

Addendum to the 2020 remuneration and incentive policy in favour of the members of the Strategic Supervision, Management and Control Bodies, and the Staff of the BFF Banking Group

On 25 March 2021, the Shareholders' Meeting of BFF Bank S.p.A., group leader of the BFF Banking Group, amended the provisions of sub-point (B) of paragraph 10.2.3.6 (Amounts recognized under an agreement for the settlement of an existing or potential dispute) of the "Remuneration and Incentive Policy 2020 in favour of the members of the Strategic Supervision, Management and Control Bodies, and the Personnel of the BFF Banking Group" (the Policy) and, in particular, approved the predefined formulas for the determination of the amounts recognized in the context of agreements with staff reached for the settlement of existing or potential disputes and, currently on the basis of those formulas, the maximum amount of:

Euro 1,100,000.00 for Employees;

Euro 4,500,000.00 for personnel other than Employees.

Therefore, sub-point (B) of paragraph 10.2.3.6 (Amounts recognised under an agreement for the settlement of an existing or potential dispute) of the Policy is to be understood as follows:

" (B) Amounts recognised under an agreement for the settlement of an existing or potential dispute Settlements agreed in view or on the occasion of the early termination of the employment or office constitute Variable Remuneration.

The Board of Directors, for the personnel for whom the BoD is responsible, and the Chief Executive Officer, for the remaining Risk Takers, may determine golden parachutes in the event of early termination of employment or office, in compliance with the conditions provided for by applicable regulations and the criteria indicated below.

These amounts:

- i. do not exceed the limit of 24 months of the Overall Remuneration referred to the last year of the report. In any event, these amounts may not exceed:
 - a) for Employees, Euro 1,100,000;
 - b) for personnel other than Employees, Euro 4,500,000.00.

The amounts recognized in compliance with legal obligations (e.g. severance pay, indemnity in lieu of notice) or during court settlements are excluded from the calculation of the aforementioned limits.

- ii. are not included in the calculation of the limit of 2:1 to the ratio of Variable Remuneration to Fixed Remuneration approved by shareholders' resolution of 5 December 2016;
- i. are linked to the performance achieved and the risks assumed by the person and the Bank, and are agreed in compliance with the criteria set by the Shareholders' Meeting;
- ii. are subject to the 50%-50% balance between cash and Financial Instruments;
- iii. are subject to a retention period of six months for the part paid in Financial Instruments;
- iv. are subject to a two-year deferral;

- v. are subject to the ex post correction mechanisms (i.e. Malus and Claw Back) required by the Policy.
These limits, with the exception of subjection to ex post correction mechanisms, do not apply to:
 - i. golden parachutes agreed as part of extraordinary transactions (e.g. mergers) or corporate restructuring processes, provided that they jointly comply with the following conditions:
 - a) they are exclusively for the purpose of limiting company costs and streamlining the workforce;
 - b) they do not exceed Euro 100,000;
 - c) They provide for the Claw Back mechanisms established by the Policy with regard to cases of fraudulent conduct or gross negligence to the detriment of the Bank;
 - ii. Exit incentives, including those related to extraordinary transactions (e.g. mergers) or corporate restructuring processes, and granted to non-relevant personnel, provided that they jointly comply with the following conditions:
 - a) they are exclusively for the purpose of limiting company costs and streamlining the workforce;
 - b) they encourage adherence to support measures provided for, by law or collective bargaining agreement for all employees;
 - c) do not have ex ante detrimental effects on Personnel behaviour;
 - d) They provide for the Claw Back mechanisms established by the Policy with reference to cases of fraudulent conduct or gross negligence to the detriment of the Bank."