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**BFF BANK S.P.A.**

**POLICY FOR MANAGING DIALOGUE WITH  
ALL SHAREHOLDERS AND BONDHOLDERS**

Approved by the Board of Directors on 28 September 2021.

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## Introduction

Issuers, like BFF Bank S.p.A., adhering to the Italian Corporate Governance Code, are required to adopt, by Board resolution passed on the proposal of the Chairman and expressed in agreement with the CEO, a policy for managing dialogue with all shareholders, also taking into account the commitment policies adopted by institutional investors and asset managers, to manage the direct dialogue between those latter and the members of the board of directors.

Furthermore, pursuant to the Supervisory Provisions for banks, banks of greater size or operational complexity (among which BFF), shall adopt a policy, to be formalised in an internal regulation, for managing dialogue by directors with shareholders (including institutional investors and asset managers) to define at least: *(i)* the positions/figures (including company ones) delegated to manage dialogue; *(ii)* the circulation timing and modalities within bodies with strategic supervision, management and control functions of information concerning meetings with shareholders and the related outcomes; *(iii)* the safeguards to ensure compliance with the confidentiality of information and rules on inside information *(iv)* the differences, where appropriate, between the procedures relating to the dialogue initiated at the initiative of the bank and that initiated at the initiative of shareholders; *(v)* the relevant topics to be discussed with shareholders, including those relating to strategy, financial and non-financial performance as well as risks, capital structure, social and environmental impact and corporate governance.

The Company believes that establishing and maintaining a constant and ongoing relationship with its shareholders (including institutional investors and asset managers), through fair, transparent and differentiated forms of engagement, is in its own specific interest, as well as a duty towards the market. This approach can help to ensure a better understanding of each other's points of view, with a view to fostering the creation of value in the medium to long term and in compliance with current legislative provisions and the principle of equal treatment of shareholders.

Therefore, this Policy aims at pursuing the objective of raising the level of transparency and dialogue between investors and issuers, as promoted by the Shareholder Rights Directive II and required by the Supervisory Provisions for Banks, with reference to shareholders (including institutional investors and asset managers), as a functional tool to foster the creation of long-term value.

## Glossary

Term	Definition
<b>Shareholders' Meeting:</b>	the Shareholders' Meeting of BFF Bank S.p.A.
<b>Shareholders:</b>	the persons, natural persons and/or legal persons, including institutional investors and asset managers, owning shares issued by BFF Bank S.p.A.
<b>Parent Company:</b>	BFF Bank S.p.A., parent company of BFF Banking Group.
<b>Corporate Governance Code:</b>	the Italian Corporate Governance Code for listed companies approved by the Corporate Governance Committee set up by Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of professional investors (Assogestioni) in January 2020, to which the Bank adhered by resolution of the Board of Directors on 22 December 2020.
<b>CEO:</b>	the Parent Company's " <i>body with management functions</i> ". The director to whom, pursuant to the Italian Civil Code, the Board of Directors delegates day-to-day management tasks, i.e. the implementation of the guidance resolved by the same Board in the exercise of its strategic supervision function. He is vested with the title of Chief Executive Officer and Group Chief Executive Officer.
<b>Board of Statutory Auditors:</b>	the Parent Company's " <i>body with control functions</i> ", monitoring compliance with legal, regulatory and statutory provisions, proper management, and the adequacy of the Bank's organisational and accounting structures, including at Group level.
<b>Board of Directors or Board:</b>	Board of Directors of BFF Bank S.p.A.
<b>Committees:</b>	the Remuneration Committee, the Control and Risk Committee, the Appointments Committee and the RPT Committee.
<b>Supervisory Provisions for Banks:</b>	the Bank of Italy's Circular No. 285, dated 17 December 2013, and subsequent updates.
<b>Group:</b>	the BFF Banking Group.

<b>IR:</b>	the Investor Relations Function of BFF Bank S.p.A.
<b>Chairman:</b>	the Chairman of the Board of Directors of BFF Bank S.p.A.
<b>Policy:</b>	the Policy for managing dialogue with the shareholders of BFF Bank S.p.A..
<b>BFF Bank, the Bank or the Company:</b>	BFF Bank S.p.A.
<b>Stakeholders:</b>	the Shareholders and bondholders of BFF Bank S.p.A..
<b>Website:</b>	BFF Banking Group's website: <a href="http://www.bff.com">www.bff.com</a>
<b>Shareholders Directive II:</b>	Directive 2017/828/EU of the European Parliament and of the Council, amending Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007, as regards the encouragement of long-term shareholder engagement.

## 1. Regulatory framework

The Policy formalizes BFF Bank's approach to managing dialogue with Stakeholders (i.e. the Shareholders and bondholders of BFF Bank S.p.A.) for all aspects involving the Board of Directors, integrating into the Company's corporate governance system the Supervisory Provisions for banks and the recommendations of the Corporate Governance Code, which in particular states:

- i. under Principle IV in Article 1:

*"IV. The administrative body shall promote, in the most appropriate forms, dialogue with shareholders and other stakeholders relevant to the company."*

- ii. in Recommendation 3:

*"3. The administrative body, upon proposal of the chairman, expressed in agreement with the chief executive officer, shall adopt and describe in the corporate governance report a policy for managing dialogue with all shareholders, also taking into account the engagement policies adopted by institutional investors and asset managers.*

*The chairman shall ensure for the administrative body to be in any case informed, by the first useful meeting, on the development and significant contents of the dialogue occurred with all shareholders".*

These principles are also in line with what is considered by EU directive 2017/828 (*Shareholder Rights Directive II*, amending and supplementing Directive 2007/36), which aims at directing Shareholders towards a long-term commitment, in order to foster the creation of long-term value.

## 2. Reference purposes and principles

The Policy is aimed at fostering transparency and dialogue with Stakeholders, also taking into account the engagement practices developed at national and international level, in order to increase the level of understanding of the activities carried out by the Bank and the Group. BFF Bank believes that encouraging Stakeholders to actively participate in corporate governance can be a useful lever for improving the Bank's financial performance and environmental, social and governance practices.

In managing dialogue with Stakeholders, the Company operates according to the principles of:

- i. **Transparency and Clarity:** the management of dialogue should allow the parties to develop informed assessments, through clear, complete, correct and truthful contents, avoiding any form of unjustified selective information;
- ii. **Timeliness:** answers to queries and feedback must be provided promptly, with modalities and timing appropriate to the case, and in line with the regulations in force for listed companies and the internal policy on the management of material and privileged information;
- iii. **Equal treatment:** communications will be handled in full compliance with equal treatment in order to protect non-discrimination, ensuring identical conditions among Shareholders that are in the same condition.

The Company ensures continuous compliance with the provisions on market abuse, management of inside information, confidentiality of information the laws in force from time to time and corporate governance procedures, encouraging cooperation and transparency with the competent authorities, regulators and public entities.

In this respect, please refer to the internal provisions governing the above-mentioned matters.

### **3. Subject Matter of the Policy and Dialogue Topics**

The Policy exclusively defines the modalities of extra-shareholders' meeting dialogue between the Board and Stakeholders - therefore excluding potential investors who are not already shareholders of the Company - on matters within the Board competence and defines, in compliance with the provisions of law, the rules of said dialogue, identifying interlocutors, the subjects of discussion and interaction modalities. In particular, the discussion topics subject to dialogue may normally concern matters relating to:

- i. corporate governance, such as without limitation aspects relating to the composition, duties and functions of the Board and the Committees;
- ii. remuneration policies for Directors and executives with strategic responsibilities;
- iii. social and environmental sustainability;
- iv. the internal control and risk management system;
- v. strategies;
- vi. financial and non-financial performance.

Excluded from the scope of the Policy is dialogue at the Shareholders' Meeting (where governed by specific provisions, e.g. pre-meeting questions and interventions by Shareholders at the Shareholders' Meeting) and exchanges between the IR/Communication Functions and Shareholders, which do not require the intervention of the Board of Directors.

## 4. Interlocutors and competences

### 4.1 *Introduction*

This section defines the competences of corporate bodies and certain corporate functions in relation to dialogue with Stakeholders, which are based on the assumption that the CEO is entrusted with the preliminary activity of organising and managing the dialogue. In exercising these prerogatives, the CEO coordinates himself with the Chairman and is supported by the IR Function. The Chairman is entrusted with the duty of keeping the Board of Directors informed of the development and significant content of the dialogue occurred during the reference period.

This is without prejudice to the different competences and attributions entrusted to the corporate functions to which the management of ordinary dialogue activities is delegated, which do not fall within the scope of this Policy.

### 4.2 *The Board of Directors*

The Board of Directors maintains a guidance, supervision and monitoring role of the application of the Policy and performance of dialogue with Stakeholders, in compliance with the provisions of law and regulations in force from time to time.

The Board of Directors delegates, under an operational point of view, the CEO to manage dialogue with Stakeholders. The Board may also, on a case-by-case basis, involve other members of the Board or members of Committees, in carrying out specific dialogue activities with Stakeholders, granting them with appropriate powers on a case-by-case basis. Furthermore, if deemed appropriate by the CEO, the Chairmen of the Remuneration Committee, Risk and Control Committee and Appointments Committee may be called upon to conduct dialogue activities with Shareholders on matters within their respective remits, depending on the specific needs.

If the CEO finds himself in a situation of conflict of interest, in the management of dialogue with certain Stakeholders and/or with reference to specific requests and/or cases, he may ask the Board to delegate the Chairman, or another director, to manage said meetings.

### 4.3 *The CEO*

BFF Bank's CEO is entrusted with the preliminary activity of organising and managing dialogue, and avails himself of the operational support of the IR Function, for organisational aspects and the definition of contents, to:

- i. decide to carry out initiatives aimed at enabling or encouraging dialogue with Stakeholders;
- ii. define the dialogue modality (one-way, two-way, bilateral or group, in person or virtual);
- iii. review information requests from Stakeholders, and manage the collection of information and contents from other competent functions to run the dialogue;



- iv. identify those representatives who, on behalf of the Company, will be designated interlocutors for the dialogue with Stakeholders, with the possibility of choosing from among Directors subject to the prior authorisation of the Board;
- v. submit to the approval of the Board of Directors, in agreement with the Chairman, any proposals for amendments to the Policy;
- vi. decide on the advisability of carrying out a periodic audit on how Stakeholders perceive the Group's communication and dialogue modalities.

#### **4.4 *The Chairman***

The Chairman of the Board of Directors shall ensure for the Board of Directors to be informed, at least on a semi-annual basis, on the development and significant contents of dialogue with Stakeholders, coordinating with the CEO for this purpose.

The Chairman, in coordination with the CEO, may participate in the dialogue with Stakeholders, based on the subject matter of the dialogue, or at the specific request of such persons.

Upon delegation of the Board of Directors, the Chairman may also take over the management of dialogue with Stakeholders in those situations in which the CEO has a conflict of interest.

#### **4.5 *Investor Relations***

The IR is the Function entrusted for receiving and collecting requests submitted by Stakeholders, and provides operational support to the CEO through:

- i. the collection of requests for dialogue and management of relations with all Stakeholders;
- ii. the organization of meetings or conference calls, and preparation of information reports for the Board of Directors;
- iii. the coordination of activities, as needed, with other Company's and Group's organisational units;
- iv. the scheduling of the dialogue agenda with the respective interlocutors, the contents and execution of which is carried out as specified under 4.3.

## **5. Modalities to run the dialogue**

### **5.1 *The Stakeholders' request for dialogue***

The Company may be contacted in relation to engagement activities through the IR Function, at the relevant contact details given at the end of the Policy and published on the Website.

Requests shall contain information with respect to:

- i. topics under discussion;
- ii. reasons for which dialogue is requested;

- iii. modalities to run the dialogue and participants for applicants.

As soon as a request for dialogue is received, the IR promptly informs the CEO. The latter, in coordination with the IR, decides on each individual request, defining the content of meetings on a case-by-case basis and, if necessary, delegating participation therein to specific Company functions.

It is the CEO's right to ask for further clarifications regarding dialogue initiatives. In particular, the CEO assesses whether the dialogue requested is in the Company's interest, with a view to the medium/long term and sustainable development, and whether it can be carried out in compliance with legal and regulatory provisions, and then carrying out any consequent activity deemed necessary or appropriate. The IR Function informs those who have requested the engagement of the decisions taken by the CEO.

Directors or members of the Board of Statutory Auditors possibly finding themselves in the situation of receiving specific requests from Stakeholders are required to immediately notify the Chairman, who will inform the CEO and the IR Function, for such requests to be processed exclusively in accordance with this Policy.

## **5.2 Information to the public and communication channels**

The Company may carry out one or more of the following activities in order to facilitate the information process of Stakeholders, in addition to the reports and information to be published in accordance with the law:

- i. the conduction of roadshows, investor days or other meetings with one or more Stakeholders (other than Shareholders' Meetings);
- ii. the participation during the year in conference calls and dedicated meetings with major institutional investors concerning economic-financial performance for the period or other significant events for the Company;
- iii. the management of relationships with credit rating agencies and ESG rating agencies in the area of sustainability;
- iv. streaming/webcast presentations and the publishing of videos or transcripts of herein mentioned events on the Website;
- v. the participation in industry meetings or other events;
- vi. the publication in the Website's specific *News & Media* section of presentations, documents and press releases (those latter, where the content is price sensitive, are disclosed in accordance with the modalities laid down by the Consob regime on the disclosure of regulated information to the public);
- vii. the sending and/or publishing of newsletters, videos or other communications on the Website.

## **5.3 Blackout periods**

As a rule, dialogue with Stakeholders proactively initiated by the Company may take place throughout the year, except during "*black-out periods*", i.e. during the 30 calendar days preceding the announcement date of periodic results relating to each accounting period in the financial year, as well as the approval date of the Company's strategic plan, and until the occurred dissemination of the relevant press release.

Dialogue initiatives are allowed, even during black-out periods, as long as the subject under discussion relates to non-financial dynamics such as, without limitation, governance and/or sustainability aspects, or shareholders' meeting related topics.

## 6. Responsibility, update and reporting

The Policy is approved by the Board of Directors, on the proposal of the CEO, after hearing the opinion of the Chairman. The CEO ensures its drafting, monitoring, updating and dissemination in coordination with the IR Function.

The Policy may be updated and/or supplemented on the proposal of the CEO, in agreement with the Chairman, if it becomes necessary: i) to update and/or supplement individual sections of the Policy following changes in legal or regulatory provisions or best practices; ii) to comply with specific requests from the Supervisory Authority (by way of example, Consob and the Bank of Italy), or market operators (by way of example, Borsa Italiana).

The Policy may be updated and/or supplemented on the proposal of the CEO, in agreement with the Chairman, subject to the approval of the compliance department and without the approval of the Board of Directors, in the event that changes of a formal and non-substantive nature are necessary.

The Chairman ensures for the Board to be promptly informed of the development and significant contents of the dialogue occurred with Stakeholders.

The annual report on corporate governance and the ownership structure describes the Policy and summarizes the main events that took place in implementation thereof.

## 7. Contacts

Stakeholders may communicate with the Company by contacting the following organizational units:

IR: phone 02-49905631, e-mail [investor.relations@bff.com](mailto:investor.relations@bff.com)

Group General Counsel & Business Legal Affaires: telephone 02-49905490, e-mail [mario.gustato@bff.com](mailto:mario.gustato@bff.com)