the Plan envisages performance targets at the Bank level such as the ROAC, the Net Sales of AUM, the Cost Income Ratio and the Cost of Risk on commercial loans. With regards to *stakeholder value*, we have identified three ESG indicators, namely customer satisfaction, people engagement and rating ESG for all new funds. Each goal has a relative weight in terms of impact on the total bonus and will be assessed against progressive thresholds, corresponding to increasing payout with a linear progression from 0 to 100%;
- (c) the Plan provides for entry and malus conditions of capital, liquidity and profitability of Fineco, as well as individual compliance conditions, a claw-back clause and a continuous employment clause;
- (d) the Plan provides for risk-weighted measures to ensure long-term sustainability with reference to the company's financial position and to ensure compliance with the Authority's expectations;
- (e) the Plan provides for individual bonuses in FinecoBank ordinary shares defined taking into account the roles of the beneficiaries;
- (f) the individual bonuses will be paid over a multi-year period, defined according to the beneficiary categories and in line with the regulatory provisions, as outlined in the following table:

<i>Allocation</i>	2024	2025	2026	2027	2028	2029
CEO and General Manager	10% shares	30% shares	30% shares	15% shares	15% shares	
Managers with Strategic Responsibility	40% shares	15% shares	15% shares	15% shares	15% shares	
Other Identified Staff	40% shares	20% shares	20% shares	20% shares		
Non Identified Staff	40% shares	20% shares	20% shares	20% shares		

<i>Payout</i>	2024	2025	2026	2027	2028	2029
CEO and General Manager		10% shares	30% shares	30% shares	15% shares	15% shares
Managers with Strategic Responsibility		40% shares	15% shares	15% shares	15% shares	15% shares
Other Identified Staff		40% shares	20% shares	20% shares	20% shares	
Non Identified Staff	40% shares	20% shares	20% shares	20% shares		



- (g) in relation to the ratio between the variable and fixed remuneration component, in compliance with the applicable regulatory provisions and consistently with the provisions of the FinecoBank Remuneration Policy, the respect of the maximum limits envisaged is confirmed, also taking into account the variable short-term remuneration related to each year of performance;
- (h) the assessment of Fineco's "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;
- (i) all payments in shares for the Beneficiaries Identified Staff, in accordance with the current regulatory provisions, require a 1-year retention period.
- (j) the number of shares to be paid in the respective tranches, to be assigned following verification of the achievement of performance targets, will be determined in 2021 on the basis of the arithmetic mean of the official market closing prices of FinecoBank ordinary shares during the month preceding the date on which the Board of Directors of FinecoBank will execute the General Shareholders' Meeting resolution concerning the Plan. It is estimated that a maximum of 1,450,382 free ordinary FinecoBank shares will be assigned, representing approximately 0.24% of FinecoBank's share capital;
- (k) the FinecoBank ordinary shares assigned will be freely transferable.

#### **CHANGES TO THE PLAN**

In order to ensure compliance with current legal and regulatory provisions (including fiscal matters), during the implementation of the Plan, it's deemed appropriate to propose delegation of powers to the Chief Executive Officer and General Manager, to make changes to the Plan that do not alter substantially the content of the resolutions of the Board of Directors and the General Shareholders' Meeting, also by resorting to different solutions, that fully comply with the principles of the Plan and allow the achievement of the same results (i.e. a different percentage distribution of the payments of the different tranches, a different deferral period, a different retention period on granted shares, the extension of the Plan to other beneficiaries, 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 in lieu 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 closing price of ordinary shares during the month preceding each Board resolution executing the payment of each share installment).

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

#### **2. Share request for the 2021 – 2023 Long Term Incentive Plan for employees**

The issue of free ordinary shares necessary for the implementation of the Plan, 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, an Extraordinary Shareholders' Meeting will be called to approve the proposal to assign such delegation to the Board of Directors.

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In particular, for the purpose of issuing FinecoBank ordinary shares for the execution of the Plan, 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 238,511.58 (to be allocated entirely to capital), corresponding to up to 859,126 FinecoBank new ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation and 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 2026), for the allocation of the last three tranches of shares envisaged for 2027, 2028 and 2029, 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 Plan.

The issue of free ordinary shares necessary for the implementation of the Plan 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 Plan (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 executing the payment of each share installment.

### 3. Resolutions submitted to the Ordinary Shareholders' Meeting

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 2021-2023 Long Term Incentive Plan for employees, which provides for the allocation of an incentive, in FinecoBank ordinary shares, to be carried out within the month of April 2029, to selected beneficiaries, 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****2021 Incentive System for Personal Financial Advisors (PFA) Identified Staff.****Authorization to purchase and dispose of treasury shares. Consequent and inherent resolutions.****(prepared pursuant article 73, Consob Regulation)**

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**2021 Incentive System for Personal Financial Advisors (PFA) Identified Staff.**

Dear Shareholders,

We have called this ordinary Meeting to request your approval of the 2021 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 2021 Incentive System described in this report.

The proposal is also in line with FinecoBank Remuneration 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 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 2021 Incentive System for Personal Financial Advisors Identified Staff (hereinafter also the “**2021 PFA System**”) aims to retain and motivate 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 defined by the current regulation, 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 January 19, 2021, is 12.

**ELEMENTS OF 2021 PFA SYSTEM**

- (a) The 2021 PFA System is based on the “bonus pool approach” to define variable remuneration to be paid in 2022. The link between profitability, risk and reward is assured by directly linking the bonus pool to 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 2021 PFA System - besides its aims to retain and motivate beneficiaries - confirms 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” (carried out at the moment of performance evaluation) and “deferred” payments, in cash and in FinecoBank ordinary shares (also “shares”);
  - payments in shares consistent with the applicable regulatory requirements regarding the application of share retention periods. The payment structure requires in fact one/year retention period on both upfront and deferred payments;
  - 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 (2022-2026), as indicated below and provided that the agency relationship of the beneficiaries is in place at the time of each payment:

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- in 2022 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 2023-2026 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:

	2022	2023	2024	2025	2026
Personal Financial Advisors Identified Staff with “significant” <sup>2</sup> amount of non-recurring remuneration	20% cash	5% cash 20% Shares	5% cash 15% Shares	10% cash 15% Shares	10% cash
Personal Financial Advisors Identified Staff with no “significant” amount of non-recurring remuneration	30% cash	30% Shares	10% Shares	10% Cash 10% Shares	10% cash

- (g) in coherence with the 2020 PFA System, it is foreseen a minimum threshold below which deferral mechanism will not be applied and the entire amount 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 2022, 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 the 2021 performance results;
- (i) the estimated allocation is maximum number of 203,773 FinecoBank ordinary shares, representing about 0.03% of FinecoBank share capital, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the 119,934 treasury shares owned by the Company at the date of the present report, equal to 0.02% 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.

<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.

**CHANGES TO THE 2021 PFA SYSTEM**

In order to guarantee the compliance with regulatory and legal dispositions (also in fiscal matter), during the implementation of 2021 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 2021 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 2021 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 2021 PFA System application to other beneficiaries considered equivalent to identified staff).

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

**Resolutions submitted to the Ordinary Shareholders' Meeting**

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 2021 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 2026, 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 2021 PFA SYSTEM**

In order to acquire the financial instruments needed to carry out the 2021 PFA System for the Personal Financial Advisors, it is necessary to propose to the Shareholders' Meeting the authorization, pursuant article 2357 civil Code, to purchase and to dispose of treasury shares. Thus, the Company will have, by purchasing them on the market, the shares needed to support the 2021 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 203,773 ordinary shares, equal to 0.03% of share capital and, therefore, well below the maximum limit of 20% provided by the applicable regulation, also taking into consideration the 119,934 treasury shares owned by the Company at the date of the present report, equal to 0.02% 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

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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.

**Resolutions submitted to the Ordinary Shareholders' Meeting**

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 disposal of a maximum of number 203,773 treasury shares, equal to a nominal value of Eur 0.33 each, for the purposes of "2021 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 "2021 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."*



EXTRAORDINARY SHAREHOLDERS' GENERAL MEETING

## DIRECTORS' REPORT

1. **Delegation to the Board of Directors, under the provisions of section 2443 of the Italian civil Code, of the authority to resolve, in one or more instances for a maximum period of five years from the date of the Shareholders' resolution, to carry out a free share capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Euro 143,131.89 (to be allocated in full to share capital) corresponding to up to 433,733 FinecoBank new 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 2021 of FinecoBank in execution of the 2021 Incentive System; consequent amendments to the Articles of Association.**
2. **Delegation to the Board of Directors, under the provisions of section 2443 of the Italian civil Code, of the authority to resolve in 2026 a free share capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Euro 36,476.22 corresponding to up to 110,534 FinecoBank new 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; consequent amendments to the Articles of Association.**
3. **Delegation to the Board of Directors, under the provisions of section 2443 of the Italian civil Code, of the authority to resolve, in one or more instances for a maximum period of five years from the date of the Shareholders' resolution, to carry out a free share capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Eur 283,511.58 (to be allocated in full to share capital), corresponding to up to 859,126 FinecoBank new ordinary shares with a nominal value of Eur 0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the beneficiaries of the 2021-2023 Long Term Incentive Plan for employees; consequent amendments to 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 section 2443 of the civil Code, to increase the share capital pursuant under section 2349 of the civil Code (granting of free ordinary shares to employees of FinecoBank) in order to:

1. execute the "2021 Incentive System" (hereinafter the "**2021 System**") submitted to the approval of ordinary session of the Shareholders' Meeting
2. complete the execution of the "2020 Incentive System" (hereinafter the "**2020 System**") as per the approval of the Shareholders' Meeting of April 28, 2020, as well as to
3. execute the "2021-2023 Long Term Incentive Plan" for FinecoBank Employees (hereinafter also the "2021-2023 Plan" or the "Plan") submitted to the approval of today's ordinary session of the Shareholders' Meeting

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

## 1. Delegation for capital increase to support the 2021 Incentive System

It has been submitted to the approval Ordinary Shareholders' Meeting the 2021 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 2021 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 of January 19, 2021 is equal to 20<sup>(1)</sup>.

Individual bonuses will be allocated to the beneficiaries of the 2021 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 (2022-2027) in a balanced structure of "upfront" (made at the time of performance evaluation) and deferred payments, in cash and in shares, providing that the beneficiaries will be still employees at the moment of each payout pursuant to the schemes below:

	2022	2023	2024	2025	2026	2027
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 no 'significant amount' <sup>(3)</sup> of variable pay	25% cash	25% shares	10% cash	10% shares	10% shares	10% cash 10% shares
Other Identified Staff with no 'significant amount' of variable pay	30% cash	30% shares	10% shares	10% cash 10% shares	10% cash	-

The number of shares to be allocated in the respective instalments shall be defined in 2022, 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 21, including the Fineco Asset Management DAC CEO, to whom 2021 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.

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month preceding the Board resolution that evaluates the results achieved in 2021 (the maximum number of shares to support the 2021 System is estimated equal to 541,828).

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to execute the 2021 System is the resolution – in one or more instances - by the Board of Directors upon power of attorney delegated by this Shareholders' Meeting under section 2443 of the Italian civil Code, of a free capital increase, as allowed by section 2349 of the Italian civil Code, within five years of the date of the Shareholders' resolution, for a maximum amount of Euro 143,131.89 (to be allocated entirely to capital), by issuing up to 433,733 new 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 of FinecoBank. In compliance with section 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 section 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 2021 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 2021 System through the allocation of a maximum overall number of 108,095 Fineco ordinary shares, corresponding to a capital increase of a maximum of Euro 35,671.35.

It is highlighted that a residual number of Fineco ordinary shares 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 for severance payments. 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 2021 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 0.07% of existing share capital (0.09% considering the maximum number of shares equal to 541,828 which include also the 108,095 shares for the allocation of the last instalments in shares in 2027).

## **2. Delegation for capital increase to support the 2020 Incentive System**

As known, on April 28, 2020 the Ordinary Shareholders' Meeting approved the 2020 Incentive System aimed to incentivize the Identified Staff of FinecoBank, over a multi-year period (2021-2026),

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through a balanced structure of “upfront” (made at the time 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 2020 System.

Considering that, pursuant to section 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 2026, as foreseen by 2020 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 2026, to resolve a free capital increase for a maximum number of 110,534 ordinary shares, corresponding to up to Euro 36,476.22 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 2021-2023 Long Term Incentive plan**

It has been submitted to the approval of today's Ordinary Shareholders' Meeting the 2021-2023 Long Term Incentive Plan based on FinecoBank shares, in order to align shareholders' and Beneficiaries interests, reward long term value creation and in the meantime to motivate and retain key resources of FinecoBank.

The 2021-2023 Plan (also “2021-2023 Plan) has the aim to incentivize and retain, in a multi-year period, ca. 100 beneficiaries with “key” roles in the Bank's organization, including Managers with Strategic Responsibility. The Heads of Control Functions are excluded from the 2021-2023 Plan as since 2016 their variable remuneration cannot exceed the 33% of fixed pay, by law.

The 2021-2023 Plan sets goals linked to 2021-2023 FinecoBank targets in terms of value creation, industrial sustainability, risk and stakeholder value.

The 2021-2023 Plan provides for individual bonuses in FinecoBank shares, defined taking into account the roles of the Beneficiaries as well as the maximum limits provided for the percentage of incidence of the variable pay versus the fixed pay, taking into account the short-term variable remuneration.

The individual bonuses will be assigned through a multi-year payout scheme, defined taking into account the categories of beneficiaries and in line with the regulatory provisions, as shown in the following table:

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<i>Allocation</i>	2024	2025	2026	2027	2028	2029
CEO and General Manager	10% shares	30% shares	30% shares	15% shares	15% shares	
Managers with Strategic Responsibility	40% shares	15% shares	15% shares	15% shares	15% shares	
Other Identified Staff	40% shares	20% shares	20% shares	20% shares		
Non Identified Staff	40% shares	20% shares	20% shares	20% shares		

<i>Payout</i>	2024	2025	2026	2027	2028	2029
CEO and General Manager		10% shares	30% shares	30% shares	15% shares	15% shares
Managers with Strategic Responsibility		40% shares	15% shares	15% shares	15% shares	15% shares
Other Identified Staff		40% shares	20% shares	20% shares	20% shares	
Non Identified Staff	40% shares	20% shares	20% shares	20% shares		

The number of shares to be allocated in the respective instalments to be assigned pursuant to the verification of the performance targets achievement shall be defined in 2021, on the basis of the arithmetic mean of the official closing market price of FinecoBank ordinary shares during the month preceding the FinecoBank Board resolution that executes the Shareholder's Meeting resolution related to the 2021-2023 Plan. It is estimated the assignment of maximum n. 1,450,382 FinecoBank free ordinary shares, representing an overall 0,24% of existing share capital.

Considering the number of beneficiaries and the total number of financial instruments to be allocated, the optimal method identified to execute the 2021-2023 Plan is the resolution – in one or more instances – by the Board of Directors upon power of attorney delegated by this Shareholders' Meeting under section 2443 of the Italian civil Code, of a free share capital increase, as allowed by section 2349 of the Italian civil Code, within five years of the date of the Shareholders' resolution, for a maximum amount of Eur 283,511.58 (to be allocated entirely to capital), by issuing up to 859,126 new FinecoBank ordinary shares with a nominal value of €0.33 each, with the same characteristics as those in circulation and with regular dividend entitlement, to be granted to the beneficiaries of the 2021-2023 LTI Plan. In compliance with section 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 section 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 the 2021-2023 Plan, 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, for the

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purpose of the assignment of the last three tranches of shares as provided by the 2021-2023 Plan, in 2027, 2028 and 2029, through the allocation of a maximum overall number of 591,256 Fineco ordinary shares, corresponding to a capital increase of a maximum of Eur 195,114.48.

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 necessary, may be reconstituted or increased by allocating a portion of available statutory profits or reserves , created as the result of the allocation of company profits that shall be identified by the Board of Directors upon exercise of the delegation.

In the event that it is not possible to proceed with the issuance (full or partial) of the shares serving the 2021-2023 Plan (including the case in which the amount of the “Provisions Linked to the Medium-Term Incentive System for the staff of FinecoBank” is not sufficient), 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 executing the payment of each share instalment.

Should the aforementioned delegation of power of attorney be exercised to its maximum amount, the newly issued shares would represent an overall 0.14% of existing share capital (0.24% considering the maximum number of shares equal to 1,450,382 which include also the 591,256 shares for the allocation of the last three instalments in shares in 2027, 2028 and 2029).

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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 paragraph n. 17 and the insertion of two additional paragraphs (n. 18, 19). Changes submitted to Shareholders' approval are shown in the synoptic table below:



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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.

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 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



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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 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.

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

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<p>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 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>(unchanged)</p>
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<p>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>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 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, 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,</p>	<p>(unchanged)</p>

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<p>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..</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 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 (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 287,945 new</p>	<p>(unchanged)</p>

<p>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 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 Incentive System.</p> <p>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.</p>	<p>17. 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 Article 2349 of the civil Code, in one or more instances</b> and for a maximum period of five years <b>(i)</b> from the date of the shareholders' resolution dated April 28, 2020, <del>a free increase in share capital, pursuant to Article 2349 of the civil Code,</del> for a maximum amount of Euro 174,234.39 (attributable entirely to capital <b>at Euro 0.33 per share, corresponding to the nominal value per share</b>) <del>with the issuance of</del> <b>by issuing</b> up to 527,983 new FinecoBank ordinary shares <b>as well as (ii) from the date of the shareholders' resolution dated April 28, 2021, for a maximum amount of Euro 36,476.22 by issuing up to 110,534 new FinecoBank ordinary shares (attributable entirely to capital at with a nominal value of Euro 0.33 per share) 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 2020 Incentive System.</p> <p><b>18. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, in one or more instances and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2021, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 143,131.89 (attributable entirely to capital) by issuing up to 433,733 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 FinecoBank Identified Staff in execution of the 2021 Incentive System.</b></p>
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	<p><b>19. The Board of Directors has the right, pursuant to Article 2443 of the civil Code, to resolve, in one or more instances and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2021, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 283,511.58 (attributable entirely to capital) by issuing up to 859,126 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 Employees in execution of the 2021-2023 Long Term Incentive Plan.</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".

#### **4. Resolutions submitted to the Extraordinary Shareholders' Meeting**

Dear Shareholders,

in relation to the above, considering as approved by the ordinary Shareholders' Meeting the adoption of the 2021 Incentive System and of the 2021-2023 Long Term Incentive Plan and taking into account the resolutions approved during the April 28, 2020 Meeting, related to the 2020 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 section 2443 of the Italian civil Code, the authority to resolve – in 2026 – a free capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Euro 36,476.22 corresponding to up to 110,534 Fineco ordinary shares with a nominal value of Euro 0.33 each, with the same characteristics as those in circulation,*

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*with regular dividend entitlement, to be granted to FinecoBank Identified Staff, in order to complete the execution of the 2020 System approved by the Ordinary Shareholders' Meeting on April 28, 2020. 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. 17 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 resolve to carry out a free share capital increase, pursuant to Article 2349 of the civil Code, in one or more instances and for a maximum period of five years (i) from the date of the shareholders' resolution dated April 28, 2020, for a maximum amount of Euro 174,234.39 (attributable entirely to capital at Euro 0.33 per share, corresponding to the nominal value per share) by issuing up to 527,983 new FinecoBank ordinary shares as well as (ii) from the date of the shareholders' resolution dated April 28, 2021, for a maximum amount of Euro 36,476.22 by issuing up to 110,534 new FinecoBank ordinary shares (attributable entirely to capital at Euro 0.33 per share); 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 2020 Incentive System.";*

3. *to grant the Board of Directors, under the provisions of section 2443 of the Italian civil Code, the authority to resolve, in on one or more instances for a maximum period of five years from the date of Shareholders' resolution, a free capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Euro 143,131.89 (attributable entirely to capital), corresponding to up to 433.733 FinecoBank 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 2021 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;*

4. *to insert a new paragraph (no. 18) 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, in one or more instances and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2021, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 143,131.89 (attributable entirely to capital) by issuing up to 433.733 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 FinecoBank Identified Staff in execution of the 2021 Incentive System.";*

5. *to grant the Board of Directors, under the provisions of section 2443 of the Italian civil Code, the authority to resolve, in on one or more instances for a maximum period of five years from the date of Shareholders' resolution, to carry out a free capital increase, as allowed by section 2349 of the Italian civil Code, for a maximum amount of Eur 283,511.58 (attributable entirely to capital), corresponding to up to 859,126 new FinecoBank ordinary shares with a nominal value of Eur 0.33 each, with the*



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*same characteristics as those outstanding, with regular dividend entitlement, to be granted to the beneficiaries of the 2021-2023 Long Term Incentive Plan 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. 19) 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, in one or more times and for a maximum period of five years from the date of the shareholders' resolution dated April 28, 2021, a free increase in share capital, pursuant to Article 2349 of the civil Code, for a maximum amount of Euro 283,511.58 (attributable entirely to capital) by issuing up to 859,126 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 Employees in execution of the 2021-2023 Long Term Incentive Plan".*
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:*
  - a. *provide for implementing the above resolutions under the terms of the law;*
  - b. *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";*
  - c. *proceed with the deposit and registration, under the terms of the law, with explicit and advanced approval and ratification;*
  - d. *make the consequent amendments to clause 5 of the Articles of Association, as described in the resolution above."*



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