

2025 REMUNERATION AND INCENTIVE POLICY FOR
THE MEMBERS OF THE STRATEGIC SUPERVISION,
MANAGEMENT AND CONTROL BODIES AND THE
PERSONNEL OF THE BFF BANKING GROUP

BOARD OF DIRECTORS MEETING HELD ON MARCH 12, 2025
ORDINARY SHAREHOLDERS' MEETING OF APRIL 17, 2025



Letter from the Chair of the Committee

Dear Shareholders,

2024 was a very challenging year for the bank and its management. The effects of these challenges continued into 2025, significantly impacting the information in this report. Despite the difficult circumstances, the Remuneration Committee worked to present a Remuneration Policy for 2025 that includes a number of changes that we hope you will approve.

To provide you with a clear understanding of the content on which you are being asked to comment, I must remind you of the environment in which we have been and are operating.

As outlined in more detail below, at the time of drafting the Policy, as part of the results of a supervisory inspection carried out in 2023, the Bank is subject to an order from the Bank of Italy to “refrain from deliberating or implementing payment of forms of variable remuneration”.

To ensure full transparency, it is essential to note that this directive precludes the possibility of introducing elements of variable compensation that could result in additional liabilities for the Bank. In summary, we will not request your approval of incentive systems for management as would typically be the case. Instead, we are asking for your approval of a “scheme” that we can introduce once the bans are lifted. This feature sets this document apart and underscores its distinctive nature.

Aware of the circumstances in which we find ourselves, however, we wanted to use this first year of our mandate and this document to put things in order and to introduce improvements that we believe will be useful to start better and faster when the situation allows.

In defining the 2025 remuneration policy, we initiated the process, as per best practice, by conducting an extensive market dynamics analysis and engaging with all relevant stakeholders, including the Supervisory Authorities, our employees, and you, our shareholders.

Our goal has been to keep our people motivated while ensuring full regulatory compliance. More importantly, we have actively listened to your expectations and key concerns based on past experiences to develop increasingly effective enhancements that align with your needs and preferences.

The listening phase involved intensive “off-season” engagement activities with the two largest proxy advisors (ISS and Glass Lewis) and 14 investors representing about 24.6% of the share capital during 2024 and early 2025. These meetings were designed to gather feedback regarding the Report submitted to the Shareholders’ Meeting on April 18, 2024, with the aim of using this feedback to update the Report for 2025. The Committee intends to continue this path of continuous discussion in the future, believing firmly in the added value that investors can bring and listening carefully to ideas for possible future changes to the policy.

Regarding the new features we have been working on and are presenting to you in this paper, the main ones are:

- 1) A redefinition of our Executive performance measurement framework, introducing a broader set of indicators to assess the achievement of objectives aligned with the strategic plan. These indicators are balanced across profitability, capital strength, growth, and risk management, with an ESG weighting that is more consistent with our business.
- 2) A greater balance between short- and long-term performance measurement, considering different, yet complementary metrics to assess the Bank’s ability to create sustainable value over time while preventing double dipping.

3) A closer alignment with market benchmarks for the fixed remuneration of certain critical senior roles to enhance attractiveness and retention, ensuring that our compensation policy increasingly aligns with the desired risk-return profile.

In this regard, we have continued our benchmarking activities against market practices to thoroughly assess the Group's compensation positioning and the instruments offered relative to the reference market. This allows us to provide competitive compensation packages that meet the expectations of professionals in the industry.

Confident that, within the constraints we have had to navigate, this Remuneration Policy will meet Shareholders' expectations in terms of its evolutionary direction, I would like to take this opportunity to thank the Committee members, corporate functions, and the Board of Statutory Auditors, with whom we have shared a complex and challenging journey.

I sincerely hope that the updates to the "Remuneration Policy Report" will receive broad positive feedback, serving as both recognition and validation of the Committee's commitment to improving the Corporate Governance of BFF Bank S.p.A. I must also emphasize that, should the proposed policy—with all its specific features—not be approved by the Shareholders' Meeting, the previous policy will remain in effect within the scope of the existing restrictions.

As required by regulations, the second section presents the "2024 Annual Report on Compensation Paid," which provides a detailed account of the implementation of the remuneration policy approved in the previous fiscal year. It also outlines how the Committee has, to the extent possible, taken into consideration the feedback received from shareholders and supervisory authorities in applying last year's policy.

The document we propose below was approved by the Board of Directors on March 12, 2025, with the prior approval of the Committee I chair.

Milan, March 12, 2025



Guido Cutillo
The Chair of the Remuneration Committee



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FOREWORD TO THE REPORT ON REMUNERATION AND COMPENSATION PAID (SECTION I and SECTION II)

1. INTRODUCTION

1.1 What happened in 2024

2024 was a mix of highs and lows for BFF. On the one hand, the Group maintained its market position in terms of financial results and ESG ratings, alongside a CET1 ratio of 12.2%. On the other hand, the outcome of a Supervisory Inspection had a significant impact on the remuneration policy, which will be detailed in the following sections.



(1) 2023 ESG Risk Rating 17.0, Low Risk (2) 2023 ESG Risk Rating "E+".

BFF's 2024 Reported Net Accounting Profit reached €215.7 million, marking a 26% increase compared to the previous year. The Adjusted Net Profit stood at €143.0 million, with Adjusted Total Revenues as of December 31, 2024, amounting to €790.9 million (flat year-over-year). Of this, 55% (€436.1 million) was generated by the Factoring, Lending & Credit Management department. Adjusted Total Net Revenues amounted to €399.8 million.

The Loan Portfolio grew to €5.9 billion, reflecting a 5% year-over-year increase—with Italy showing a 7% growth year-over-year, reversing the trend of the first nine months and reaching record volumes in the fourth quarter.

However, as previously mentioned, 2024 was also marked by the repercussions of the supervisory inspection, which had a significant impact on Corporate Governance and Executive Compensation. Among these, it is worth mentioning at least the following events:

- ▶ In an effort to facilitate a positive outcome in relation to the Bank of Italy's audit and to address the findings raised by the Supervisory Body, in May 2024, the Bank's Chief Executive Officer (CEO) voluntarily waived the portion exceeding the 2:1 variable-to-fixed remuneration ratio related to the settlement amount recognized in fiscal year 2023. This decision, made with full awareness of the Bank's situation, was taken solely to support ongoing discussions with the Supervisory Authority and contribute directly to overcoming this challenging period.
- ▶ The Chief Executive Officer also renounced his 2024 MBO bonus, even in the event that the restriction imposed by the Bank of Italy - discussed later in this document - were to be lifted (ref. *Bank of Italy note dated April 29, 2024*).
- ▶ The awarding of the third tranche of the 2022 LTI Plan, which was already planned under the 2024 Remuneration Policy and related Regulations, did not take place.

- ▶ Due to the prohibition imposed by the Supervisory Authority on BFF's repurchase of treasury shares, the Bank lacks a sufficient stock to grant the shares accrued by the Chief Executive Officer under the medium-to long-term variable compensation system, as well as by other executives who left the Bank in 2024. This, in addition to compromising the recognition purpose of the long-term incentive component, makes it temporarily impossible for the Bank to fully fulfil the obligations set forth in the aforementioned incentive plans, exposing it to potential non-compliance.
- ▶ Looking ahead, and considering the restriction imposed by the Bank of Italy, the Bank will, in the first months of 2025, assign only individual performance drivers to Personnel. However, this will not result in any 2025 MBO bonus awards until the restriction is lifted.

Bank of Italy note dated April 29, 2024

Following the inspection conducted at the BFF Group in 2023, the Bank of Italy issued its inspection report to BFF on April 29, 2024, highlighting specific areas of concern related to: attention regarding (i) credit risk, (ii) corporate governance, and (iii) compensation and incentive policies and practices.

As a result, the Supervisory Authority imposed, among other measures, a prohibition on approving or distributing any form of Variable Remuneration.

In response, BFF provided its feedback to the Bank of Italy and implemented a series of robust actions and initiatives, which it believes adequately address the concerns raised by the Supervisory Authority.

Given the above, the Bank's Remuneration and Incentive Policy outlined in Section I of this document details the variable compensation components, along with the related conditions and eligibility criteria for disbursement, that may be granted to Personnel once the Bank of Italy's restriction is lifted.

Therefore, until this prohibition remains in effect:

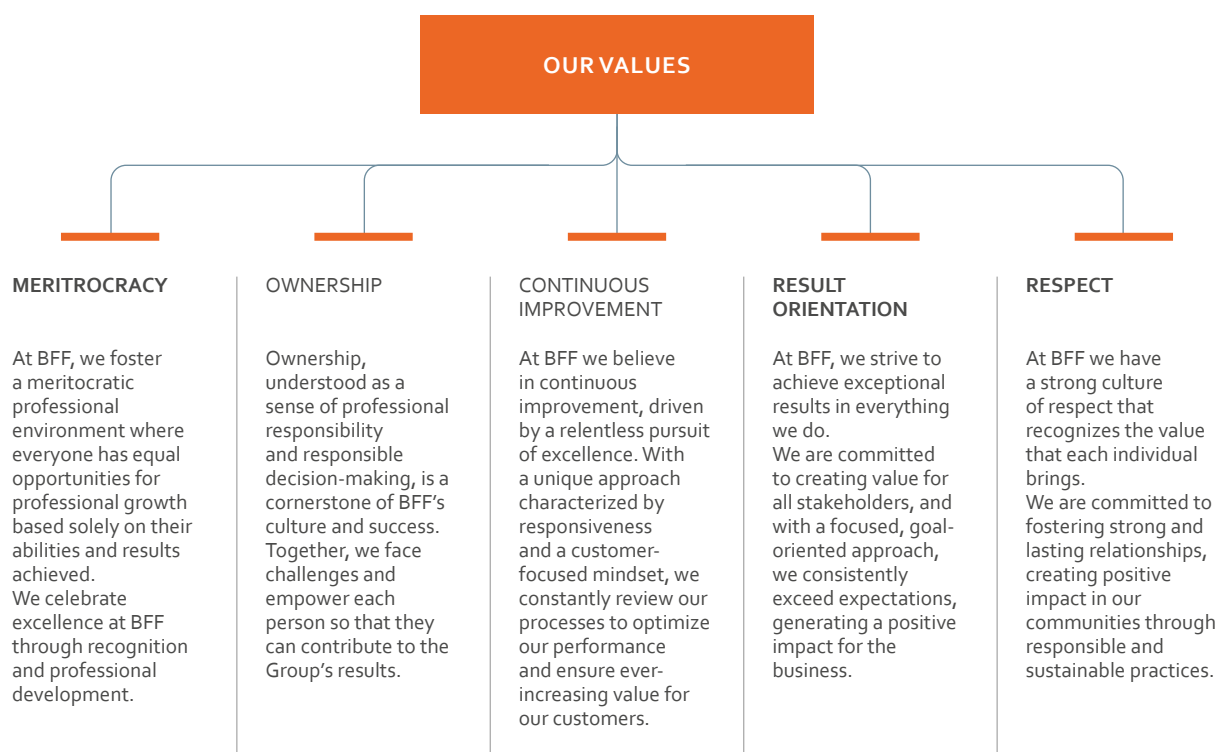
- ▶ No new variable compensation components will be awarded to Personnel.
- ▶ 2024 variable compensation cannot be paid (except for components related to prior years, even if the scheduled payment date falls within the restriction period, as clarified by the Bank of Italy).

With reference to the MBO bonus for both the eligible Personnel and the Chief Executive Officer, the following clarifications are provided:

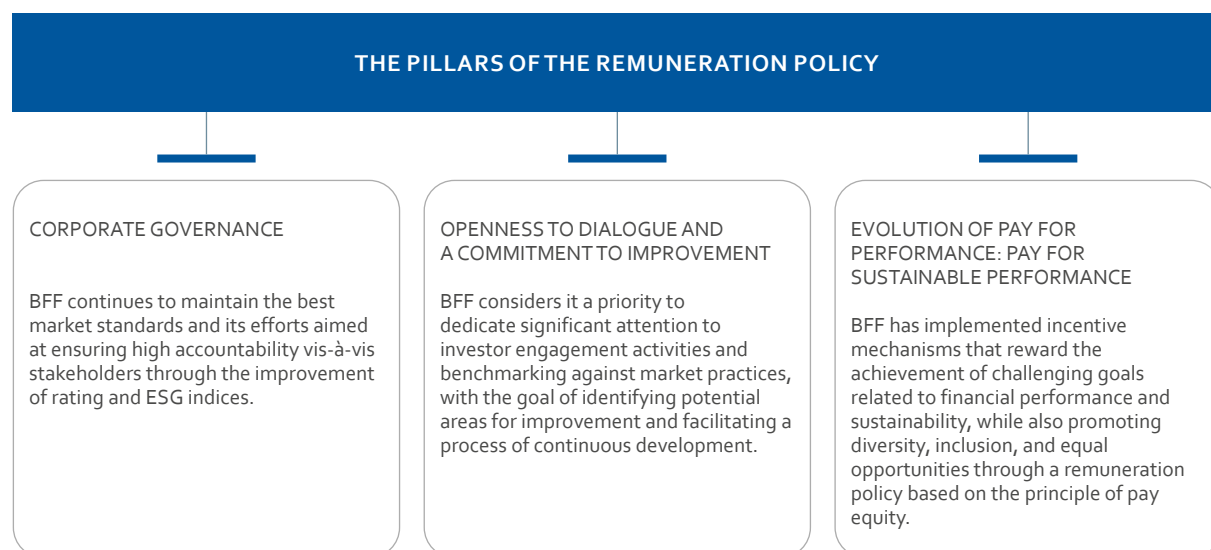
- ▶ Regarding the 2024 MBO bonus, which was allocated before the April 29 Note and the subsequent observations, the Bank has completed the process for finalizing individual and corporate goals and determining the potential payout for each beneficiary. However, due to the prohibition on approving or paying Variable Remuneration, the 2024 MBO bonus for Personnel will not be paid until the restriction is lifted. As already mentioned in paragraph 1.1, it is also clarified that the Chief Executive Officer has voluntarily waived their potential 2024 MBO bonus, and therefore, no amount will be paid to them in this regard.
- ▶ Regarding the 2025 MBO bonus, the Bank and its Subsidiaries will implement the standard procedure for assigning qualitative and quantitative performance drivers in the first months of 2025. However, this will not constitute the awarding of the 2025 MBO bonus, due to the Bank of Italy's prohibition. These qualitative and quantitative performance drivers will be communicated to Personnel, but they will not result in the actual assignment of the 2025 MBO bonus (or any other variable remuneration component), nor will there be any legitimate expectation in this regard. If the Bank of Italy's restriction is lifted during 2025, the assignment of these drivers can be valued and considered by the Bank and its Subsidiaries for the actual assignment of the 2025 MBO bonus.

Finally, with regard to the 2022 LTI for both the eligible Personnel and the Chief Executive Officer, it should be noted that the third tranche (comprising 2,296,000 options) has not been awarded. The deadline for the awarding of these options, as established by the Regulations, was December 31, 2024.

1.2 BFF's values and the pillars of the Remuneration Policy



How our values are applied to remuneration:























Corporate Governance

The BFF Remuneration Policy is developed through a formalized, transparent, and structured process, involving, in addition to the relevant business functions, the Shareholders' Meeting, the Board of Directors, the Remuneration Committee, the Control and Risks Committee, the Board of Statutory Auditors, the Related Party Transactions Committee, and the Chief Executive Officer. These processes are defined in alignment with regulatory requirements and best market practices.

In 2024, the renewal of the Board of Directors contributed to the evolution of the corporate governance structure, with several key changes:

- ▶ 56% renewal rate: More than half of the Board of Directors members are serving their first term at BFF.
- ▶ Strengthening the weight of Independent Directors: 7 out of 9 (78%) Board members are independent, marking a significant increase from the previous Board (5 out of 9, or 56%).
- ▶ Increase in the number of minority directors: Two members from minority lists were elected.

CANDIDATE NAME	GENDER	YEAR OF BIRTH	NATIONALITY	DATE OF FIRST APPOINTMENT	INDEPENDENT DIRECTOR
 Ranieri De Marchis <i>Chairman</i>	M	1961		NEW	<input checked="" type="checkbox"/>
 Anna Kunkl <i>Vice Chairwoman and Chairwoman of Related-Party Transactions Committee</i>	F	1972		1 st March 2022	<input checked="" type="checkbox"/>
 Massimiliano Belingheri <i>Chief Executive Officer</i>	M	1974		19 th December 2006	-
 Guido Cutillo <i>Chairman Remuneration Committee</i>	M	1972		NEW	<input checked="" type="checkbox"/>
 Domenico Gammaldi <i>Chairman Risk and Control Committee</i>	M	1953		25 th March 2021	<input checked="" type="checkbox"/>
 Mimi Kung <i>Chairman Nomination Committee</i>	F	1965	 	NEW	<input checked="" type="checkbox"/>
 Alexia Ackermann	F	1973		NEW	<input checked="" type="checkbox"/>
 Susana Mac Eachen	F	1965	 	NEW	<input checked="" type="checkbox"/>
 Piotr Stepniak	M	1963		25 th March 2021	-

78% Independent Directors (56% in previous BoD)

56% New Board members

44% Female gender representation

57.4 Average Age

The composition of the Board of Directors for the 2024-2026 term has strengthened the expertise within the Remuneration Committee. In particular, in addition to their extensive experience in the banking business, the Committee members have developed solid expertise in corporate governance and executive compensation.

Openness to dialogue and commitment to continuous improvement: stakeholder engagement, market practice benchmarking, innovations introduced over the years, and improvements planned for the future

BFF recognizes the importance of ensuring that its remuneration policy maximizes value creation for shareholders and all corporate stakeholders. In this regard, the Bank’s incentive mechanisms are designed to ensure that management is fully aligned with shareholder interests.

The effectiveness of BFF’s remuneration policy in retaining key talent within the organization, attracting critical figures for the Group’s development, and recognizing outstanding performance over the years reflects the company’s commitment to continuous improvement and excellence. For this reason, stakeholder engagement, as well as benchmarking against market practices regarding incentive systems and remuneration packages, are strategic to fostering the process of improvement and development.

Stakeholder engagement activities

Active listening as part of stakeholders’ engagement represents a structural element in the governance of the Remuneration Policy (the “Policy”). During 2024, as in previous years, BFF continued to conduct extensive discussions with shareholders in order to incorporate their requests and to illustrate the directions of the changes in next year’s compensation policy.

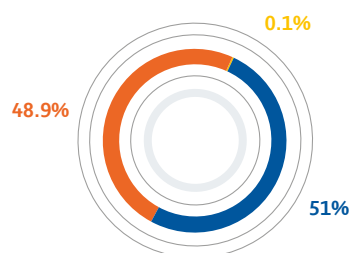
THE “OFF-SEASON” ENGAGEMENT ACTIVITY CARRIED OUT BY BFF IN 2024



Number of institutional investors involved
14



% capital held by investors involved
24.59%



2024 Shareholders’ Meeting Outcome – Institutional Investors (% of Voting Participants)

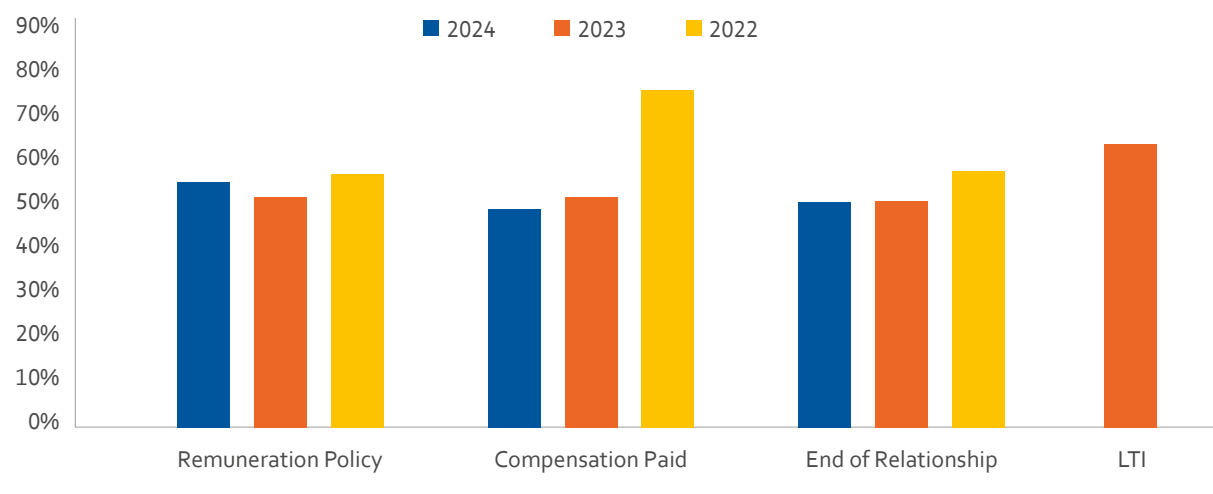
- Votes in favor
- Votes against
- Non Voters

Investors were identified, based on information available to the BFF Group, according to an approach on share ownership that includes investors up to 0.3% and, in the case of a negative vote at the last Shareholders’ Meeting, up to 0.1%.

Dialog with investors and BFF’s proxy advisors aims to raise awareness about the Group’s compensation practices and to receive feedback, as input useful for the ongoing internal evaluation and review process.

The adjustments made to the remuneration policy were positively received, with the consequent approval of all points relating to remuneration issues.

SHAREHOLDERS’ MEETING VOTE OUTCOME 2022-2024(% OF ELIGIBLE VOTES IN FAVOR)

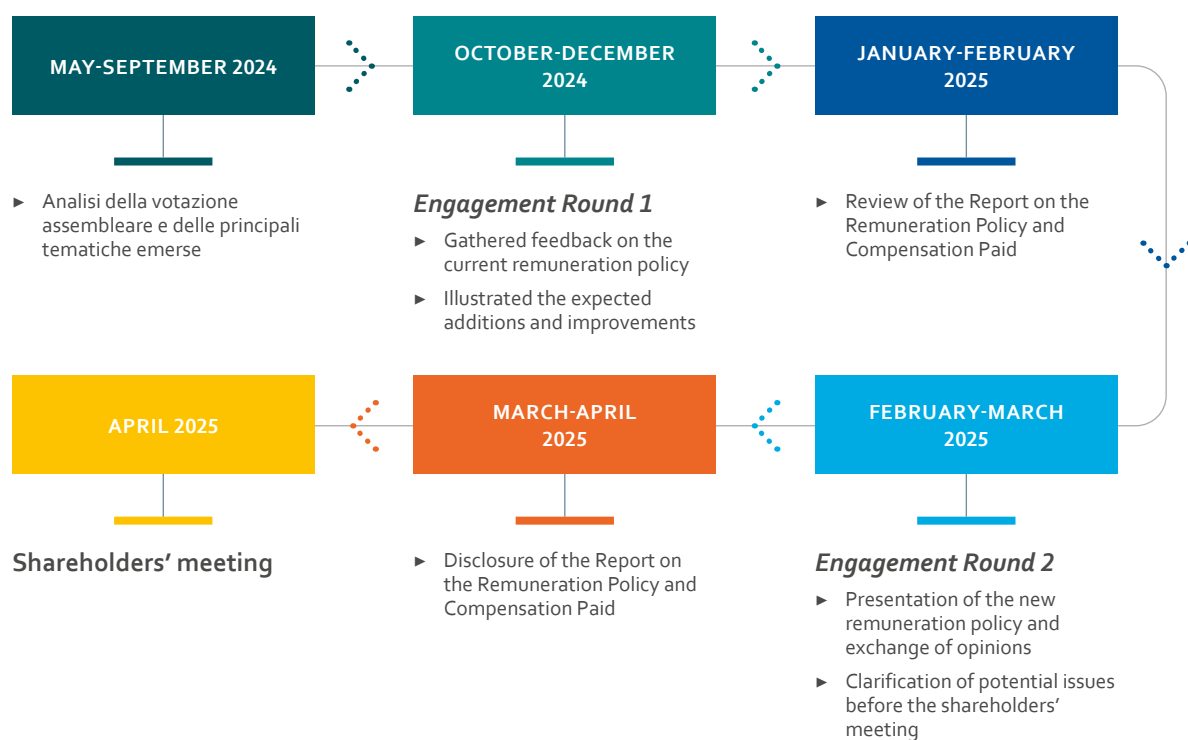


The great importance ascribed by the Bank to constructive dialog and discussions on the Policy with investors and proxy advisors led the Bank to engage with stakeholders during the year even outside the shareholders’ meeting season with the aim of explaining the changes to its remuneration policy, monitoring and identifying possible areas for improvement - in alignment with market best practices with respect to remuneration. These meetings have also provided insight into the reasons behind any dissenting votes, allowing them to be considered in the update of the Remuneration Report. The hope is that the efforts made and the innovations introduced will be positively acknowledged, leading to greater shareholder support at the Shareholders’ Meeting.

In this regard, the main areas of engagement concerning BFF’s Remuneration Policy are summarized below:

AREAS OF ENGAGEMENT	GUIDELINES SHARED BY BFF	TOPICS DISCUSSED WITH INVESTORS AND PROXY ADVISORS
Framework of the short-term incentive 2025	The Bank has indicated its focus on linking bonuses to profitability indicators, ensuring maximum compliance with the Pay for Performance principle, attention to risk and capital absorption and sustainable growth.	<ul style="list-style-type: none"> ▶ Functioning of the STI ▶ KPI ▶ Scorecard Balance
Launch of the new 2025-2027 LTI	The Bank shared its intention to develop a plan with strong retention capabilities that maximizes the alignment of long-term interests among the Bank, shareholders, and management. This includes the use of material and meaningful sustainability KPIs in line with BFF’s transition plan.	<ul style="list-style-type: none"> ▶ LTI plan vehicle ▶ KPI ▶ Scorecard Balance
Employee Stock Ownership Plan (ESOP)	The Bank reaffirmed the Group’s commitment to investing in its employees by directly involving them in achieving corporate objectives. This initiative also aims to enhance financial awareness, foster a culture of risk management, and strengthen BFF employees’ entrepreneurial mindset.	<ul style="list-style-type: none"> ▶ Plan Structure ▶ Technical elements, such as participation mechanisms in the company’s capital.

EVENT TIMELINE



The table below shows the path taken by the Bank in alignment with feedback from investors and proxy advisors in recent years.

Topic		2021	2022	2023	2024
STI	Multiple performance criteria in addition to EBTDA ^{RA}	Single metric	✓	✓	✓
	ESG performance	✗	✓	✓	✓
	Multiple ESG performance criteria	✗	✗	✓	✓
	Minimum, Target and Maximum thresholds available	✗	✗	✓	✓
	Cap in terms of Fixed Remuneration	100%	100%	100%	100%
	Disclosure of the performances of the financial KPIs ex post	✗	✗	✗	✓ NEW
	Disclosure of the targets of the ESG KPIs ex ante	✗	✗	✗	✓ NEW
	Deferred component	30%	60%	60%	60%
	Deferral period	3 years	5 years	5 years	5 years
LTI	Exercise price setting in line with market practice	✗	✓	✓	✓
	Deferral period	3 years + 18 months	3 years + 3 years	3 years + 3 years	3 years + 3 years
	Cap in terms of Fixed Remuneration	100%	100%	100%	100%
	Multiple performance criteria	✗	✓	✓	✓
	Disclosure of the targets of the ESG KPIs ex ante	✗	✗	✗	✓
	ESG performance	✗	✓	✓	✓
Variable Incentive Schemes	KPI <i>distinti</i> STI e LTI	✗	✗	✗	✓ NEW
Other bonuses	Integration Bonus	Yes	No	No	No
	Granted only in case of performance to GCEO and top management	✓	✓	✓	✓
Severance	Calculated based on effective performance	✗	✓	✓	✓
	Not triggered in case of change in regulation impacting GCEO rem	✗	✗	✓	✓ NEW
SoG	Share Ownership Guidance	✗	✗	✗	✓ NEW

The engagement process carried out in 2024 highlighted specific areas of concern raised by investors and proxy advisors. Nearly all of these observations have been acknowledged and incorporated into the revisions made to BFF's remuneration policy for 2025. Below is a summary of the key areas of concern identified, along with the Bank's responses and the new measures adopted:

AREAS OF CONCERN RAISED BY INVESTORS AND PROXY ADVISORS REGARDING THE STI SYSTEM

Disclosure Ex-ante targets	Simplification of the gate criteria	Alignment of the STI scorecard curve for the CEO	Introduction of material KPIs aligned with the Bank's strategy (including ESG)	Introduction of an additional financial KPI	Reduction in the weighting of ESG KPIs
BFF'S POSITION					
BFF has decided not to disclose ex-ante targets to ensure the confidentiality of sensitive market information	BFF considered eliminating the requirement to achieve an EBTDA RA/Target EBTDA RA ratio of at least 100% as a gate condition	The maximum payout variability has been increased from 100% to 130% of Fixed Remuneration	ESG objectives have been introduced in line with the Bank's strategic priorities, based on the double materiality matrix	Three additional financial KPIs have been introduced: Past Due, Loans, Deposits	The number and weighting of ESG KPIs in the CEO's scorecard have been recalibrated to represent 10% of the scorecard

AREAS OF CONCERN RAISED BY INVESTORS AND PROXY ADVISORS REGARDING THE LTI SYSTEM

Avoiding double dipping	Reduction in the weighting of ESG KPIs	Introduction of the related TSR KPI	Support for stock option plans	Support for the introduction of an ESOP	Avoid a cumulative dilutive effect exceeding 5%
BFF'S POSITION					
Starting in 2025, BFF will eliminate the repetition of the same objectives between the short-term (STI) and long-term (LTI) incentive plans.	The weighting of ESG objectives in the CEO's STI is set at 10%	In the absence of a comparable peer group for the construction of a relative TSR, BFF will use the EPS/ EPS adjusted KPI, along with ROTE and Cost/Income, ensuring continuity with the previous plan	BFF has evaluated an LTI plan that, in line with 2022, includes the allocation of stock options and phantom shares	A new Employee Stock Grant Plan for all employees will be submitted for approval at the Shareholders' Meeting, with a 3-year retention period	The plan adopted by BFF will ensure a limited dilutive effect, in line with market recommendations

Benchmarking against market practices

To ensure that the remuneration package offered to the Bank's personnel remains competitive in the current landscape and to retain the most talented professionals—both in terms of performance and growth potential—the Bank has implemented an annual benchmarking process.

This initiative is designed to thoroughly assess the remuneration positioning of the Group's personnel and the tools offered compared to those available in the reference market, allowing BFF to offer competitive and attractive compensation aligned with industry expectations.

The benchmarking process is conducted with the support of leading independent consulting firms specializing in human resources and compensation. These firms provide essential insights, enabling access to precise analyses and comparisons that take into account industry pay trends. It is crucial that this process considers multiple variables, including the business areas within the Group to which employees belong and their geographical location.

Specifically, in 2024, BFF carried out the following benchmarking analyses:

- for **Personnel Under the Board of Directors' Purview**, including the Bank's senior executives, such as Vice Presidents and Directors, to assess their competitive positioning against a peer group of Italian financial institutions and structure potential retention initiatives aimed at keeping key strategic talent within the Group. The peer group for this benchmark consists of companies within Financial Services Banking Italia. Additionally, a further level of comparison was conducted with the following institutions: Banco BPM, BPER Banca, Banca Popolare di Sondrio, FinecoBank, Nexi, Bankinter, Banco de Sabadell.
- on **key trends and practices in short- and long-term incentive plans** defined by the relevant Peer Group, with the aim of gaining a comprehensive understanding of the architecture of incentive plans within the Banking sector in Italy, and assessing the Bank's positioning relative to various market practices. The peer group for this benchmark includes companies from the FTSE MIB and MID CAP Financial Services Italia: Intesa Sanpaolo, Banca Monte dei Paschi di Siena, UniCredit, BPER Banca, Banca Mediolanum, Banca Popolare di Sondrio, FinecoBank, Banco BPM, Mediobanca, Banca Generali, Banco Desio, Banca Ifis, Credem.

Key updates in the 2025 Remuneration Policy

The 2025 Remuneration Policy starts from the outcome of the dialog with investors and includes new elements aimed at integrating the issues raised through a robust governance process that has led the Remuneration Committee to perform a review of the elements in the Policy, analyzed with respect to market practices, consistency with the business strategy and sustainability in the medium and long term.

Below is a brief description of the **main changes** in the Policy:

As outlined in section 1.1 ("*Bank of Italy's Note of April 29, 2024*"), for 2025, the Bank will assign performance drivers to each beneficiary. However, these drivers will only be considered for the MBO 2025 bonus allocation if the current restriction is lifted. With reference to the 2025 variable incentive system (MBO) for the Chief Executive Officer, the Bank has introduced the following modifications, which will be implemented in the assumption of future MBO 2025 bonus award:

- ▶ compared to last year's policy, the access gate condition requiring an EBTDA RA / Target EBTDA RA ratio of at least 100% has been removed. This decision was made in response to investor requests for simplification while maintaining a sufficiently challenging access mechanism for the bonus.
- ▶ three additional economic-financial KPIs (Past Due, Loans, Deposits) have been introduced to enhance alignment between the Policy and the Bank's strategic plan drivers. These KPIs, at least until the restriction is

lifted by the Bank of Italy will be assigned solely as performance drivers.

- ▶ the number and weighting of ESG KPIs within the Chief Executive Officer's MBO framework have been recalibrated in line with investor expectations, as expressed during engagement meetings. These KPIs, at least until the restriction is lifted by the Bank of Italy, will be assigned solely as performance drivers and will align with the RAF indicators.
- ▶ the maximum payout variability—to be applied if the MBO 2025 bonus is assigned—has been increased from 100% to 130% of Fixed Remuneration, allowing for the achievement of overperformance.
- ▶ all performance drivers for the Chief Executive Officer include a threshold value of 90% (enabling a 50% payout), a target value and a maximum value, aligned with prevailing market practices.

In 2025, the Bank will submit for Shareholders' Meeting approval, a new long-term incentive plan (LTI 2025-2027), in which it:

- ▶ evaluated a mechanism that includes the allocation of stock options and phantom shares;
- ▶ evaluated the introduction of KPIs different from the MBO system that were aligned with the objectives of the strategic plan; in particular, the inclusion of the ROTE KPI, as well as EPS, Cost/Income, ensuring a full differentiation between MBO and LTI drivers;
- ▶ confirmed the inclusion of the ESG "Carbon Footprint" KPI with a weighting of 10% weight, while removing the *Customer Satisfaction* that was more suitable for short-term incentive systems.

Additionally, in 2025, to mark BFF's 40th anniversary, the Bank will seek Shareholders' Meeting approval for a new incentive plan aimed at the entire employee base (Employee Stock Grant). The plan has been structured to:

- ▶ qualify for tax and social security benefits under Italian regulations, with a maximum share allocation per employee equivalent to €2,065;
- ▶ introduce a 3-year retention period.

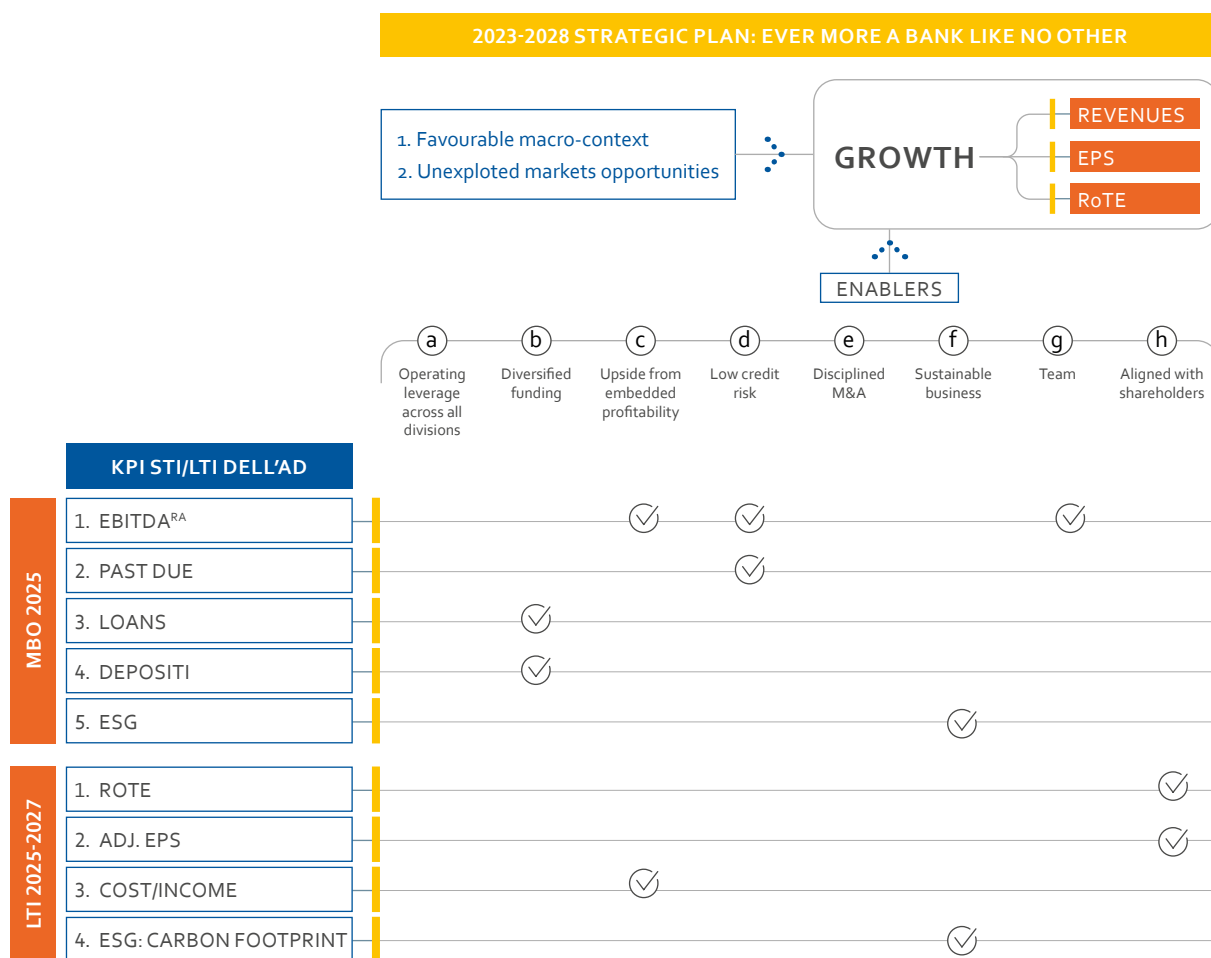
Evolution of Pay for Performance: Pay for Sustainable Performance

BFF considers it essential to ensure that its Remuneration Policy is grounded in the Pay for Performance principle, using incentive systems that reward the achievement of challenging, motivating, and sustainable results. This approach will be confirmed and further strengthened in 2025, marking another step by the Bank toward sustainability and greater attention to working conditions for its employees.

Incentive systems that reward the achievement of challenging goals

2023-2027 Strategic Plan “Ever more a bank like no other” and sustainability

The 2025 Remuneration Policy is designed in alignment with the priorities outlined in the 2023-2027 Strategic Plan, as presented below.



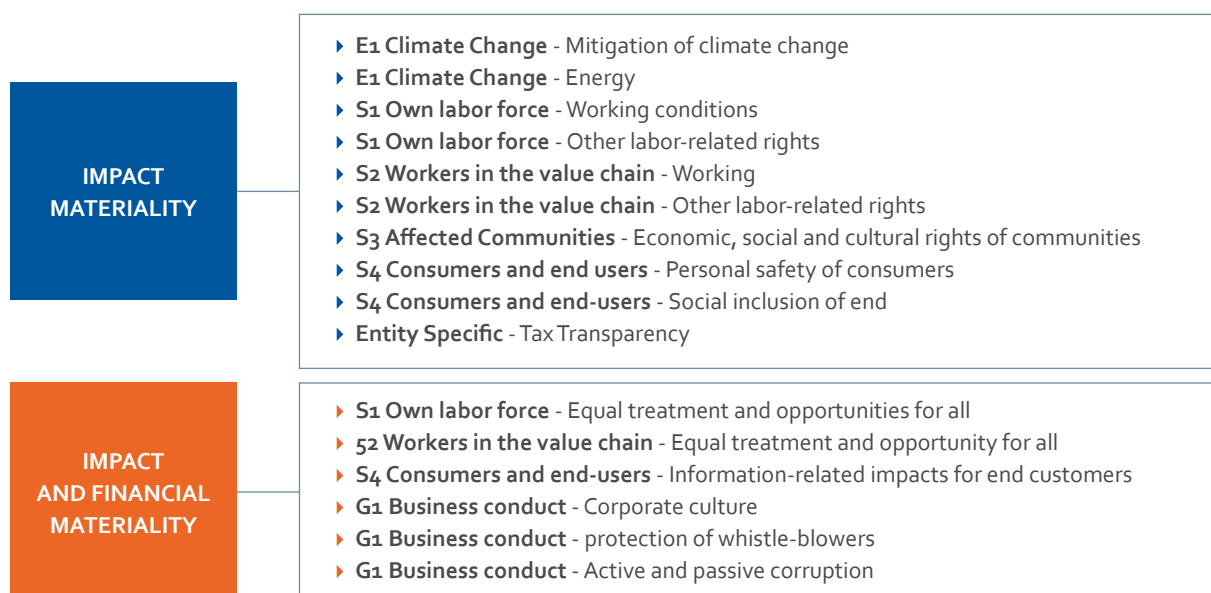
BFF Group's focus on sustainability

Attention to sustainability is considered a key and strategic element for the medium-to-long term development of the Group, thus raising awareness among its Personnel of a corporate culture that is increasingly inclusive, sustainable and attentive to attracting, developing and retaining talent.

In 2024, in line with the requirements of the new Corporate Sustainability Reporting Directive, the Group conducted a Dual Materiality Analysis (DMA) process during the year under review to identify relevant sustainability issues. It should be noted that, already in 2022, the Group conducted an initial Impact Materiality Analysis, accompanied by an analysis of sustainability risks and opportunities that could affect the Group's financial performance in the short, medium or long term, using an outside-in perspective. During 2024, this analysis was updated to comply with the new CSRD requirements, which, among other things, require the integration of the Double Relevance analysis with a thorough consideration of the Impacts, Risks and Opportunities (hereinafter also referred to as IROs) applicable to its value chain.

The results of the double materiality exercise carried out by the Group in 2024 are largely in line with the results of previous years. In fact, no different or additional material issues have emerged from the previous materiality.

This process enabled the consolidation of a framework used to measure progress in the medium term and to build an increasingly quantitative approach to ESG metrics, as well as to establish initiatives for the creation of culture.



In particular, BFF's journey towards sustainable value creation has evolved under the 2023-2027 Strategic Plan, which reinforces the monitoring of a broad spectrum of ESG issues through specific sustainability related targets. The link between the sustainability strategy and the Remuneration Policy is therefore ensured through the presence of ESG targets in both short-term and long-term variable incentive schemes. Specifically, the ESG performance drivers of the Chief Executive Officer's MBO scorecard relate to the key focus areas of the **2025 ESG Plan: integration of climate and environmental risks, Principles for Responsible Banking (PRB), Netting Strategy, Climate Report, ESG Procurement Process.**

Sustainability and Pay Equity: Gender Pay Gap

Within the framework of the Remuneration Policy, the issue of gender equality is of particular importance. BFF's Policy is neutral with respect to the Personnel's gender and contributes to the pursuit of equality among Personnel who occupy similar roles, perform similar functions, and work in the same geographical location. It ensures that, for the same job, in terms of the relevant responsibilities, activities and time required for its performance, the Remuneration of Personnel is the same, including in terms of conditions for its recognition and payment. In order to ensure this neutrality, the Bank has established:

- i. the recruitment, development, career progression and management succession processes, with particular attention to supporting gender representation at different career and/or professional levels;
- ii. specific information regarding the operational plans prepared in order to reduce bias in management choices by gender, age, nationality, and disability;
- iii. a diversity driver (both gender and nationality) among the individual KPIs of the Employees under the BoD's remit for hiring to managerial positions. This facilitates more women or foreigners being appointed to key positions of the Group by requiring that at least 50% of the shortlists for posts becoming available during the year include women or people of a different nationality than that of the country for which the selection is being made;
- iv. annual information to the Remuneration Committee and to the Board of Directors on the trend of the gender pay gap ("Average Pay Gap" and "Equity Pay Gap") and of the gender gaps as a whole, as part of a structured governance process that would assist with activating any corrective actions and therefore, if required, the integration of any additional safeguards in the Remuneration Policy of the following year. For more details on the gender pay gap, see Section II.

As part of the monitoring of the gender pay gap and in order to effectively ensure gender neutrality in its remuneration policies, the Bank is committed to:

- ▶ defining an action plan to prevent a gender pay gap for the same work performed;
- ▶ justifying any significant pay gaps and implementing appropriate corrective actions;
- ▶ ensuring equal opportunities for professional development and growth in line with merit-based principles.

BASE SALARY (FTE 100%)

	UoM	2024			2023			2022			2021		
		Men	Women	%	Men	Women	%	Men	Women	%	Men	Women	%
Top Management	€	164,516 €	140,000 €	85%	156,497 €	143,750 €	92%	151,764 €	141,250 €	93%	158,250 €	133,750 €	85%
Middle Management	€	84,192 €	72,265 €	86%	84,403 €	68,713 €	81%	80,029 €	63,471 €	79%	90,390 €	62,363 €	78%
Staff	€	58,147 €	52,888 €	91%	54,941 €	49,223 €	90%	51,342 €	45,991 €	90%	50,061 €	44,353 €	89%

In addition, a detailed analysis of the competitiveness of the remuneration system for the personnel under the responsibility of the Board of Directors in relation to the median of the Italian financial and banking services market was carried out with the assistance of Mercer. The components considered were Fixed Remuneration and Fixed Remuneration including short-term incentive plans.

	2024	
Personnel under the responsibility of the Board of Directors	Men	Women
Fixed Remuneration vs Market	1.2%	1.55%
Fixed Remuneration+short-term incentive plans vs Market	9.8%	12.09%

Pay equity: the Pay Ratio

An additional element measuring internal equity within the organization, on which BFF intends to ensure maximum transparency, concerns the Pay Ratio.

For 2024, this indicator, measured as the ratio of the CEO's fixed remuneration to the average fixed remuneration of BFF Bank S.p.A.'s and of Branches' employees, is 22.6:1, an improvement compared to 2023, when it was 24:1.

PRINCIPLES AND PURSUIT OF LONG-TERM INTERESTS WITH A VIEW TO SUSTAINABILITY AND PERSONNEL MANAGEMENT POLICY¹

The Group Remuneration and Incentive System aims to make the merit-based and pay-for performance values, on which the Bank is based, truly effective, drawing inspiration from the following principles:

- i. ensure consistency with the bank's objectives, corporate culture, long-term strategies, prudent risk management policies and overall corporate structure
- ii. align the interests of senior management and all personnel with the long-term interests of shareholders as much as possible;
- iii. avoid conflicts of interest;
- iv. encourage control activities by the relevant Corporate Control Functions;
- v. attract and retain individuals with the right professionalism and skills for the Group's needs, and get the most out of them by mapping out a path for professional growth;
- vi. encourage the utmost diligence and propriety in professional relationships, in line with Group values;
- vii. identify and map out a path for achieving objectives that:
 - a) are linked to business results, appropriately adjusted to take risks into account;
 - b) are consistent with the levels of capital and liquidity needed to cope with the activities undertaken;
 - c) avoid distorted incentives that could lead to excessive risk-taking for the Group and the financial system as a whole.

When defining remuneration policies, the following have been taken into account:

- i. the size and operational complexity of the Group;
- ii. the Group's business model and the resulting levels of risk to which it may be exposed;
- iii. domestic and international best remuneration practice;
- iv. employee compensation and working conditions. In particular, the Variable Remuneration that the Bank provides for Significant Persons is calibrated to the characteristics of the different staff and business areas by way of a specific policy approved by the Board of Directors, in accordance with the rules and principles of this Policy.

1) Regulatory references: Schedule 7-bis of Attachment 3A to the Issuers' Regulation, according to which the Report must indicate, among other things, "the aims of the remuneration policy and its underlying principles".

SECTION I

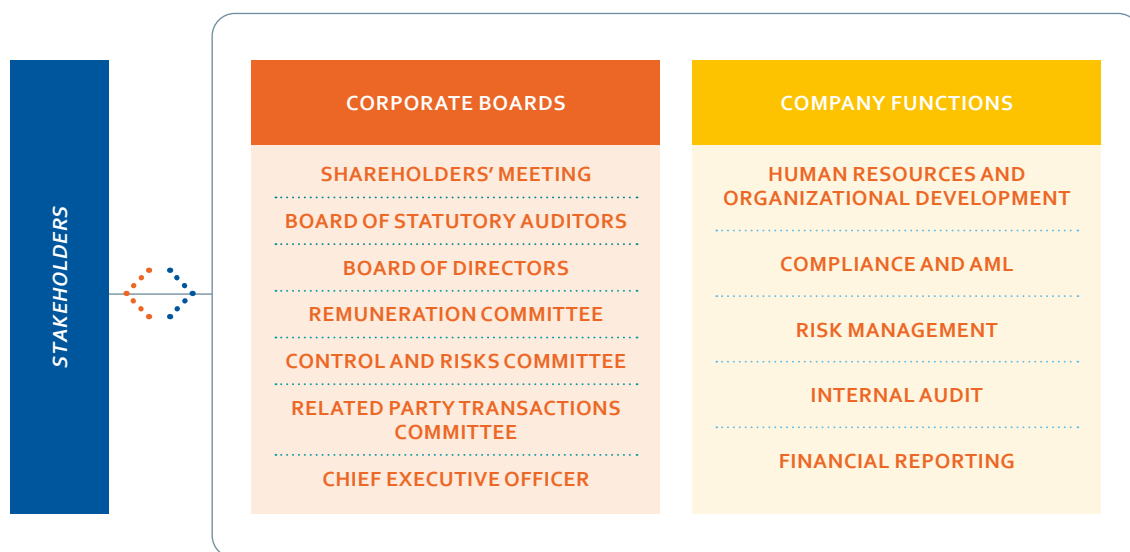
2025 REMUNERATION AND INCENTIVE POLICY

1. GOVERNANCE OF THE REMUNERATION AND INCENTIVE SYSTEM

The Policy is defined, implemented and managed through a clear process that involves several corporate bodies and functions at various levels and according to specific roles and responsibilities.

The Policy is also defined as part of a dialog with the various stakeholders, including institutional investors and proxy advisors.

DEFINITION, APPLICATION AND CONTROL OF REMUNERATION AND INCENTIVE POLICIES



The role of the Bank's corporate bodies and the process for adopting, applying and monitoring the Policy, as required by Supervisory Provisions, are described below.

1.1 Shareholders' Meeting

With reference to remuneration and incentive policies, the Ordinary Shareholders' Meeting:

- i. determines the amount of compensation to be paid to the Directors, the Statutory Auditors and the Independent Auditors responsible for auditing the accounts;
- ii. approves the Policy. If the Shareholders' Meeting does not approve the Policy, the most recent Remuneration Policy approved by the Shareholders' Meeting remains in force²;
- iii. approves any securities-based remuneration plans;
- iv. approves the criteria for determining the compensation to be granted in the event of early termination of the employment relationship or of the office, including the limits imposed on said compensation in terms of the annual Fixed Remuneration and the maximum amount deriving from their application;
- v. at least once a year, expresses its opinion by means of advisory vote regarding the disclosure on the remuneration and incentive policies adopted by the Bank, and their implementation according to the procedures defined by Supervisory Provisions. That disclosure contains the same information regarding remuneration and incentive systems and practices provided to the public, in compliance with Supervisory Provisions.
- vi. approves raising the ceiling of the Variable Remuneration to Fixed Remuneration ratio from 1:1 to 2:1 for Risk Takers. This capacity was implemented by way of the Shareholders' Meeting resolution of December 5, 2016, approving the Board of Directors' proposal to raise the ceiling of the Variable Remuneration to Fixed Remuneration ratio from 1:1 to 2:1 (with the exception of Personnel belonging to the Corporate Control Functions, for which the Variable Remuneration to Fixed Remuneration does not exceed 1:3). This shareholders' resolution was adopted:
 - a) in accordance with the qualified majorities laid down in the Supervisory Provisions;
 - b) following advance notice to the Supervisory Authority as required by the Supervisory Provisions.

1.2 Board of Directors

The Board of Directors:

- i. prepares the Policy, submits it to the Shareholders' Meeting, reviews it at least once a year and is responsible for its implementation, ensuring that it is adequately documented and accessible to Personnel;
- ii. defines the compensation and incentive systems for the following individuals, if appointed: executive directors; general managers; co-general managers, deputy general managers and similar individuals; heads of the main business lines, corporate functions or geographical areas; and those reporting directly to the bodies with strategic oversight, management and control functions;
- iii. defines the remuneration and incentive systems for managers and senior staff of corporate control functions;
- iv. ensures that these systems are consistent with the bank's overall choices in terms of risk-taking, strategies, long-term objectives, governance structure and internal controls, including through the selection of consistent targets in management incentive systems from year to year;
- v. ensures that the remuneration and incentive systems are appropriate to ensure compliance with the laws, regulations and by-laws, as well as with any code of ethics or codes of conduct, and promotes the adoption of conduct in accordance with these.

2) In accordance with the provisions of Article 123-ter, c. 3-ter of the Consolidated Law on Finance: "If the Shareholders' Meeting does not approve the Remuneration Policy submitted to a vote in accordance with paragraph 3-bis, the Company shall continue to pay remuneration in accordance with the most recent Remuneration Policy approved by the Shareholders' Meeting or, failing that, may continue to pay remuneration in accordance with the current practices".

- vi. ensures that the relevant corporate functions (in particular: risk management, compliance, human resources, strategic planning) are appropriately involved in the remuneration and incentive policy-making process in a manner that ensures effective input and preserves the independent judgment of the functions required to carry out controls, including ex-post controls;
- vii. approves the Remuneration Policy for Complaints Handling Personnel and the Credit Assessment Personnel ("*Significant Persons*")
- viii. periodically reviews, with the support of the Remuneration Committee, the gender neutrality of remuneration policies and monitors the gender pay gap and its evolution over time;
- ix. approves the outcomes of the Risk Taker identification process, including the outcomes of the Risk Taker exclusion process, if any, and periodically reviews the relevant criteria;
- x. approves, under exceptional circumstances³ and as provided for by article 123-ter, paragraph 3-bis of the TUF as updated in 2019 and by the update to the Issuers' Regulation of December 2020, any deviation from the Policy, subject to the opinion of the Remuneration Committee and consistent with the procedure contained in the Regulation for the management of transactions with parties in conflict of interest.

In this regard, it is noted that, within the Policy - while ensuring compliance with the cap on the Variable to Fixed Remuneration ratio approved by the Meeting - deviations are possible with regard to the Variable Remuneration components, in particular the objectives and/or adjustments mix underlying the individual variable component, or the target and maximum levels or the vesting and payment conditions.

Information on any deviation from the Policy is provided to the Meeting as part of the Annual Report on the Remuneration Policy and Remuneration Paid for the following year, highlighting the elements that were waived, the exceptional circumstances, why the waiver contributed to the long-term interests and sustainability of the Bank as a whole or to ensuring its ability to continue operating on the market. Information on the procedure followed is also provided.

1.3 Board of Statutory Auditors

On the subject of remuneration, the Board of Statutory Auditors plays an advisory role, expressing opinions as required by the legislation in force. In particular, the Board of Statutory Auditors expresses its opinion on proposals for the remuneration of Executive Directors and other Directors holding special offices.

The information on the Board of Statutory Auditors is included in full in the Corporate Governance Report, to which one should expressly refer.

3) Exceptional circumstances are exclusively situations where a deviation from the Remuneration Policy is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to continue operating on the market.

1.4 Remuneration Committee

Composition of the Remuneration Committee

The Remuneration Committee is composed of three non-executive Directors, at least two of whom are independent. The Chairman of the Remuneration Committee is chosen from among the independent directors. The Chair of the Board of Directors, although assessed as independent, cannot be appointed as a member of the Remuneration Committee.

The Remuneration Committee, appointed by resolution of the Board of Directors on April 18, 2024, was, until 12/31/2024, composed as follows:

Members in office	Position	Independence	Non-Executive
Guido Cutillo	Chairman	✓	✓
Domenico Gammaldi	Member	✓	✓
Mimi Kung	Member	✓	✓

As of January 2025, following the appointment of Mr. Gammaldi as AML Representative, the Committee has established its new composition, which includes Ms. Mac Eachen:

Members in office	Position	Independence	Non-Executive
Guido Cutillo	Chairman	✓	✓
Susana Mac Eachen	Member	✓	✓
Mimi Kung	Member	✓	✓

Duties of the Remuneration Committee

The Remuneration Committee provides instructions and advice and makes recommendations to the Board of Directors on matters concerning Personnel remuneration and incentives, as well as the monitoring of areas within its remit. Within the scope of these functions, the Remuneration Committee, as established by the Supervisory Provisions:

- i. makes proposals regarding the compensation of Personnel within the Board of Directors' purview;
- ii. advises on the determination of remuneration criteria for all Risk Takers;
- iii. expresses its opinion—also based on information received from the relevant corporate functions—on the outcomes of the process for identifying key personnel, including any exclusions;
- iv. directly oversees the proper application of remuneration rules for the heads of Corporate Control Functions, in close coordination with the Board of Statutory Auditors;
- v. prepares the documentation to be submitted to the Board of Directors for its decisions, particularly regarding the guidelines on remuneration policies and principles to be approved by the Shareholders' Meeting, in accordance with the provisions of Circular 285 and taking into account the Corporate Governance Code requirements, including for the purpose of the "comply or explain" principle, leveraging the support of internal functions, primarily the Human Resources and Organizational Development Function;

- vi. provides opinions to the Board of Directors on the Chief Executive Officer's proposals for revising the Policy concerning Personnel other than those within the Board's purview;
- vii. supports the Board of Directors in its periodic review of the gender neutrality of remuneration policies;
- viii. submits non-binding opinions and proposals to the Board of Directors on all matters related to remuneration policies (fixed, variable, benefits, ancillary clauses, etc.) and their application with reference to Personnel within the Board's purview or in response to specific requests from the Board;
- ix. monitors market feedback on remuneration policies, examining the Shareholders' Meeting vote on the Remuneration Report and carrying out the tasks assigned to it by the Engagement Policy concerning investor relations, presenting its analysis to the Board of Directors.

The Committee carries out all its tasks in accordance with the Bank's Governance rules, with the support and collaboration of other functions based on their respective responsibilities. Specifically:

- i. works with the other committees within the Board of Directors, particularly the Control and Risks Committee and the OPC, in relation to the Policy. The Control and Risks Committee, in coordination with the Remuneration Committee and with the help of the Risk Management Function, examines whether the incentives provided by the remuneration system are consistent with the RAF;
- ii. ensures the involvement of the relevant corporate functions in the process of drafting and monitoring the Policy, (Group Human Resources and Organizational Development Function, Risk Management Function, Compliance Function, Group Planning and Control Business Unit and Internal Audit Function);
- iii. ensures coordination with the Chief Executive Officer to maintain overall consistency in remuneration policies between Personnel within the Board of Directors' purview and all other Personnel.
- iv. as the renewal of the mandate of the Board of Directors approaches, or whenever the Board of Directors deems it appropriate, the Remuneration Committee shall prepare guidelines, based on industry benchmarks, to ensure that the level of remuneration of the Chairperson, the Chief Executive Officer, the non-executive Directors and the members of the control bodies is commensurate with the skills, professionalism and commitment required by their position.

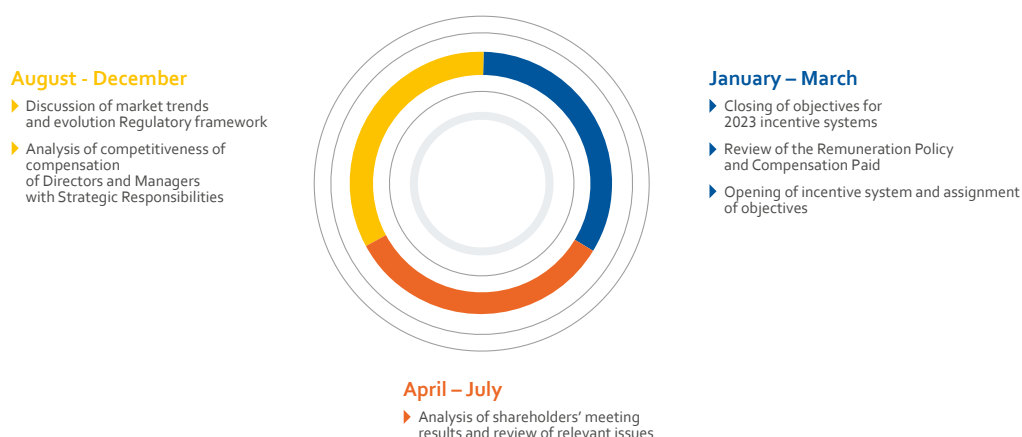
No director shall take part in the meetings of the Remuneration Committee at which proposals are made to the Board concerning his/her remuneration.

If the Board of Directors has not determined the annual expenditure budget available to the Remuneration Committee for the performance of its activities, the Remuneration Committee shall submit to the Board of Directors a request for approval of the relevant expenditure items.

Activity cycle of the Remuneration Committee

The Remuneration Committee is convened by the Chair and meets at least once every three months and, in any case, whenever necessary for dealing with matters under its remit.

The Remuneration Committee's schedule of activities for 2025 is structured as follows:



1.5 Control and Risks Committee

One of the functions of the Control and Risks Committee is to ensure that the incentives underlying the Group's remuneration system are consistent with the maximum levels of risk that the Group intends to assume.

In performing this function, it collaborates with the other committees within the Board of Directors, in particular with the Remuneration Committee. The Control and Risks Committee, in coordination with the Remuneration Committee, examines whether the incentives provided by the remuneration system are consistent with the RAF, also with the support of the Risk Management Function.

1.6 Related Party Transactions Committee

The Related Party Transactions Committee expresses opinions on the remuneration of the members of the Board of Directors. In addition, under exceptional circumstances⁴ and as provided for by article 123-ter, paragraph 3-bis of the TUF as updated in 2019 and by the update to the Issuers' Regulation of December 2020, the Related Parties Transactions Committee is consulted in accordance with the regulation for the management of transactions with parties in conflict of interest regarding any deviations from the Policy.

4) Exceptional circumstances are exclusively situations where a deviation from the Remuneration Policy is necessary to pursue the long-term interests and sustainability of the Company as a whole or to ensure its ability to continue operating on the market.

1.7 Chief Executive Officer

The Chief Executive Officer is responsible for defining and implementing the remuneration policy for Personnel other than those within the Board of Directors' purview and collaborates, when requested, in defining and implementing the policy for Personnel within the Board's purview. Specifically:

- i. proposes, in coordination with the Remuneration Committee, to the Board of Directors any revisions to the remuneration of direct reports;
- ii. submits to the Board of Directors proposals for revising the Policy for Personnel other than those within the Board's purview;
- iii. implements the approved remuneration policy, including incentive systems for all Personnel, through the Human Resources and Organizational Development Function;
- iv. proposes to the Board of Directors the hiring, promotion, disciplinary sanctions, dismissal and any other measures against Senior Executives and Executives who report directly to the Chief Executive Officer, subject to the limitations provided for by supervisory provisions;
- v. defines, for the Group's Subsidiaries, the remuneration systems that do not fall within the remit of the Bank's Board of Directors, taking into account the relevant local regulations;
- vi. identifies the beneficiaries of the Short and Long Term Incentive Plans, including "equity" and "cash settled" Stock Option Plans, the number of instruments (including stock options, Phantom SOPs etc.) to be granted to those who are not Relevant Personnel of the BoD in accordance with the provisions of the said plans. It also carries out the administrative activities of the Plans delegated to it by the Board of Directors or pursuant to said plans;
- vii. reallocates options allotted to personnel other than Personnel for whom the Board of Directors is responsible which have become available to the Bank pursuant to the stock option plan regulations.

1.8 The process of adopting, applying and controlling the Policy⁵

The Bank adopts the Policy through the following process, which takes place at least once a year.

- i. The Group Human Resources and Organizational Development Function, having received a mandate from the remuneration committee, prepares a draft of the Policy involving the competent functions, including the General Counsel Function, the Risk Management Function, the Planning and Control OU, and the Compliance & AML Function, and using the support of external legal counsel and a leading consulting firm specializing in Executive Remuneration⁶.
- ii. The Human Resources and Organizational Development Function submits the draft update of the Policy to the Remuneration Committee.
- iii. The Remuneration Committee coordinates the work related to the development of the Policy, leveraging the support of the Human Resources and Organizational Development Function, external consultants, and any other functions deemed necessary from time to time, involving the Chief Executive Officer.
- iv. The Chief Executive Officer independently submits proposals regarding the sections of the Policy concerning Personnel other than those within the Board of Directors' purview.
- v. The Remuneration Committee submits the Policy to the Board of Directors for approval, accompanied by its own reasoned opinion and a specific opinion from the Compliance & AML Function.
- vi. The Board of Directors, after consulting with the Remuneration Committee and the Control and Risks Committee, resolves to approve the Policy and submit it for approval by the Shareholders' Meeting.
- vii. The Shareholders' Meeting resolves on the adoption of the Policy.

See Attachment 3 for details of the roles of the different corporate functions.

As regards the process of application and monitoring of the Policy, the Human Resources and Organizational Development Function is the corporate structure in charge of applying the Policy at Group level.

5) Regulatory references: Article 123-ter of the TUF, Schedule 7-bis of Attachment 3A to the Issuers' Regulation.

6) For this Policy, PedersoliGattai Law Firm and The European House - Ambrosetti.

2. IDENTIFICATION OF RISK TAKERS AND CLASSIFICATION OF COMPANY ROLES⁷

The Group identifies the Risk Takers through an (at least) annual assessment process - entrusted to the Board of Directors, with the support of the Human Resources and Organizational Development Function, the Rules and Processes O.U., and the Risk Management Function – carried out on the basis of the criteria provided for by the Supervisory Provisions. Specifically, the following individuals are identified as Risk Takers:

- a) the members of the body with strategic supervision and management functions and the senior management;
- b) a) the members of Personnel with managerial responsibilities over corporate control functions or in relevant operational/business units;
- c) the members of Personnel for whom all of the following conditions are concurrently met:
 - i. the total Remuneration in the previous year was jointly equal to or greater than: €500,000; the average total remuneration paid to the Personnel referred to in a);
 - ii. their professional activity is performed within a relevant operational/business unit and has a significant impact on the risk profile of the operational /business unit.

For the purposes of identifying the Risk Takers under b) and c), the definitions contained in Delegated Regulation (EU) No. 923 of March 25, 2021 apply. The Risk Takers' category also includes persons identified in implementation of Delegated Regulation (EU) No. 923 of March 25, 2021.

Whenever the Bank or one of its Subsidiaries enters into a new employment and/or collaboration contract, the Human Resources and Organizational Development Function carries out an assessment to check whether the person in question falls within the Risk Taker category.

With regard to 2024, the process was based on the criteria set out in the relevant legislation and in particular:

- ▶ qualitative criteria: relating to the role, the assigned decision-making powers and the responsibilities assumed, within the Bank's organization, consistent with the nature, importance and complexity of the duties performed;
- ▶ quantitative criteria: relating to the total Remuneration established in the previous year.

7) Regulatory references: Supervisory Provisions, Part One, Title IV, Chapter 2, Section I, para. 6, Delegated Regulation (EU) 604/2014.

The results of the identification process were presented to the Remuneration Committee, which expressed a positive opinion on the matter, and subsequently to the Board of Directors at its meeting of February 27, 2025, which approved the proposal.

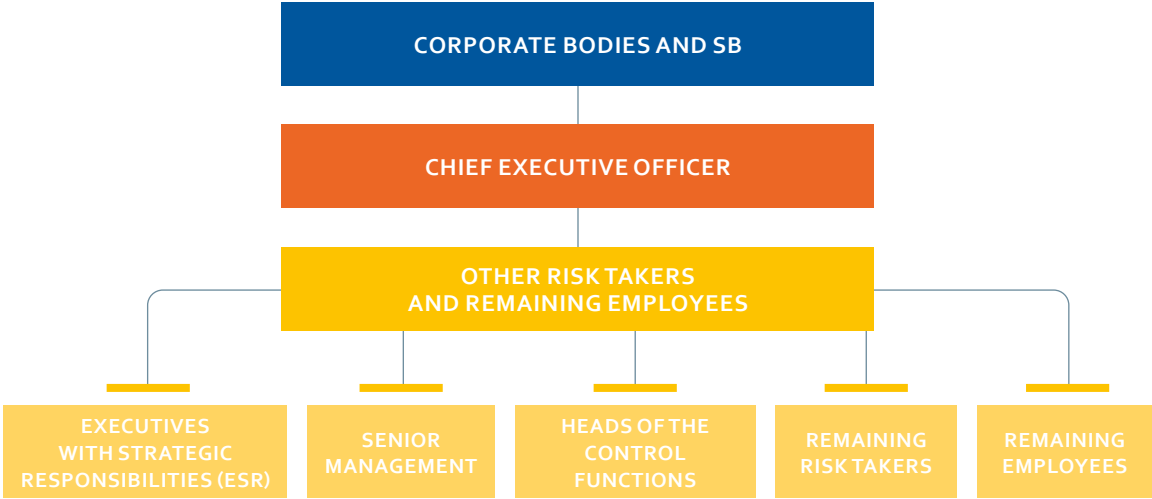
This process, based on the above criteria, led to the identification of 47 positions for 2025, one more than the results presented in the May 2024 assessment (the difference is related to organizational changes in the Group).

CATEGORY OF PERSONNEL	NO. OF PERSONS
Body with management function	1
Body with strategic oversight function	8
Responsible for risk management, compliance and internal audit functions	3
Belonging to senior management: Group Senior Executives	6
The head of a relevant operational/business unit	8
Other Risk Takers	21
TOTAL	47

3. RECIPIENTS OF THE REMUNERATION POLICIES

The remuneration policies are differentiated by type of recipient, in order to take into account the specific characteristics of each party and specific regulatory provisions.

In this respect, the Policy identifies the following categories of personnel, whose remuneration systems are described in the following chapters.



4. REMUNERATION SYSTEM FOR CORPORATE BODIES AND THE SUPERVISORY BODY

4.1 Bank Directors

All Directors:

- i. receive the compensation set by the Shareholders' Meeting as well as a reimbursement of costs incurred during the performance of their duties;
- ii. who are Committee chairs or members may receive additional compensation determined by the Board of Directors pursuant to Article 2389, paragraph 3 of the Italian Civil Code;
- iii. have a civil liability insurance policy, the cost of which is paid by the Bank.

Except in the case of the Chief Executive Officer (and any executive directors), Directors are never entitled to Variable Remuneration. Any other executive directors may be paid a Fixed Remuneration and a Variable Remuneration, which may include all or some of the components envisaged for the Chief Executive Officer (paragraph 6 - *Chief Executive Officer Remuneration*).

The Chairman of the Board of Directors receives a Fixed Remuneration established by the Board of Directors in accordance with Article 2389, paragraph 3 of the Italian Civil Code determined ex ante and consistent with:

- i. their role;
- ii. the size and organizational complexity of the Bank;
- iii. market practices and benchmarks.

4.2 Statutory Auditors

The Statutory Auditors:

- i. receive a remuneration established by the Shareholders' Meeting that is commensurate with the skills, professional capabilities and commitment required by the role and with the size of the Bank;
- ii. do not receive any Variable Remuneration or pay linked to the results of the Bank or the Group;
- iii. have a civil liability insurance policy, the cost of which is paid by the Bank.

The Chair of the Board of Statutory Auditors receives a higher remuneration than that paid to the Statutory Auditors, which is also set by the Meeting.

4.3 Members of the Supervisory Body set up pursuant to Italian Legislative Decree no. 231/2001

The members of the Supervisory Body who are not Employees receive a Fixed Remuneration established by the Board of Directors. The amount of the Fixed Remuneration is established on the basis of market conditions and responsibilities assumed, guaranteeing the independence and autonomy of the function, and the diligent performance of the task. These members cannot receive any Variable Remuneration but receive D&O insurance cover and reimbursement of the expenses actually incurred in the performance of their duties.

Conversely, for the members of the Supervisory Body who are also Employees no remuneration is envisaged for the office, but only D&O insurance coverage and the reimbursement of expenses actually incurred in the performance of their duties.

5. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

The remuneration structure for the Chief Executive Officer favors pay for performance, with Variable Remuneration prevailing over Fixed Remuneration.

The pay mix of the Chief Executive Officer is therefore composed as follows:

- ▶ Fixed Remuneration, consisting of remuneration pursuant to article 2389, third paragraph, and a package of benefits, established by the Board of Directors;
- ▶ an MBO linked to the achievement of quantitative/financial and qualitative/non-financial performance indicators within an individual scorecard. The short-term variable remuneration is awarded only upon meeting the access conditions ("entry gate"). The maximum opportunity is equal to 130% of Fixed Remuneration (excluding benefits) (see section 5.1 MBO);
- ▶ a medium/long-term incentive plan ("long-term incentive plan") (see paragraph 5.2 *Variable medium/long-term system* (LTI)). The maximum amount that can be allocated is equal to the difference between (i) double the Fixed Remuneration and (ii) the annual value of the MBO received by the Chief Executive Officer.

In addition to the above components, the Chief Executive Officer's Remuneration consists of (i) a non-competition agreement with the aim of protecting the Bank subsequent to the termination of office and (ii) a golden parachute - agreed for the purpose, *inter alia*, of limiting the risks of potential litigation between the Bank and the Chief Executive Officer - which may be paid, under certain conditions, upon termination of the office (see par. 5.4 - *Office termination payments*).

The Variable Remuneration components of the Chief Executive Officer are described in more detail below. It is noted that the following sections, as well as the entire Policy, should be read in light of the above premise regarding the ban imposed by the Bank of Italy (see the Note of April 29, 2024, from the Bank of Italy).

5.1 MBO

Due to the ban imposed by the Bank of Italy, and in light of the need to incentivize and guide the performance of the Chief Executive Officer, performance drivers, both quantitative and qualitative, will also be assigned to the CFO. However, this does not lead to the actual assignment of the MBO 2025 bonus (or any other component of Variable Remuneration) or to any legitimate expectation in this regard. In this respect, the Bank and the Chief Executive Officer entered into an addendum to the Chief Executive Officer's administration contract on March, 12, formalizing the performance drivers for the CEO for the years 2025 and 2026 as identified by the Board of Directors.

As previously mentioned, if the ban from the Bank of Italy is lifted during 2025, the assignment of the aforementioned drivers can be valued and considered by the Bank for the actual assignment of the MBO 2025 bonus.

If, on the other hand, the ban from the Bank of Italy is not lifted, the provisions of the Chief Executive Officer's administration contract will remain in effect (to the extent compatible with the ban itself).

The annual Variable Remuneration and the correlation between risks and performance are established through a process that aims to remunerate the Chief Executive Officer in compliance with the risk profile defined by the Risk Appetite Framework (RAF), and on a going concern basis and in view of the sustainability of long-term results.

In particular, as regards the MBO system of the Chief Executive Officer, the payment is subject to the achievement of certain gates:

Indicator	Minimum threshold
Liquidity Coverage Ratio (LCR)	> 0 = risk tolerance (*)
Total Capital Ratio (TCR)	> 0 = risk tolerance (*)
EBTDA ^{RA} (risk- and cost-of-capital-adjusted return)	Positive

(*) Level approved by the Board of Directors and defined within the RAF.

The MBO bonus of the Chief Executive Officer is paid based on the level of achievement of a set of economic/ financial and qualitative/ESG drivers.

The table below summarizes the objectives of the MBO plan⁸:

TYPE	GOAL	DESCRIPTION	LINK WITH STRATEGY	WEIGHT	THRESHOLD	TARGET	MAX
Financial	EBTDA ^{RA}	Measures risk-adjusted profitability	Financial sustainability over time	50%	= 90% Budget	= Budget	= 110% Budget
	PAST DUE	Measures the quality of credit management	Past Due containment is one of the Bank's strategic objectives	20%	110%	100%	90%
	LOANS	Measures the level of loans and receivables with customers (excluding the HTC securities portfolio).	Growth in assets needed to support the bank's profitability	10%	90%	100%	110%
	DEPOSITS	Measures the liquidity of the Bank	Cost of funding optimization	10%	90%	100%	110%
ESG	Customer Satisfaction/ 2025 ESG Plan	Sustainability goals	Key indicators: 1) for the improvement of customer relations 2) for the effective implementation of the Bank's ESG Plan	10%	90%	100%	110%

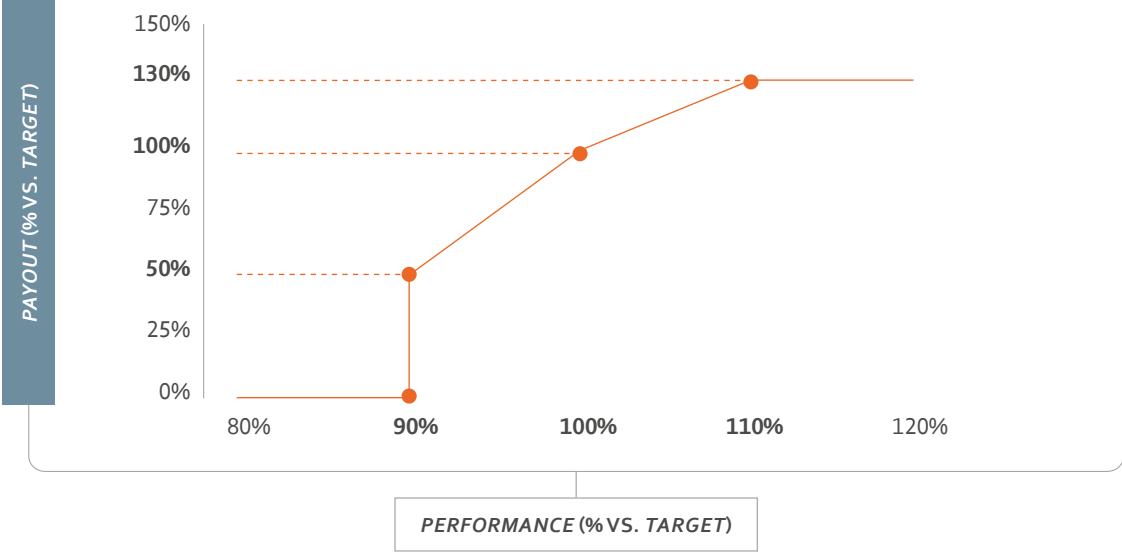
The 2025 ESG Plan KPI consists of 5 drivers outlined in the 2025 ESG Plan, below:

ESG plan drivers	Description
Integration of environmental climate risks	Full integration of environmental climate risks into BFF's Risk Framework, in line with the expectations set by the Bank of Italy in this regard.
Principles for Responsible Banking (PRB)	Completion of Gap analysis and adherence to PRBs
Netting strategy	Decarbonization Plan Update
Climate Report (formerly TCFD)	Drafting the first Climate Report (TCFD inspired)
ESG Procurement Process	Updating the procurement process according to ESG evaluation criteria and evaluating first-tier suppliers based on ESG criteria

Each goal in the scorecard is assessed separately (therefore, failure to achieve one target does not preclude the payout for other targets if they are achieved).

8) The non-financial/ESG drivers were developed and proposed based on the benchmark identified by an independent external consultant with respect to the presence of non-financial/ESG drivers in FTSE MIB issuers.

Regarding financial objectives, the payout varies depending on whether the minimum, target, or maximum level of the objective is reached. Below the minimum level, no payout is made. Starting from the minimum payout level (50%) for a performance of 90% of the target, the payout increases proportionally until the target (100%) is reached. For performance between the target and maximum levels, a linear interpolation mechanism is applied, up to a maximum payout of 130%, as illustrated in the following graph.



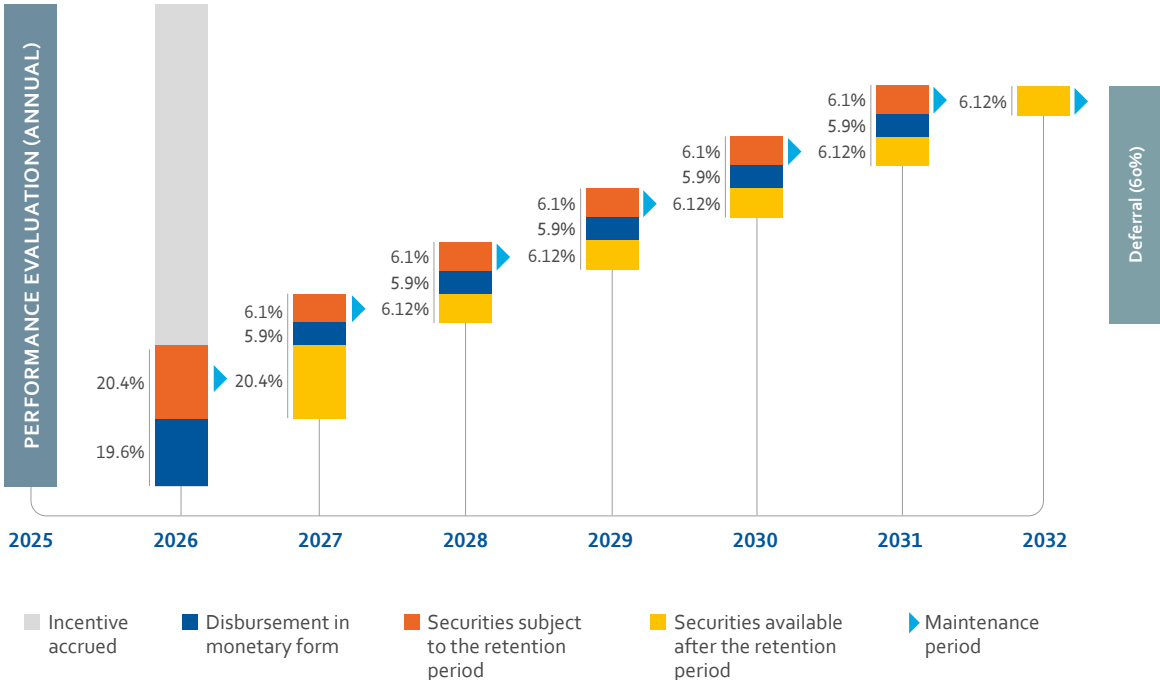
The performance for the qualitative/ESG objective is measured by considering the achievement of the threshold, target, or maximum levels. Therefore, no linear interpolation mechanisms are provided for.

In any case, the maximum *payout* for the Chief Executive Officer’s MBO may not exceed 130% of his Fixed Remuneration, as governed by the *addendum* mentioned above and entered into on March, 12.

Payment method

The Chief Executive Officer’s Variable Remuneration is considered to be of a “particularly high amount” for the purposes of the Supervisory Provisions, when it exceeds the threshold of €436,932.75⁹, even assuming that the MBO is accrued at the minimum level envisaged (i.e., 50% of Fixed Remuneration). Accordingly, the disbursement of the CEO’s MBO bonus is as follows:

- ▶ the up-front portion is paid following the approval of the Group’s financial statements and is equal to 40%, while the remaining 60% is deferred in equal annual installments over 5 financial years, beginning 12 months after the payment of the upfront portion;
- ▶ 51% of both the up-front and deferred portion is paid through financial instruments, subject to a one-year retention period.



- ▶ the bonus is subject to malus and clawback clauses, as envisaged for the remaining Risk Takers (see par. 6.2.3 - *Ex-post adjustment mechanisms (Malus and Clawback)*)¹⁰.

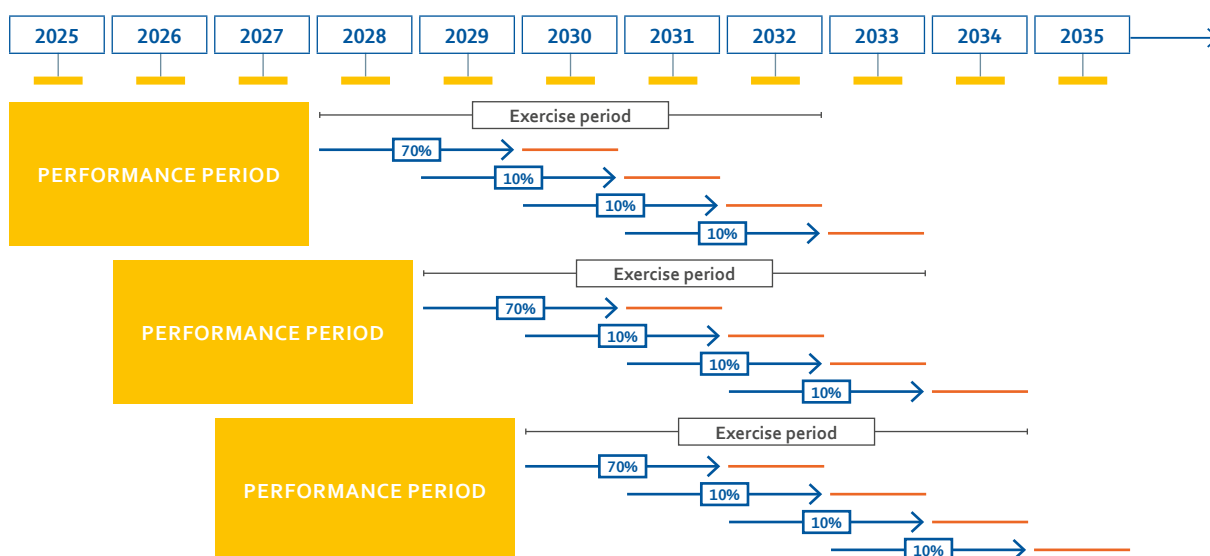
9) See paragraph 6.2.1.3 for the definition of “particularly high amount.”
 10) Subordination of the Chief Executive Officer to the continuation of the employment relationship, not on notice and not pending disciplinary proceedings, does not apply to the Chief Executive Officer, since there is no employment relationship between the Chief Executive Officer and the Bank.

5.2 Variable medium/long-term system (lti)

In addition to the Fixed and Variable Remuneration described above, the Chief Executive Officer participates in the 2025 Long-Term Incentive Plan, subject to shareholder approval in 2025 and to all applicable rules regarding variable remuneration.

The plan is structured in continuity with the 2022 LTI, in three annual tranches. If approved by the Shareholders' Meeting and once the ban imposed by the Bank of Italy on the approval and payment of variable remuneration is lifted, the allocation for each tranche may have a maximum impact of 100% of the Fixed Remuneration for each year. The amount of options actually vested will be related to the level of achievement of performance objectives¹¹, verified at the end of the performance period.

The actual allocation will be subject to an additional deferral, as highlighted below, after which an additional retention period of 12 months will be defined. Any allocation is conditional on the absence of conditions for triggering Malus or Claw Back mechanisms:



The Chief Executive Officer's contract also stipulates that in the event of implementation of new long-term incentive plans based on financial instruments until the date of approval of the annual financial statements as of December 31, 2029, if still in office, the Chief Executive Officer will be entitled to be awarded a quota of financial instruments equal to 20% of the plan's total bonus pool, always respecting the 2:1 limit between variable and fixed remuneration.

11) The level of target achievement varies for each individual tranche launched

5.3 Non-competition agreement

The Chief Executive Officer may be subject to a non-compete agreement [this is written to clarify that what follows is only a CONSOB disclosure].

the Bank has entered into a non-competition agreement with the Chief Executive Officer, the components of which are set out below in accordance with the provisions of Schedule 7-bis of Attachment 3A of the Issuers' Regulation¹²:

- ▶ **Duration:** 36 months after termination of office;
- ▶ **Remuneration:** 100% of Fixed Remuneration (excluding benefits) for each year of non-competition;
- ▶ **Penalty:** 150% of the Fixed Remuneration (excluding benefits) for the first year following the termination of office and 100% of the Fixed Remuneration (excluding benefits) from the second year.

5.4 Golden parachute

The Chief Executive Officer may be subject to predetermined contractual provisions in the event of early termination of office (*Golden Parachute*).

A golden parachute agreement has been entered into with the Chief Executive Officer to regulate ex-ante the economic aspects related to early termination, with the aim of avoiding the uncertainty of current or future disputes and the risks associated with legal proceedings that could also have reputational and image implications for the Company. The components of the agreement are outlined below, in accordance with the provisions of Schedule 7-bis of Attachment 3A of the Issuers' Regulations¹³.

1. The maximum golden parachute that may be payable to the Chief Executive Officer upon termination of office, amounts to a value equal to the lesser of:
 - ▶ 1.8 times the sum of the average Variable Remuneration of the previous three years and Fixed Remuneration (excluding benefits);
 - ▶ the amount of €4,500,000.00 (i.e., the maximum limit approved by the Meeting on March 25, 2021, for amounts recognized under agreements with Personnel, reached in any forum, for the settlement of current or potential disputes).

In this regard, it is emphasized that the Chief Executive Officer, not being an Employee of the Bank, is not due any notice period or indemnity in lieu of notice in the event of dismissal by the Bank, nor any "additional" indemnity in the event of unjustified termination (which is due instead to executives) and/or employee severance indemnity or indemnity¹⁴ for termination of office.

12) Schedule 7-bis of Attachment 3A of the Issuers' Regulation: "With regard to members of governing bodies, general managers, and other key management personnel, the section contains at least the following information, to be explained in a clear and comprehensible manner: the policy relating to procedures in the event of termination of office or employment relationship, specifying: (...) **the components for any non-competition commitments**. If these payments are expressed by year, indicate in detail the components of this year (fixed, variable, etc.);"

13) Defined as the average of the amounts paid to the Chief Executive Officer as Variable Remuneration (as currently defined) in the three-year period preceding the vesting date of the Chief Executive Officer's right to receive the golden parachute, including amounts still subject to deferment (for the sake of clarity: the deferred portions of the variable remuneration accrued in the previous three-year period are taken into account and not the deferred amounts received in the three-year period but arising from the variable remunerations accrued prior to the three-year period of reference) and including the value of any stock options, phantom stock options or other equivalent instruments awarded in the three-year period, the value of which is the value calculated on the award date.

14) Typically, remuneration defined within the framework of an employment relationship has a company cost that is at least 30% higher than the same amount regulated under a directorship relationship.

2. The golden parachute will be paid to the Chief Executive Officer, in the event of early termination of the office, solely upon the occurrence of certain circumstances. In this regard, note that, consistent with supervisory expectations, subject to the favorable opinion of the Remuneration Committee and the Board of Statutory Auditors, the aforementioned golden parachute was revised during 2023, and specifically the parties reduced the number of conditions of access thereto, removing the trigger event for non-renewal as Chief Executive Officer - upon the expiration of this term or any other term occurring before the date of approval of the Company's financial statements as of December 31, 2026 - until the date of approval of the Company's financial statements as of December 31, 2026.
3. Accordingly, the contractually specified circumstances which determine the Chief Executive Officer's right to payment of the golden parachute are as follows:
 - ▶ removal from office as a director prior to the approval of the Bank's financial statements as of December 31, 2029, other than on bad leaver clauses;
 - ▶ substantial reduction¹⁵ or revocation of the powers of the CEO during any term of office that was in progress until the date of approval of the Bank's financial statements on December 31, 2029, for a reason other than a written request from the Bank of Italy or Consob;
 - ▶ reduction in Remuneration not due to failure to achieve the targets of the variable incentive schemes and not due to the need to adjust the contract to regulatory changes, of the Chief Executive Officer during any term of office that was ongoing until the date of approval of the Bank's financial statements as of December 31, 2029.
4. The disbursement of the golden parachute is structured as follows:
 - ▶ 40% up-front portion, while the remaining 60% is deferred in equal annual installments over 5 years, beginning 12 months after the vesting of the up-front portion;
 - ▶ 51% of both the up-front and deferred portion is paid through financial instruments, subject to a one-year retention period.
5. Moreover, the golden parachute is:
 - ▶ subject to malus and clawback mechanisms;
 - ▶ conditional on the absence of any conduct by the Chief Executive Officer, in the context of the Bank's activities or his professional activities in such context, which has resulted in a significant loss for the Bank or the Group companies;
 - ▶ subject, in the vesting year, to compliance with gates associated, compliance with capital and liquidity limits and application of performance parameters, net of the risks.

15) According to the provisions of the Chief Executive Officer's contract, a substantial reduction in delegated powers shall be understood to mean the elimination or modification of even one of the following powers (subject to the limits expressly envisaged in the delegated powers themselves):

- (i) general management powers;
- (ii) powers in financial matters relating to the negotiation, conclusion modification and execution of credit and financing contracts and contracts for transactions in currency swaps, domestic currency swaps, interest rate swaps, currency options, bond options, future rate agreements, foreign exchange netting agreement caps, floors, collars and to any other financial transaction directly similar in structure and purpose to those listed above;
- (iii) management powers for factoring;
- (iv) power to authorize first-risk lines of credit and signature credits (sureties and letters of patronage) in favor of financial and corporate counterparties outside of transactions executed for factoring;
- (v) power to provide for all current expenses of the Bank and to negotiate, enter into, amend and execute related contracts;
- (vi) power to propose to the Board of Directors (with regard to Senior Executives and of Executives falling within the Personnel for whom the BoD is responsible) and to decide (with regard to the remaining employee Personnel) on hiring, promotion, disciplinary sanctions, dismissal and any other measures within the limits set by the Board of Directors.

In this regard, over the past two years, the Remuneration Committee has commissioned the firm Mercer to perform a benchmarking study¹⁶ relating to the measurement of trends and market practices in the context of listed companies, with reference to agreements stipulated in view of or on the occasion of the early termination of the employment relationship with top managers or for early termination of office and non-competition agreements. This study shows that the golden parachute of the Chief Executive Officer reflects the majority of the best and most widespread practices in the market. In fact, for the purposes of calculating the golden parachute of the Chief Executive Officer, the “pay-for-performance” principle is taken into account and, in particular, the amounts received by way of Variable Remuneration (i) in the previous three years and (ii) also considering the amounts relating to long-term incentive plans.

5.5 Additional elements of the Chief Executive Officer’s Variable Remuneration

The Chief Executive Officer may receive further Variable Remuneration elements related to performance against pre-defined objectives with a view to incentivizing the alignment of the Chief Executive Officer’s interests with those of the Group medium to long term, in any case within the limits of the Variable to Fixed Remuneration ratio of 2:1, or within the limits set by the laws in force from time to time.

16) Benchmark conducted in November 2022 on all FTSE MIB companies by Mercer

6. STRUCTURE OF REMUNERATION OF EMPLOYEES¹⁷

The Remuneration of Employees provides for a balanced package consisting of Fixed Remuneration and Variable Remuneration.

Excluded Benefits do not constitute Remuneration for the purposes of the Policy.

Excluded Benefits may include small and insignificant one-off amounts paid as part of an annual salary review. The disbursement of these amounts is appropriately justified and documented on the basis of qualitative and/or quantitative standards.

6.1 Fixed Remuneration

It is left to each Group company to establish benefit packages, including flexible benefits, consistent with local regulations.

As for the Bank, the benefits are assigned according to the role held. The benefits package may include, for example:

- i. regular medical check-ups;
- ii. flexible benefits;
- iii. meal ticket;
- iv. contribution to a supplementary pension fund;
- v. insurance: Long-term care, life, occupational and non-professional accidents, permanent disability, medical expenses;
- vi. company car and reimbursement for fuel expenses.

Fixed Remuneration is calculated based on some principles that are consistent with the Code of Ethics and can be summarized as follows:

- ▶ fairness, understood as the attribution or recognition of what is due to the individual in question, in terms of professional growth, based on possession of the required characteristics, roles and responsibilities, without any discrimination, giving everyone the same career opportunities;
- ▶ competitiveness, understood as an analysis of how the salary awarded to each position compares to specific market benchmarks;
- ▶ meritocracy, which is expressed in how individuals are valued based on merit;
- ▶ consistency over time, with reference to medium- and long-term objectives and risk management policies.

¹⁷) Regulatory references: Schedule 7-bis of Attachment 3A to the Issuers' Regulation.

6.2 Variable Remuneration

The following outlines the key elements of the Variable Remuneration for Employee Personnel. The following sections, as well as the entire Policy, should be read in light of the above premise regarding the ban imposed by the Bank of Italy (see the Note of April 29, 2024, from the Bank of Italy).

6.2.1 General principles

The Variable Remuneration is linked to various parameters consistent with the function of the specific instrument used to pay the Variable Remuneration (e.g., individual and/or Bank performance, however measured, period of continued employment, etc.).

The Bank's incentive system consists of several elements, applied based on the employee's role within the Group company structure, including:

- i. short-term incentive plans (MBO);
- ii. long-term incentive plans (including stock option plans);
- iii. VAP for Bank personnel to whom is applied the "National Collective Labor Agreement for executives and personnel in professional areas, employees of credit, financial and instrumental companies";
- iv. additional variable remuneration elements, such as retention bonuses, additional discretionary pension benefits-MBOs, golden parachutes and other components set out in the Policy.

No forms of guaranteed Variable Remuneration are permitted except in exceptional cases, for the hiring of new Personnel and limited to the first year of employment or office (e.g., entry bonus). These forms of guaranteed Variable Remuneration:

- i. may not be paid more than once to the same person;
- ii. are not subject to the rules on the Variable Remuneration structure if paid in a lump sum at the time of hiring (i.e., rules on balancing cash and Financial Instruments, deferral and retention);
- iii. contribute to determining the limit of the ratio of Fixed Remuneration to Variable Remuneration for the first year unless they are paid in a lump sum at the time of recruitment.

The payment of Variable Remuneration, whether up-front or deferred, with the exception of the golden parachutes provided for in paragraph 6.2.2.8. (*Golden Parachute*), is also subject to:

- i. for Employees, as of the payment date, being employed by the Bank and/or its Subsidiaries, not having submitted notice to leave and not pending disciplinary proceedings that might conclude with dismissal. In any case, after three years of deferral with the employment relationship still in place, the beneficiary will be entitled to the payment of subsequent deferred installments as well, irrespective of the termination of employment;
- ii. for Personnel, compliance with parameters pertaining to results, assets and liabilities and cash flows.

Regarding the requirement to still be employed by the Bank and/or its Subsidiaries, there may be exceptional and properly justified exemptions (so-called good leaver provisions), in which, although said condition is no longer met, the Variable Remuneration in question may be paid in whole, in part or *pro rata temporis* depending on when during the year the relationship with the Bank and/or the Subsidiaries is terminated. These exemptions must be approved by the CEO, except in relation to Personnel for whom the Board of Directors is responsible, when Board approval is required.

In this respect, with a view to avoiding any circumvention of the regulations or the Policy, the Bank ensures that Group Personnel are not remunerated or do not receive payments or other benefits through vehicles, instruments, or otherwise elusive methods, also with regard to Subsidiaries. In this regard, the Bank may ask the Group's Risk Takers to disclose any opening of custody and administration accounts with other intermediaries, and any financial transactions or investments made, which could affect the Group's risk alignment mechanisms.

6.2.1.1 Ratio of Variable Remuneration to Fixed Remuneration

The basis for calculating the ratio between Fixed and Variable Remuneration is the gross annual value of all elements of Fixed Remuneration, including benefits.

The maximum limit for the Variable Remuneration to Fixed Remuneration ratio is 2:1, as established by the Shareholders' Meeting of December 5, 2016¹⁸, in compliance with the Bank of Italy's prior information procedure.

The aforementioned limit was determined in a total Remuneration logic, taking into account compliance with current legislation, consistency between the different roles and responsibilities, and comparison with the relevant external market.

The resolution approving the increase of the limit to a maximum of 2:1 was sent to the Bank of Italy within the deadline set out in the Supervisory Provisions¹⁹.

For the Heads of Corporate Control Functions, the ratio of Variable Remuneration to Fixed Remuneration must not exceed 1:3. This limit is raised to 50% for the Head of the Group Human Resources and Organizational Development Function and for the Financial Reporting Officer, in order to keep their Variable Remuneration low ("Low Variable Remuneration").

18) The increase in the limit from 1:1 to 2:1, resolved by the Assembly on December 5, 2016, was confirmed by a subsequent resolution of the Assembly on April 5, 2018, pending the previous regulations, which did not clarify whether, after the initial resolution to raise the limit, a subsequent confirmation resolution by the Assembly in the following years was necessary. The update of the Supervisory Provisions on October 23, 2018, then clarified that 'if the assembly approves the increase in the limit, it is not necessary in the following years to submit a new resolution to the assembly, provided that the conditions on the basis of which the increase was resolved, the personnel to which it refers, and the measure of the limit itself have not changed' (Supervisory Provisions, Part One, Title IV, Chapter 2, Section III).

19) The Supervisory Provisions stipulate that within 30 days from the date on which the Assembly adopted the resolution to increase the limit, the decision itself, along with the approved limit or limits for each category of personnel affected, must be transmitted to the Bank of Italy. The conditions on the basis of which the increase was resolved, the type of personnel to which it refers, and the measure of the limit itself have remained unchanged. Therefore, the limit does not require new approval, in line with what is established by the Supervisory Provisions. In particular, the need to maintain adequate levels of competitive remuneration and motivation for staff is confirmed in order to improve the Bank's management retention capacity, as well as the need to further enhance the integration and participation of staff in the Group's results. Regarding Risk Takers, the increase in the limit to 2:1 has also demonstrated not to compromise compliance with the relevant regulations, particularly in light of the following safeguards:

- i. The parameter linked to the ratio between EBTDA Risk Adjusted (or EBTDA^{RA}) and Target EBTDA^{RA}, to which the payment of the MBO is usually subordinated.
- ii. The policy includes specific ex-post correction mechanisms (i.e., Malus and Claw Back), which may result in the reduction or elimination of previously paid Variable Remuneration, following behaviors that have caused damage or significant loss to the Bank or its Controlled Companies.

6.2.1.2 Variable Remuneration payment methods²⁰

The procedures for payment of the Variable Remuneration (with the exception of non-competition agreements and Incentive Plans in Financial Instruments, which have specific features, in compliance with regulations) consist of:

- ▶ deferral period and percentage of bonus subject to deferral;
- ▶ component in financial instruments and related retention period;
- ▶ presence of subsequent correction mechanisms (Malus clauses, for deferred components, and clawback clauses).

These arrangements differ according to the different categories of employees, as shown in the following paragraphs and summarized in this diagram:

	EMPLOYEE CATEGORY	SHARE IN FINANCIAL INSTRUMENTS	DEFERRAL PERIOD DEFERRED PERCENTAGE			SUBSEQUENT ALIGNMENT MECHANISMS	
			5 YEARS 60%	4 YEARS 40%	2 YEARS 30%	MALUS CLAUSES	CLAWBACK CLAUSES
RISK TAKERS	Risk Takers in Senior Management	✓	✓ <small>(If significantly high variable, par. 7.2.1.3)</small>	✓		✓	
	Other Risk Takers	✓		✓	✓	✓	
NON RISK TAKERS	Employees up to category Q3			✓	✓ <small>(If low variable, par. 7.2.1.4)</small>	✓	✓ Always present
	Remaining employees					✓	

Deferral

Subject to the provisions of paragraph 6.2.1.3 in relation to the Significantly High Variable Remuneration of the Chief Executive Officer, the heads of the main corporate functions, and those directly reporting to the Board of Directors and to paragraph 6.2.1.4 for the Low Variable Remuneration in order to ensure long-term sustainability, the short-term variable remuneration (MBO) is paid as follows:

- i. 60% after approval of the financial statements by the Shareholders’ Meeting;
- ii. 40% with a four-year pro-rata linear deferral (i.e., 10% one year after payment of the up-front fee, 10% in the second year, 10% in the third year and 10% in the fourth year).

The disbursement rules described above also apply in the case of retention bonuses or golden parachutes, as described in paragraph 6.2.2.5 and paragraph 6.2.2.8 respectively.

The Long-term incentive plans provide for deferral schemes consistent with the characteristics of the plan and regulatory requirements.

²⁰) Regulatory references: Supervisory Provisions, Part One, Title IV, Chapter 2, Section III.

Regardless of their qualification as Risk Taker, the deferral applies to all Employees with: (a) Italian managerial contractual relationship; (b) minimum classification equal to QD3 (Level 3 Manager) for those to whom the application of the “National Collective Labor Agreement for executives and personnel in professional areas, employees of credit, financial and instrumental companies”; (c) minimum grading equal to “Quadro” for those to whom the “The National Collective Bargaining Agreement for the Tertiary, Distribution and Services Industry applies.”; (d) senior executive, executive and manager grading (grading whose target MBO is at least 26% of the annual gross base salary), if not hired in Italy.

The above subject to the provisions of par. 6.2.1.4 (Low Variable Remuneration). The deferred Variable Remuneration is subject to the remuneration policies of the year to which the variable component refers (e.g., the deferred portion of the 2024 MBO is subject to the rules of the 2024 Policy). This is without prejudice to the applicability of ex-post adjustment mechanisms (Malus and Clawback) and the need to verify compliance with capital, liquidity and profitability gates to the financial statements of the year preceding that in which the deferred portion payment takes place.

Balancing Cash and Securities

In respect of the Variable Remuneration for Risk Takers²¹, 50% of the Variable Remuneration, whether up-front or deferred, is paid in financial instruments. .

The number of the Bank’s Financial Instruments referred to the up-front portion of the Variable Remuneration components to be granted for the balancing purposes set forth in this paragraph is calculated having regard to the value of such instruments on the last trading day prior to the allocation date or, for options granted and vested under stock option plans, on the vesting date or, for plans that take into account past performance (i.e., with allocation based on look back periods), on the allocation date and, if such plans have a duration of more than 5 years, on a pro rata basis for each year of the performance period.

Before the end of the deferral period, no dividends or interest can be paid on Financial Instruments.

Retention period

In order to align the incentives with the Bank’s long-term interests, the financial instruments provided for in the Policy are subject, with regard to Risk Takers, to a retention period. The retention period is 1 year both for Financial Instruments paid up-front and those subject to deferral. In the case of Deferred Financial Instruments, the retention period begins when the deferred Variable Remuneration (or a portion of it) is paid.

The regulations of Plans based on Financial Instruments include, with regard to the options and shares that can be granted in the event of exercise, provisions aimed at ensuring compliance with retention rules.

During the retention period, the Securities:

- i. accrue interest and/or dividends (except for stock options, the strike price of which is in any event reduced by the amount of dividends per share paid during the retention period); and
- ii. cannot be sold or transferred by the beneficiary Risk Takers.

21) Subject to the provisions of paragraph 6.2.1.3 in relation to the Significantly High Variable Remuneration of the Chief Executive Officer, the heads of the main corporate functions, and those directly reporting to the Board of Directors and to paragraph 7.2.1.4 for the Low Variable Remuneration.

The disposal of Securities during the retention period constitutes a legitimate reason for activating:

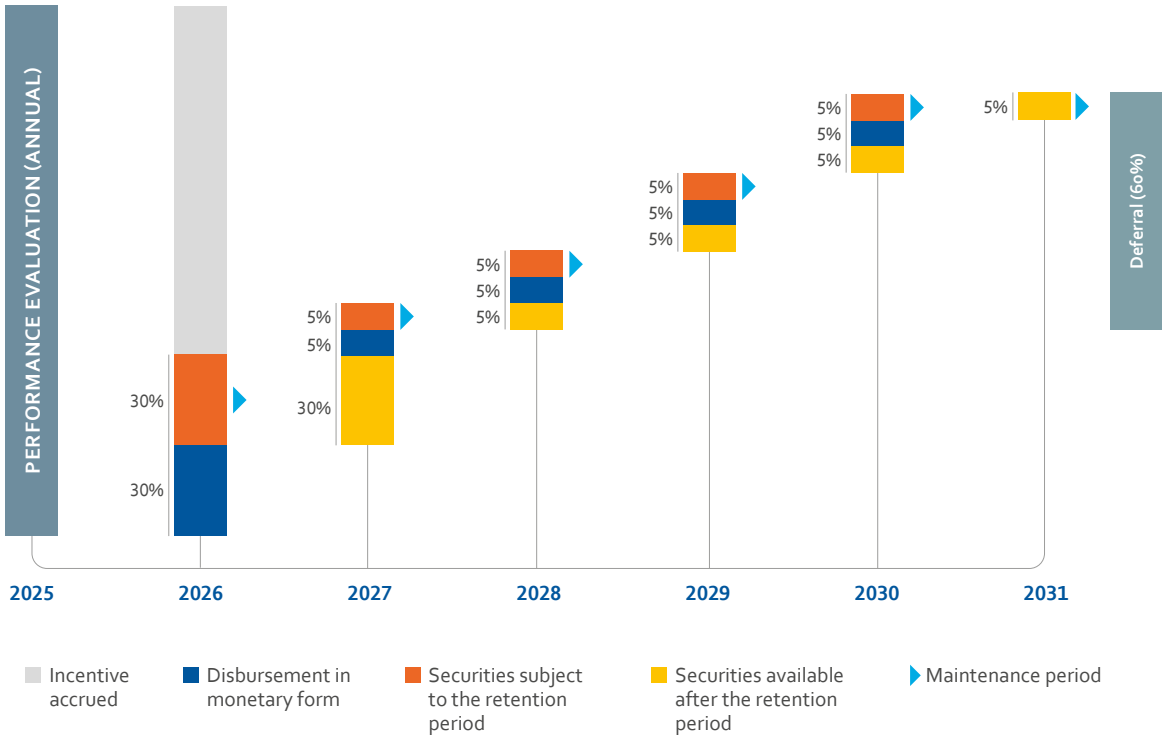
- i. Malus and Claw Back mechanisms described in Section 6.2.3 below. (*Ex-post adjustment mechanisms (Malus and Clawback)*);
- ii. with regard to Employees, disciplinary proceedings pursuant to Article 7 of Law no. 300 of May 20, 1970 (the so-called Workers' Statute).

At the time of allocation of the financial instruments, the Bank may provide for penalties for Risk Takers who breach the retention period.

The provisions on ex post adjustment mechanisms (Malus and Clawback), set out in point 6.2.3 (*Ex post adjustment mechanisms - Malus and Clawback*), are also applicable to the portion of Variable Remuneration paid in the form of Financial Instruments.

Summary of the payout scheme envisaged for Risk Takers

Without prejudice to the following paragraphs (for Significantly High Variable Remuneration of Senior Management and for Low Variable Remuneration), the payout for Risk Takers can be summarized as follows:



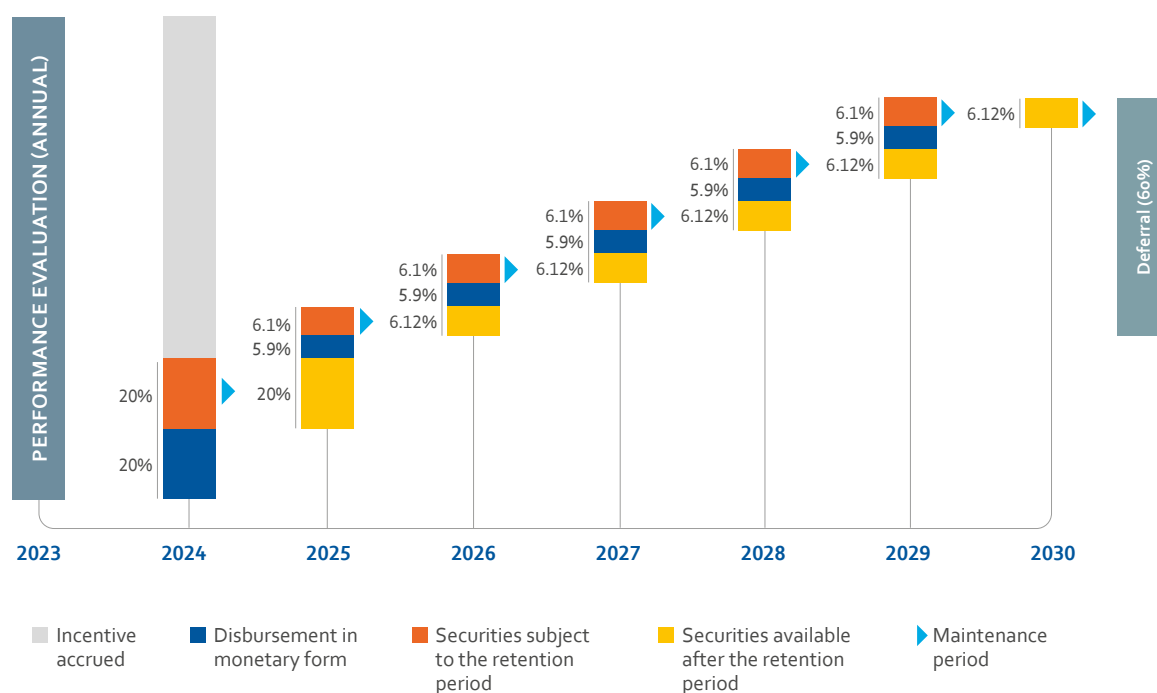
6.2.1.3 Significantly High Variable Remuneration of Senior Management

As required by Bank of Italy's Supervisory Provisions on Remuneration, the Bank has defined the amount of significantly high variable remuneration as the lower of:

- i) 25% of the average total remuneration of Italian high earners, as shown in the most recent report published by the EBA.
According to the report published by the EBA in 2024 with reference to December 2022 data, this value is €436932,75;
- ii) 10 times the average total remuneration of the Bank's employees, namely €613,856.

Consequently, variable remuneration in excess of €436,932.75 is considered as significantly high.

If the Variable Remuneration for Senior Management is considered to be of a significantly high amount, a 60% portion of it is subject to a deferral period of 5 years. Furthermore, in this case, 51% of the deferred Variable Remuneration of Senior Management is paid in financial instruments.



6.2.1.4 Low Variable Remuneration

If the annual Variable Remuneration does not exceed €50,000 and does not account for more than one third of the total annual Remuneration, the bonus is subject to:

- i. for Risk Takers and for Employees with a minimum classification equal to QD3 (Level 3 Manager) and application of the “National Collective Labor Agreement for executives and personnel in professional areas, employees of credit, financial and instrumental companies,” regardless of their qualification as Risk Takers, a deferral period of two years for 30% of the Variable Remuneration. By way of example, for the year ending December 31, 2025, the deferred component of Variable Remuneration will be paid after the Shareholders’ Meeting has approved the financial statements for the year ending December 31, 2027;
- ii. for Risk Takers, a 50% portion in financial instruments with a retention period of 6 months.

For all matters not expressly envisaged in this paragraph, the same rules envisaged for the Variable Remuneration shall also apply to the Low Variable Remuneration, including the ex-post adjustment mechanisms (*Malus e Claw Back*).

6.2.2 Components of the Variable Remuneration

Below is a description of the possible forms of Variable Remuneration that can be assigned to Personnel.

6.2.2.1 Employee MBO

Due to the ban imposed by the Bank of Italy, and given the need to incentivize and guide employee performance, individual qualitative-quantitative objectives will be assigned as performance drivers, without this resulting in the actual allocation of the 2025 MBO bonus (or any other component of Variable Remuneration) or a legitimate expectation in this regard.

Finally, as previously mentioned, if the ban imposed by the Bank of Italy is lifted, the allocation of these objectives may be valued and considered by the Bank for the actual assignment of the 2025 MBO bonus.

The Employee MBO is a formalized incentive system that provides for the payment - based on the annual gross remuneration - of a bonus subject to company and individual qualitative and quantitative objectives being achieved. The mix between quantitative and qualitative objectives is appropriately balanced according to the roles and responsibilities of the entitled Employees. The MBO provides for retention mechanisms for all Employees, namely payment subject to the beneficiary still being employed by the Group.

As a general rule, for Employees a length of service of at least 6 months in the relevant financial year is required, as well as presence in the Group – not during the notice period and not pending disciplinary proceedings which then end in dismissal – at the time of payment of the MBO (in any case, after three years of deferment the beneficiary shall accrue the right to payment of the subsequent deferred portions regardless of the termination of employment)²².

22) For the MBO of the Chief Executive Officer see paragraph 6.1.

The Employee MBO is awarded through a performance management system that aims to:

- ▶ encourage sharing and steer all employees towards achieving the company's objectives;
- ▶ align organizational behavior with company values and with support for medium-term and long-term objectives;
- ▶ foster dialog between each manager and his/her colleagues, resource development, teamwork, integration and cooperation between functions.

With regard to the ordinary process of managing the short-term "MBO" incentive system, when drawing up the budget, the Human Resources and Organizational Development Function estimates the MBO bonus pool for Personnel, the amount of which is determined by assuming the achievement of individual and corporate objectives based on the mechanisms provided by the incentive system.

The objectives assigned to Employees consist of a quantitative component, assigned to individuals, and a qualitative component. Specifically:

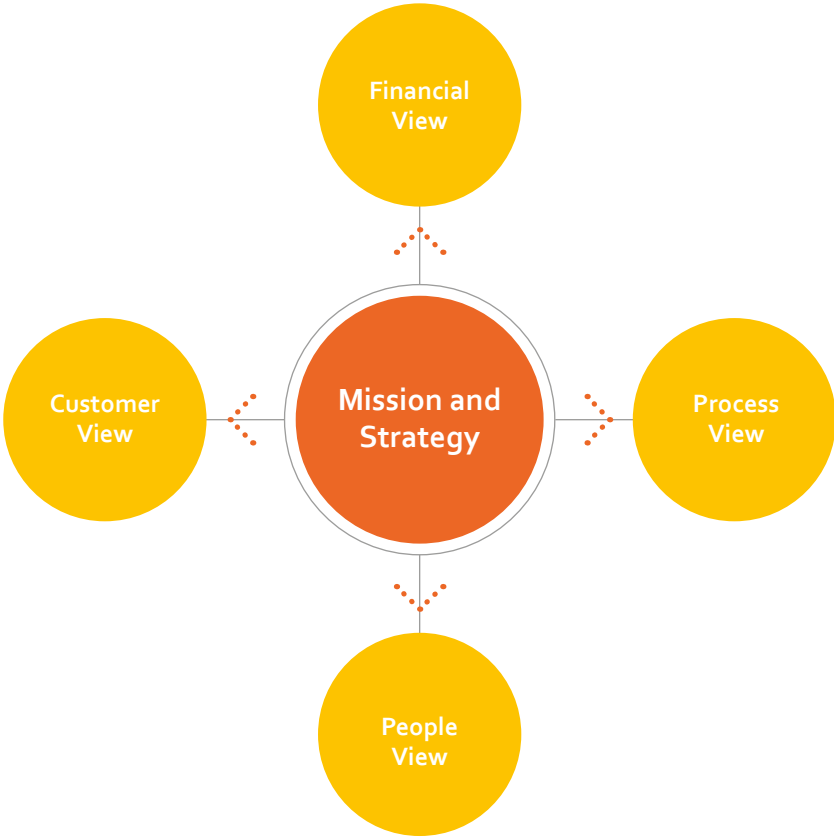
- ▶ quantitative objectives may be of an economic, project or process efficiency nature or concern people, and may involve individuals, teams, or business units; they must also be clear, objectively observable and measurable, and, depending on the type mentioned, directly linked to the Risk-Adjusted EBTDA and/or to growth;
- ▶ qualitative objectives, on the other hand, are linked to organizational behavior, identified on the basis of the company's values and culture, and distinguished according to the position held.

In order to facilitate strategic alignment with company objectives, quantitative objectives are assigned using a structured "cascading" process.

A) Setting objectives

Within the first quarter of each year, based on the guidelines provided by the Chief Executive Officer and through a process aimed at full alignment and the widest possible sharing, all the heads of Business Units/Functions/Departments inform their personnel of their respective qualitative and quantitative objectives based on which at the end of the financial year (within the first quarter of the following financial year) individual performance will be assessed and the related MBO Variable Remuneration will be determined. The objectives fall within the four areas related to the bank’s strategy (economic-financial, process and project improvement, customer service, and attention to people), as represented in Table 1.

TABLE 1 - GROUP PERFORMANCE MANAGEMENT MODEL



The achievement of each objective is then verified by someone other than the person who assigned it, thereby guaranteeing an independent verification mechanism.

Specifically, the quantitative MBO objectives are assigned as follows:

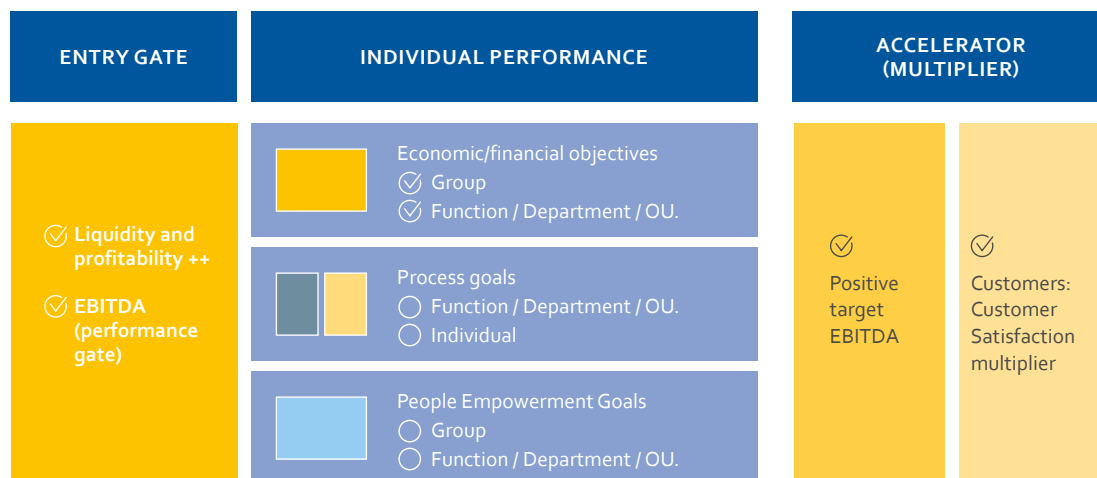
- i. with regard to Senior Executives and Executives reporting directly to the Chief Executive Officer and the heads of the Corporate Control Functions, the objectives are discussed with and then submitted by the CEO for approval by the Board of Directors, in compliance with the provisions of the regulations and this Policy;
- ii. for all other Employees of the Bank, the objectives are approved by the Chief Executive Officer;
- iii. for the Risk Takers of the Subsidiaries, the objectives are approved by the CEO;
- iv. for the rest of the Employees of the Subsidiaries, the objectives are approved by the CEO of the Subsidiary in question, having consulted the Human Resources and Organizational Development Function, based on the delegation structure.

The percentage weight of the quantitative and qualitative objectives changes depending on seniority in the company, as shown in table 2.

TABLE 2 - PERCENTAGE OF QUANTITATIVE AND QUALITATIVE OBJECTIVES

CATEGORIES	IMPACT %	
	QUANTITATIVE OBJECTIVES	QUALITATIVE OBJECTIVES
Senior Executives/Executives	70%	30%
Managers		
Professional/Coordinator	60%	40%
Specialists		

With particular regard to the Senior Executives included among the Executives with strategic responsibility, the quantitative macro-objectives included in the individual scorecards with a weight of 70% are as follows:



The qualitative objectives, expressed in specific organizational conduct linked to seniority in the company and therefore uniform for predefined groups, as shown in table 2 above, contribute to making the company culture stable and solid through daily conduct. The behaviors are explained in the following table (Table 3).

TABLE 3 - ORGANIZATIONAL BEHAVIOR EMPLOYEE MBOS

POSITION	CUSTOMER FOCUS	EXECUTION	INNOVATION	LEADERSHIP	QUALITY	TEAMWORK
Senior Executive/ Executive	⊗	⊗	⊗	⊗	n/a	⊗
Manager / Senior Professional	⊗	⊗	⊗	⊗	n/a	⊗
Coordinator / Professional	⊗	⊗	⊗	⊗	n/a	⊗
Specialist	⊗	⊗	n/a	n/a	⊗	⊗

Moreover, in order to make the assessment of organizational behavior as objective and comparable as possible, goals are assigned (so-called drivers) that can help make the qualitative assessments less discretionary.

Verification of the achievement of company objectives

In addition to meeting individual goals, the accrual and disbursement of the MBO is also contingent on passing three gates in the accrual year, in addition to the possibility of activating Malus²³ and Clawback mechanisms, linked to satisfying indicators of (i) liquidity, (ii) equity and (iii) risk- and cost-of-capital-adjusted positive return (EBTDA^{RA}).

Specifically:

- i. the Group's liquidity indicator adopted as the gate is the Liquidity Coverage Ratio (LCR), at least equal to the level of "risk tolerance" approved by the Board of Directors, and defined within the RAF in force on the closing date of the financial year to which the MBO refers, and, in any case, compliant with the requirements of supervisory remuneration legislation;
- ii. the Group's equity indicator adopted as a gate is the Total Capital Ratio (TCR) at least equal to the level of "risk tolerance" approved by the Board of Directors, and defined within the RAF in force on the closing date of the financial year to which the MBO refers, and, in any case, compliant with the requirements of supervisory remuneration legislation;
- iii. the Group's profitability indicator adopted as a gate is a positive EBTDA^{RA}.

Subject to the approval of the Chief Executive Officer, additional gates relating to the profitability of the individual companies may be provided for the Subsidiaries.

The profitability gate does not apply to the MBO of:

- ▶ Corporate Control Functions;
- ▶ the CFO;
- ▶ the Human Resources and Organizational Development Function.

B) Application of multipliers

Once the 3 gates have been respected, the MBO of the Employees of the Bank is then also calculated on the basis of two different multiplier mechanisms.

Specifically:

- i. a first mechanism makes the effective disbursement of the MBO subject to the achievement of the Group's financial objective budgeted for the same year adjusted for the risk, as provided for in the Risk Appetite Framework, associated with compliance with capital and liquidity limits.

This objective is defined by the ratio of EBTDA *Risk Adjusted* (or EBTDA^{RA}) to *Target EBTDA^{RA}* as follows:

- ▶ if the actual EBTDA^{RA}/Target EBTDA^{RA} ratio is below 70%, the payout is zero;
- ▶ if the actual ratio is between 70% and 100%, the total payout of the scorecard will be multiplied from 50% to 100% in a linear proportion for Senior Executives, Executives, and other Bank executives, as well as for managers, employees, coordinators, professionals, and specialists of the Bank;
- ▶ above 100%, the ration acts as a multiplier and can increase the MBO up to 40% for Senior Executives, Executive and other managers of the Bank, and up to 30% for employees, managers, coordinators, and professionals of the Bank (excluding the Greek branch, also referred to as 'BFG,' and the Portuguese branch, also referred to as 'BFP'.

23) Compliance with the gates for the year prior to payment of the deferred portion of the Variable Remuneration is required for Employees as a condition of Malus, as indicated in point 6.2.3 (Ex-post correction mechanisms (Malus and Clawback)).

If the $EBTDA^{RA} / \text{Target } EBTDA^{RA}$ ratio does not meet the aforementioned percentages, the disbursement of the MBO may still be allowed, in whole or in part, to all or some of the aforementioned categories, subject to a resolution of the Board of Directors, to be adopted with the opinion of the Remuneration Committee, for Personnel for whom the Board of Directors is responsible, and, for the remaining Personnel, subject to the approval of the Chief Executive Officer, in the presence of exceptional circumstances that have prevented the aforementioned percentage from being reached. This resolution must be adequately justified by significant performance by the category of Personnel for which the exemption is requested, identify the aforementioned circumstances, and certify that there is no threat to the financial sustainability prospects of the Group.

The objective and multiplier related to the $EBTDA^{RA} / \text{Target } EBTDA^{RA}$ ratio do not apply to:

- a) Corporate Control Functions;
 - b) Financial Reporting Officer;
 - c) the Human Resources and Organizational Development Function.
- ii. a second multiplier is linked to Customer Satisfaction. This business performance indicator is formulated on the basis of a survey conducted by an external consultant and can increase the MBO by up to 9%. This indicator:
- a) applies as a multiplier only incrementally;
 - b) although qualitative rather than financial, remains measurable;
 - c) offers a true picture of the level of sustainability over time because it measures customer satisfaction with regard to the service offered.

In addition, similar multipliers, and gates, including those with local scope, can also be applied by Subsidiaries, and branches, including BFG and BFP subject to approval by the Chief Executive Officer for anything that is not expressly the responsibility of the Board of Directors.

6.2.2.2 VAP

The VAP is a financial reward granted to the Bank's non-managerial Employees in Italy who are covered by the National Collective Bargaining Agreement for Middle Managers and Professional Area Employees of credit, financial, and instrumental companies. It is linked to the achievement of specific performance objectives of the Bank, and can be disbursed in one of the following ways:

- i. cash;
- ii. corporate welfare goods and services on the basis of relevant agreements;
- iii. Securities.

For Risk Taker beneficiaries, VAP is paid without deferral.

6.2.2.3 Incentive Plans with Financial Instruments

As part of its incentive policies and in compliance with applicable law, the Group adopts Incentive Plans in Financial Instruments (including “phantom” plans, based on options and shares of the Bank and Stock Option Plans based on the allocation of options that entitle the beneficiary to receive ordinary shares of the Bank).

These plans aim to:

- i. encourage Personnel integration, making them share in the company’s results;
- ii. make Personnel more aware about creating value for the Group and for shareholders;
- iii. increase the retention capacity by making valued staffers less likely to quit the Group;
- iv. improve the Group’s competitiveness in the labor market, making it more attractive to the best talents with the professionalism and skills that the Group needs;
- v. promote the sustainability of the Bank in the medium and long term and ensure that Variable Remuneration is based on the results actually achieved.

The value of stock options allocated to beneficiaries under Stock Option Plans:

- i. is determined on the basis of fair market value using common valuation methodologies and parameters recognized by the financial community (the valuation is performed using the Black-Scholes formula), as proposed by the Risk Management Function and approved by the Board of Directors;
- ii. constitutes Variable Remuneration on a par with the MBO, with which it contributes to the determination of the 2:1 limit and the ratio between cash and Financial Instruments, where applicable, in the year of stock option vesting.

The mechanism for the recognition and exercise of stock option plans follows the applicable rules on long-term incentive plans, as governed by the appropriate regulations, which should be consulted for more details.

Stock options are also subject to ex-post adjustment mechanisms (Malus and Clawback), which can lead to a reduction, even significant, or zeroing of the stock options awarded. Specifically, during the exercise right accrual period for stock options, certain “gates” linked, respectively, to the achievement of a positive Group return net of risk and compliance with capital and liquidity risk tolerance levels are applied, pertaining to the year prior to the date on which it becomes possible to exercise the options.

In particular, a Group long-term incentive plan will be presented for approval to the Shareholders’ Meeting, in continuity with the 2022 LTI, and based on the allocation of two types of options (equity and cash-based).

6.2.2.4 Collectors Bonus and Sales Bonus

Additional forms of MBO bonuses related to KPIs may be provided for certain categories of Employees. In particular, the following may be awarded:

- i. so-called Collectors Bonuses, which reflect the achievement of targets for making net capital gains on the recovery of interest on arrears and ancillary items. Collectors Bonus beneficiaries are identified from among Debt Management Personnel according to specific strategic and business reasons;
- ii. so-called Sales Bonuses, which are intended to support the achievement of the Bank's commercial, results and asset-based objectives, taking into account customers' needs and in line with their risk profile. Sales Bonus beneficiaries are among the so-called Significant Persons. This component of Variable Remuneration is specifically covered by the Remuneration Policy for Significant Persons, Complaints Handling Personnel and Credit Assessment Personnel.

Payment of the Collectors and Sales Bonuses is subject to:

- i. the achievement of annual qualitative and quantitative objectives, both corporate and individual, the latter being distributed quarterly, but all cases being assessed as a whole as part of the annual performance;
- ii. the 3 company "gates" envisaged for the disbursement of the Employee MBO, linked to compliance with indicators of (i) liquidity, (ii) equity and (iii) positive risk- and cost-of-capital-adjusted return (EBTDA^{RA});
- iii. the possible activation of the Malus and Clawback mechanisms provided for by the Policy;

Payment of Sales Bonuses, subject to fulfillment of the three company "gates" provided for the disbursement of the Employee MBO, is also linked to:

- i. the level of achievement of the Target EBTDA^{RA} according to the thresholds set for the disbursement of the Employee MBO, based on the classification of the beneficiaries (Point (C) of Paragraph 6.2.2.1. – Application of multipliers). An additional parameter (KPI) relating to Customer Satisfaction, or the number of complaints received, which is respected only if the percentage or value set annually by the Chief Executive Officer is reached, the CEO also deciding on any exemptions.

Both the Collectors Bonus and the Sales Bonus can reach a maximum of 100% of the Fixed Remuneration (excluding benefits) and, together with any other MBO bonuses, contribute to the determination of the ratio of Variable Remuneration to Fixed Remuneration for the purposes of the 2:1 limit.

6.2.2.5 Retention bonus

Forms of Variable Remuneration linked to the retention of Personnel until a certain date, or a certain event (retention bonus) may be envisaged if there are justified, documented reasons, in situations where it is important for the Bank to ensure the stability of the relationship. Specifically, when assessing the award of a retention bonus, in accordance with the EBA guidelines (EBA/GL/2021/04), the Group companies evaluate:

- i. the possible risks to the company in the event of termination of the employment relationship or office of a given member of the Personnel;
- ii. the reasons why it is important for the company to retain the member of the Personnel in question;
- iii. if the amount of the retention bonus granted is necessary and proportionate to retain the member of the Personnel concerned.

Retention bonuses are recognized at the end of the period or upon the occurrence of the event and may be linked to performance objectives. They are subject to all other rules applicable to Variable Remuneration, including the limit on the variable/fixed ratio. For the purposes of calculating this limit, the amount recognized as a retention bonus can be calculated in equal installments in each year of the retention period (so-called linear pro rata), or as a single amount in the year in which the retention condition is met.

6.2.2.6 Free allocation of Bank shares to Employees²⁴

If the Meeting decides on a special free-of-charge capital increase, or grants a special proxy to the Board of Directors pursuant to articles 2443 and/or 2349 of the Italian Civil Code, or decides to purchase shares on the market, it will also be possible to assign shares to Employees free of charge within the limits set out in article 51, paragraph 2, letter g) of TUIR.

On the occasion of the Bank's 40th anniversary, a free share allocation plan for the Bank's Employees (Employee Stock Grant) will be submitted for approval by the Shareholders' Meeting, with the aim of promoting employee loyalty and increasing engagement by spreading an ownership culture at all levels.

6.2.2.7 Discretionary pension benefits

Currently, no discretionary pension benefits are provided for employees, and the Bank does not have any plans to use such instruments. However, Group companies, subject to approval by the Board of Directors, for Personnel within the Board's purview, and the Chief Executive Officer, for the rest of the Personnel, have the ability to grant discretionary pension benefits, as defined and provided in the Supervisory Provisions. In this case, when applying the provisions on Variable Remuneration to discretionary pension benefits, the criteria set out in the Supervisory Provisions are observed.

24) In the case of marginal allocations, granted to personnel on a non-discretionary basis, which are part of a general policy of the bank and which do not have an effect in terms of risk-taking or risk-control incentives, such allocations fall within the Excluded Benefits

6.2.2.8 Golden parachutes

The golden parachutes are approved by the Board of Directors for Personnel for whom the BoD is responsible, and by the Chief Executive Officer for the rest of the Personnel. The following are golden parachutes²⁵:

- i. the amounts recognized under a non-competition agreement;
- ii. the amounts recognized under an agreement for the settlement of an existing or potential dispute relating (or with a view) to termination of the employment relationship or office, regardless of the location in which it is reached;
- iii. the indemnity for failure to give notice, in excess of the amount established by law.

a) Non-competition agreements

Group companies may enter into non-competition agreements with the aim of preventing the member of Personnel in question from rivaling the Group's business in the period after they depart.

Unlike other forms of Variable Remuneration, the amounts paid as consideration for non-competition agreements are subject to the limits envisaged for Variable Remuneration, including the *ex-post* adjustment mechanisms envisaged by the Policy only for the portion exceeding 100% of the Fixed Remuneration (excluding benefits) of the last year of employment or office within applicable regulatory limits.

The payment for the non-competition agreement is paid after the termination of the employment relationship or office with the relevant Group company. For Risk Takers, the portion of the annual consideration that exceeds the last annual Fixed Remuneration (excluding benefits) is included in the calculation of the Variable Remuneration to Fixed Remuneration ratio limit.

b) Amounts recognized under an agreement for the settlement of an existing or potential dispute

Treatments agreed upon with a view to or upon early termination of employment or for early termination of 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 and/or as part of an agreement between the Bank and Personnel, wherever reached, for the settlement of an actual or potential dispute involving remuneration, in compliance with the conditions provided for by applicable regulations and the criteria indicated below.

The concept of the golden parachute does not include²⁶ any amounts awarded as settlement of disputes that do not relate to rights of a retributive nature (e.g., non-pecuniary damages such as biological, existential, moral damages).

25) Note 18, of the Supervisory Provisions, Part One, Title IV, Chapter 2, Section III specifies that, for the purposes of the Supervisory Provisions, "golden parachutes" are not only the golden parachutes commonly intended (i.e., amounts recognized under an agreement for the settlement of a current or potential dispute, whatever the forum in which it is achieved) but also the fees of non-competition clauses and the indemnity in lieu of notice in the part that may exceed the amount established by law.

26) The aforementioned cap of 24 months of Total Remuneration may not apply if the settlement agreement does not solely concern the termination of the employment relationship.

The golden parachutes constitute Variable Remuneration do not exceed the limit of 24 monthly installments of the Total Remuneration referred to the last year of the employment relationship or, in case of continuity of employment/office, the year in which the dispute is settled and:

i. comply with the following formulas:

a) for Employees, $X = (Z - K)$

where

Z = the estimated maximum cause risk;

K = the coefficient of reduction of the cause risk estimated from a negotiating point of view;

b) for the remaining Personnel, $X = 1,8 * (\text{Fixed Remuneration} + \text{average Variable Remuneration received in the previous three years})$

where

Fixed Remuneration refers to the last year of the office, in case of constancy of office, or the year in which the dispute is settled, excluding benefits;

the **average Variable Remuneration received in the three-year period preceding** the last year of office or the year in which the dispute is settled (in case the dispute occurs while in office) and includes amounts still subject to deferral and the value of any stock options, phantom stock options or other equivalent instruments granted during the three-year period, the value of which is the value calculated as of the date the instrument was granted;

The aforementioned formula referring to non-employees may not apply if the settlement agreement having a remunerative nature is not exclusively about termination of office. In this case, the formula $X = Z - K$, where "Z" and "K" are variables defined in point a), may be applied to define the amount payable;

The Board of Directors retains the discretion, for the Board of Directors Personnel, and the Chief Executive Officer, for the remaining Personnel, to quantify golden parachutes based on criteria other than the aforementioned formulas. In such cases, any golden parachute granted will be included in the calculation of the 2:1 cap on the ratio between Variable and Fixed Remuneration.

ii. In any event, they may not exceed:

a) €1,100,000 for Employees;

b) for the remaining Personnel, €4,500,000.00²⁷.

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 and/or settlement agreements not exclusively related to the termination of employment or office;

27) The formula for the definition of the golden parachutes and the upper limits of 24 monthly payments of Global Remuneration of €1,100,000 and €4,500,000.00 are approved by the shareholders' meeting, as envisaged in the Supervisory Provisions, Part One, Title IV, Chapter 2, Section II, Paragraph 1.

- iii. are not included in the calculation of the 2:1 Variable Remuneration to Fixed Remuneration limit approved by the shareholders' resolution of December 5, 2016, assuming they are calculated according to the formulas in i)²⁸;
- iv. 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;
- v. are subject to a 50%-50% split between cash and Financial Instruments (51% in Financial Instruments for the deferred Variable Remuneration of Senior Management);
- vi. are subject to a one-year retention period for the portion paid in Financial Instruments;
- vii. a portion of 40% (60% in the case of Significantly High Variable Remuneration of Senior Management) is subject to a deferral period of four years (five years in the case of Significantly High Variable Remuneration of Senior Management) on a linear pro rata basis;
- viii. are subject to the ex-post adjustment mechanisms (i.e. Malus and Clawback) envisaged by the Policy.

The aforementioned limits, with the exception of being subject to subsequent correction mechanisms, may not apply in the specific cases expressly envisaged by the Supervisory Provisions.

c) Notice payments for the amount exceeding the legal amount

The course of action to be taken in the event of the employment relationship being terminated, if provided for by applicable legislation, is the one indicated, where applicable, by the relevant national industry contracts and/or by the law governing the relationship.

The Bank may provide for notice-extension agreements for the purpose of retention. In such a case, if the Bank does not enforce the notice period, the portion of the agreed indemnity exceeding the amount calculated pursuant to the relevant collective agreement and to the law (Article 2121 of the Italian Civil Code), constitutes Variable Remuneration and is as such subject to all the relative limits (accrual period, qualitative-quantitative criteria, 2:1 limit, balancing, deferral, retention, ex-post adjustment mechanisms).

6.2.2.9 Additional elements of Variable Remuneration

The Bank may provide all or part of the Personnel with further components of Variable Remuneration within the limits of the Policy and in accordance with the regulations in force at the time, including retention bonuses, long-term incentive plans, quarterly sales or similar incentives, one-off extraordinary entry bonuses, in order to encourage the acquisition of talent (payable only once during the entire relationship, and not subject to the rules on the structure of Variable Remuneration if paid in a lump sum at the time of hiring), any additional bonuses with clear, objective and measurable performance indicators and incentive plans also based on other Financial Instruments (e.g., stock grants).

These components will always be assigned within the limits of the variable/fixed remuneration ratio envisaged by this Policy (paragraph 6.2.1.1. - *Ratio of Variable Remuneration to Fixed Remuneration*).

28) Providing a predefined formula (i.e., the formulas in item i) allows the Bank to exclude these amounts from the 2:1 limit, as stipulated in the Supervisory Provisions, Part One, Title IV, Chapter 2, Section III, Paragraph 2.2.2. This solution, on the one hand, guarantees the Bank a certain flexibility in the context of a negotiation with the entity whose relationship is ending or has just ended, and on the other, places a maximum limit on the amounts payable on the occasion of the termination of the relationship, in line with market practice.

6.2.3 Ex-post adjustment mechanisms (*Malus e Claw Back*)

Variable Remuneration, including golden parachutes, is subject to ex-post adjustment mechanisms (Malus and Clawback), which can result in the variable component being reduced, significantly reduced, or even eliminated. The correction mechanisms must be identified within the limits allowed by law and by collective agreements applicable to employment relationships. They must reflect performance levels net of the risks actually assumed or achieved and capital levels, as well as take into account individual conduct. With the assistance of the corporate functions (see Attachment 3, *Role of Corporate Functions - Procedure for activating the Malus or Clawback mechanisms*), the Parent Company's Board of Directors shall ascertain the prerequisites that determine the activation of the ex-post adjustment mechanisms with respect to the Relevant Personnel of the BoD, and shall decide on their application in accordance with the procedures set out in the Policy. For the remaining Personnel, the CEO is responsible, relying on the support of the competent company functions and, where necessary, the corporate bodies of the Subsidiaries.

For the purposes of recognizing deferred Variable Remuneration, given all other legal and contractual conditions, the application of a certain "gate" linked to the Group achieving a positive return net of risk, associated with compliance with the equity (TCR) and liquidity (LCR) risk tolerance levels as defined in the RAF in force at the end of the year preceding the settlement of the deferred Variable Remuneration (the "**Malus**" condition), is envisaged during the period of accrual of the right to payment.

The recognition of the variable portion of the Remuneration may be revoked or, if already paid, it may be requested for reimbursement following the activation of the Malus and Claw Back mechanism, as outlined in the procedure provided in Attachment 3. This mechanism may be activated if it is established that the component of the Variable Remuneration in question has been determined on the basis of data that is subsequently shown to be manifestly incorrect and/or in the presence of individual behavior of the person concerned, enacted within the scope of the Group's activity and/or in any case of the professional activity of the person in question, that is attributable to one or more of the following (the "**Clawback**" conditions):

- i. conduct resulting in a significant loss for the Group, the Bank or its Subsidiaries or customers; in this regard, with a resolution dated 3 March 2021 the Parent Company's Board of Directors established the minimum threshold of such loss within the "Group Risk Management Policy" equal to €500,000;
- ii. violation of the obligations referred to in Article 26 of the Consolidated Law on Banking for persons belonging to the Personnel performing administrative, management and control functions;
- iii. breach of the obligations provided for in Article 53, paragraph 4 et seq. of the TUB by the parties indicated therein, regarding the Group's assumption of risk activities vis-à-vis those who may directly or indirectly influence the management of the Bank or the Group and parties connected to them, as well as in situations of conflict of interest and/or in violation of the conditions and limits identified by the Bank of Italy pursuant to the aforementioned Article 53 of the TUB;
- iv. violation of the obligations and clauses of the Supervisory Provisions (Section III of the Supervisory Provisions, e.g., undue receipt of remuneration, violation of the retention period);
- v. specific behaviors committed with willful misconduct or gross negligence, which have resulted in financial or non-financial damage, including reputational damage, to the Group, the Bank or Group companies, regardless of whether such damage is fully quantifiable, including, but not limited to:
 - a) breach of confidentiality and non-competition obligations during the contractual relationship with the Bank;
 - b) breach of any post-contractual confidentiality and non-compete obligations, such as non-competition agreements that may or may not be pursuant to Article 2125 of the Italian Civil Code;
- vi. violation, with willful misconduct or gross negligence, of the obligations under Italian Legislative Decree 231/2001 or the Code of Ethics;
- vii. fraudulent conduct or other conduct committed with willful misconduct or gross negligence to the detriment of the Group, the Bank, customers, or Group companies.

If a Claw Back condition occurs, the Board of Directors (for Personnel within the Board's purview) and the Chief Executive Officer (for all other Personnel) may consider activating a Claw Back mechanism. In such a case, the Variable Remuneration concerned may be reduced rather than eliminated, provided such a decision is justified. The amount may be offset against Remuneration and/or severance pay.

Where repayment of the part of variable remuneration already received by the beneficiary is problematic to such an extent as to make it hard to quantify, or costly and time-consuming to recover, payment of a sum commensurate with the amount of variable remuneration subject to clawback or the value of the benefit awarded may be requested, without prejudice to the request for further damages. The amount determined in this way may be offset against Remuneration and/or severance pay.

The *Malus and Clawback* mechanisms are triggered when the Bank ascertains the circumstance that justifies Malus and Clawback, using the procedure indicated in Attachment 3 (*Role of Corporate Functions - Procedure for activating Malus and Clawback mechanisms*).

In addition to compensation for any damages, from the moment the Clawback conditions are ascertained, the Bank and the other Group companies have the right to recover all, or part of the Variable Remuneration already paid, this right being exercisable within five years of each payment or award.

Furthermore, the termination of the employment relationship and/or the office does not prevent the activation of Clawback mechanisms, which still take into account the legal, social security and tax aspects, as well as the time limits provided for by local regulations.

With regard to the Incentive Plans in Financial Instruments, if the Internal Audit function – at the request of the Board of Directors for the Relevant Personnel of the BoD, and the Chief Executive Officer for the remaining Personnel – ascertains one or more Malus conditions before the vesting date, the Board of Directors or Chief Executive Officer, respectively, lose all or part of the options (or the financial instruments) awarded and not yet vested.

For Stock Option Plans, options that have vested but not yet exercised may be subject to Clawback by the board of directors and the Chief Executive Officer the Personnel of their respective jurisdiction, if the related conditions are ascertained by the Internal Audit Function after the vesting date and before the exercise of the vested options.

If a Clawback condition is ascertained after the exercise of the options, within the limits of applicable rules, the beneficiary may be required to pay the Bank an amount equal to the value of the options as determined at the time of allocation, without prejudice to the Bank's right to compensation for any greater damage, if any, at the request of the Board of directors and the Chief Executive Officer for the Personnel of their respective jurisdiction.

6.2.4 Share Ownership Guidelines

At the proposal of the Remuneration Committee, the Board of Directors introduced guidelines on share ownership for the Chief Executive Officer and Key Management Personnel (the "**Recipients**") with the aim of fostering the alignment of the Recipients' interests with those of all relevant stakeholders in the Group over the long term. Specifically, over a period of up to five years Recipients will be required to attain and maintain a number of shares in the Bank whose equivalent value is at least equal to:

- ▶ for the Chief Executive Officer, 150% of the fixed annual remuneration;
- ▶ for Executives with Strategic Responsibilities, 50% of the gross annual remuneration.

These levels must be maintained throughout the duration of the office and/or employment with the Bank or a different Group company.

Recipients are also required to avoid using personal hedging strategies or insurance that specifically protect the value of unavailable financial instruments assigned to them ("hedging").

7. DISCLOSURE AND REPORTING OBLIGATIONS TO THE BANK OF ITALY

For the purposes of public disclosure, as envisaged by the Supervisory Provisions that incorporate the provisions contained in article 450 of the CRR²⁹, along with other information required under the document “Pillar III – Public Disclosure”, the Bank publishes on its website:

- i. information on the link between Remuneration and performance;
- ii. the most important features of the remuneration system, including information on the criteria used for performance evaluation and risk adjustment, deferral policies and allocation criteria;
- iii. aggregated quantitative information on Remuneration, broken down by line of business;
- iv. aggregated quantitative information on Remuneration, broken down by senior management and Personnel members whose actions have a significant impact on the risk profile of the Group;
- v. the number of people paid €1 million or more per year, divided into payment bands of €500,000 for Remuneration between €1 million and €5 million and brackets of €1 million for Remuneration of €5 million or more.

The same information made available to the public shall be provided at least once a year to the Shareholders' Meeting.

In its capacity as Parent Company, the Bank also sends the following information to the Bank of Italy through the “INFOSTAT” platform, in line with the provisions in the EBA Guidelines 2022/06 and 2022/08:

- i) on an annual basis, by June 15 of each year:
 - ▶ the information required by Attachments I and II in the EBA Guidelines 2022/08, with reference to the so-called high earners in the Group, i.e., individuals whose total Remuneration is equal to €1 million on an annual basis;
 - ▶ the information on remuneration trends and practices contained in tables REM1, REM2, REM3, REM4 and REM5 of Implementing Regulation (EU) 2021/637 and in Attachments I, II and III of the EBA Guidelines 2022/06, since the Bank is included in the survey sample for benchmarking purposes of the Bank of Italy, in implementation of the EBA guidelines³⁰.
- ii) every two years, starting from 2023, by June 15 of the year of the survey, the information on the ratio between the variable and fixed remuneration components of most relevant personnel exceeding 100% as set out in Attachment V of EBA Guidelines 2022/06;
- iii) every three years, starting from 2024, by June 15 of the year of the survey, the information on the gender pay gap as set out in Attachment IV of EBA Guidelines 2022/06.

29) Regulation (EU) N. 575/013 of 26 June 2013

30) Banking groups with consolidated assets in excess of €40 billion and, for national supervisory purposes, banks and banking groups with balance sheet assets in excess of €5 billion, are subject to the reporting requirements for benchmarking purposes. The balance sheet assets that determine the disclosure obligation are those resulting at the end of the financial year preceding the one to which the reported data refer.

8. ATTACHMENTS TO THE POLICY

Attachment 1: DEFINITIONS

Senior Management	The executive directors, general managers, co-general managers, and deputy general managers; the heads of the main business areas, company functions or geographic areas; those who report directly to the Board of Directors and/or the Chief Executive Officer.
Bank, Parent Company	BFF Bank S.p.A., parent of the BFF Banking Group.
Excluded Benefits	Financial allotments that are excluded from the concept of Remuneration since they: (i) are of a marginal value; (ii) are of a non-discretionary nature; (iii) are part of a general policy of the Bank; and (iv) do not have an effect on the risk profile of the Bank. These conditions must co-exist in order to qualify for an Excluded Benefit.
Collector Bonuses	A form of target-based short-term variable Remuneration that is part of the Management by Objectives bonuses envisaged for debt recovery Personnel.
Sales Bonuses	Non-MBO variable pay based on the achievement of annual qualitative and quantitative objectives, both corporate and individual, the latter being distributed quarterly, but all cases being assessed as a whole as part of the annual performance. It is governed by the Remuneration Policy for Significant Persons, Complaints Handling Personnel and Credit Assessment Personnel.
Clawback	The total or partial return of the Variable Remuneration already received.
Corporate Governance Code	The Corporate Governance Code for listed companies approved by the Corporate Governance Committee established by the business associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the association of professional investors (Assogestioni) on January 31, 2020.
Code of Ethics	The code of ethics adopted by the Group.
Executives with Strategic Responsibilities	As per IAS 24, executives with strategic responsibilities are key management personnel having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly and whose remuneration is disclosed – in aggregate form – in section II of the report on remuneration and fees paid.
Supervisory Provisions	Bank of Italy Circular no. 285 of December 17, 2013, as subsequently amended, the “Supervisory Provisions for Banks”.
Risk-adjusted EBTDA (EBTDA^{RA})	Group EBTDA adjusted according to a correction mechanism that takes into account the risks assumed, consistent with the capital targets established in the Risk Appetite Framework (RAF) defined on the basis of the budget/strategic plan approved by the Board of Directors according to the following formula: $EBTDA\ RA = EBTDA - (RWA\ M * TCR\ Target * Ke)^{31}$.

31) Where:

EBTDA: pre-tax profit from continuing operations (item 290) excluding net impairment losses on property, plant and equipment (item 210), net impairment losses on intangible assets (item 220) and income statement items which are offset by corresponding changes in shareholders' equity (e.g., exchange rate losses and costs connected with stock option plans). This accounting caption is also considered to include or exclude any accounting items of an extraordinary nature envisaged in the budget (for example, non-recurring corporate transactions) and/or unexpected items generated by the Bank or the Group that could not be budgeted. This following a specific resolution of the Board of Directors;

RWA^M: average in the year of the total, final and Group risk-weighted assets determined with respect to the average of the month-end RWAs, calculated by the Planning, Administration and Control Department on the basis of the monthly accounting closures and through the replication of the mandatory prudential accounting activities for quarterly supervisory reports;

TCR Target: in the absence of instruments eligible for inclusion in equity, this is the risk appetite threshold defined for the Total Capital Ratio in the RAF in force at the beginning of the year to which this policy refers. If there are eligible instruments for the purposes of equity accounting, the TCR Target value to be applied in the formula is equal to the difference between the Risk Appetite in the RAF and the percentage of impact of such instruments on the Group's TCR Target;

Ke: the Group's cost of equity, set at 10%.

Executive	Managers of structured or highly professional organizational units who report to the CEO or to Senior Executives, who contribute significantly and largely autonomously to achieving the objectives of the structure to which they belong, or who provide qualified support/advice to senior management and the rest of the organization. They can be Risk Takers. Executives are identified by a specific resolution of the Board of Directors.
Group or BFF Group	The BFF Banking Group.
2022 Incentive Plan	The Group incentive plan based on stock options approved by the Meeting on March 31, 2022.
Malus	The reduction or loss of the right to payment of Variable Remuneration not yet received.
MBO	The short-term incentive system of the CEO and Employees, awarding an annual incentive based on gross annual pay.
Transparency Rules	The Bank of Italy measure “ <i>Transparency of banking and financial transactions and services. Correct conduct between intermediaries and customers</i> ” of 19 March 2019.
Personnel or Employees	The members of the Group’s strategic supervision, management, and control bodies, as well as its employees and partners.
Board of Directors Personnel	Personnel whose pay and bonuses, annual targets and assessment thereof are defined by the Board of Directors, namely: (i) the Chief Executive Officer; (ii) the Directors with special responsibilities; (iii) the Group’s Senior Executives; (iv) the Executives reporting directly to the Chief Executive Officer; (v) the Heads of Corporate Control Functions.
2016 Stock Option Plan	The stock option plan originally approved by the Shareholders’ Meeting of December 5, 2016, as subsequently updated, and most recently allotted in 2019.
2020 Stock Option Plan	The stock option plan approved by the Shareholders’ Meeting of 12 April 2020.
Stock Option Plans	The 2016 and 2020 Stock Option Plans and the 2022 Incentive Plan considered collectively.
Incentive Plans with Financial Instruments	Any incentive plan based on financial instruments, including Stock Option Plans, already adopted or to be implemented by one of the Group companies.
Policy	Indicate the remuneration and incentive policies for the members of the Strategic Supervision, Management and Control bodies and the Personnel of the BFF Banking Group.
Remuneration Policy for Significant Persons, Complaints Handling Personnel and Credit Assessment Personnel	The remuneration and incentive policies for BFF Banking Group Significant Persons, complaints handling personnel and credit assessment personnel, defined in accordance with the Transparency Rules and contained in a specific document approved by the Board of Directors. This document will be submitted to the Board of Directors for approval in the event of substantial changes.
Issuers’ Regulation	Consob Regulation no.11971/1999.
Remuneration	Any form of payment or benefit paid, including any ancillary components (allowances), directly or indirectly, in cash, securities or goods or services in kind (fringe benefits), in exchange for work or professional services rendered by the Personnel to the Bank or to other Group companies, with the exception of Excluded Benefits.
Fixed Remuneration	Stable and irrevocable remuneration, determined and paid on the basis of established and non-discretionary criteria – such as, in particular, levels of seniority and responsibility – that do not create incentives for taking risk and are independent of Bank performance.
Overall Remuneration	The sum of annual Fixed Remuneration, annual benefits, and the maximum value of the MBO receivable in the year in question.
Total Remuneration	The sum of annual Fixed Remuneration, annual benefits, and the maximum value of the MBO and LTI receivable in the year in question.

Variable Remuneration	<ul style="list-style-type: none"> (i) Remuneration whose recognition or disbursement may change in relation to performance, however this is measured (income targets, volumes, etc.), or to other parameters (e.g., length of service), excluding severance pay established by the general legislation on employment relationships and compensation for failure to give notice, when their amount is determined in accordance with the provisions of the law, and within the limits provided for therein. (ii) The discretionary pension benefits and the amounts agreed between the Bank and the Personnel in view or on the occasion of the early termination of the employment relationship or the office, regardless of the title, legal qualification and economic motivation for which they are recognized. These amounts include amounts recognized under a non-competition agreement or under an agreement for the settlement of an existing or potential dispute, wherever it is reached. (iii) Carried interest, as qualified by the provisions on remuneration and incentive policies and practices for the asset management sector, implementing Directives 2009/65/EC (UCITS) and 2011/61/EU (AIFMD). (iv) Any other form of remuneration that does not singularly qualify as Fixed Remuneration, except for Excluded Benefits.
Risk Takers	Persons whose professional activity has or may have a significant impact on the Group's risk profile, as identified in accordance with the criteria set out in Chapter 3 of the Policy.
Low Variable Remuneration	Annual Variable Remuneration does not exceed €50,000 and does not account for more than one third of the total annual Remuneration.
Significantly High Variable Remuneration	Variable remuneration exceeding € 436,932.75
Senior Executives	Positions that report directly to the CEO, contribute decisively to achieving the Group's strategic objectives, are among the Risk Takers and generally manage significant amounts of human and/or financial resources, within the scope of formal proxies and powers of attorney. These Senior Executives are identified by a specific resolution of the Board of Directors.
Subsidiaries	The companies belonging to the Group, excluding the Bank itself.
Significant Persons	Group Personnel who offer products to and interact with customers, as well as their line managers, as per the Bank of Italy's measure "Transparency of banking and financial transactions and services" of July 29, 2009, as subsequently amended and updated.
Sustainable Success	The objective that guides the actions of the Board of Directors and that consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the Group.
Target EBTDA^{RA}	The level of EBTDA ^{RA} as envisaged and calculated in the annual budget approved by the Board of Directors for the year in question.
VAP	Company bonus provided for in the National Collective Labor Agreement for executives and personnel in professional areas, employees of credit, financial and instrumental companies.

Attachment 2: REGULATORY BACKGROUND OF THE POLICY

The Policy applies to all of the Bank's Personnel, and for the purposes of applying the requirements of the Supervisory Provisions, the Bank falls under the category of a listed bank other than a bank of smaller size or operational complexity, having recognized average assets in excess of €5 billion in the four years prior to 2023.

The BFF Group's remuneration policy report has been defined in accordance with:

1. the Bank of Italy's **Supervisory Provisions**³² on remuneration and incentive policies issued on October 23, 2018, as subsequently amended, which establish an organic set of rules on remuneration practices and policies for banks and banking groups;
2. the **Issuers' Regulation**, recently amended by Consob, in implementation of Directive 2017/828/EC (so-called "SHRD II"), with Resolution no. 21623 of December 10, 2020. These amendments also covered Schedule 7-bis of Attachment 3A of the aforementioned Regulation, which prescribes the content of remuneration policies for listed companies;
3. the **Corporate Governance Code**. Given that the Supervisory Provisions on Remuneration set limits that are as a whole stricter than the corresponding provisions in the Corporate Governance Code, which the Bank adheres to, the Supervisory Provisions are applied as regards Remuneration, absorbing and replacing the provisions in the Corporate Governance Code on remuneration practices and policies, including the provisions on retention of shares awarded under remuneration plans, which tend to incentivize the alignment of beneficiaries with the interests of shareholders over the long term.

With this in mind, it should be noted that the Corporate Governance Code states that the biggest part of share-based remuneration plans for executive directors and senior managers must have an overall period of rights accrual and share retention of at least five years.

The Bank does not apply the above provision to share ownership but rather the rules of the Supervisory Provisions, as on the whole they are more stringent than the corresponding provisions of the Corporate Governance Code. More specifically, 50% of the Variable Remuneration of Risk Takers is paid in financial instruments, 40% of which is subject to a deferral period of at least four years and a further retention period of at least one year.

Without prejudice to the above, the Bank has implemented all the recommendations of the new Corporate Governance Code and, specifically, applies diversity criteria, including gender, for the composition of the Board of Directors, in compliance with the priority objective of ensuring that Board members are suitably competent and professional.

4. the **Transparency Rules**. In this regard, the Bank's Board of Directors has approved a Group Remuneration Policy for Significant Persons, Complaints Handling Personnel and Credit Assessment Personnel. At national level, the framework was supplemented during 2019 by the recent amendment of the Bank of Italy's provision of July 29, 2009, on "*Transparency of banking and financial operations and services*", which introduced some provisions on remuneration policies that intermediaries must adopt in relation to "staff and third parties involved in the sales network". To implement these provisions, the Bank draws up a "Significant Persons" Policy, which requires approval from the Board of Directors.

32) See Circular 285, First Section, Title IV, Chapter 2.

The enactment of Italian Legislative Decree no. 49 of May 10, 2019, which amended Article 123-ter of the TUF, in transposition of Directive 2017/828/EC (so-called "SHRD II") on encouraging long-term shareholder engagement, which includes provisions on remuneration policies for listed companies.

Most of these provisions are new only for listed companies that do not operate in the banking sector. For such companies, however, most of these provisions overlap with those of the Supervisory Provisions (such as, for example, the principle of alignment with long-term interests, including control body remuneration policies in the Report and requiring a binding vote of the Shareholders' Meeting to approve remuneration policies).

At European level, the regulatory environment consists of:

- ▶ Capital Requirements Directive V (CRD V) which establishes specific principles and criteria that banks must comply with in order to:
 - i. ensure the proper design and implementation of remuneration systems;
 - ii. effectively manage potential conflicts of interest;
 - iii. ensure that the remuneration system takes due account of current and prospective risks, the degree of capitalization and the liquidity levels of each intermediary;
 - iv. increase transparency towards the market;
 - v. ensure that there is no gender discrimination between Personnel;
 - vi. increase harmonization between Member States;
 - vii. ensure greater clarity and transparency when applying of the principle of proportionality.
- ▶ The EBA Guidelines - GL 2021/04 of July 2, 2021, which provide guidelines and interpretative clarifications in accordance with CRD V.

Attachment 3: ROLE OF COMPANY FUNCTIONS

Corporate Control Functions

The Corporate Control Functions, each within the scope of its own remit, ensure that the Policy is suitable and complies with current legislation.

The Compliance & AML Function verifies that the corporate reward system is consistent with applicable regulations, the By-Laws and any codes of ethics or other standards of conduct adopted by the Bank. As part of this verification, the Compliance & AML Function operates in such a way that the legal and reputational risks inherent above all in customer relations are assessed and contained and provides information to the Chief Executive Officer and the Remuneration Committee on the matter, and also informs the Board of Directors and the Board of Statutory Auditors as part of its periodic reports. The Shareholders' Meeting is informed of these results through the Board of Directors.

The Compliance & AML Function also verifies that the Subsidiaries fully and correctly implement the Policy, assessing any further limits imposed by local regulations. If a possible conflict with local regulations emerges, the Compliance & AML Function expresses an opinion to the Chief Executive Officer on how to resolve the conflict of regulations and identifies the operational solutions that can allow the Policy to be implemented correctly.

The Risk Management Function, based on the accounting evidence provided by the Finance and Administration Department, checks that the entry gates for Variable Remuneration, including the results of EBTDA^{RA}, have been achieved and that the incentive system is consistent with the risk management methodologies.

The Internal Audit Function checks, at least once a year, that Remuneration practices comply with remuneration and incentive policies, in particular on the basis of the risk-based audit plan. The results of the audits carried out are brought to the attention of the Board of Directors and the Shareholders' Meeting. The Internal Audit Function also collaborates with the Human Resources and Organizational Development Function in activating the Malus and Clawback mechanisms, carrying out the necessary investigations and analyses at the request of the Human Resources and Organizational Development Function, or of the Chief Executive Officer, to ascertain the events that may lead to the activation of the Malus or Clawback mechanisms.

Financial Reporting Officer

The Financial Reporting Officer provides the accounting data necessary to verify the objectives and, where required by the business plan, verifies the performance management process for the payment of the Variable Remuneration, as per paragraph 10.2.3.1 (*MBO for Employees*).

Human Resources and Organizational Development Function

The Human Resources and Organizational Development Function:

- i. applies the provisions of the Policy by translating them operationally, within the limits provided for by the role and the powers conferred;
- ii. ensures that the criteria and parameters of the Remuneration and incentive system are properly applied within the Group;
- iii. performs benchmark analyses on a selection of domestic and foreign banks that are comparable to the Bank in terms of business and size, which may vary depending on the subject in question. This analysis is carried out in order to determine:
 - a) proposals for revising the Policy;
 - b) a review of the remuneration and incentive system in terms of the instruments, methods, operating mechanisms and parameters adopted by the Bank.
- iv. coordinates the process of identifying and defining Risk Takers;
- v. provides support to the Remuneration Committee and, where appropriate, the Control and Risks Committee;
- vi. monitors the evolution of labor laws and remuneration system rules;
- vii. submits the draft update of the Policy to the Remuneration Committee;
- viii. collects the proposals for the Policy formulated by the Remuneration Committee and the Chief Executive Officer for approval by the Board of Directors, accompanied by the appropriate opinion of the Compliance & AML function.
- ix. initiates the process for verifying the conditions of Malus and Clawback, using the Internal Audit Function for the appropriate checks.

Below are detailed the roles in the following processes:

- ▶ Verification of achievement of individual objectives;
- ▶ Procedure for activating the Malus or Clawback mechanisms.

Process for the verification of the achievement of individual objectives

The achievement of the quantitative objectives related to the individual performance of the Group's Employees is mainly verified by the following corporate functions:

- i. Payments OU, if of a financial nature;
- ii. Payments OU, if of a project-related nature.

However, the certification process may involve additional business functions with responsibility for verifying quantitative objectives pertaining to the function in question. In any case, the owner of the certification is normally different from the entity being evaluated, precisely to ensure an objective assessment. Outside of the quantitative financial and project-related objectives, other types of objectives can be assigned which are then verified and certified by the Head of the OU of the individual collaborators and approved by the CEO. Individual qualitative objectives are linked to organizational behaviors and are evaluated directly by the head of the individual function concerned based on a detailed evaluation scale. In order to make the evaluation of the qualitative objectives as objective as possible, annual quantitative drivers are identified relating to the performance of the BU or Function or Department to which they belong, whose overall results support the

evaluation of the organizational conduct of the individual in achieving the identified driver. These drivers allow for more accurate discussion of individual performance in relation to concrete objectives that are considered important from year to year for the structure to which they belong.

Procedure for activating the Malus or Clawback mechanisms

The Malus or Clawback mechanisms are activated as summarized below.

The Internal Audit Function, at the request of the Board of Directors for the Personnel for whom the BoD is responsible, and the Chief Executive Officer for the remaining Personnel, carries out the necessary analyses to ascertain the circumstances that may entail activating the Malus or Clawback mechanisms. The investigations are performed by the Head of the Internal Audit Function, who uses their team to carry out the initial analysis of the information.

The Internal Audit Function prepares a report on the facts under investigation and sends it to the Head of the Human Resources and Organizational Development Function, and to the Chief Executive Officer.

If the conditions are met, prior to the Malus or Clawback mechanisms being activated:

- i. against an employee, disciplinary proceedings are initiated pursuant to Article 7 of Law no. 300/1970 and to the applicable collective agreement. The person in question is informed of the Malus or Clawback mechanisms being activated by way of the communication at the end of the disciplinary proceedings (or by way of separate communication);
- ii. against a person who is not a salaried employee or no longer has a relationship of any kind with the Bank, the following procedure is activated:
 - a) the circumstances deemed appropriate for triggering the Malus or Clawback mechanisms must be communicated in writing to the person in question, who is guaranteed the right to defend themselves in writing within a reasonable period and proportionate to the complexity of the charges made, in any case not less than 5 calendar days;
 - b) once the interested party's defense has been heard (or after the deadline has elapsed without said party having submitted a defense), the Chief Executive Officer may proceed with any measures provided they keep the Board of Directors informed (or the Board of Directors for Personnel for whom the BoD is responsible).

The decision must be justified and communicated to the person concerned in writing. A measure that lists the events which have occurred, identifies the rules that are assumed to be violated and states the reasons why the defense of the person in question cannot be accepted is considered justified.

Section II

IMPLEMENTATION OF REMUNERATION POLICIES IN 2024

1. INTRODUCTION

This section of the Report provides information on the implementation of the 2024 Remuneration Policy ("Policy") in the year 2024, also in light of the indications received from shareholders. The remuneration described in this section is in line with the provisions of Section I of the Remuneration Report submitted to the binding vote of the Shareholders' Meeting of April 18, 2024, which voted in favor.

This section consists of two parts.

The first part includes:

- i. general information on the implementation of the 2024 Policy, including the monitoring on gender neutrality, which enjoys a specific focus and the assessments provided by the Group's control functions, each for the aspects within their respective remits;
- ii. a representation of the items that make up the Remuneration (including the compensation provided for in the event of termination of office or termination of employment) of the persons indicated above, in accordance with the 2024 Policy;
- iii. implementation of the reference Incentive Policy, including the percentage of achievement of the targets envisaged for the activation of the variable remuneration systems (gate indicators) and a specific section for the Chief Executive Officer.

In the second part:

- ▶ details of each of the items making up remuneration, in the table format envisaged by the Issuers' Regulation. Specifically, the information is provided:
 - by name, for the members of the management and control bodies and for the Chief Executive Officer;
 - in aggregate form for the Executives with Strategic Responsibilities as no executive with strategic responsibility received higher remuneration than the Chief Executive Officer¹.
- ▶ the disclosure required by Article 450 of the CRR in relation to the implementation of the 2024 Remuneration Policy².

1) The reference legislation (Art. 123-ter of the TUF and Schedule 7-bis of Attachment 3A to the Issuers' Regulations) to illustrate by name:

- a. the remuneration of the members of the management and control bodies;
- b. the remuneration of any other managers with strategic responsibilities who received, during the year, remuneration (obtained by adding monetary remuneration and remuneration based on Financial Instruments) higher than the highest total remuneration attributed to the persons indicated in letter a, in the case of the Bank, the CEO.

2) COMMISSION EXECUTIVE REGULATION (EU) 2021/637 of March 15, 2021, laying down implementing technical rules regarding the publication by institutions of the information referred to in Part Eight, Titles II and III of Regulation (EU) No. 575/2013.

For an illustration of how the Bank has taken into account the vote expressed by the Shareholders' Meeting in the previous year, as per Article 123-ter, paragraph 4, letter B-bis) of the Consolidated Law on Finance, please refer to paragraph 1.2 of Section I – subsection “*Openness to dialogue and commitment to improvement: engagement activities with stakeholders, benchmarking against market practices, innovations introduced over the years, and planned improvements for the future.*”

This Section II takes into account that, as mentioned in paragraph 1.2 of Section I, subsection “*Note of April 29, 2024, by the Bank of Italy,*” following inspections conducted by the Bank of Italy at the BFF Group in 2023, and in the inspection report delivered to the Bank on April 29, 2024, the Supervisory Authority instructed the Bank to refrain from “deliberating or implementing payment of forms of Variable Remuneration.” Based on discussions with the Supervisory Authority, Variable Remuneration components related to years prior to 2024 were excluded from this restriction.

The payments made in this Section II were therefore issued in compliance with the limitations imposed by the Bank of Italy.

2. FIRST PART

2.1 Main results for 2024

The 2024 financial year was marked by:

- ▶ Reported Net Profit for 2024 of € 215.7 million, up 26% year-over-year. Adjusted Net Profit of €143.0 million.
- ▶ The Loan Portfolio grew to €5.9 billion, reflecting a 5% year-over-year increase—with Italy showing a 7% growth year-over-year, reversing the trend of the first nine months and reaching record volumes in the fourth quarter.
- ▶ Ample liquidity with deposits standing at €8.5 billion, a Loan-to-Deposit ratio of 69%, Liquidity Coverage Ratio (LCR) at 234.2%, and Net Stable Funding Ratio (NSFR) at 139.7%.
- ▶ The total past-due amount stands at €1.7 billion due to the spillover effect from past-due receivables affecting newly acquired receivables from debtors still in arrears. Notably, more than 50% of the past-due portfolio as of June 2024 had been collected by the end of December 2024, and the number of problematic overdue invoices decreased by 19% compared to June 2024.
- ▶ Solid capital ratios, exceeding regulatory requirements and the Bank's internal capital targets, with a CET1 ratio of 12.2% and a TCR of 15.1%.
- ▶ Adjusted Total Revenues at December 31, 2024, amounted to €790.9 million, remaining stable year-over-year, with 55% (€436.1 million) generated by the Factoring, Lending & Credit Management department. Adjusted Total Net Revenues stood at €399.8 million.
- ▶ A solid statement of financial position of €12.23 billion, driven by an increase in the Loan Portfolio and a reduction in the Government Securities Portfolio.

In a challenging year like 2024, remuneration and incentive decisions for Personnel were made with a pay-for-performance approach, while at the same time respecting the principles of prudence and sustainability.

2.2 General information on the implementation of the 2024 Policy

During 2024, Directors and Employees were paid the Fixed Remuneration, in accordance with the 2024 Policy and the individual contractual provisions and in compliance with the collective bargaining agreements applied.

Due to the prohibition imposed by the Bank of Italy, as described in the introduction, the 2024 MBO bonus for Employees (except as provided for the Chief Executive Officer in section 2.4.1.4) was assigned before the prohibition took effect. As a result, it was duly accounted for in line with the applicable Policy but will only be paid once the prohibition is lifted by the Supervisory Authority.

Regarding the MBO bonus for the Chief Executive Officer, it is worth noting in advance that, despite having been accrued, the Chief Executive Officer voluntarily waived it.

However, verification of compliance the ratio between Fixed and Variable Remuneration provided for in the 2024 Policy took into account the gross annual value of all the components of the Fixed Remuneration, including Benefits, and the variable component accrued during the year. The maximum ratios of Variable Remuneration to Fixed Remuneration of 2:1 for Employees and the Chief Executive Officer, and one third for the Heads of Corporate Control Functions and the limit of 50% for equivalent functions, were respected.

You are reminded that the Group uses Financial Instruments to pay Risk Takers at least 50% of the Variable Remuneration, both up-front and deferred.

In the case of Risk Takers, the deferral portions, and periods, as well as the retention portions and periods of the Financial Instruments in accordance with the relevant remuneration policies, have been applied to all accrued Variable Remuneration items.

It should be noted that, due to the Bank of Italy's prohibition, the union agreement for the VAP corporate bonus, intended for the Bank's Employees under the applicable national collective labor agreement for the Italian banking sector, was not signed for 2024, despite an agreement having been reached between the parties.

The use of long-term incentive plans continued in 2024, although the Third Tranche of the 2022 LTI Plan could not be granted as stipulated by the Policy and Regulations. For further details regarding the information to be provided pursuant to Article 114-bis of the TUF concerning remuneration plans based on significant Financial Instruments, active during 2024, see paragraph 2.5.1 below (2022 Incentive Plan) in the Report.

In addition, during the reporting year, no discretionary pension benefits were paid out and/or granted (i.e., no pension benefits were paid out beyond the plans provided for by the National Bargaining Agreements and the law).

In compliance with the provisions of the Issuers' Regulation, the Parent Company provides information about the annual variation in total remuneration of each of the members of the Board of Directors, the Bank's results and the average gross annual remuneration calculated based on the full-time employees of the Group, other than members of the management and control bodies and the Chief Executive Officer. In this regard, see Tables 2 and 3 in paragraph 2.10.

2.3 The final accounting of the 2024 Short-Term Variable Remuneration

Specifically, the gates envisaged for the current Policy, valid for both the 2024 MBO and the deferred portion of the short-term systems, are provided:

- i. the Group’s liquidity indicator adopted as the gate is the Liquidity Coverage Ratio (LCR), at least equal to the level of “risk tolerance” approved by the Board of Directors, and defined within the RAF in force on the closing date of the financial year to which the MBO refers, and, in any case, compliant with the requirements of supervisory remuneration legislation;
- ii. the Group’s equity indicator adopted as a gate is the Total Capital Ratio (TCR) at least equal to the level of “risk tolerance” approved by the Board of Directors, and defined within the RAF in force on the closing date of the financial year to which the MBO refers, and, in any case, compliant with the requirements of supervisory remuneration legislation;
- iii. the Group profitability indicator adopted as a gate corresponds to a positive Risk Adjusted EBTDA (or EBTDA^{RA}).

On February 27, 2025, the Bank’s Board of Directors verified that it had been passed as shown in the table below.

Gate			
Indicator	Minimum threshold	Value achieved in 2024	Gate passed
Liquidity Coverage Ratio (LCR)	≥ risk tolerance	234.21%	✓
Total Capital Ratio (TCR)	≥ risk tolerance	15.12%	✓
EBTDA ^{RA} (risk- and cost-of-capital-adjusted return)	Positive	Positive	✓
EBTDA ^{RA} / Target EBTDA ^{RA}	≥ 100%	100%	✓

On January 30 and February 27, 2025, the Board of Directors verified that the four conditions (gates) related to the 2024 MBO had been met.

Regarding the gate related to the ratio of EBTDA^{RA} to Target EBTDA^{RA}, the result achieved was 107%. In this regard, it should be noted that for the purposes of this calculation - in accordance with the definition of EBTDA^{RA} contained in the 2024 Remuneration Policy (Chapter 8) - the increase in the accrual rates for late payment interest and lump sum debt collection compensation was taken into account. The inclusion of these items resulted in an above target result. However, the Board of Directors decided, again on January 30, 2025, to adopt a conservative approach and to consider a ratio of EBTDA^{RA} to Target EBTDA^{RA} equal to the target (100%), as was the case in a similar situation for the 2022 MBO.

For 2024, the Chief Executive Officer voluntarily and unconditionally waived in full the 2024 MBO bonus due to him in the interest of the Bank.

2.4 Implementation of the relevant remuneration and incentive policy in 2024

2.4.1 Remuneration of the bodies of strategic supervision, management, and control

The gross annual remuneration approved by the Shareholders' Meeting held on April 18, 2024, for Directors, and by the Board of Directors held on the same date, for Directors holding special offices and members of the Committees, is shown below:

Director remuneration	60,000 €
Remuneration of the Chair of the Board of Directors	270,000 €
Remuneration of the Chief Executive Officer from July 1, 2023	1,300,000 €
Control and Risks Committee Chair	35,000 €
Control and Risks Committee Member	20,000 €
Remuneration Committee Chair	20,000 €
Remuneration Committee Member	10,000 €
Nominations Committee Chair	20,000 €
Nominations Committee Member	10,000 €
Related Party Transactions Committee Chair	10,000 €
Related Party Transactions Committee Member	4,000 €

Table 1.

For the specifications of the Chief Executive Officer, see paragraph 2.4.1.4.

2.4.1.1 Remuneration of non-executive members of the Board of Directors

The non-executive members of the Board of Directors were paid during FY 2024 the following remuneration components (calculated based on their effective period in office)³:

- i. a fixed fee for the office of director, equal to 60,000 euros gross;
- ii. an additional fixed fee for directors who hold special offices, Chairman or member of board committees, for a maximum annual cumulative amount of 55,000 euros gross;
- iii. for the Chairman of the Board of Directors, additional remuneration pursuant to paragraph 3 of Article 2389 of the Italian Civil Code, equal to 270,000 euros gross per year.

No Variable Remuneration was paid to the non-executive directors. There are no agreements for the members of the Board of Directors regarding the treatment in the event of termination of office, nor are there any variable components of Remuneration.

3) Set within the total amount approved by the Shareholders' Meeting of March 25, 2021, in the Board of Directors' meeting of January 29, 2021.

2.4.1.2 Remuneration of members of the Board of Statutory Auditors

During the 2024 financial year, the members of the Board of Statutory Auditors were paid the remuneration due for their office, approved by the Shareholders' Meeting of March 25, 2021 and confirmed by the same on April 18, 2024, amounting to:

- i. a fixed compensation for the position of Regular Auditor, equal to 65,000 euros gross;
- ii. fixed compensation for the Chairman of the Board of Statutory Auditors, equal to 85,000 euros gross.

The remuneration of the members of the Board of Statutory Auditors is consistent with the Group's remuneration policies, since, among other things:

- i. it is in line with the Group's long-term objectives;
- ii. variable component has been paid to the Statutory Auditors⁴.

2.4.1.3 Remuneration of the members of the Supervisory Board

For each of the two (out of three) members of the Supervisory Body who are not Employees of the Bank,

- i. fixed remuneration of 20,000 euros was paid (for the period January 1, 2024 - December 31, 2024);
- ii. no Variable Remuneration was paid to the members of the Supervisory Board.

The members of the Supervisory Board who are part of the Bank's Employees have not been paid any additional remuneration, as envisaged.

2.4.1.4 Remuneration of the Chief Executive Officer

A. Fixed Remuneration and Benefits:

- ▶ the gross annual remuneration paid in 2024 as Chief Executive Officer was equal to 1,360,000 euros, including the fixed remuneration for the office of director, equal to 60,000 euros;
- ▶ a package of non-monetary benefits was also paid, amounting to € 90,971 net (the maximum amount disburseable being €100,000⁵), as provided for in the existing contract between the Bank and the Chief Executive Officer.

B. Variable Remuneration for 2024:

- ▶ The Chief Executive Officer voluntarily waived his 2024 MBO bonus, despite achieving the EBTDA^{RA} KPI at 100%, which would have allowed for at least a 70% payout. This decision remains in effect even if the Bank of Italy's prohibition (discussed later) is lifted. The decision is unilateral and unconditional, once again aimed at facilitating a swift resolution of the current situation, which limits the effectiveness of the Remuneration Policy, a key factor in the Bank's long-term sustainable success. As detailed in the table under '2024 MBO Reporting', the payout granted to the Chief Executive Officer would have been equal to 100% of Fixed Remuneration.
- ▶ Regarding the "Incentive Plan 2022", no allocation was made for the third tranche, which, according to the plan's regulations, was due to be granted by December 31, 2024. This applies to the Chief Executive Officer as well as all other beneficiaries.

4) In accordance with Article 3 of Section III of the Remuneration Supervisory Provisions, which precludes all forms of variable remuneration for members of the body with control functions.

5) Contract Amount

C. Variable remuneration from previous years:

▶ MBO e Integration Bonus:

- with regard to the deferred portion of the 2021 MBO, the opening of the gates envisaged in the current Policy has been verified, and therefore an amount of 335,100 euros gross, of which 167,550 euros gross in cash, and 167,550 euros gross in financial instruments (shares of the Bank with a retention period of 1 year) will be paid;
- with regard to the deferred portion of the 2022 MBO, the opening of the gates envisaged in the current Policy has been verified, and therefore an amount of 134,040 euros gross, of which 65,680 euros gross in cash, and 68,360 euros gross in financial instruments (shares of the Bank with a retention period of 1 year) will be paid;
- with regard to the deferred portion of the second tranche of the Integration Bonus, the opening of the gates envisaged in the current Policy has been verified, and therefore an amount of 203,644 euros gross, of which 101,822 euros gross in cash, and 101,822 euros gross in financial instruments (shares of the Bank with a retention period of 1 year) will be paid.

▶ 2016 and 2020 Stock Option Plans:

- On March 28, 2022, the Board of Directors approved the achievement of the vesting conditions under the 2020 SOP, as a result 280,000 options were vested for the second tranche (equal to 80% of the award, the remaining 20% being subject to an 18-month deferral period).
- The Chief Executive Officer exercised 34,000 options relating to the second tranche of the 2016 SOP. For more details, see Table 2, SCHEDULE 7-BIS: Remuneration report. – TABLE 2.

Reporting of the 2024 MBO

As previously mentioned in Section 2.3, the Bank's Board of Directors confirmed the achievement of the access gates for the 2024 MBO on January 30 and February 27, 2025. However, due to the restriction imposed by the Bank of Italy, as outlined in the introduction, the bonus has been formally accounted for but will only be paid to beneficiaries other than the Chief Executive Officer once the restriction is lifted by the Supervisory Authority. In contrast, with regard to the Chief Executive Officer and following his full waiver, the MBO will not be paid even upon the removal of the prohibitions.

Detailed Accounting of the 2024 MBO – Chief Executive Officer (accounting presented for descriptive purposes only, despite the Chief Executive Officer’s waiver of the 2024 MBO bonus).

Calculation element	Weight	Result			2024 Final	%	
EBTDA Objective	70%	EBTDA ^{RA} Target = 100% EBTDA ^{RA} Real = 100%			100%	70%	
		Minimum (50%)	Target (100%)	Maximum (130%)	2024 Final	%	
Additional Objectives	20%	(A) ESG Rating	50%	100%	130%	26%	
	15%	(B) Riduzione del Gender Equity Pay Gap	50%	100%	130%	0	0
	15%	(C) Social Bond	€ 250m	€ 300m	€ 350m	130%	19.5%
Total						45.5%	
Total MBO 2024						115.5% (max 100%)	

(A) Objective: ESG Rating

The objective aims to improve the Bank’s ESG index rating coverage and serves as a key indicator for monitoring social impact. In 2024, the Bank achieved the highest possible result, not only maintaining its existing coverage/rating but also securing two upgrades (Morningstar Sustainalytics and Standard Ethics).

(B) Objective: Gender Equity Pay Gap

The pay gap for the same role or roles of equal value is referred to as the “Pay Equity Gap.” Circular 285 refers to the EBA guidelines concerning the monitoring of gender pay gaps for the same role or roles of equal value. Specifically, the EBA guidelines stipulate that, in order to monitor the gender neutrality of remuneration policies, banking groups should define pay gaps at the “job/position” level.

The Group has a strategic ambition in 2023 that calls for achieving substantial pay parity in the main countries of operation, i.e., Gender Pay Equity Gap below 5% (a threshold defined as “critical” by the EU Pay Transparency Directive) within the next three years.

For 2024, the objective included two metrics: 1) ensuring that 80% of the Group’s population remained below the critical threshold of a 5% weighted average pay gap for roles, as stipulated by the EU Pay Transparency Directive, and 2) achieving the same strategic ambition in at least two operational clusters (the clusters are defined geographically as follows: 1) Italy, 2) Poland, 3) Other Countries). The objective was not met, as the Group did not reach the 80% coverage threshold, instead achieving 78.1%, although this represents an improvement compared to the 76.7% recorded the previous year. The failure to meet the target was primarily influenced by differences in company tenure between men and women, which, in turn, was affected by an increase in new hires, particularly in Poland, where approximately 90% of new employees were women under the age of 30. It is worth noting, however, that the metric related to clusters was achieved in both the Italy cluster and the “Other Countries” cluster, as both fell within the critical threshold.

For reporting on initiatives to reduce the gender pay gap, see the 2024 Non-Financial Statement.

(C) Objective: Social Bond

As part of the Bank's commitment to sustainable finance, the objective was to issue a social bond whose proceeds would finance national healthcare systems and public healthcare facilities. Specifically, the target was the issuance of the Inaugural Social Bond.

In 2024, the first placement of a Social Unsecured Preferred Bond was carried out in April for a nominal amount of €300 million, followed by the placement of a Social Senior Unsecured Bond in October for an additional €300 million, making the initiative a success.

2.4.1.5 The Chief Executive Officer's waiver of a portion of the amount agreed upon in his favor as part of the settlement agreement between the Bank and the Chief Executive Officer on July 6, 2023

In the inspection report dated April 29, 2024, delivered to the Bank by the Bank of Italy, the Supervisory Authority focused on the settlement agreement entered into on July 6, 2023, between the Bank and the Chief Executive Officer. This agreement resolved the dispute that had arisen between the parties concerning the activation mechanism of the golden parachute in the event that the Chief Executive Officer's mandate was not renewed upon its expiration.

To settle the dispute, under the aforementioned settlement agreement, the Chief Executive Officer waived the contractual clause related to the activation of the golden parachute in case of non-renewal, and the Bank committed to recognizing a settlement amount in favor of the executive.

Based on unanimous opinions from the Bank's control functions, board committees, and external legal counsel, this settlement amount was classified as a component of the Chief Executive Officer's Variable Remuneration, specifically as a golden parachute. Consequently, it was determined that it should not be considered for the 2:1 ratio between Variable and Fixed Remuneration, as it met all the relevant criteria outlined in Bank of Italy Circular 285/2013, namely: (i) the existence of an agreement between the Bank and the Chief Executive Officer; (ii) the agreement's purpose was to settle a current or potential dispute (which, in this case, was already ongoing); and (iii) the golden parachute amount was calculated using the predefined formula outlined in the Bank's 2023 remuneration policy (i.e., " $x \leq 24$ months of Global Remuneration").

However, in its April 29, 2024 report, the Supervisory Authority stated that this settlement amount should have been included in the 2:1 ratio between Variable and Fixed Remuneration, arguing that it could not qualify for the exemption applicable to golden parachutes.

Immediately thereafter, on May 30, 2024, the Chief Executive Officer informed the Bank of his waiver of future installments of the settlement amount exceeding the 2:1 limit between Variable and Fixed Remuneration. In doing so, by forfeiting a significant financial entitlement, the Chief Executive Officer aimed to contribute directly to the Bank's interactions with the Supervisory Authority. However, he expressly stated that his waiver should not be construed as acquiescence to the findings of the Bank of Italy, maintaining that he had signed the settlement agreement in the firm belief that it was fully compliant with prudential regulations.

2.4.1.6 Remuneration of Managers with Strategic Responsibilities

A. Fixed Remuneration and Benefits:

- ▶ gross Annual Salary paid to Managers with Strategic Responsibilities amounted to 1,055,000 euros gross in 2024;
- ▶ a package of non-monetary benefits was also paid, equal to a total of 78,282 euros gross;

B. Variable Remuneration for 2024:

- ▶ 2024 MBO: As previously mentioned, the 2024 MBO has been duly accounted for; however, due to the restriction imposed by the Bank of Italy, it has not been paid. It will only be disbursed, if accrued, once the restriction is lifted. If the restriction is removed, the amount will be 380,763.80 euros.
- ▶ Regarding the third tranche of the "Incentive Plan 2022", no stock options or phantom stock options have been granted due to the restriction imposed by the Bank of Italy.

C. Variable Remuneration of previous years:

- ▶ **MBO** regarding the deferred portion of the 2022 MBO, the opening of the gates envisaged by the current Policy having been verified, an amount of 48,905 euros gross will be paid, of which 24,452 euros gross in cash and 24,452 euros gross in financial instruments (shares of the Bank with a retention period of 1 year);
- ▶ **2016 And 2020 Stock Option Plans** in 2024, the Board of Directors resolved that the vesting conditions set forth in the SOP 2020 had been met. As a result, 530,000 options from the Second Tranche have vested.
- ▶ the key management personnel exercised 20,000 options relating to the 2016 SOP relating to the second and third tranche, and 630,000 options relating to the first and second tranche of the 2020 SOP. For more details, see Table 2, SCHEDULE 7-BIS: Remuneration report. – TABLE 2.

2.5 Illustration of existing Long-Term Incentive Plans

2.5.1 2022 Incentive Plan

This Plan aims to attract, motivate and retain talents in the Group, which is now larger and more diversified.

The 2022 Incentive Plan would have predicted for the award - in three tranches - of a maximum number of 9,700,000 stock options. Since the third tranche was not awarded, the number of options awarded was 7,404,000.

The options can be of two types:

- ▶ A Options, which give the right to receive shares in the quantity and according to the terms and conditions established in the Regulations;
- ▶ B Options, which give the right to receive Phantom Stock Options in the quantity and according to the terms and conditions established in the Regulations; these Phantom Stock Options will then be converted into Bonuses.

Pursuant to the 2022 Incentive Plan, the *type A and B* options awarded in each tranche shall vest upon completion of the related vesting period. Vesting is subject to a series of conditions better detailed in the 2022 Stock Option Plan itself, which require:

- ▶ the continuation of the employment relationship with one of the Group companies and/or the office on the Board of Directors;
- ▶ levels of capital resources and liquidity necessary to meet the activities undertaken and compliance with other certain parameters, including those of a regulatory nature.

KPI	% of options vested at the "minimum" level	% of options vested at the "target" level	% of options vested at the "maximum" level
EBTDA ^{RA}	25%	50%	75%
EPS	10%	20%	30%
C/I	10%	20%	30%
ESG (Carbon Footprint)	2.5%	5%	7.5%
ESG (Customer Satisfaction)	2.5%	5%	7.5%

As of December 31, 2024, the total number of options assigned amounted to 7,404,000 (of which 3,246,500 equity settled and 4,157,500 cash settled/phantom stock options), all still to be exercised.

Specifically for the first tranche, 5,480,000 options were granted (of which 2,437,500 were settled with equity and 3,042,500 were settled with cash/phantom stock options).

As for the second tranche, 1,924,000 options were granted (of which 809,000 were settled with equity and 1,115,000 were settled with cash/phantom stock options).

It should be noted that in 2024, the third tranche, consisting of 2,296,000 options, was not granted. According to the Plan Regulations, its expiration date was set for December 31, 2024.

Part 2 of this section shows table no. 2, scheme 7-bis envisaged by Attachment 3A, of the Issuers' Regulation.

2.5.2 2020 Stock Option Plan

The 2020 Stock Option Plan aimed at the awarding – in three tranches – of a maximum number of 8,960,000 stock options, each of which grants the beneficiaries the right to receive ordinary shares of the Company, in accordance with the terms and conditions set out in the plan regulations. In particular, the options may be exercised in cashless mode.

Pursuant to the 2020 Stock Option Plan, the stock options granted in each tranche vest upon completion of the relative vesting period. Vesting is subject to a series of conditions better detailed in the 2020 Stock Option Plan itself, which require:

- i. the continuation of the employment relationship with one of the Group companies and/or the office on the Board of Directors;
- ii. levels of capital resources and liquidity necessary to meet the activities undertaken and compliance with other certain parameters, including those of a regulatory nature⁶.

6) Please note that no more than 100% of the options granted can be vested.

With regard to the 2020 Stock Option Plan, which involved the total allocation of 8,384,500 options out of a total of 8,960,000, 5,106,250 options have already been exercised, 514,800 options are no longer exercisable, and 2,763,450 options remain to be exercised, of which 2,485,450 options are exercisable as of December 31, 2024.

Part 2 of this section shows table no. 2, scheme 7-bis of the Issuers' Regulation.

2.5.3 2016 Stock Option Plan

With regard to the 2016 Stock Option Plan, which involved the total granting of 8,358,640 options, 8,172,340 options have already been exercised, 184,300 options are no longer exercisable while 2,000 options were still exercisable as of December 31, 2024.

Part 2 of this section shows table no. 2, scheme 7-bis of the Issuers' Regulation.

2.6 Agreements relating to cases of early termination of employment or termination of office

As specified in Section I of the Report, the Board of Directors may approve payments for the Risk Takers in the event of early termination of employment or termination of office, in order, among other things, to limit the risks of potential litigation with the Risk Takers concerned and preestimate the related cost for the Bank, avoiding the uncertainty of a ruling.

This remuneration is quantified and paid by the Group in accordance with the criteria set out below.

The determination of this remuneration is subject to ex post adjustment mechanisms (Malus and Claw Back), within the limits allowed by the collective agreements applicable to the employment relationship, as envisaged by the Supervisory Provisions for Banks and, in any case, in compliance with the limits and requirements of the relevant legislation. A retention period of no less than one year applies to the above-mentioned remuneration for the portion paid in Financial Instruments.

For amounts agreed with members of Personnel in view or at the time of early termination of employment or early termination of office, the limits set in the Supervisory Provisions on Remuneration, Section III, paragraph 2.2.2 apply: the amount agreed cannot exceed the limit of 24 months of the Global Remuneration for the last year of the relationship.

In any event, these amounts may not exceed:

- a) €1,100,000 for Employees;
- b) for Personnel other than Employees, including the Chief Executive Officer, 4,500,000 euros.

In this regard, and also in light of the restriction imposed by the Bank of Italy, the Bank has not agreed upon any amounts in anticipation of or on the occasion of early termination of office or early termination of the employment relationship during 2024.

The only amount agreed upon in anticipation of or on the occasion of early termination of office or early termination of the employment relationship was established prior to 2024 with the Chief Executive Officer. Under the terms of the CEO's contract, upon termination of office, a potential payment may be made, calculated as the lower of the following two amounts: (i) 1.8 times the sum of the average Variable Remuneration⁷ over the previous three years and the Fixed Remuneration (excluding Benefits), or (ii) €4,500,000.00. The golden parachute will be paid to the Chief Executive Officer, in the event of early termination of office, solely upon the occurrence of certain circumstances. The contractually specified circumstances which determine the Chief Executive Officer's right to payment of the golden parachute are as follows:

- ▶ removal from office as a director prior to the approval of the Bank's financial statements as of December 31, 2029, other than on bad leaver clauses;
- ▶ substantial reduction or revocation of the powers of the CEO during any term of office that was in progress until the date of approval of the Bank's financial statements on December 31, 2029, for a reason other than a written request from the Bank of Italy or Consob;
- ▶ reduction in Remuneration not due to failure to achieve the targets of the variable incentive schemes of the Chief Executive Officer during any term of office that was ongoing until the date of approval of the Bank's financial statements as of December 31, 2026.

The disbursement of the golden parachute is structured as follows:

- ▶ 40% up-front portion, while the remaining 60% is deferred in equal annual installments over 5 years, beginning 12 months after the vesting of the up-front portion;
- ▶ 51% of both the up-front and deferred portion is paid through financial instruments, subject to a one-year retention period.

Moreover, the golden parachute is:

- ▶ subject to malus and clawback mechanisms;
- ▶ conditional on the absence of any conduct by the Chief Executive Officer, in the context of the Bank's activities or his/her professional activities in such context, which has resulted in a significant loss for the Bank or the Group companies;
- ▶ subject, in the vesting year, to compliance with gates associated, compliance with capital and liquidity limits and application of performance parameters, net of the risks.

7) Defined as the average of the amounts paid to the Chief Executive Officer as Variable Remuneration (as currently defined) in the three-year period preceding the vesting date of the Chief Executive Officer's right to receive the golden parachute, including amounts still subject to deferment (for the sake of clarity: the deferred variable remuneration accrued in the previous three-year period is taken into account but not the deferred amount received in the three-year period arising from variable remuneration prior to the three-year period of reference) and including the value of any stock options, phantom stock options or other equivalent instruments awarded in the three-year period, the value of which is the value calculated on the award date

2.7 Analysis of the Gender Pay Gap and the Diversity & Inclusion Operational Plan

BFF Group offers, on a gender-neutral basis, remuneration in line with the market, benefits and additional incentive schemes designed both to improve people's quality of life and value their performance based on merit.

In particular, in order to ensure constant monitoring of pay gaps and gender neutrality as part of the overall governance of policies, and in compliance with the provisions of the update of Circular 285/13 on remuneration and incentive policies and systems of November 24, 2021 and the EBA Guidelines ⁸ (July 2, 2021), it annually prepares a Report on the gender neutrality of remuneration policies and activates a series of controls as specified below.

With regard to the Board of Directors, it is important to highlight that the compensation policy is defined ex-ante based on the role held, regardless of the gender of each board member. An analysis was conducted, focusing on the current composition of the Board, which confirms—in continuity with last year—a higher number of female members. Furthermore, starting in 2025, there will be an increase in the number of female Committee Chairs (from 3), which will result in a higher average annualized remuneration for women compared to men.

Throughout 2024, the Bank continued its commitment to developing initiatives aimed at promoting gender neutrality, particularly through a review of its development, career progression, and managerial succession policies. These efforts have supported a positive trend in promotions, leading to a 9.9% increase in the representation of women in Middle and Top Management compared to 2023. Additionally, the Bank focused on salary review processes to improve pay gaps, as well as on training and the identification of objective evaluation tools to foster a culture as free as possible from gender bias.

Moreover, throughout 2024, the Bank implemented a dedicated quarterly report, serving as a key monitoring tool to ensure gender neutrality in HR policies across the BFF Group.

The Group has set a strategic ambition to achieve substantial pay equity across its operating countries—defined as a Pay Equity Gap below 5% (the “critical” threshold set by the EU Pay Transparency Directive)—by 2026. For 2025, the Group plans to launch the process for gender equality certification, along with a general review of its maternity and paternity policies, as part of an updated and expanded Diversity & Inclusion operational plan for 2025–2026, which was originally defined in 2023.

See the Non-Financial Statement for more details.

8) Guidelines for sound remuneration policies pursuant to Directive 2013/36/EU - GL on remuneration policies under CRD_IT.pdf (europa.eu)

2.8 Verifications on the remuneration system by control functions and board internal committees

The Corporate Control Functions and any other person responsible for supervising the Group's incentive system participated in the conformity assessment of the remuneration policies implemented in 2024.

2.8.1 *Compliance and AML*

The Compliance & AML Function verified compliance of the remuneration policies with the reference regulatory framework and believes that they are consistent with the applicable reference legislation, the adopted Code of Ethics, and the By-Laws.

2.8.2 *Risk Management*

The Risk Management function has provided opinions on the adequacy of the indicators used to take account of the risks assumed by the Group in relation to incentive schemes. The Risk Management function also verified the final figure of said indicator for the year 2024.

2.8.3 *Internal Audit*

In line with the Supervisory Provisions on Remuneration, the Internal Audit Function has carried out an annual check on the compliance of the Group's Remuneration and incentive practices with the 2024 Policy.

2.8.4 *Control and Risks Committee*

The Control and Risk Committee ascertained that incentives underlying the Group's Remuneration system are consistent with the maximum risk level the Group intends to take.

2.9 Composition and activities of the Remuneration Committee

The Remuneration Committee⁹ met 17 times in 2024. The main activities carried out concerned:

- i. Reporting of 2024 performance results relating to the roles of Chief Executive Officer, Senior Executives, Executives reporting directly to the Chief Executive Officer, and Heads of the Group's Control Functions for the definition of the MBOs for which they are responsible;
- ii. Definition of the 2024 quantitative targets relating to the roles of the Chief Executive Officer, Senior Executives, Executives reporting directly to the Chief Executive Officer and the Heads of the Group's Control Functions;
- iii. Contributing to the definition of guidelines on remuneration policies and principles;
- iv. Analysis and approval of remuneration packages for the hiring of new and Senior Executives;
- v. Analysis of shareholders' meeting votes and update of the *Remuneration and Incentive Policy for the members of the strategic supervision, management and control bodies and the personnel of the BFF Banking Group*;
- vi. Analysis of regulatory requests included in the April 29 Note and related adjustments;
- vii. Identification of the beneficiaries of stock options in the categories for which the Board of Directors is responsible, even if not subsequently granted;
- viii. Identification of a new *frame* for short-term variable incentives
- ix. Identification of a new *frame* for the 2025 LTI Plan and the 2025 Employee Stock Grant Plan
- x. Support to the Board of Directors in analyzing the gender neutrality of remuneration policies and the verification of the Gender Pay Gap and its evolution over time.

In carrying out its functions, the Remuneration Committee was able to consult the competent internal structures and make use of external consultants such as *Sodali* for the analysis for the shareholders' meeting voting, Mercer for benchmarking, and the *PedersoliGattai* and *Ambrosetti* for the drafting of the Policy.

Below are two descriptive tables, respectively:

- ▶ the Remuneration Committee meetings during 2024;
- ▶ its composition, pursuant to Article 123 bis, paragraph 2 of the Consolidated Finance Act, with the names of its members, any executive role, the person appointed as Chair and the percentage of attendance at meetings.

9) For a description of the composition, function and operation of the Compensation Committee, see Section I paragraph 1.4 (Compensation Committee).

1. DESCRIPTION OF THE MEETINGS OF THE REMUNERATION COMMITTEE IN 2024 AND FORECAST NUMBER OF MEETINGS IN 2025.

Were the proceedings duly recorded?	Yes
Has the Chairman of the Remuneration Committee reported this to the first useful Board of Directors?	Yes
Number of Remuneration Committee meetings	17
Average duration of the meetings	1 hour and 35 minutes
Were there any meetings of the Remuneration Committee that were also attended by external members?	Yes, by invitation. In 2024, the Chairman of the Board of Directors attended some meetings of the Remuneration Committee, and certain items of the agenda were discussed by the Chief Executive Officer, the Chair of the RPT Committee, Ms. Anna Kunkl, the Head of Human Resources and Organizational Development, the Head of Compliance & AML, the Head of Risk Management, the Group General Counsel & Business Legal Affairs, the Head of Investor Relations, Strategy, and M&A and external consultants.
Were there any meetings of the Remuneration Committee attended by the Chairman of the Board of Statutory Auditors or other members?	Yes
Does at least one member of the Remuneration Committee have knowledge and experience in accounting and financial matters, and/or remuneration policies, deemed appropriate by the Board at the time of appointment?	Yes
Number of meetings of the Remuneration Committee scheduled for 2025 (and number of meetings already held during the current year).	Year 2025: 13, of which 4 meetings already held (as of March 7)

Below is a table summarizing the information relating to the members of the Remuneration Committee.

1. INFORMATION ON REMUNERATION COMMITTEE MEMBERS FROM JANUARY 1, 2024 TO DECEMBER 31, 2024

Name and surname	Independent director?	Non-executive director?	Elected chairman?	% attendance at meetings compared to the period in office	Term of office
Piotr Henryk Stepniak	No	Yes	No	100%	01/01/2024-17/04/2024
Giovanna Villa	Yes	Yes	Yes	100%	01/01/2024-17/04/2024
Domenico Gammaldi	Yes	Yes	No	100%	01/01/2024-31/12/2024
Guido Cutillo	Yes	Yes	Yes	100%	18/04/2024-31/12/2024
Mimi Kung	Yes	Yes	No	100%	18/04/2024-31/12/2024

2.10 Comparison of the annual change in total remuneration of the members of the Board of Directors, Chief Executive Officer, and Board of Statutory Auditors, and the company's performance and the average gross annual remuneration of employees

Following is information comparing:

- ▶ the total remuneration of each of the persons for whom the information in this section of the Report is provided by name (Table 2);
- ▶ the average gross annual remuneration (calculated based on the full-time employees) for employees other than those in Table 2 is shown in Table 3.;
- ▶ The pay ratio (ratio of CEO remuneration to the average of group employees) is shown in Table 4.

TOTAL REMUNERATION OF EACH INDIVIDUAL NAMED IN SECTION II L OF THE REPORT (REMUNERATION PAID)

Name	Office	2022	2023	2024	Change 2023-2022	Change 2024-2023	Notes
Salvatore Messina	Chair of the Board of Directors	320,000	320,000	94,426	0%	-70%	In office until 04/17/2024 - Remuneration based on actual time served during the year
Ranieri de Marchis	Chair of the Board of Directors	-	-	232,623	n/a	n/a	In office from 04/18/2024 - Remuneration based on actual time served during the year
Massimiliano Belingheri	Chief Executive Officer	2,297,896	1,233,500	1,360,000	-46%	10%	
Federico Fornari Luswergh	Director	80,000	80,000	23,607	0%	-70%	In office until 04/17/2024 - Remuneration based on actual time served during the year
Gabriele Michaela Aumann Schindler	Director	89,000	89,000	26,262	0%	-70%	In office until 04/17/2024 - Remuneration based on actual time served during the year
Barbara Poggiali	Director	8,849	-	-	n/a	n/a	In office from 03/02/2022
Piotr Henryk Stepniak	Director	81,791	83,505	74,098	2%	-11%	
Domenico Gammaldi	Director	98,904	100,000	103,525	1%	4%	
Monica Magri	Director	53,425	60,000	17,705	12%	-70%	In office from 2/10/2022 to 4/17/2024 - Remuneration based on actual time served during the year
Anna Kunkl	Director	50,164	60,000	67,049	20%	12%	
Giovanna Villa	Director	70,281	74,000	21,839	5%	-70%	In office until 04/17/2024 - Remuneration based on actual time served during the year
Alexia Ackermann	Director	-	-	63,443	n/a	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Mimi Kung	Director	-	-	63,443	n/a	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Susana Mac Eachen	Director	-	-	52,164	n/a	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Guido Cutillo	Director	-	-	59,213	n/a	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Paola Carrara	Board of Statutory Auditors Member	20,726	-	-	n/a	n/a	In office until 03/30/2024 - Remuneration based on actual time served during the year
Francesca Sandrolini	Board of Statutory Auditors Member	5,123	-	-	n/a	n/a	In office from 3/31/2022 to 4/21/2022 - Remuneration based on actual time served during the year
Claudia Mezzabotta	Board of Statutory Auditors Member	3,260	-	-	n/a	n/a	In office from 4/22/2022 to 5/5/2022 - Remuneration based on actual time served during the year
Carlo Carrera	Board of Statutory Auditors Member	10,945	-	-	n/a	n/a	In office from 5/6/2022 to 6/21/2022 - Remuneration based on actual time served during the year
Nicoletta Paracchini	Board of Statutory Auditors Member	44,945	85,000	25,082	89%	n/a	In office from 6/22/2022 to 4/17/2024 - Remuneration based on actual time served during the year
Fabrizio Riccardo Di Giusto	Board of Statutory Auditors Member	65,000	65,000	19,180	0%	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Paolo Carbone	Board of Statutory Auditors Member	65,000	65,000	19,180	0%	n/a	In office until 04/17/2024 - Remuneration based on actual time served during the year
Simone Scettri	Board of Statutory Auditors Member	-	-	59,918	n/a	n/a	In office until 04/18/2024 - Remuneration based on actual time served during the year
Simona Elena Pesce	Board of Statutory Auditors Member	-	-	45,820	n/a	n/a	In office until 04/18/2024 - Remuneration based on actual time served during the year
Vittorio Dell'Atti	Board of Statutory Auditors Member	-	-	45,820	n/a	n/a	In office until 04/18/2024 - Remuneration based on actual time served during the year
Silvio Necchi	Supervisory Body Member	20,000	20,000	20,000	0%	0%	
Marina Corsi	Supervisory Body Member	20,000	20,000	20,000	0%	0%	

Table 2.

Scope	Gross Average Annual Salary 2021	Gross Average Annual Salary 2022	Gross Average Annual Salary 2023	Gross Average Annual Salary 2024	Variation 2022-2021	Variation 2023-2022	Variation 2024-2023
Italy	55,912	56,533	60,806	64,030	+1.1%	+7.6%	+5.3%

Table 3.

Pay Ratio	Fixed Remuneration
2024 ratio CEO vs Average Italian Employee	21:1
2024 ratio CEO vs Average Group Employee	24:1

Table 4.

3. SECOND PART

In this second part of Section II, the remunerations paid in the reference financial year to the persons identified by the reference legislation, i.e., the members of management and control bodies and managers with strategic responsibilities are analytically illustrated. It should be noted that, in this second part of Section II, “other management personnel with strategic responsibilities” means those persons who, within the Banking Group, fall within the definition of Senior Executive set out in the 2024 Policy.

Also illustrated are the fees paid during the reference year but relating to activities carried out in previous years (deferred portions of Variable Remuneration referring to previous years), and those to be paid in subsequent years for activities carried out in the reference year (deferred portions of Variable Remuneration for the reference year).

The data are provided on an individual named basis for the remuneration of the members of the management and control bodies, and the Chief Executive Officer and in aggregate for the executives with strategic responsibilities as none of them receives a higher remuneration than the Chief Executive Officer.

3.1 Analytical tables on “Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities”

Issuers’ Regulation - Annex 3A. SCHEDULE 7-BIS: Remuneration report – TABLE 1 (in euro).

(A)	(B)	(C)	(D)	-1	-2	-3		-4	-5	-6	-7	-8
Name and Surname		Period for which the office was held	Expiry date of office	Fixed remuneration	Fees for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office or termination of employment indemnity
						Bonuses and other incentives	Profit-sharing					
Massimiliano Belingheri	Chief Executive Officer	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements									
				(I) Remuneration in the company that prepares the financial statements	1,360,000	0	672,784	0	90,971	2,123,755	1,763,179	0
				(II) Remuneration from subsidiaries and affiliates	0	0	0	0	-	0	0	0
				(III) Total	1,360,000	0	672,784	0	90,971	2,123,755	1,763,179	0
Salvatore Messina	Chairman	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements									
				(I) Remuneration in the company that prepares the financial statements	94,426	0	0	0	0	94,426	0	0
				(II) Remuneration from subsidiaries and affiliates	0	0	0	0	0	0	0	0
				(III) Total	94,426	0	0	0	0	94,426	0	0
Ranieri de Marchis	Chairman	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements									
				(I) Remuneration in the company that prepares the financial statements	232,623	0	0	0	0	232,623	0	0
				(II) Remuneration from subsidiaries and affiliates	0	0	0	0	0	0	0	0
				(III) Total	232,623	0	0	0	0	232,623	0	0
Federico Fornari Luswergh	Director	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements									
				(I) Remuneration in the company that prepares the financial statements	14,754	8,852	0	0	0	23,607	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	0	0	0
				(III) Total	14,754	8,852	0	0	0	23,607	0	0

(cont'd)

SECTION II

(A)	(B)	(C)	(D)	-1	-2	-3	-4	-5	-6	-7	-8		
Name and Surname		Period for which the office was held	Expiry date of office	Fixed remuneration	Fees for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office or termination of employment indemnity	
						Bonuses and other incentives	Profit-sharing						
Gabriele Michaela Aumann Schindler	Director	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	14,754	11,508	0	0	0	-	26,262	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	14,754	11,508	0	0	0	-	26,262	0	0
Piotr Henryk Stepniak	Director	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	57,049	17,049	0	0	0	-	74,098	0	0
				(II) Remuneration from subsidiaries and affiliates	56,445 (*)	-	0	0	0	-	56,445	0	0
				(III) Total	113,494	17,049	0	0	0	-	130,543	0	0
Giovanna Villa	Director	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	14,754	7,082	0	0	0	-	21,836	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	14,754	7,082	0	0	0	-	21,836	0	0
Domenico Gammaldi	Director	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	57,049	46,475	0	0	0	-	103,525	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	57,049	46,475	0	0	0	-	103,525	0	0
Monica Magri	Director	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	14,754	2,951	0	0	0	-	17,705	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	14,754	2,951	0	0	0	-	17,705	0	0
Anna Kunkl	Director	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	57,049	10,000	0	0	0	-	67,049	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	57,049	10,000	0	0	0	-	67,049	0	0

(cont'd)

SECTION II



(A)	(B)	(C)	(D)	-1	-2	-3	-4	-5	-6	-7	-8		
Name and Surname		Period for which the office was held	Expiry date of office	Fixed remuneration	Fees for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office or termination of employment indemnity	
						Bonuses and other incentives	Profit-sharing						
Alexia Ackermann	Director	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	42,295	21,148	0	0	0	-	63,443	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	42,295	21,148	0	0	0	-	63,443	0	0
Guido Cutillo	Director	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	42,295	16,918	0	0	0	-	59,213	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	42,295	16,918	0	0	0	-	59,213	0	0
Mimi Kung	Director	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	42,295	21,148	0	0	0	-	63,443	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	42,295	21,148	0	0	0	-	63,443	0	0
Susana Mac Eachen	Director	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	42,295	9,869	0	0	0	-	52,164	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	42,295	9,869	0	0	0	-	52,164	0	0
Nicoletta Paracchini	Chairman of the Board of Statutory Auditors	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	25,082	-	0	0	0	-	25,082	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	25,082	-	0	0	0	-	25,082	0	0

(cont'd)

SECTION II



(A)	(B)	(C)	(D)	-1	-2	-3	-4	-5	-6	-7	-8		
Name and Surname		Period for which the office was held	Expiry date of office	Fixed remuneration	Fees for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office or termination of employment indemnity	
						Bonuses and other incentives	Profit-sharing						
Fabrizio Riccardo Di Giusto	Board of Statutory Auditors Member	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	19,180	-	0	0	0	-	19,180	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	19,180	-	0	0	0	-	19,180	0	0
Paolo Carbone	Board of Statutory Auditors Member	from January 1, 2024 to April 17, 2024	Approval 2023 financial statements										
				(I) Remuneration in the company that prepares the financial statements	19,180	-	0	0	0	-	19,180	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	19,180	-	0	0	0	-	19,180	0	0
Simone Scettri	Chairman of the Board of Statutory Auditors	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	59,918	-	0	0	0	-	59,918	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	59,918	-	0	0	0	-	59,918	0	0
Vittorio Dell'Atti	Board of Statutory Auditors Member	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	45,820	-	0	0	0	-	45,820	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	45,820	-	0	0	0	-	45,820	0	0
Simona Elena Pesce	Board of Statutory Auditors Member	from April 18, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	45,820	-	0	0	0	-	45,820	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	45,820	-	0	0	0	-	45,820	0	0

(cont'd)

SECTION II

(A)	(B)	(C)	(D)	-1	-2	-3	-4	-5	-6	-7	-8		
Name and Surname		Period for which the office was held	Expiry date of office	Fixed remuneration	Fees for participation in committees	Variable non-equity remuneration		Non-monetary benefits	Other fees	Total	Fair Value of equity compensation	Termination of office or termination of employment indemnity	
						Bonuses and other incentives	Profit-sharing						
Silvio Necchi	Supervisor Body Member	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	20,000	-	0	0	0	-	20,000	0	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	20,000	-	0	0	0	-	20,000	0	0
Marina Corsi	Supervisor Body Member	from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	20,000	0	0	0	0	-	20,000	0	0
				(II) Remuneration from subsidiaries and affiliates	0	0	0	0	0	-	0	0	0
				(III) Total	20,000	0	0	0	0	-	20,000	0	0
Managers with strategic responsibilities (5)		from January 1, 2024 to December 31, 2024	Approval 2026 financial statements										
				(I) Remuneration in the company that prepares the financial statements	1,055,000	-	434,668**	0	78,282	-	1,567,950	1,185,767	0
				(II) Remuneration from subsidiaries and affiliates	0	-	0	0	0	-	0	0	0
				(III) Total	1,055,000	-	434,668**	0	78,282	-	1,567,950	1,185,767	0

Note to Table 1:

(*) Correspondence in euros of PLN 140,752, calculated at the exchange rate on December 31, 2024.

(**) The amounts related to the 2024 MBO are also included, subject to approval by the Bank of Italy for disbursement.

3.2 Analytical tables on “Stock options granted to members of the board of directors, general managers and other managers with strategic responsibilities”

SCHEDULE 7-BIS: Remuneration report – TABLE 2.

A	B	1	Options held at the beginning of the year			Options granted during the year					Options exercised during the year			Options expired during the year	Options held at the end of the year	Options accrued during the year		
			2	3	4	5	6	7	8	9	10	11	12	13	14	15 (= 2+5-11-14)	16	
Name and Surname	Position	Plan	Number of options	Exercise price	Possible exercise period (from-to)	No. of options	Exercise price (euros)	Possible exercise period (from - to)	Fair value at grant date	Grant date	Market price of the shares underlying the grant of the options (*)	No. of options	Exercise price	Market price of the underlying shares on the exercise date	No. of options	No. of options	Fair value	
Massimiliano Belingheri	CEO																	
(I) Remuneration in the company that prepares the financial statements		BFF Group's stock-option plan approved by the Shareholders' Meeting on December 5, 2016- Tranche 1	- (**)															..***
		BFF Group's stock-option plan approved by the Shareholders' Meeting on December 5, 2016- Tranche 2	34,000 (**)		From March 30, 2020 to March 30, 2024							34,000	3.771	11.888				
		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020	1 st tranche	1,120,000		For 80% from May 2023 to April 2025											1,120,000	
		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020	2 nd tranche	350,000		For 80% from September 2024 to August 2026											350,000	
		BFF Group's stock-option plan approved by the Shareholders' Meeting on March 1, 2022 (Phantom Stock Option) - Tranche 1		1,164,000		2022-2025 (70% after 3 years, 30% in 3 separate annual pro-rata payments: fourth year 10%, fifth year 10%, sixth year 10%)											1,164,000	
		BFF Group's stock-option plan approved by the Shareholders' Meeting on March 1, 2022 (Phantom Stock Option) - Tranche 2		388,000		2023-2026 (70% after 3 years, 30% in 3 separate annual pro-rata payments: fourth year 10%, fifth year 10%, sixth year 10%)											388,000	1,763,179
(II) Remuneration from subsidiaries and affiliates																		
(III) Total			3,056,000			-						34,000				3,022,000	1,763,179	

(*) Exercise price determinable on the basis of the formula set out in the Stock Option Plan at each exercise date.

(**) Total options awarded for the 2016 Plan relating to the 1st Tranche is 1,344,000 options, 2nd Tranche 170,000 options.

(***) Fully reimbursed in 2023.

Name and Surname	Position	Plan	Options held at the beginning of the year			Options granted during the year						Options exercised during the year			Options expired during the year	Options held at the end of the year	Options accrued during the year
			Number of options	Exercise price	Possible exercise period (from-to)	No. of options	Exercise price (euros)	Possible exercise period (from - to)	Fair value at grant date	Grant date	Market price of the shares underlying the grant of the options (*)	No. of options	Exercise price	Market price of the underlying shares on the exercise date	No. of options	No. of options	Fair value
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 (= 2+5-11-14)	16
Managers with Strategic Responsibilities (5) (**)																	
		BFF Group's stock-option plan approved by the Shareholders' Meeting on December 5, 2016- Tranche 1	- (***)														
		BFF Group's stock-option plan approved by the Shareholders' Meeting on December 5, 2016- Tranche 2	8,000 (***)		From March 30, 2020 to March 30, 2024							8,000	2.098	11.888			
		BFF Group's stock-option plan approved by the Shareholders' Meeting on December 5, 2016- Tranche 3	12,000 (***)		From April 8, 2021 to April 8, 2025							12,000	(min) 3.473 (max) 3.474	11.888			
(I) Remuneration in the company that prepares the financial statements		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020	1 st tranche (****) 766,000		For 80% from May 2023 to April 2025							464,000	1.810	(min) 9.514 (max) 11.888			
		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020	2 nd tranche 330,000 *****		For 20% from November 2024 to October 2026							46,000	1.810	8.8096		256,000	
		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020			For 80% from September 2024 to August 2026							120,000	4.407	(min) 8.798 (max) 9.725			
		BFF Group's stock-option plan approved by the Shareholders' Meeting on April 2, 2020			For 20% from March 2024 to February 2026												210,000
		BFF Group's stock-option plan approved by the Shareholders' Meeting on March 1, 2022 (Phantom Stock Option) - Tranche 1	790,000		2022-2025 (70% after 3 years, 30% in 3 separate annual pro-rata payments: fourth year 10%, fifth year 10%, sixth year 10%)											790,000	1,185,767
		BFF Group's stock-option plan approved by the Shareholders' Meeting on March 1, 2022 (Phantom Stock Option) - Tranche 2	285,000		2023-2026 (70% after 3 years, 30% in 3 separate annual pro-rata payments: fourth year 10%, fifth year 10%, sixth year 10%)											285,000	
(II) Remuneration from subsidiaries and affiliates																	
			2,191,000									650,000				1,541,000	1,185,767
(III) Total																	

(*) Exercise price determinable on the basis of the formula set out in the Stock Option Plan at each exercise date.

(**) The 5 executives exercised their rights at different times; the minimum and maximum strike prices were taken as reference value.

(***) The total options granted for the 2016 Plan are as follows: 1st Tranche 302,400 options; 2nd Tranche 80,000 options, 3rd Tranche 50,000 options.

(****) The total options granted for the 2020 Plan are as follows: 1st tranche 790,000.

(*****) The total options granted for the 2020 Plan are as follows: 2nd tranche 330,000.

(*****) Fully reimbursed in 2023.

3.3 Analytical tables on “Incentive plans based on financial instruments, other than stock options, in favor of members of the board of directors, general managers and other managers with strategic responsibilities”

SCHEDULE 7-BIS: Remuneration report – TABLE 3A

A	B	Financial instruments awarded in previous years not vested during the year			Financial instruments awarded during the year				Financial instruments vested during the year and not allocated	Financial instruments vested during the year and allocable		Financial instruments pertaining to the year	
		1	2	3	4	5	6	7	8	9	10	11	12
Name and Surname	Position	Plan	Number and type of financial instruments	Vesting period	Number and type of financial instruments	Fair value at grant date	Vesting period	Grant date	Market price at awarding ¹	Number and type of financial instruments	Number and type of financial instruments	Value on the vesting date	Fair value
(I) Remuneration of the company that prepares the financial statements													
(II) Remuneration from subsidiaries and affiliates													
(III) Total													
(1) Remuneration of the company that prepares the financial statements													
(II) Remuneration from Subsidiaries and associates													
(III) Total													

3.4 Analytical tables on “Incentive plans based on financial instruments, other than stock options, in favor of members of the board of directors, general managers and other managers with strategic responsibilities”

SCHEDULE 7-BIS: Remuneration report – TABLE 3B.

A	B	1	2			3		4
Last Name and First Name	Position	Plan	Bonuses of the year			Bonuses from previous years		Other Bonuses
			(A)	(B)	(C)	(A)	(B)	(C)
			Payable/ Paid	Deferred	Deferral period	Not longer payable	Payable/ Paid	Still deferred
Belingheri Massimiliano	Chief Executive Officer	MBO 2024	0	0 (*)				
		MBO 2023					0	0
		MBO 2022					134,040	402,120
(II) Remuneration from subsidiaries and affiliates		MBO 2021					335,100	
		Integration Bonus 2 nd Tranche					203,644	
		Settlement agreement						700,371
(III) Totale			0	0			672,784	1,102,491
Key management personnel (no. 5)								
		MBO 2024 (**)	228,458	152,305	2025-2028			
(I) Remuneration in the company that prepares the financial statements		MBO 2023					0	0
		MBO 2022					48,905	97,810
		Settlement agreement					5,000	5,000
(II) Remuneration from subsidiaries and affiliates								
(III) Total			228,458	152,305			53,905	102,810

(*) Chief Executive Officer voluntarily waived his MBO 2024 bonus payment.

(**) Amount subject to approval by the Bank of Italy for disbursement.

3.5 Analytical tables relating to “information on the shareholdings of members of management and control bodies, general managers and other managers with strategic responsibilities”

SCHEDULE 7-TER. Equity investments of members of the management and control bodies and general managers.

Name and Surname	Position	Investee company	Number of shares held until the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
Belingheri Massimiliano	Chief Executive Officer	BFF Bank S.p.A.	272,993	98,746	-	371,739
Persone strettamente legate a Belingheri			10,602,253	-	-	10,602,253
Federico Fornari Luswergh	Director	BFF Bank S.p.A.	100	-	100	-
Persone strettamente legate a Fornari Luswergh			29,900	100	-	30,000
Salvatore Messina	Chairman	BFF Bank S.p.A.	-	-	-	-
Gabriele Michaela Aumann Schindler	Director	BFF Bank S.p.A.	-	-	-	-
Piotr Henryk Stepniak	Director	BFF Bank S.p.A.	-	-	-	-
Domenico Gammaldi	Director	BFF Bank S.p.A.	-	-	-	-
Monica Magri	Director	BFF Bank S.p.A.	-	-	-	-
Anna Kunkl	Director	BFF Bank S.p.A.	-	-	-	-
Giovanna Villa	Director	BFF Bank S.p.A.	-	-	-	-
Nicoletta Paracchini	Chairman of the Board of Statutory Auditors	BFF Bank S.p.A.	-	-	-	-
Fabrizio Riccardo Di Giusto	Board of Statutory Auditors Member	BFF Bank S.p.A.	-	-	-	-
Paolo Carbone	Board of Statutory Auditors Member	BFF Bank S.p.A.	-	-	-	-
Silvio Necchi	Supervisory Body Member	BFF Bank S.p.A.	-	-	-	-
Marina Corsi	Supervisory Body Member	BFF Bank S.p.A.	32,950	875	-	33,825

SCHEDULE 7-TER. TABLE 3: Equity investments of other key management personnel.

Number of managers with strategic responsibility	Investee company	Number of shares held until the end of the previous year	Number of shares purchased	Number of shares sold	Number of shares held at the end of the current year
Managers with Strategic Responsibilities (5)	BFF Bank S.p.A.	202,295	384,229	214,067	372,457
Persons closely related to Managers with Strategic Responsibilities (1)		105,000	-	65,000	40,000

3.6 Attachment to the 2025 remuneration policy

Bank of Italy circular 285/2013 - Section VI – reporting and disclosure requirements – para. 1 Public disclosure requirements. Disclosure pursuant to article 450 of the CRR prepared in the manner set forth in implementing regulation (EU) no. 637 Of March 15, 2021.

a) Information regarding the bodies tasked with supervising remuneration. The information includes:

— name, composition and mandate of the main body (management body and remuneration committee, if applicable) which supervises the remuneration policy and the number of meetings held by this body during the year;

The Remuneration Committee is composed of three non-executive Directors, at least two of whom are independent. The Chairman of the Remuneration Committee is chosen from among the independent directors. The Chair of the Board of Directors, although assessed as independent, cannot be appointed as a member of the Remuneration Committee.

The Remuneration Committee, starting from 2025, consists of Guido Cutillo, Chairperson (independent director), Susanna Mac Eachen, member (independent director), Mimi King (non-executive director).

The Remuneration Committee provides instructions and advice and makes recommendations to the Board of Directors on matters concerning Personnel remuneration and incentives, as well as the monitoring of areas within its remit.

For a detailed description of the functions assigned, please refer to paragraph 1.4 of the Remuneration Policy.

For a detailed description of the functions carried out in the course of 2024 and the relative breakdown, please refer to paragraph 2.8 of the Report on compensation paid for 2024.

The Committee met 17 times in 2024.

— external consultants whose services have been used, the body that appointed them and in which area of the remuneration framework;

In carrying out its functions, the Remuneration Committee was able to consult the competent internal structures and make use of external consultants such as Morrow Sodali for the analysis for the shareholders' meeting voting, Mercer for benchmarking studies and the PedersoliGattai and DLA Piper law firms

— a description of the scope of application of the institution's remuneration policy (e.g., by region, by line of business), including the extent to which it is applicable to subsidiaries and branches located in third countries;

The Group Policy ensures the consistency of the remuneration and incentive systems within the Banking Group, in compliance with the specific characteristics of the sectors to which the Group companies belong, the related organizational structures, the applicable regulations based on the type of business and geographical location.

— a description of the staff or categories of staff whose professional activities have a material impact on the risk profile of the institution

BFF identifies the most Relevant Personnel for the Group having regard to all the companies in the same Group, whether or not they are subject to banking regulations on an individual basis, also ensuring the overall consistency of the identification process as well as coordination between the various applicable provisions based on the sectors that the Group companies belong to.

To this end, in line with the applicable regulatory provisions, it adopts a policy on the process of identifying the Group's most relevant personnel, which defines: i) the criteria and procedures used to identify most relevant personnel, ii) the procedures for staff assessment; iii) the role played by the corporate bodies and by the corporate functions responsible for the development, monitoring and review of the identification process.

The Group companies actively participate in the process, conducted by the Parent Company, of identifying the Group's key personnel. These companies provide the Parent Company with the necessary information and follow the coordination instructions received.

For more details, see paragraph 2 of the Remuneration Policy ("Identification of Risk takers and classification of company roles")

b) Information relating to the characteristics and structure of the remuneration system for the most relevant personnel. The information includes:

— a summary of the main characteristics and objectives of the remuneration policy and information on the decision-making process followed to define the remuneration policy and on the role of the interested parties;

The Remuneration Policy for 2025 was prepared in consideration of the important challenges that BFF is called upon to continue to pursue within the strategic guidelines of the 2023-2028 Business Plan, taking into account the developments that have occurred in the meantime in the reference regulatory framework.

The BFF has set up the governance process in order to regulate the definition, implementation and management of remuneration policies. This process calls for the involvement, at different levels and based on the applicable areas, of multiple control bodies and Company functions: every year, the Report on Remuneration Policy and Compensation Paid is approved by the Shareholders' Meeting, after being approved by the Board of Directors and consulting with the Remuneration Committee.

The details are shown in paragraph 1 of the Policy ("Governance of the remuneration and incentive system"), and there is also a specific reference in part II of the Report.

— information on the criteria used for the assessment of performance and ex ante and ex post risk adjustment;

BBFF defined a variable incentive system with the aim of aligning the interests of management with the creation of value for shareholders, such as to reward virtuous conduct and positive results and penalize the failure to achieve results and any worsening of the conditions of capital solidity, liquidity and profitability of the Group itself.

In order to do this, the annual variable remuneration and the correlation between risks and performance are established through a process that aims to provide remuneration in compliance with the risk profile defined by the Risk Appetite Framework (RAF), and on a going concern basis and in view of the sustainability of long-term results.

For the details, see Paragraphs 5 and 6 of the Remuneration Policy.

- whether the management body or the remuneration committee, where established, has reviewed the institution's remuneration policy over the past year and, if so, a summary of any changes made, the reasons for such changes and the related impact on remuneration;

Main changes introduced in the 2025 policy:

- ▶ Framework focused on governance and sustainable performance
- ▶ Expanded Introduction section to include key events that occurred during the year
- ▶ Reference to Bank of Italy's April 29, 2023, Note, outlining the findings of its supervisory inspections
- ▶ New elements introduced for the Chief Executive Officer's Short-Term Incentive Plan
- ▶ Introduction of the new 2025 Long-Term Incentive Plan
- ▶ Launch of the new Employee Stock Grant Plan
- ▶ New section added on Pension Benefits.

b) Information relating to the characteristics and structure of the remuneration system for the most relevant personnel. The information includes:

- information on how the institution ensures that personnel performing internal control functions are remunerated regardless of the activities they control;

The remuneration of the figures belonging to the Control Functions falling within the perimeter of the MRTs is made up of a fixed part and a variable component which should not exceed one third of the fixed component. The latter is not determined by the achievement of economic and financial objectives, but is related to specific function objectives, in order to safeguard the independence required of the functions.

- policies and criteria applied for the establishment of guaranteed variable remuneration and severance pay.

Details regarding the existing Golden Parachute in 2023 and valid for 2024 can be found in detail in paragraph 6.2.2.7 of the Remuneration Policy ("Golden Parachute").

c) Description of how current and future risks are taken into account in the remuneration processes. The information includes a summary of the main risks, their measurement and how these measures affect remuneration.

As regards the Chief Executive Officer's MBO system, the Chief Executive Officer's MBO is linked in part to the timely achievement or exceeding of the Target Risk Adjusted EBTDA defined annually and to a further set of targets that are set annually by the Board of Directors.

The payment of the variable remuneration is subject to the conditions for the achievement of certain entry gates being met:

- ▶ Liquidity Coverage Ratio (LCR) \geq risk tolerance.
- ▶ Total Capital Ratio (TCR) \geq risk tolerance;
- ▶ EBTDA^{RA} (risk- and cost-of-capital-adjusted return): Positive;
- ▶ EBTDA^{RA} / Target EBTDA^{RA} \geq 100% .

For the details, see Par. 5.1 of the Remuneration Policy ("MBO").

d) The ratios between the fixed and variable components of the remuneration established in accordance with Article 94(1)(g) of the CRD.

The Meeting approves any increase in the limit to the Variable to Fixed Remuneration ratio from 1:1 up to a maximum of 2:1 for Risk Takers. This authorization was implemented by the Shareholders' Meeting resolution of December 5, 2016, by which the Shareholders' Meeting approved the proposal of the Board of Directors to raise the limit of the Variable to Fixed Remuneration ratio from 1:1 to a maximum of 2:1 (with the exception of Personnel in Corporate Control Functions).

- e) Description of how the institution seeks to link performance over the assessment period to remuneration levels. The information includes:
 - a summary of the main performance criteria and metrics of the institution, the business lines and the individual persons;

As regards the Chief Executive Officer's MBO system, the Chief Executive Officer's MBO is linked in part to the timely achievement or exceeding of the Target EBTDA^{RA} defined annually and to a further set of targets that are set annually by the Board of Directors.

For the remaining Employee Personnel, the standard process for managing the short-term MBO incentive system requires the Human Resources and Organizational Development Function to estimate the MBO bonus pool for employees during the budgeting phase. The amount is determined based on the assumption of achieving both individual and corporate objectives, in accordance with the mechanisms set out in the incentive system.

The objectives consist of a quantitative component, assigned to individual resources, and a qualitative component. Specifically:

- ▶ quantitative objectives may be of an economic, project or process efficiency nature or concern people, and may involve individuals, teams, or business units; they must also be clear, objectively observable and measurable, and, depending on the type mentioned, directly linked to the EBTDA^{RA} and/or to growth;
- ▶ qualitative objectives, on the other hand, are linked to organizational behavior, identified on the basis of the company's values and culture, and distinguished according to the position held.

In order to facilitate strategic alignment with company objectives, quantitative objectives are assigned using a structured "cascading" process.

For the details, see Par. 5.1 and 6.2 of the Remuneration Policy.

- a summary on how the individual variable remuneration amounts are linked to the performance of the individual and the institution;

The individual variable remuneration is based mainly on the overall performance of the Group and of the individual Entities/Business Units in order to determine the size of the available bonus pools and subsequently on the individual performance.

- information on the criteria used to determine the balance between the different types of instruments recognized, including shares, equity equivalents, options and other instruments;

Variable remuneration has a maximum impact of 2:1. With reference to annual incentive systems for the most relevant personnel, at least 50% is paid in financial instruments, both in the up-front component and in the deferred component (51% for the deferred portion in the event of particularly high variable remuneration). With reference to long-term incentive systems, these can be assigned entirely in financial instruments or, if in monetary form, in any case in compliance with the regulatory provisions regarding the balancing between monetary components and components in financial instruments.

— information on the measures the institution will implement to adjust the variable remuneration component in the event that performance metrics are weak, including the institution's criteria used for determining that such metrics are "weak".

In order to discourage the assumption of excessive risks that could lead to a worsening of the Group's "health" conditions and also in compliance with the provisions of Bank of Italy regulations, the payment of the bonus pool, whatever its extent, is necessarily subject to compliance with certain entry gates, linked to indicators of capital solidity, liquidity and risk-adjusted profitability.

f) Description of how the institution seeks to adjust remuneration to reflect long-term performance. The information includes:

— a summary of the institution's policy on deferral, payment in instruments, periods of retention and vesting of variable remuneration, including where it differs between members of personnel or categories of personnel;

As a result of the update of the bank size criteria by the Bank of Italy and, therefore, considering the Bank's classification as "not a small bank", the payout schemes have been changed for the CEO and the other Risk Takers, significantly extending the time horizon and increasing the incidence of the equity component (See Par. 5 for the CEO and 6.2.1.2 for Risk Takers):

- i) the percentages of deferral from 2022 were increased from 30% to 40% and to 60% in the case of particularly high Variable Remuneration, for the CEO and the remaining members of the Senior Management (see Paragraph 6.2.1.2. and 6.2.1.3.);
- ii) the deferral periods again from 2022 were increased from 2 to 4 years (5 years for particularly high Variable Remuneration), linear pro-rata (i.e., 10% at one year from the payment of the up-front portion, 10% in the second year, 10% in the third year, 10% in the fourth year). For beneficiaries of particularly high amounts of Variable Remuneration, the deferral is 5 years, linear pro-rata (i.e., 12% at one year from the payment of the up-front portion, 12% in the second year, 12% in the third year, 12% in the fourth year, 12% in the fifth year). The disbursement of deferred amounts to Employees is subject to the beneficiary remaining on staff at the payment date, without prejudice to the fact that, after three years of deferral have passed, beneficiaries will accrue the right to the payment of the subsequent deferred amounts as well, irrespective of whether they still work for the bank.

— information on the institution's criteria for *ex post* adjustments (malus during the deferral period and payback after vesting, if allowed by national law);

Variable Remuneration, including golden parachutes, is subject to *ex post* adjustment mechanisms (*Malus* and *Claw Back*), which may lead to a reduction, even significant, or to the zeroing of the variable component. The correction mechanisms must be identified within the limits allowed by law and by collective agreements applicable to employment relationships. They must reflect performance levels net of the risks actually assumed or achieved and capital levels, as well as take into account individual conduct.

With the assistance of the corporate functions, the Parent Company's Board of Directors shall ascertain the prerequisites that determine the activation of the *ex post* adjustment mechanisms with respect to the Relevant Personnel of the BoD, and shall decide on their application in accordance with the procedures set out in the internal activation Policy. For the remaining Personnel, the CEO is responsible, relying on the support of the competent company functions and, where necessary, the corporate bodies of the Subsidiaries.

— where applicable, share ownership requirements that may be imposed on the most relevant personnel.

There are no specified additional shareholding requirements to the retention periods defined with reference to the remuneration components in financial instruments.

g) The description of the main parameters and reasons for any variable remuneration scheme and any other non-monetary benefit according to Article 450(1)(f) of the CRR. The information includes:

— information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between the different types of recognized instruments, including shares, equity equivalents, equity related instruments, equivalent non-cash instruments, options and other instruments.

The total annual variable remuneration of the Group's divisions and business units, including the portion attributable to the most relevant personnel, is determined on the basis of the risk-adjusted economic performance of the respective division perimeters.

A significant portion of the variable remuneration is deferred and paid in part with financial instruments to link the incentives to the creation of long-term value, making it possible to verify the continuity and sustainability of positive results. Payments are made in annual pro rata disbursements, based jointly on the role held and the amount of variable remuneration assigned.

h) At the request of the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.

See the Tables in Section II of the Report on the Remuneration Policy and on remuneration paid.

i) Information on whether an institution has right to a waiver under Article 94(3) of the CRD in accordance with Article 450(1)(k) of the CRR.

— For the purposes of this point, institutions benefiting from this waiver shall indicate whether it is based on Article 94(3)(a) and/or (b) of the CRD. They shall also indicate to which of the remuneration principles they apply the waiver(s), the number of staff members who benefit from the waiver(s) and their total remuneration, divided into fixed remuneration and variable remuneration.

If the annual Variable Remuneration does not exceed 50,000 euros and does not account for more than one third of the total annual Remuneration (low remuneration), the bonus is subject to:

- i. for Risk Takers and for Employees with a minimum qualification of QD3 (third level executive), regardless of their qualification as Risk Takers, a deferral period of two years for 30% of the Variable Remuneration. By way of example, for the year ending December 31, 2024, the deferred component of Variable Remuneration will be paid after the Shareholders' Meeting has approved the financial statements for the year ending December 31, 2025;
- ii. for Risk Takers, a share in financial instruments equal to 50% with a 6-month retention period.

For all matters not expressly envisaged above, the same rules envisaged for the Variable Remuneration shall also apply to the Low Variable Remuneration, including the ex post adjustment mechanisms (Malus and Claw Back).

j) Large institutions shall publish quantitative information on the remuneration of the collective management body, distinguishing between executive and non-executive members, according to Article 450(2) of CRR.

See the tables below pursuant to Art. 450 CRR and those relating to Consob disclosure.

Template EU REM1: Remuneration awarded for the financial year

		A	B	C	D		
		Management body - strategic oversight function	Management body - management function	Other senior management	Other identified staff		
1	Fixed Remuneration	Number of identified staff	11	1	5	30	
2		Total fixed remuneration	572,347	1,450,971	1,133,282	3,771,254	
3		Of which: cash-based	572,347	1,360,000	1,055,000	3,518,891	
4		(Not applicable in the EU)	--	--	--	--	
EU-4a		Of which: shares or equivalent ownership interests	--	--	--	--	
5		Of which: share-linked instruments or equivalent non-cash instruments	--	--	--	--	
EU-5x		Of which: other instruments	--	--	--	--	
6		(Not applicable in the EU)	--	--	--	--	
7		Of which: other forms	0	90,971	78,282	252,363	
8		(Not applicable in the EU)	--	--	--	--	
9		Variable Remuneration	Number of identified staff	11	1	5	30
10			Total variable compensation	0	1,763,179	1,376,149	1,771,283
11			Of which: cash-based (*)	--	0	190,382	486,608
12			Of which: deferred	--	0	76,153	194,643
EU-13a			Of which: shares or equivalent ownership interests (**)	--	1,763,179	1,185,767	1,284,675
EU-14°			Of which: deferred	--	-	-	-
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments		--	-	-	-	
EU-14b	Of which: deferred		--	--	--	--	
EU-14x	Of which: other instruments		--	--	--	--	
EU-14y	Of which: deferred		--	--	--	--	
15	Of which: other forms	--	--	--	--		
16	Of which: deferred	--	--	--	--		
17	Total remuneration (2 + 10)	572,347	3,214,151	2,509,431	5,542,536		

(*) Amount subject to Bank of Italy approval for disbursement.

(**) The FV of LTI plans pertaining to the current fiscal year was considered.

Template EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		A	B	C	D
		Management body - strategic oversight function	Management body - management function	Other senior management	Other identified staff
<i>Guaranteed variable remuneration awards</i>					
1	Guaranteed variable remuneration awards - Number of identified staff	--	--	--	--
2	Guaranteed variable remuneration awards -Total amount	--	--	--	--
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	--	--	--	--
<i>Severance payments awarded in previous periods, that have been paid out during the financial year</i>					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	--	--	--	--
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	--	--	--	--
<i>Severance payments awarded during the financial year</i>					
6	Severance payments awarded during the financial year - Number of identified staff	--	--	--	--
7	Severance payments awarded during the financial year - Total amount	--	--	--	--
8	Of which paid during the financial year	--	--	--	--
9	Of which deferred	--	--	--	--
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	--	--	--	--
11	Of which highest payment that has been awarded to a single person	--	--	--	--

Template EU REM3: deferred remuneration

	A	B	C	D	E	F	EU-G	EU-H
Deferred and retained remuneration	Total amount of deferred compensation recognized for previous performance periods (Total columns B+C)	Of which amounts accruing during the fiscal year Deferred bonuses prior years Payable in 2025 corresponds with Table 3B	Of which amounts that will accrue in subsequent years Deferred bonuses prior years not yet payable corresponds with Table 3B	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of corrections made during the year due to ex post implicit corrections (i.e., changes in the value of deferred remuneration due to changes in instrument prices)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year. Deferrals paid in 2024	Total amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1 MB Supervisory function	--	--	--	--	--	--	--	--
2 Cash-based	--	--	--	--	--	--	--	--
3 Shares or equivalent ownership interests	--	--	--	--	--	--	--	--
4 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
5 Other instruments	--	--	--	--	--	--	--	--
6 Other forms	--	--	--	--	--	--	--	--
7 MB Management function	1,775,274	672,783	1,102,491	--	--	--	455,495	229,088
8 Cash-based	875,272	335,051	540,221	--	--	--	226,407	--
9 Shares or equivalent ownership interests	900,002	337,732	562,270	--	--	--	229,088	229,088
10 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
11 Other instruments	--	--	--	--	--	--	--	--
12 Other forms	--	--	--	--	--	--	--	--
13 Other instruments	156,714	53,905	102,810	--	--	--	354,499	175,738
14 Cash-based	78,357	26,952	51,405	--	--	--	178,761	--
15 Shares or equivalent ownership interests	78,357	26,952	51,405	--	--	--	175,738	175,738
16 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
17 Other instruments	--	--	--	--	--	--	--	--
18 Other forms	--	--	--	--	--	--	--	--
19 Other identified staff	435,594	175,453	260,140	--	--	--	539,650	212,424
20 Cash-based	270,020	110,814	159,206	--	--	--	327,226	--
21 Shares or equivalent ownership interests	165,574	64,640	100,934	--	--	--	212,424	212,424
22 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
23 Other instruments	--	--	--	--	--	--	--	--
24 Other forms	--	--	--	--	--	--	--	--
25 Total amount	2,367,582	902,141	1,465,441	--	--	--	1,349,644	617,250

Template EU REM4: Remuneration of 1 million EUR or more per year

		A
EUR	Identified staff that are high earners as set out in Article 450(i) CRR.	
1 From 1,000,000 to less than 1,500,000		--
2 From 1,500,000 to less than 2,000,000		--
3 From 2,000,000 to less than 2,500,000		--
4 From 2,500,000 to less than 3,000,000		--
5 From 3,000,000 to less than 3,500,000		1
6 From 3,500,000 to less than 4,000,000		--
7 From 4,000,000 to less than 4,500,000		--
8 From 4,500,000 to less than 5,000,000		--
9 From 5,000,000 to less than 6,000,000		--
10 From 6,000,000 to less than 7,000,000		--
11 From 7,000,000 to less than 8,000,000		--

Template EU REM5: information on remuneration to staff whose professional activities have a material impact on the risk profile of the institution (most relevant personnel)

	A	B	C	D	E	F	G	H	I	J
	Management body remuneration			Business areas						
	Management body - strategic oversight function	Management body - management function	Total MB	Investment banking	Retail banking	Asset management	Company functions	Independent internal control functions	All other	Total
1	Total number of identified staff	--	--	--	--	--	--	--	--	--
2	Of which members of the management body	11	1	12	--	--	--	--	--	--
3	Of which other senior management	--	--	--	--	--	--	--	--	--
4	Of which other identified staff	--	--	--	--	--	--	6	6	23
5	Total remuneration of identified staff	572,347	3,214,151	3,786,498	--	--	--	907,439	891,643	3,105,454
6	Of which variable remuneration ⁽¹⁾	-	1,763,179	1,763,179	--	--	--	84,992	75,487	170,167
7	Of which fixed remuneration	572,347	1,450,971	2,023,319	--	--	--	822,447	816,156	2,935,287

(1) Including those who ceased their office during the fiscal year.

Shareholders,

in light of the above, we invite You to approve the following resolution proposal (on which two separate votes will be proposed depending on the topic, one for each deliberative item, each with its own executive mandate):

“The Meeting

Having regard to the “2025 Remuneration and Incentive Policy for the members of the Strategic Supervision, Management and Control Bodies and the Personnel of the BFF Banking Group” as illustrated in the Board of Directors’ Report

RESOLVES

- i. to approve the new “2025 Remuneration and Incentive Policy for the members of the Strategic Supervision, Management and Control Bodies and the Personnel of the BFF Banking Group” included in Section I of the Board of Directors’ Report;
- ii. specifically approve the provisions referred to in sub-paragraph (b) of point 6.2.2.8 (amounts recognized under an agreement for the settlement of a current or potential dispute) of the new 2025 remuneration and incentive policy for the members of the management body, and the personnel of the BFF Banking Group – section 1 of the “Annual Report on the remuneration and incentive policies of the BFF Banking Group” relating to the policies for determining compensation in the event of early termination of office or termination of the employment relationship contained therein, including the default formula for determining the amounts recognized under agreements with personnel, in any location reached, for the settlement of current or potential disputes;
- iii. to approve Section II of the ex post Report on (i) the items making up the Remuneration (including the treatments provided for in the event of termination of office or termination of employment) of the persons indicated above, in accordance with the 2024 Policy; (ii) the general information on the implementation of the 2024 Policy in 2024 and the assessments provided by the Group’s control functions, each for aspects falling within its own competence; (iii) an analytical illustration of the remuneration paid in the reference financial year, for whatever reason and in whatever form, by the Bank and its Subsidiaries; (iv) the remuneration to be paid in one or more subsequent financial years, for the activity carried out in the reference financial year;
- iv. and to grant the Board of Directors, and on its behalf the Chief Executive Officer, the widest possible powers to complete all the acts, requirements, and formalities necessary to implement each of the above resolutions, and thus also the power to make any changes to the aforesaid Policy that may be necessary to comply with the applicable laws and regulations.”

Milan, March 12, 2025

The Board of Directors

