

Banca Ifis S.p.A.

SHAREHOLDERS' MEETING

**EXPLANATORY REPORT BY THE BOARD OF DIRECTORS ON THE ITEMS ON THE AGENDA OF
THE ORDINARY SHAREHOLDERS' MEETING CONVENED FOR 18 APRIL 2024 IN A SINGLE CALL**

*(drafted pursuant to Art. 125-ter of Italian Legislative Decree no. 58 of 24 February 1998, as amended and
supplemented)*

Shareholders,

This report (the “**Report**”) is prepared pursuant to Article 125-*ter* of Legislative Decree no. 58 of 24 February 1998, as amended and supplemented (the “**Consolidated Law on Finance**”) and Article 84-*ter* of the Regulation adopted by Consob no. 11971 of 14 May 1999, as subsequently amended and supplemented (the “**Issuers' Regulation**”), in order to illustrate to the Ordinary Shareholders' Meeting of Banca Ifis S.p.A. (“**Banca Ifis**” or the “**Bank**”), convened for 18 April 2024 in a single call (the “**Shareholders' Meeting**”), the proposed resolutions set forth in items 1), 2) and 3) of the agenda.

Item 1) on the Agenda of the Shareholders' Meeting

Financial statements as at 31 December 2023:

1.1) approval of the financial statements as at 31 December 2023, presentation of the consolidated financial statements as at 31 December 2023 and the consolidated non-financial statement pursuant to Italian Legislative Decree no. 254 of 30/12/2016 - Sustainability Report;

1.2) allocation of the operating result;

related and consequent resolutions.

Shareholders,

The draft financial statements at 31 December 2023 ⁽¹⁾, which we submit for your approval, show a profit for the year of 143.403.999 Euro.

Taking into account the amount distributed as an interim dividend for FY 2023 on 22 November 2023 of 1.2 Euro per share (gross of withholding taxes) as per the Board of Directors' resolution of 9 November 2023, the balance of the dividend relating to FY 2023 (gross of withholding taxes) of 0.90 Euro per ordinary share will be paid with ex coupon (no. 29) (the "ex date") on 20 May 2024 and includes the portion attributable to treasury shares held by the Company.

Pursuant to Art. 83-*terdecies* of the Consolidated Law on Finance eligibility for the dividend is determined based on the shareholders of record on the intermediary's books as per Article 83-*quater*, paragraph three of the Consolidated Law on Finance at the end of 21 May 2024 (the "record date").

The aforementioned payment of the balance on the dividend for FY 2023, gross of withholding taxes, is scheduled to be paid on 22 May 2024 (the "payment date").

The total disbursement of the balance of the dividend for FY 2023, determined gross of the portion relating to treasury shares pursuant to Art. 2357-*ter* of the Italian Civil Code, is equal to a maximum of 48.429.985,50 Euro.

The proposal is in line with what had already been communicated to the market on 19 January last, when the Corporate Events Calendar was published, and on 8 February last, when the preliminary 2023 results were released.

⁽¹⁾ The draft financial statements and consolidated financial statements for the year ended 31 December 2023 were approved by the Board of Directors at its meeting on 7 March 2024.

We also submit for your attention the consolidated financial statements at 31 December 2023 which, although not subject to approval by the Shareholders' Meeting, supplement the information provided with the financial statements of the Bank.

For more information regarding the financial statements, reference should be made to the contents of the reports and deeds filed at the Company's registered office pursuant to Art. 2429, paragraph three, of the Italian Civil Code and the authorised storage mechanism www.emarketstorage.com, as well as published on the website www.bancaifis.it.

Proposed resolution

In light of the above, the Board of Directors intends to submit the following for your approval

PROPOSED RESOLUTION

"The Shareholders' Meeting of Banca Ifis S.p.A., having examined the explanatory Directors' Report, the figures of the financial statements of Banca Ifis S.p.A. at 31 December 2023 and the report of the Board of Directors, having acknowledged the report of the Board of Statutory Auditors and the report of the Independent Auditors,

resolves

- a) *to approve the financial statements for the year ended 31 December 2023, with the report on operations presented by the Board of Directors;*
- b) *to allocate net profit for the year of 143,403,999 Euro as follows:*
 - (i) *taking into account the exercise of the capitalisation option provided for by Article 26, paragraph 5-bis of Decree Law no. 104/2023 (converted with amendments by Law no. 136 of 9 October 2023) and as anticipated to the market in a press release of 9 November last, 23,905,112 Euro (amount equal to two and a half times the tax calculated pursuant to the aforementioned Article 26 of Decree Law 104/2023) to a non-distributable reserve;*
 - (ii) *considering the amount already distributed as an interim dividend for FY 2023 on 22 November 2023 of 1.2 Euro per share, distribute to shareholders a balance of the dividend for FY 2023 (gross of withholding taxes) of 0.90 Euro per ordinary share with ex-dividend date (no. 29) on 20 May 2024. This dividend includes the portion attributable to the Bank's treasury shares. Pursuant to Art. 83-terdecies of the Consolidated Law on Finance, the entitlement to the payment of the dividend is determined with reference to the evidence in the accounts of*

the intermediary referred to in Art. 83-quater, third paragraph, of the Consolidated Law on Finance, at the end of the accounting day of 21 May 2024 (the “record date”);

- (iii) allocating the remainder to other reserves.*
- c) to pay the aforementioned balance of the dividend for FY 2023 from 22 May 2024 (the “payment date”). The payment will be made through the authorised intermediaries with which the shares are registered in the Monte Titoli System.”.*

Item 2) on the Agenda of the Shareholders' Meeting

Remuneration:

2.1) Report on remuneration policy and remuneration paid pursuant to Art. 123-ter of Italian Legislative Decree No. 58/1998: approval of Section I - 2024 Banca Ifis Group Remuneration and Incentive Policy;

2.2) Report on remuneration policy and remuneration paid pursuant to Art. 123-ter of Italian Legislative Decree No. 58/1998: non-binding resolution on Section II - Information on fees paid in FY 2023;

related and consequent resolutions;

Dear Shareholders,

We present to you the document "Report on remuneration policy for FY 2024 and remuneration paid during FY 2023" approved by the Bank's Board of Directors at its meeting on 7 March 2024 (the "**Report**").

With the above-mentioned document, the Board aimed at implementing the provisions set out in Art. 123-ter of the Consolidated Law on Finance, as well as current banking regulations and the self-regulation rules contained in the Corporate Governance Code.

The Report therefore also contains additional information, in aggregate form, on the so-called "Risk Takers" ⁽²⁾ not included in the scope of application of the cited Article of the Consolidated Law on Finance.

With regard to the regulatory framework, reference should be made in particular to the following:

- (i) with reference to primary and secondary legislation applicable to listed companies:
 - a) Art. 123-ter of the Consolidated Law on Finance containing the provision to make available to the public at least twenty-one days prior to the date of the Ordinary Shareholders' Meeting held to approve the financial statements a report on the remuneration policy and fees paid;
 - b) Art. 84-*quater* of the Issuers' Regulation setting out the obligation to make available to the public the aforementioned report on the remuneration policy and fees paid drawn up in compliance with "*Schedule 7 bis*" of Annex 3A of the Issuers' Regulation;
- (ii) with reference to the secondary legislation applicable to banks and banking groups, in particular, Circular no. 285/2013;

⁽²⁾ Pursuant to Delegated Regulation (EU) No. 2021/923.

- (iii) with reference to the self-regulation rules of listed companies:
- a) the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana S.p.A.; and
 - b) the most recent "Format for the report on corporate governance and shareholding structure" of listed companies made available by Borsa Italiana S.p.A..

The text of the Report was approved by the Board of Directors after receiving the favourable opinion of the Remuneration Committee, which examined it from a preliminary viewpoint for the profiles of competence.

In summary, the Report is made up of two sections:

- Section I aimed at illustrating, for the members of the management bodies, general management, key managers and, without prejudice to the provisions of Article 2402 of the Italian Civil Code, members of the control bodies, as well as for the "Risk Takers" not included in the scope of application of Art. 123-ter of the Consolidated Law on Finance, the Company's remuneration policy and the procedures used for the adoption and implementation of such policy. This section describes the policy envisaged/proposed for FY 2024;
- Section II structured into two parts: the first is aimed at showing each remuneration item with name for the members of the management and control bodies, general management and, in aggregate form, key managers, as well as for "Risk Takers" not included within the scope of Article 123-ter of the TUF. The second part shows analytically in tabular form, as indicated in Annex 3A, Schedule no. 7 bis of the Issuers' Regulation, the remuneration paid during FY 2023 or related to it, for any reason and in any form, by the company and its subsidiaries and associates. The additional information required pursuant to Article 450 of Regulation (EU) no. 575 of 26 June 2013 is then included in tabular form for Banca IFIS and the other Group companies.

The Shareholders' Meeting is called upon to pass a non-binding resolution for or against this Section II of the Report.

With regard to the main changes made by the Remuneration Policy with respect to the Remuneration Policy for FY 2023, on which the Shareholders' Meeting voted in favour on 20 April 2023 (the "**2023 Remuneration Policy**"), it should be noted that in light of the positive outcome of the shareholders' meeting vote on the 2023 Remuneration Policy, the Board decided to prepare and submit to the shareholders' meeting vote the Remuneration Policy for FY 2024, which is substantially in line with the 2023 Remuneration Policy.

The following are the main changes with respect to the 2023 Remuneration Policy:

- modification of the access gate for RORAC: the indicator is adjusted for comparison with the respective Tolerance threshold defined in the RAF, as per the other indicators, in order to use a consolidated threshold calculation and monitoring process for the RAF and to strengthen the threshold definition, monitoring, reporting and escalation process;
- the extension of ESG objectives to all roles of responsibility in the corporate organisation, considering all three areas, namely Environmental, Social and Governance, consistent with the 17 United Nations Sustainable Development Goals, confirming the Bank's commitment to the path towards sustainable development;
- increased percentage weighting of ESG targets for key personnel;
- inclusion of Social Banking ESG KPIs for the NPL segment;
- involvement of the Sustainability Committee, to the extent of its competence with respect to ESG issues, in the preparation of the remuneration policy.

The Report will be made available to the public, at the Company's registered office and at the authorised storage facility www.emarketstorage.com, as well as on the Bank's website www.bancaifis.it (section About us/Corporate Governance/Shareholders' Meeting by 19 March 2024 together with the Report on Corporate Governance and Shareholding Structure.

Proposed resolution

In light of the above, the Board of Directors intends to submit the following for your approval

PROPOSED RESOLUTION

"The Shareholders' Meeting of Banca Ifis S.p.A.,

- (i) *having examined the Board of Directors' explanatory report on item 2 on the of the Ordinary Part (the "Explanatory Report") and noted the proposed resolutions contained therein;*
- (ii) *having examined the document entitled "Report on remuneration policy for FY 2024 and on remuneration paid during FY 2023" drafted pursuant to Articles 123-ter of Legislative Decree no. 58 of 24 February 1998 and 84-quater of the Issuers' Regulation adopted by Consob Resolution no. 11971/1999 and approved by the Board of Directors of the Bank in its meeting of 9 March 2023 (the "Report");*

resolves

- a) *to approve the contents of Section I of the document entitled "Report on remuneration policy and remuneration paid" drafted pursuant to and in accordance with Article 123-ter, paragraphs 3-bis and*

3-ter, of Italian Legislative Decree no. 58 of 24 February 1998, also in order to adapt the remuneration policies of the Banca Ifis Banking Group for 2024 and, specifically, also the sub paragraphs (20.1 and 20.2) pursuant to paragraph no. 20 of Section 1 of the document called "Remuneration Report" indexed respectively "Treatment established if the assignment ceases or the work relationship is terminated for key personnel" and "Treatment established if the assignment ceases or the work relationship is terminated for non key personnel", as well as Annex no. 1 of the Report itself containing the Policy related to the key personnel identification process;

- b) *to express a favourable opinion, pursuant to and for the purposes of Article 123-ter, paragraph 6 of Legislative Decree no. 58 of 24 February 1998 on Section II of the Report.*

Item 3) on the Agenda of the Shareholders' Meeting

Appointment of a director. Related and consequent resolutions.

Shareholders,

As we know, Founder Sebastien Egon Fürstenberg - appointed by the Ordinary Shareholders' Meeting on 28 April 2022 and taken from the majority list submitted by shareholder La Scogliera SA - has resigned from his position as director only, effective 8 February 2024.

We therefore invite you to appoint a new director to replace the Founder, in order to integrate the composition of the current Board of Directors up to the number of 12 (twelve) members plus 1 (one) reserved for the minority list, as resolved by the Ordinary Shareholders' Meeting of 28 April 2022.

The Board of Directors has not formulated any specific proposals regarding the appointment of this director and invites the Shareholders to deliberate on this matter on the basis of the proposals that may be presented before the Shareholders' Meeting. As this is a mere integration of the Board of Directors, the Shareholders' Meeting will do so applying the legal majorities with no slate vote, pursuant to art. 11 of the Articles of Association.

The director thus appointed:

- (i) will remain in office for the entire term of the current Board of Directors and, therefore, until the date of the Shareholders' Meeting called to examine and approve the financial statements closing on 31 December 2024; and
- (ii) shall receive, for the period of his effective term of office, the remuneration resolved upon by the Ordinary Shareholders' Meeting of 28 April 2022, in addition to any further remuneration for special offices pursuant to Article 2389, Section 3, of the Italian Civil Code that may be determined by the Board of Directors.

For details on the qualitative-quantitative composition of the Board of Directors, please refer to the document entitled "Optimal qualitative-quantitative composition of the Board of Directors of Banca Ifis", approved by the Board of Directors on 7 March 2024 and made available to you along with this Illustrative Report, as well as to the Annual Report on Corporate Governance and Shareholding Structure of Banca Ifis. In this regard, it should be noted in any case that the Board of Directors currently in office includes:

- (i) 9 directors holding the independence requirements established by the Corporate Governance Code for Listed Companies approved by the Corporate Governance Committee of Borsa Italiana S.p.A., by Article 148, paragraph 3, of the Consolidated Law on Finance and by the provisions, including

regulations, on the requirements for bank officers. In this regard, the Board of Directors considers the current ratio of non-independent (4) to independent (9) Directors prior to the resignation of the Founder to be appropriate, both in relation to the size of the Board and the needs of Board Committees, and for proper management by the Board of any situations of conflict of interest; as well as the ratio

- (ii) of 5 male to 7 female directors. In this regard, the opportunity arises to appoint a representative of the gender that is least represented.

Venice - Mestre, 15 March 2024

For the Board of Directors

The Chairman

(Ernesto Fürstenberg Fassio)