

2026

2026 Remuneration and Incentive Policy for Members of the Strategic Supervision, Management and Control Bodies and the Personnel of the BFF Banking Group

BOARD OF DIRECTORS' MEETING OF MAY 11, 2026
ORDINARY SHAREHOLDERS' MEETING OF JUNE 16, 2026

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LETTER FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Dear Shareholders,

2025 and the first months of 2026 were a particularly complex period for BFF, marked by significant changes in governance, continuous dialogue with the Supervisory Authority and the start of a process to review operational and control framework necessary to lay the foundations for the long-term sustainability of your Bank.

This context obviously also had a direct and significant impact on remuneration decisions, requiring a particularly prudent approach and consistent with the Bank's circumstances and with the applicable regulatory and prudential framework.

As you are aware, during the financial year and the first few months of 2026, the Board of Directors managed an orderly transition in the Bank's executive leadership, culminating on March 17, 2026 with the appointment of Giuseppe Sica¹ as the new Chief Executive Officer and General Manager. The Remuneration Committee supported this transition by ensuring that new remuneration structures were entirely consistent with the needs to strengthen governance and with the applicable prudential framework.

At the same time, the Bank launched a comprehensive set of initiatives aimed at improving its risk profile, particularly in the factoring and lending sector, in response both on the Board of Directors' own initiative, and to the results of the Supervisory Authority's audits, which are still underway. These actions have had a decisive impact on the 2025 financial results and on the future prospects, with more conservative financial targets in line with the new context.

In this framework, the Board of Directors resolved not to propose a dividend distribution for 2026 to the Shareholders' Meeting, as part of an overall assessment of the Bank's strategic and capital priorities.

Consistent with the situation described, the Remuneration Committee, in drafting this Policy, had to address a number of limitations and constraints that have significantly restricted the scope for intervention.

However, I would like to highlight at least the following aspects on which we are sure that we have acted, in line with the market expectations gathered during the engagement sessions conducted.

Firstly, with the CEO succession, we have been able to **structure a remuneration package more in line with your expectations by defining a fixed remuneration of €760,000.**

Secondly, we have revised the **severance policies by defining a maximum amount, including consideration for the non-compete agreement, of twenty-four months of fixed remuneration.**

We considered these two aspects particularly relevant and worked to make them consistent with your expectations as soon as we had the opportunity.

With regard, more generally, to the policy that you are about to approve, the most distinctive feature will refer to the **non-allocation of any variable component** in line with an extremely prudent approach and in light of the failure to meet with the Total Capital Ratio with respect to the Overall Capital Requirement (OCR), as indicated in the press release on capital ratios of April 30, 2026², as well as the revision of the 2026 financial targets approved by the Board of Directors, based on a more conservative baseline scenario.

Consistent with the above, the Committee nevertheless considered it useful to define a set of performance indicators, structured in continuity with those presented to the market in 2025, capable of measuring the bank's performance across different dimensions, all of which are necessary and complementary to each other. To date, this performance scorecard is developed only for performance monitoring purposes, and does not in any way constitute a new allocation of variable remuneration or a liability for the bank.

Therefore, we will not ask you to approve incentive systems for management as would normally be the case, but to approve a performance measurement "scheme" that may eventually become the basis for an incentive system only after compliance with the applicable capital requirements has been restored, and in accordance with the capital conservation measures provided for by the applicable regulations.

The objective of the Committee, as far as possible, is to ensure that the 2026 Remuneration Policy is fully consistent with the regulatory and prudential framework of reference, with the indications of the Supervisory Authority, with the Recovery Plan and with the evaluations that will be carried out during the 2026 financial year on the evolution of the Bank's capital levels, while ensuring alignment with the expectations expressed by Shareholders in the context of the structured dialogue launched in recent years and the protection of the Bank's capital strength and medium-/long-term sustainability.

We are aware that the overall context and performance of results may affect the evaluation of the Remuneration Policy, but we believe that the proposed choices represent a more consistent response to prudential constraints and a concrete step towards a more transparent and responsible remuneration system focused on the long term.

As required by current regulations, the second section of the document contains the Annual Report on remuneration paid for the 2025 financial year, which provides detailed information on the implementation of the Policy approved in the previous financial year. With a view to maximum transparency, the details of the payments made to the former Chief Executive Officer following the transition in 2026 are also indicated.

This document was approved by the Board of Directors on May 11, 2026, following a favorable opinion from the Remuneration Committee.

Milan, May 8, 2026



Guido Cutillo
Chair of the Remuneration Committee

¹ See the press release of March 17, 2026: "Giuseppe Sica appointed as new Chief Executive Officer of BFF Bank".

² See the press release of April 30, 2026: "BFF approves the Parent Company draft Annual Report and the consolidated Financial Statements as of 31st December 2025".

SUMMARY

This 'Highlights' section is designed as guidance for stakeholders and aims to make it easier and more immediate to consult the 2026 Remuneration and Incentive Policy. The information contained herein does not constitute an integral part of Section I – Remuneration Policy, nor of Section II – Report on remuneration paid, nor does it replace their contents, but provides an overview aimed at facilitating understanding of the Policy's overall structure and its underlying rationales.

Highlights

BFF Bank: overview of the context

On February 2, 2026³, the Board of Directors of BFF Bank approved a change in the Bank's leadership. Massimiliano Belingheri stepped down from his position as Chief Executive Officer, while maintaining the position of non-executive Director of the Board of Directors. At the same time, the Board appointed Giuseppe Sica as General Manager, giving him all the powers previously held by Massimiliano Belingheri.

On March 17, 2026⁴, following the resignation of Massimiliano Belingheri also from his position as non-executive Board Director, the Board of Directors resolved to co-opt Giuseppe Sica in his capacity as Director, appointing him as Chief Executive Officer. Giuseppe Sica also retained his position as General Manager.

On March 28, 2026⁵, BFF received an Order from the Bank of Italy pursuant to Articles 69-octiesdecies and following of the Consolidated Law on Banking (TUB), as part of its supervisory inspections. The Bank of Italy appointed Raffaele Lener and Francesco Fioretto as External Administrators temporarily alongside the Board of Directors, pursuant to Article 75-bis of the Consolidated Law on Banking, in order to assist it in the rapid process to re-organize its operational and accounting framework and in the management of remedial actions in its factoring sector and internal control system. The Board of Directors and the Board of Statutory Auditors continued to maintain their full powers and decision-making authority.

On April 30, 2026⁶, the Board of Directors of BFF Bank, in the presence of the External Administrators appointed by the Bank of Italy, approved the draft financial statements of the Parent Company and the consolidated financial statements as at December 31, 2025. The main consolidated data show Adjusted Total Revenue of €678.7 million (-14% year-on-year), Adjusted Net Revenue of €405.3 million (+1%), Adjusted Profit Before Tax of €188.2 million (-6%) and Adjusted Net Profit of €139.1 million (-3%), compared to a Net Accounting Profit of €37.0 million, down 83%, mainly due to the impact of non-recurring negative items, related to one-off negative adjustments recorded by the Bank during 2026, compared to positive components recognised in the previous year.

Total Consolidated Assets amounted to €12.3 billion (+1%) and the Loan Portfolio to €5,821 million (-1%), with Volumes at €8,900 million (+5%). The CET1 ratio is 9.94% compared to an Overall Capital Requirement (OCR) of 9.80%, while the TCR is 12.31% compared to an overall OCR of 13.30%.

In light of the above capital context, the Board of Directors of the Bank presented a capital conservation plan to the Regulator and activated the Recovery Plan in order to ensure greater oversight and effectiveness of the Bank's remedial actions.

With regard to business continuity, the Board of Directors conducted a specific assessment of the going concern assumption, which showed the absence of a shortfall with respect to the OCR requirements for 2026 and 2027, even without external initiatives. For 2028, on the other hand, potential capital shortfalls were identified, mainly linked to the gradual application of calendar provisioning on past due receivables.

To mitigate these risks, the Bank has identified capital strengthening initiatives and alternative scenarios, with the support of leading advisors, including portfolio and asset enhancement operations and new operating methods in factoring.

Despite the associated uncertainty, the Directors confirmed the going concern assumption. However, the above requires a reflection on the Group's business model, despite the presence of solid evidence of the relevance of factoring as an important financial infrastructure, in particular for loans to the public sector, characterized by low loss rates. At the same time, the Group has benefitted from business areas with a low risk profile and high capacity for liquidity generation. In particular, custodian services and the related services connected to it are confirmed to be strategic in an expanding asset management market, while the payments sector is increasingly digitalized, with the strengthening of BFF's role as a reference intermediary.

In this context, the Group operates with a prudent and responsible approach, aimed at preserving the continuity and sustainability of the business, based on activities with a low intrinsic risk and solid operational bases, guaranteeing essential support to companies, financial institutions and market infrastructures over time.

Consistent with the assessment of the business as a going concern and taking into account **the level of the Total Capital Ratio (TCR) lower than the Overall Capital Requirement (OCR)**, and the consequent failure to comply with the combined capital reserve requirement, as **indicated in the statement on capital ratios of April 30⁷, 2026**, this Remuneration and Incentive Policy provides for **temporary limitations** on variable remuneration.

These limitations are adopted in accordance with the capital conservation measures system envisaged by applicable prudential legislation. In this regard, reference is made to the provisions of Bank of Italy Circular No. 285/2013 (Part One, Title II, Chapter 1, Section VI – "Capital Conservation Measures"), which introduces the *Maximum Distributable Amount* (MDA) mechanism, under which the payment of variable components of remuneration may take place, where approved, exclusively within the limits of the distributable portion determined according to the Bank's capital position with respect to the OCR requirements and the binding measure (TSCR ratio).

Specifically, the Policy establishes, **on a prudential basis**, that in the period when the capital requirements referred to above are not met, or until the completion of the assessments to be carried out during 2026, the following measures will apply:

- ▶ no payment obligations will be undertaken and, therefore, variable remuneration or discretionary pension benefits will not be allocated;
- ▶ variable remuneration will not be paid if the payment obligation was undertaken when the above requirement had not been met.

In this context, the Remuneration Policy provides for the adoption of **mechanisms capable of modulating, deferring or resetting the variable component**, including any discretionary pension benefits, in line with the **applicable prudential constraints** and with the **communications of the Supervisory Authority**, taking into account the **assessments that will be progressively made during 2026 regarding the OCR levels** and the Bank's ability to make distributions.

³ See the press release of February 2, 2026: "BFF announces change in corporate leadership".

⁴ See the press release of March 17, 2026: "Giuseppe Sica appointed as new Chief Executive Officer of BFF Bank".

⁵ See the press release of March 29, 2026: "BFF receives Bank of Italy regulatory measure".

⁶⁻⁷ See the press release of April 30, 2026: "BFF approves the Parent Company draft Annual Report and the consolidated Financial Statements as of 31st December 2025".

Key Drivers of the Remuneration and Incentive Policy

Remuneration structure of the Chief Executive Officer and General Manager

Following Massimiliano Belingheri waiving his powers, as mentioned, the Board of Directors, at its meeting on February 1, 2026⁸, appointed Giuseppe Sica as General Manager of the Bank pursuant to Article 2396 of the Italian Civil Code and the Articles of Association. This decision was taken in accordance with the succession plan in place for board level positions. Giuseppe Sica, already linked to the Bank by a managerial employment relationship, was also appointed by co-option as a member of the Bank's Board of Directors on March 17, 2026⁹, following the resignation of Massimiliano Belingheri from his position as director, effective from the same date. On the same date, the Board of Directors of the Bank assigned certain powers to Giuseppe Sica in his capacity as director, who, therefore, currently holds the office of Chief Executive Officer and General Manager of the Bank.

Giuseppe Sica, having already served as Chief Financial Officer of the Bank since February 2025, has over twenty years of experience in the financial sector, having held, among other things, the role of Chief Executive Officer of Eurovita S.p.A., Chief Financial Officer of Banca MPs and Managing Director at Morgan Stanley International Ltd, with an activity focused on funding, capital, extraordinary transactions and strategic planning for numerous European financial institutions.

These professional requisites - together with the preliminary checks of the Remuneration Committee and the Appointments Committee, for their areas of expertise, including the formal verification of fit-and-proper requirements - allowed the Board to unanimously approve the appointment, conferring management and representation powers on the General Manager.

As Chief Executive Officer, Giuseppe Sica receives the remuneration established by the Shareholders' Meeting for all the members of the Board of Directors pursuant to Article 2389, paragraph 1 of the Italian Civil Code. No further amount is paid to him pursuant to Article 2389, paragraph 3 of the Italian Civil Code based on the special offices he holds.

As for the position of General Manager, his remuneration package has been defined in compliance with the principles and rules established by the Group's Remuneration and Incentive Policy, taking into account the initial phase of the mandate and the organizational and management transition context.

The structure of the remuneration package is based on criteria of prudence, proportionality and sustainability, with the aim of ensuring an adequate alignment between the responsibilities of the role and the long-term interests of the Group, shareholders and other material stakeholders. With this in mind, particular attention was paid to the need to ensure managerial stability and operational continuity in the first year of office.

The remuneration of the Chief Executive Officer and General Manager has been defined taking into account the complexity of the role, the applicable regulatory context and the need to support an effective start to the mandate, while avoiding mechanisms that may result in risk assumptions that are inconsistent with the Group's profile.

In view of the above, with reference to the Total Capital Ratio with respect to Overall Capital Requirements, the remuneration of the Chief Executive Officer and General Manager for 2026 was defined referring only to fixed components, in line with the configuration adopted for all Bank staff, as described below. Any variable remuneration components of the Chief Executive Officer and General Manager, which may be assigned if permitted by the legal and regulatory context, are described in section 5 below. As with the Bank's other Staff, these components are not currently activated and may only be allocated if permitted by the regulatory and capital context, in line with the Bank's ability to make distributions and with applicable prudential legislation.

Consistent with the above and with reference to the fixed component for the position of General Manager, an amount equal to €700,000 of the Gross Annual Salary has been defined, in addition to the benefits provided for the role. The remuneration determined for the office of member of the Board of Directors is equal to €60,000 and is the same for each non-executive Director.

As stated at the beginning of this section, no additional amount is envisaged for Giuseppe Sica pursuant to Article 2389, paragraph 3 of the Italian Civil Code based on the special offices he holds.

Fixed Remuneration is determined based on delegated powers, experience and skills required and taking into account market benchmarks, as indicated in section 5.

For the purposes of this Remuneration Policy, note that, also due to the powers conferred, the related mechanisms and amounts relating to the variable components of the remuneration refer to Fixed Remuneration as a basis for calculation.

A non-compete agreement is also envisaged for a period of 1 year, with a consideration equal to 50% of the Gross Annual Salary for each non-compete year, in addition to a 50% penalty and the obligation to return the consideration received if the agreement is not observed.

The General Manager is also required to achieve – and subsequently maintain – within five years from his date of employment - February 25, 2025 (as Chief Financial Officer at the time), a total amount of shares equal to at least 50% of his Gross Annual Salary, in the event of the actual vesting of the variable components of Remuneration disbursed as financial instruments.

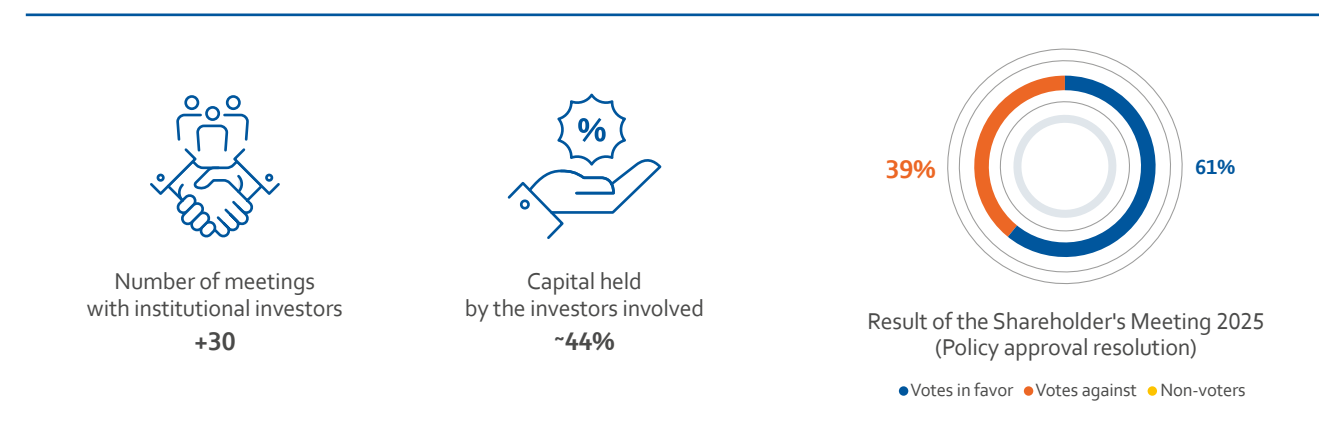
⁸ See the press release of February 2, 2026: "BFF announces change in corporate leadership".

⁹ See the press release of March 17, 2026: "Giuseppe Sica appointed as new Chief Executive Officer of BFF Bank".

Shareholder engagement

During 2025, the Group's **engagement with shareholders was structured and targeted**, as an integral part of the governance of its Remuneration and Incentive Policy, in a context characterized by significant regulatory constraints and a particular market attention paid to remuneration issues.

Dialog with shareholders and main proxy advisors took place both **shortly before the Shareholders' Meeting** and through **off-season discussions**, with the aim of clearly and transparently illustrating the specific aspects of the 2025 Policy and the reasons underlying the choices made, in particular with reference to the prudential approach.



As a whole, engagement activities in 2025 were **an essential tool for listening and discussion**, aimed at supporting a constructive dialogue with the market and promoting a progressive consolidation of shareholder consensus, with a view to transparency, accountability and continuous improvement.

Variable remuneration systems

In view of the above and taking into account the Bank's capital context, characterized by Total Capital Ratio levels below the Overall Capital Requirements (OCR), and by the consequent failure to comply with the combined capital reserve requirement, as indicated in the statement on capital ratios of April 30, 2026¹⁰, as well as the revision of the 2026 financial targets approved by the Board of Directors on the basis of a more conservative baseline scenario, the Bank will not allocate new variable remuneration components to Staff, including the Chief Executive Officer and General Manager. Any assignment of the variable components may only take place after the applicable capital and regulatory conditions have been restored and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals by the competent Bodies.

In line with the above, and with reference to the 2026 MBO bonus, the Bank and Subsidiaries may proceed, during 2026, to only define and communicate the qualitative-quantitative performance drivers, in line with the Recovery Plan and with the context of a prudential redetermination of the 2026 financial targets. These activities are purely for management and guidance purposes and do not in any way constitute the allocation of variable remuneration, nor do they involve the assumption of payment obligations or give rise to legitimate rights or expectations on the part of Staff. Any valuation of the drivers for remuneration purposes, as described above, remains subject, in full and in advance, to the assessments that will be progressively carried out during 2026 on the evolution of the Bank's capital ratios and risk profile, and to the prior approval of the competent bodies, as well as compliance with all applicable prudential constraints and communications of the Supervisory Authority.

Therefore, the right of the Bank to modulate, defer or completely cancel variable remuneration components, including any discretionary pension benefits, remains unaffected, even after the definition of the performance drivers, if necessary to safeguard capital stability and regulatory compliance.

The following considerations, with reference to the main variable components provided for by these remuneration policies, must be interpreted in light of the fact that their possible allocation is subject to the capital conditions being restored and, in any case, in compliance with the capital conservation measures provided for by Circular 285, after carrying out the necessary assessments and approvals by the competent Bodies.

The annual incentive system (MBO) is structured to ensure a consistent link between performance, the risk profile and the sustainability of results, in line with the Group's Risk Appetite Framework. Besides compliance with access conditions (entry gates) defined *ex-ante*, access to variable remuneration is also subject to compliance with capital requirements and prudential constraints provided for by applicable legislation, including those relating to capital conservation measures. These conditions take into account the attainment of specific Group objectives and compliance with main prudential requirements. In particular, short-term variable remuneration is only paid if the following access conditions (entry gates) are met:

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

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

Failure to comply with even one of the aforementioned conditions will result in the variable remuneration not being disbursed.

With reference only to the position of General Manager, an additional gate has been planned, besides those already indicated, consisting of the application of the following specific access criterion:

EBTDA ^{RA} Actual/EBTDA ^{RA} target	≥ 70%
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The individual variable component may be allocated, as better described in sections 5.1 and 6.2.2.1, based on the annual performance appraisal process. This process applies transparency and objectivity criteria, and assigns individual objectives balanced between economic/financial indicators, quality and sustainability objectives, as well as aspects related to risk management and compliance.

Variable remuneration, where payable, is structured in a manner consistent with the principles of sound and prudent management, and is divided, where applicable, into several tranches, distributed over several years, in order to promote alignment between performance, the risk profile and long-term value creation.

In accordance with provisions in force, variable remuneration is subject to vesting mechanisms and, where applicable, a balance between cash components and financial instruments, as well as retention periods, in accordance with the provisions of this Policy and as described in sections 5.2 and 6.2.2.3.

¹⁰ See the press release of April 30, 2026: "BFF approves the Parent Company draft Annual Report and the consolidated Financial Statements as of 31st December 2025".

To promote the creation of sustainable value in the long term and strengthen the alignment between the interests of management and those of shareholders, **the Group has adopted a Long-Term Incentive Plan (LTI)** for selected resources.

The Plan, always within the framework of the capital conditions consistent with applicable legislation and, in any case, in compliance with the capital conservation measures provided for by Circular 285, allocates variable remuneration in financial instruments, subject to the attainment of financial performance and sustainability objectives defined in line with the Group's strategic plan.

Access is conditional on compliance with the profitability, capital and liquidity indicators and subject to risk-adjustment mechanisms. Assignment takes place in one or more tranches over several years, and is subject to the employment relationship being maintained, to checks on conduct and the application of *malus* and clawback clauses.

With reference to the year 2026, if the capital conditions and the constraints envisaged by applicable prudential legislation are complied with, the Bank will evaluate the possible assignment of a tranche relating to the 2025 Incentive Plan to the Staff concerned, subject to the approval of the competent body.

Ex-post correction mechanisms (*Malus* and Clawback clauses)

Both the upfront component and deferred component of variable remuneration are subject to *ex-post* correction mechanisms (*malus* and clawback), which may result in amounts paid being reduced, reset to zero or returned, also in relation to individual nonconforming behavior, failure to comply with risk oversight, or the conditions of capital solidity, liquidity or sustainability of the Group's results no longer being met, in compliance with applicable prudential requirements.

The methods of deferral and application of the *ex-post* correction mechanisms are defined in a manner that is proportionate to and consistent with the role held, the level of responsibility and impact on the Group's risk profile, as illustrated below.

Share ownership guidelines

Share Ownership Guidelines are adopted in order to strengthen the structural and long-term alignment between the interests of management and those of shareholders, promoting decision-making guidance that is consistent with strategy, the risk profile and sustainable value creation over time.

The guidelines establish minimum share ownership requirements for the Group's Executives with Strategic Responsibilities (ESRs). These requirements are defined according to the Gross Annual Salary and must be met and maintained throughout the duration of the appointment and/or the employment relationship, unless otherwise provided for in the Policy. In particular, as from January 1, 2024, Recipients - in the event of the actual accrual of the variable components of Remuneration paid in financial instruments - shall achieve and maintain, over a period of up to 5 years, a number of Bank shares whose value is at least equal to 50% of their Gross Annual Salary. These levels must be maintained throughout the term of office and/or employment with the Bank or with a different Group company.

End-of-service payments

BFF's Remuneration Policy governs **end-of-service payments in a clear, transparent way and in advance**, in order to ensure consistency with the Group's risk profile, the containment of legal and reputational risks and alignment with shareholders' and Supervisory Authorities' expectations.

End-of-service packages provided in the event of early termination of office or of the relationship are defined in compliance with the **limits approved by the Shareholders' Meeting** and applicable laws and regulations, and are based on criteria of **proportionality, sustainability and consistency with the performance actually achieved**. The Policy excludes the recognition of automatic or unjustified benefits and ensures that the packages awarded do not encourage opportunistic behavior or inconsistent risk-taking.

As part of the process of updating the Remuneration Policy, the following has been established for all Staff, including the Chief Executive Officer and General Manager:

- ▶ the sum between the golden parachute and the consideration for the non-compete agreement may not exceed the lower of (i) 24 months' Fixed Remuneration (meaning for these purposes the Gross Annual Salary plus benefits) and in any case (ii) the maximum total amount of €1,750,000;
- ▶ the golden parachute will replace any other sum and indemnity (including the additional indemnity provided for by the CCNL (National Collective Bargaining Agreement) and excluding only any indemnity in lieu of notice and end-of-service payments such as post-employment benefits under Italian law (TFR), accrued holidays and deferred monthly payments) due for any reason in accordance with law, individual contracts or collective agreements in connection with the termination of the employment relationship.

The packages are awarded subject to **specific contractual and policy conditions being met**, and are excluded in the event of circumstances attributable to non-conforming behavior, serious violations or violations of the Policy's provisions.

In addition, in line with the overall remuneration framework, end-of-service payments are subject, where applicable, to **deferral mechanisms, partial payment in financial instruments and *malus* and clawback clauses**, to ensure sustainability over time and protect the Group's interests.

In this context, BFF's policy is aligned with Italian market practice and is conservative with respect to Italian labor law, where the national bargaining agreement also provides for significantly higher severance clauses than our own policy (up to 41 months of total remuneration, excluding the non-compete agreement).

As a whole, severance payments constitute a **governance measure**, aimed at balancing the need to protect the Group in situations of managerial discontinuity with principles of equity, transparency and a sound and prudent management.

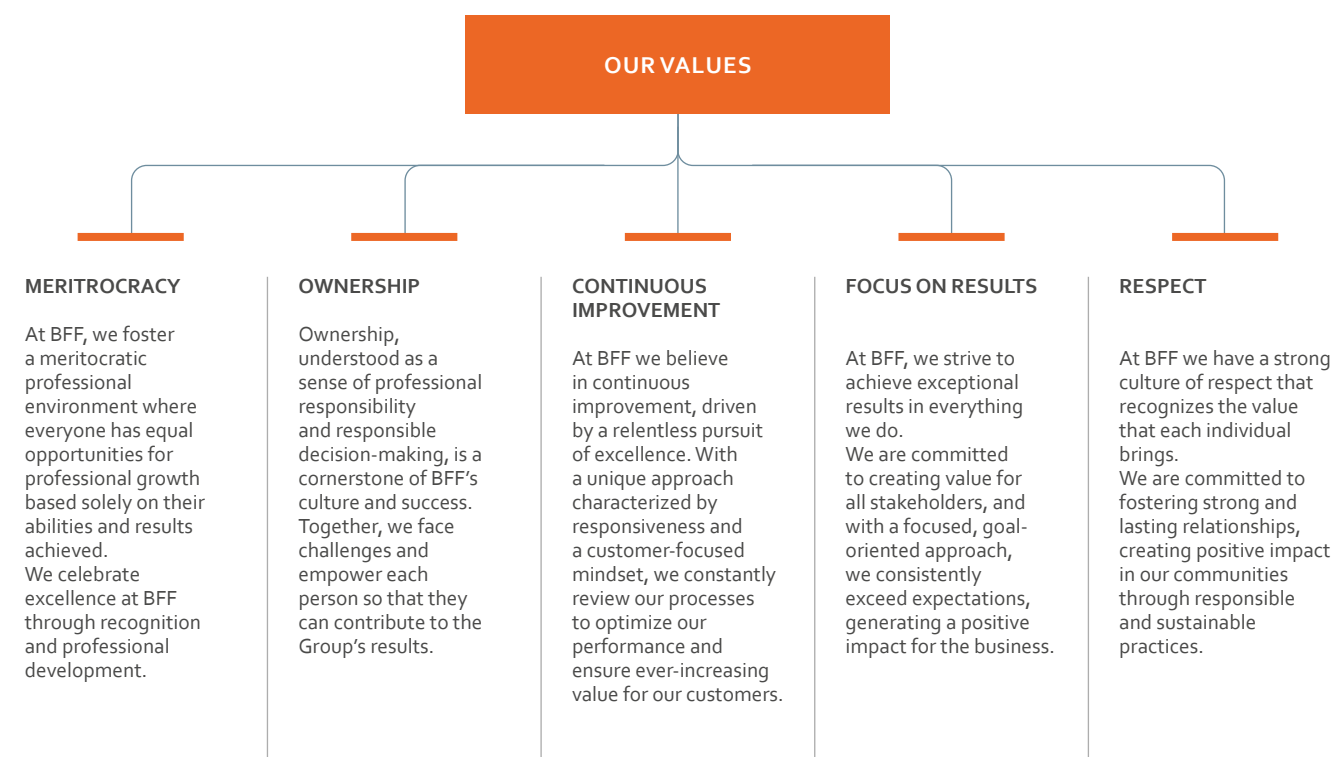


SECTION I

2026 REMUNERATION AND INCENTIVE POLICY

The values of the Remuneration and Incentive Policy

Over the years, the Bank has worked to define and finalize a remuneration framework consistent with corporate values and with the principles of sound and prudent management.



For the 2026 financial year, this framework is part of a context characterized by elements of capital discontinuity and specific regulatory constraints, which require a particularly prudent approach in defining and applying remuneration systems, in line with the information given in previous sections.

The Group's remuneration and incentive system aims to put into practice the meritocratic and pay-for-performance values on which the Bank is based, ensuring a consistent link between performance, sustainable value creation over time and risk control, it being understood that the actual allocation of the variable components remains subject to the capital conditions being restored and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals by the competent Bodies.

In defining the Remuneration and Incentive Policy, the following were taken into account:

- the size and operational complexity profiles of the Group;
- the Group's business model and consequent levels of risk to which it may be exposed;
- best practices, also international, on remuneration policies;
- the remuneration and working conditions of Staff. In particular, the Bank provides for forms of Variable Remuneration for Relevant Personnel, calibrated to the specific characteristics of the staff and business areas, based on a specific policy approved by the Board of Directors, in accordance with the rules and principles of this Policy.

Shareholders' vote and main changes introduced

For BFF, ongoing and proactive dialog with investors is an essential way to ensure strategic coherence, transparency and competitiveness, consolidating the Bank's reputation. This engagement strengthens confidence and awareness of remuneration practices and strategic choices, which is fundamental for gaining support in key decisions. In addition, it makes it possible to collect useful feedback to align the policy with market best practices and stakeholder expectations, promoting a critical and continual review of strategies. The involvement of investors also makes it possible to integrate indications on issues such as sustainability and ESG objectives, strengthening the creation of value in the medium to long term. In fact, BFF recognizes the importance of ensuring its remuneration policy maximizes value creation for shareholders and for the broader corporate stakeholder population. And the incentive mechanisms defined by the Bank aim to ensure that management is fully aligned with stakeholders' interests.

The ability of BFF's Remuneration and Incentive Policy to retain the organization's key resources, attract key people for the Group's development and recognize the performance recorded over the years is associated with the company's desire to pursue continuous improvement. For this reason, stakeholder engagement, as well as benchmarking in relation to market practices with reference to incentive systems and remuneration packages, are strategic for driving the improvement and development process.

Stakeholder engagement activities

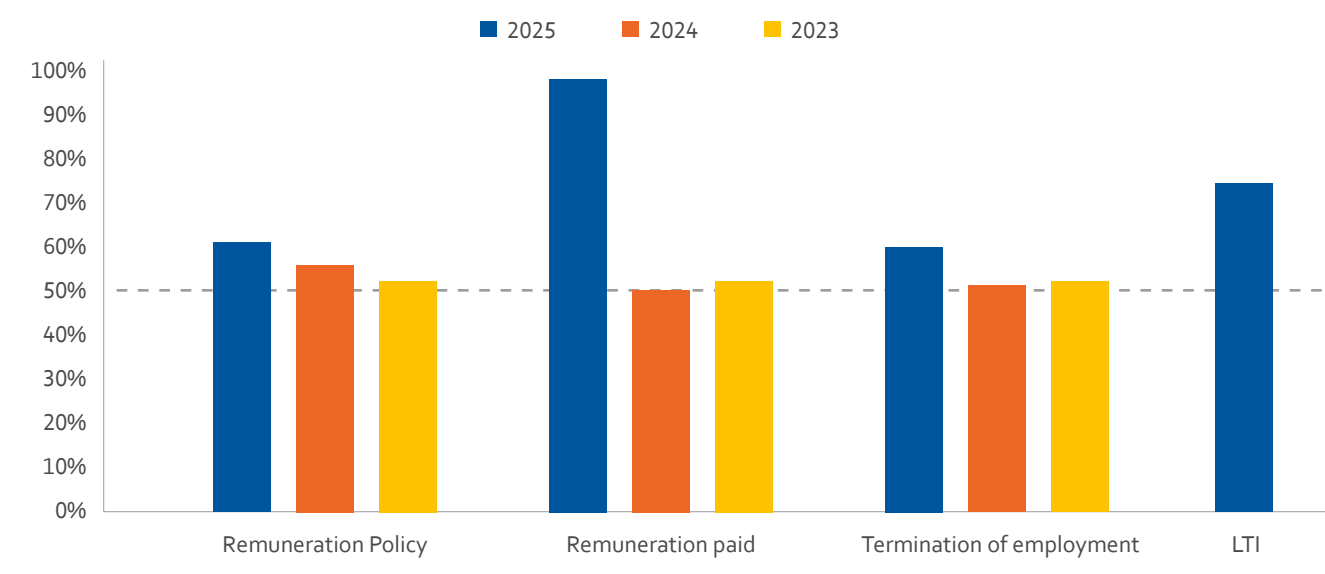
Active listening and constant dialog with stakeholders are a structural part of the governance of BFF's Remuneration Policy (the 'Policy'). During 2025, in keeping with the approach adopted in previous years, the Bank maintained an open, transparent and regular dialog with its shareholder base, meeting institutional investors and proxy advisors twice a year to collect observations, illustrate the main evolutionary guidelines of the Policy and implement their guidance.

The objective of dialog is twofold:

1. **increase understanding of the remuneration practices adopted by the Group**, ensuring full transparency of the incentive logics and performance metrics;
2. **collect qualified feedback** that is used as actual input in the internal assessment process and subsequent revision of the Policy.

The measures introduced in recent years – in terms of alignment with market best practices, simplification of the incentive structure and strengthening of the link between performance and remuneration – were welcomed by stakeholders, with the approval of all the points relating to remuneration matters at the shareholders' meeting.

OUTCOME OF THE SHAREHOLDERS' MEETING VOTE 2023-2025 (% OF FAVORABLE RIGHTS)



This engagement enabled the Bank to:

- capture any **areas for improvement**, in the light of indications from the market and the expectations expressed by investors and proxy advisors;
- **analyze the reasons behind any unfavorable voting positions**, so as to integrate these elements into the process of updating the Remuneration Report;
- reaffirm its commitment to **strengthening clarity, alignment with performance and consistency with market best practices**.

Although in a complex context, the Bank has nevertheless begun a process to update its Remuneration Policies in compliance with the indications of shareholders.

These actions are summarized in the next chart; some of the actions may only take place after the applicable financial and regulatory conditions have been restored and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals by the competent Bodies.

Recalibration of the pay-for-performance mechanism	Materiality and measurability of KPIs (including ESG indicators)	Entry gates and thresholds	Post-employment benefits	Structured evidence of investor feedback follow-up	Chief Executive Officer and General Manager Remuneration Package
BFF'S POSITION					
BFF has recalibrated the pay-for-performance model relating to the scorecard of the Chief Executive Officer and General Manager introducing an incentive curve whose maximum payout is equivalent to 100% of the Gross Annual Salary.	BFF has strengthened the process of selecting and calibrating KPIs, ensuring that the indicators used – including ESG indicators – are clearly material, measurable and consistent with strategic priorities and short-term value creation drivers, maintaining their incentive effectiveness.	BFF has established gates and access thresholds to short-term incentive systems. This avoids bonuses being paid in the case of an inadequate overall performance and ensures that tolerance levels do not allow for payouts in material under-performance scenarios, thus strengthening the internal signal and towards the market. An additional gate is envisaged for the role of the Chief Executive Officer and General Manager.	BFF has updated its severance policy to better align it with international best practices in the area of post-employment benefits. In addition, the severance policy provides for the same calculation mechanisms and the same ceilings for all Employees.	BFF has introduced and constantly updated a section dedicated to shareholders and the engagement process, aimed at illustrating in a clear and traceable way the main feedback received from investors and proxy advisors and the actions taken or the reasons underlying any follow-up failure, strengthening shareholder responsiveness.	In view of the appointment of the new Chief Executive Officer and General Manager, a remuneration package has been defined in line with engagement process outcomes. In particular, remuneration levels have been defined that are more in line with investors' and proxy advisors' expectations, also considering the analyses of the benchmarking carried out in conjunction with the remuneration package review.

The intention is that the efforts made and new developments introduced over the years, also as a result of the contributions received, can result in a progressive consolidation of shareholder consensus and in a growing endorsement of the Bank's strategic choices in terms of remuneration.

	AGM ENGAGEMENT MARCH - APRIL 2025	OFF SEASON ENGAGEMENT DECEMBER 2025 - JANUARY 2026
NUMBER OF INVESTORS*	16	15
NATIONALITY	- United States (69%) - Luxembourg (6%) - United Kingdom (6%) - France (6%) - Asia (6%) - Italy (6%)	- United States (40%) - United Kingdom (13%) - France (13%) - Italy (33%)
% OF SHARE CAPITAL HELD BY THE INVOLVED INVESTORS	30%	14%
PROXY ADVISOR	-	- Glass Lewis - ISS
BFF PARTICIPANTS	- Chair of the Board of Directors - Chair of the Remuneration Committee - Group Investor Relations Director, Strategy and M&A - HR & Organizational Development Director	

* Investors were identified according to a top-down approach, including 'dissidents'.

Benchmarking in relation to market practices

To ensure that the remuneration package offered to the Bank's Staff remains competitive in the current landscape and that the most talented resources are retained within its organization, both in terms of work performance and development potential, the Bank has implemented a benchmarking process, carried out on an annual basis.

This initiative is designed with the aim of thoroughly evaluating the remuneration positioning of the Group's staff and the tools offered with respect to those of the reference market, in order to offer attractive remuneration aligned with the professional expectations of the sector.

The benchmarking process is carried out with the help of leading, independent consulting firms specializing in human resources and remuneration. These firms provide essential support, allowing access to precise analyses and comparisons that take into account the sector's remuneration dynamics. It is fundamentally important for several variables to be considering during benchmarking, including resources belonging to specific business areas of the Group and their geographical location.

In addition to the periodic monitoring of market practices and remuneration levels for the Bank's senior management, specific benchmarking exercises were carried out in the first few months of 2026 to monitor the most recent remuneration levels, both for the new role of General Manager and for directors with special offices and in particular the Chairs and members of Board committees.

Evidence of the benchmarking analyses for the new Chief Executive Officer and General Manager is given in detail in section 5.

Sustainability and Pay Equity: the Gender Pay Gap

In the context of the Remuneration Policy, equal opportunities between genders is a material topic. The BFF Policy is gender-neutral and contributes to pursuing equality among Staff who have similar roles, perform similar functions, and work in the same geographical location. It ensures, for the same activity performed, in relation to the connected responsibilities, activities and time required for performance, that Staff have an equal level of Remuneration, including in terms of the conditions for its recognition and payment. To guarantee this neutrality, the Bank has implemented the following::

- ▶ Strengthening of recruitment, development, career and succession processes, with a focus on **gender representation** at all professional levels.
- ▶ Introduction of **information dedicated** to operational plans to reduce bias in management decisions related to gender, age, nationality and disability.
- ▶ Inclusion of a **diversity driver** (gender and nationality) in the KPIs of the Board-level Staff, requiring that at least 50% of the annual short lists include women or candidates of a different nationality than the country of selection.
- ▶ **Annual report to the Remuneration Committee and the Board of Directors** on the neutrality of remuneration policies with respect to gender and the gender pay gap and evolution over time, and on the performance of Talent Management and Succession Planning with a focus on diversity drivers (gender, age, disability, ethnicity).

In monitoring the gender pay gap and to ensure the actual gender neutrality of the Remuneration and Incentive Policy, the Bank is committed to:

- ▶ defining an action plan to prevent a gender pay gap in the case of the same tasks performed;
- ▶ justifying any significant pay gaps and implementing appropriate corrective actions;
- ▶ ensuring equal opportunities for professional development and growth according to meritocratic principles.

In 2025, the **Group's Pay Equity Gap** – i.e. the pay differential with the same role or value, calculated by comparing positions belonging to the same grading (for example, Senior Executive, Executive, Manager) – was 3.12%, showing an improvement compared to 2024, when it came to 4.35%.

Pay equity: the Pay Ratio

A further element that measures the organization's internal equity, on which BFF intends ensuring maximum transparency, concerns the Pay Ratio.

For 2025, this indicator, which is measured as the ratio between the Chief Executive Officer's Fixed Remuneration and the average Fixed Remuneration of the Bank's employees¹ was 22.4:1.

Below is a summary of the pay ratio trend in the last 3 years:

2023	2024	2025
24:1	22.6:1	22.4:1

Although in the context of organizational discontinuity, it is worth noting that the pay ratio between the Fixed Remuneration of the Chief Executive Officer and General Manager, and his fee as Director, and the average Fixed Remuneration of the Bank's employees, was equal to 12.8:1 at February 28, 2026.

During 2026, the Company intends continuing the strengthening of initiatives aimed at guaranteeing the equity of remuneration systems, through a continuous monitoring of the main indicators and maintenance of the salary review process as a tool to monitor internal equity and market alignment. Development and succession initiatives will also continue, with a particular focus on the enhancement of female talent in positions of responsibility. With reference to attraction and recruitment processes, the Bank will continue to monitor the selection KPIs, promoting criteria of balance and diversification, also involving external suppliers.

This approach is part of the Bank's broader development program, aimed at fully implementing the recent Directive (EU) 2023/970 in line with the final regulatory requirements currently being published and reference best practices.

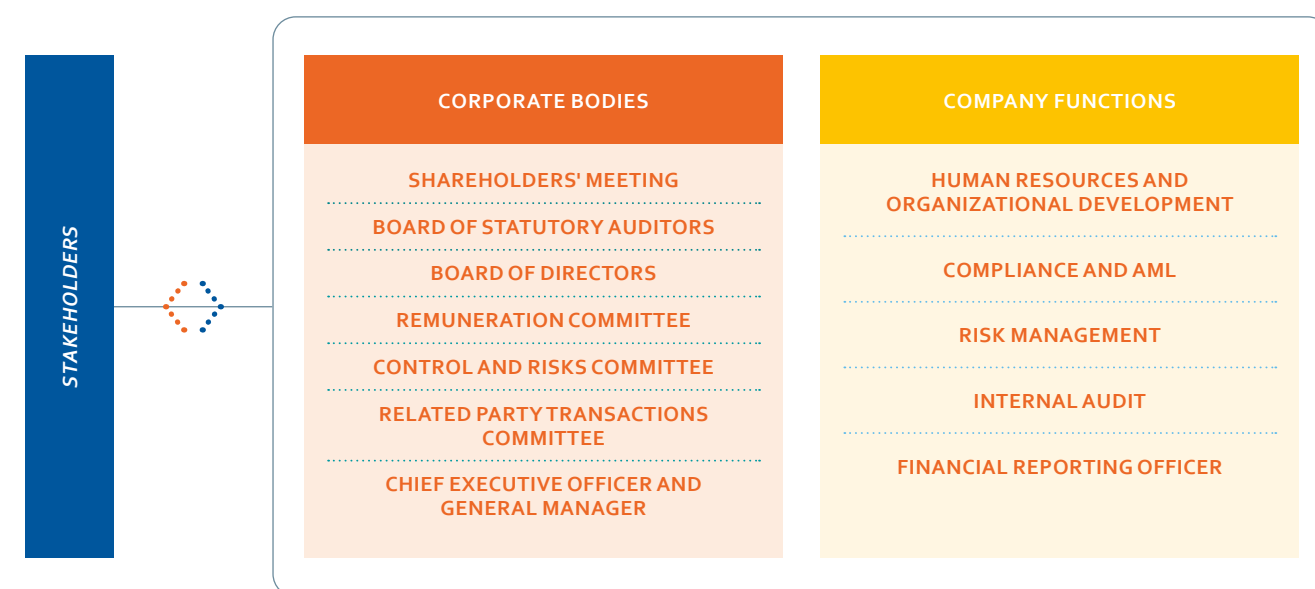
¹ Branches are also included in the calculation.

1. GOVERNANCE OF THE REMUNERATION AND INCENTIVE SYSTEM

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

Moreover, the Policy is defined as part of engagement activities with various stakeholders, including institutional investors and proxy advisors.

DEFINITION, APPLICATION AND CONTROL OF THE REMUNERATION AND INCENTIVE POLICY



The role of the Bank's corporate bodies and the process for the adoption, application and control of the Policy, as required by Supervisory Provisions, are described below.

1.1. Shareholders' meeting

With reference to the Remuneration and Incentive Policy, the Ordinary Shareholders' Meeting:

- i) establishes the amount of remuneration payable to Directors, Statutory Auditors and the independent auditors engaged to perform the statutory audit;
- ii) approves the Policy. If the Shareholders' Meeting does not approve the Policy, the most recent remuneration policy approved by the Shareholders' Meeting will continue to apply²;
- iii) approves any remuneration plans based on Financial Instruments;
- iv) approves the criteria for determining the remuneration to be paid in the event of early termination of employment or early termination of office, including the limits established for such remuneration in terms of the fixed annual remuneration, and the maximum amount arising from the application of such limits;
- v) provides an opinion in an advisory vote, held at least annually, on disclosure on the Remuneration and Incentive Policy adopted by the Bank, and on the Policy's implementation according to the procedures defined by Supervisory Provisions. This disclosure contains the same information regarding the remuneration and incentive systems and practices provided to the public, in compliance with the requirements of Supervisory Provisions;
- vi) approves the increase in the limit of the ratio between Variable Remuneration and Fixed Remuneration from 1:1 up to a maximum of 2:1 for Risk Takers. This increase was implemented with a shareholders' resolution of December 5, 2016 in which the Shareholders' Meeting approved the proposal of the Board of Directors to raise the limit on the ratio between Variable Remuneration and Fixed Remuneration from 1:1 to a maximum of 2:1 (with the exception of Staff of the Corporate Control Functions for whom the ratio between Variable Remuneration and Fixed Remuneration does not exceed the limit of one third). This limit has been raised to 50% for the Director of the Human Resources Function and Organizational Development of the Group and for the Financial Reporting Officer, in order to keep their Variable Remuneration at a moderate level).

This shareholders' resolution was adopted:

- a) in compliance with the qualified majorities indicated in Supervisory Provisions;
- b) following prior notification to the Supervisory Authority, as required in the regulations referred to in Supervisory Provisions.

² In accordance with the provisions of Article 123-ter, paragraph 3-ter of the Consolidated Law on Finance (TUF): 'If the shareholders' meeting does not approve the remuneration policy submitted to the vote pursuant to paragraph 3-bis, the company continues to pay remuneration in accordance with the most recent remuneration policy approved by the shareholders' meeting or, failing that, it may continue to pay remuneration in accordance with current practices'.

1.2. Board of Directors

The Board of Directors:

- i) prepares, submits to the Shareholders' Meeting and reviews, at least annually, the Policy, and is responsible for its correct implementation, ensuring that it is adequately documented and accessible to Staff;
- ii) defines the remuneration and incentive systems for the following individuals, where appointed: executive directors; general managers; general co-managers, deputy general managers and similar positions; the heads of the main business lines, company functions or geographical areas; individuals who report directly to bodies responsible for strategic oversight, management and control;
- iii) defines the remuneration and incentive systems for higher-level managers and staff of the 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, the corporate governance structure and internal controls, including through the year-on-year choice of consistent objectives in management incentive systems;
- v) ensures that remuneration and incentive systems are suitable for ensuring compliance with legal, regulatory and statutory provisions, as well as any codes of ethics or conduct, promoting the adoption of a conduct that complies with them;
- vi) ensures that the competent corporate functions (in particular: risk management, compliance, human resources, strategic planning) are adequately involved in the process of defining the Remuneration and Incentive Policy, in such a way as to ensure an effective contribution and maintain the independent judgment of the functions required to carry out *ex-post* controls;
- vii) approves the Remuneration Policy for Staff in charge of Claims Processing and Staff in charge of Creditworthiness Assessment ('Relevant Personnel');
- viii) periodically reviews, with the support of the Remuneration Committee, the neutrality of the Remuneration and Incentive Policy with respect to gender and checks the gender pay gap and its evolution over time;
- ix) approves the results of the Risk Takers' identification process, including the outcomes of any Risk Takers' exclusion procedure, periodically reviewing the related criteria;
- x) approves, in the event of special circumstances³ and as provided for by Article 123-ter, paragraph 3-bis of the TUF updated in 2019 and by the update of the Issuers' Regulation of December 2020, any exception to 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 should be noted that, within the scope of the Policy – while complying with the limit on the ratio between Variable Remuneration and Fixed Remuneration approved by the Shareholders' Meeting – an exception is possible with reference to the components of Variable Remuneration, in particular the mix of objectives and/or corrective measures on which the single variable component is based, or the target and maximum levels or the conditions for accrual and payment.

Information on any exceptions to the Policy is given to the Shareholders' Meeting as part of the Annual Report on the Remuneration Policy and Remuneration Paid of the following year, with evidence of the items the exceptions refer to, the functionality with respect to the pursuit of the Bank's long-term interests and sustainability as a whole or to ensure its ability to remain on the market. Information about the procedure followed is also provided.

1.3. Board of Statutory Auditors

In terms of remuneration, the Board of Statutory Auditors formulates the opinions required by current regulations. In particular, the Board gives an opinion on proposals for the remuneration of Executive Directors and other Directors with special offices.

The information on the Board of Statutory Auditors is reported in full in the Corporate Governance Report to which reference is made.

1.4. Remuneration Committee

Composition of the Remuneration Committee

The Remuneration Committee is composed of three non-executive members of the Board of Directors, at least two of whom are independent. The Chair of the Remuneration Committee is selected from the independent directors. The Chair of the Board of Directors, even if assessed as independent, cannot be appointed as a member of the Remuneration Committee.

The Remuneration Committee is composed as follows:

Members in office	Office	Independence	Non-executive
Guido Cutillo	Chairperson	☑	☑
Susana Mac Eachen	Member	☑	☑
Mimi Kung	Member	☑	☑

Tasks of the Remuneration Committee

The Remuneration Committee has fact-finding, advisory and proposal functions supporting the Board of Directors in remuneration and staff incentive policies, as well as monitoring areas under its responsibility. As part of these functions, the Remuneration Committee, as established by Supervisory Provisions:

- i) makes proposals on the remuneration of Board-managed Staff;
- ii) advises on the determination of criteria for the remuneration of all Risk Takers;
- iii) provides an opinion, also using the information received from competent company functions, on the results of the process to identify key staff;
- iv) directly supervises the correct application of rules on the remuneration of the heads of the Corporate Control Functions, in close liaison with the Board of Statutory Auditors;
- v) prepares the documentation to be submitted to the Board of Directors for its decisions, in particular regarding the guidelines on the remuneration policy and principles to be submitted for the approval of the Shareholders' Meeting, in accordance with the provisions of Circular 285 and taking into account the provisions of the Corporate Governance Code, also for the purposes of the 'comply or explain' principle, assisted by the internal functions and first and foremost the Human Resources and Organizational Development Function;
- vi) submits opinions to the Board of Directors on the proposals of the Chief Executive Officer and General Manager for the revision of the Policy in relation to Board-managed Staff;
- vii) supports the Board of Directors in the periodic review of the gender neutrality of the Remuneration and Incentive Policy;

³ Special circumstances are exclusively situations where the exception to the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to remain on the market.

- viii) submits non-binding opinions and proposals to the Board of Directors on all matters relating to the Remuneration and Incentive Policy (fixed, variable, benefits, ancillary clauses, etc.) and their application with reference to Board-managed Staff or in any case responding to its specific requests;
- ix) monitors market feedback on the Remuneration and Incentive Policy, examining the vote of the Shareholders' Meeting on the Remuneration Report and carrying out investor relations duties assigned to it under the Engagement Policy, presenting the related analysis to the Board of Directors.

The Committee carries out all its tasks within the framework of the Bank's Governance rules, supported and assisted by other functions, based on its various tasks. Specifically:

- i) it works with other internal committees of the Board of Directors, and, in particular with the Control and Risks Committee and the Related Parties Committee, within the scope of the Policy. The Control and Risks Committee, coordinating with the Remuneration Committee and with the contribution of the Risk Management Function, considers whether the incentives provided by the remuneration system are consistent with the RAF;
- ii) it ensures the involvement of the competent corporate functions, (Human Resources and Group Organizational Development Function, Risk Management Function, Compliance Function, Group Planning and Control Organizational Unit, and Internal Audit Function), in the process of preparing and controlling the Policy;
- iii) ensures coordination with the Chief Executive Officer and General Manager regarding the overall consistency of the Remuneration and Incentive Policy between Board-managed Staff and other Staff;
- i) with the approaching renewal of the mandate of the Board of Directors, or in any case when deemed appropriate by the Board, it prepares guidance, using industry benchmarks, so that the amount of remuneration paid to the Chair, the Chief Executive Officer and General Manager, the non-executive directors and members of the control bodies is appropriate for the expertise, professionalism and commitment required of their role.

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

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

Work cycle of the Remuneration Committee

The Remuneration Committee meets, at the request of the Chairman, at least once every quarter and, in any case, whenever necessary to discuss matters for which it is responsible.

The following activities of the Remuneration Committee have been planned for 2026:

October - December

- Discussion on market trends and the evolution of the regulatory framework
- Analysis of the remuneration competitiveness of non-executive Directors and Board-managed Staff



January – June

- Updating of Governance and appointment of the Chief Executive Officer and General Manager
- Closure of 2025 incentive system objectives
- Review of the Remuneration Policy and Remuneration Paid
- Assessment of the impacts of the Recovery Plan on the remuneration system

June-September

- Analysis of shareholders' meeting outcomes and review of relevant topics

1.5. Control and Risks Committee

The Control and Risks Committee also has the function of ensuring that the incentives underlying the Group's remuneration system are consistent with the maximum levels of risk that the Group intends undertaking.

In exercising this function, it works with the other Board committees, in particular with the Remuneration Committee. The Control and Risks Committee, coordinating with the Remuneration Committee, and supported by the Risk Management Function, considers whether the remuneration system incentives are consistent with the RAF.

1.6. Related Party Transactions Committee

The Related Party Transactions Committee provides opinions on the remuneration of the members of the Board of Directors. In addition, in the event of special circumstances⁴ and as provided for by Article 123-ter, paragraph 3-bis of the TUF updated in 2019 and by the update of the Issuers' Regulation of December 2020, the Related Party Transactions Committee is consulted regarding any exception to the Policy, consistent with the procedure contained in the regulation for the management of transactions with parties in conflict of interest.

⁴ Special circumstances are exclusively situations where the exception to the Remuneration Policy is necessary for the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to remain on the market.

1.7. Chief Executive Officer and General Manager

The Chief Executive Officer and General Manager is responsible for the definition and implementation of the remuneration policy for Staff other than Board-managed Staff, and assists, where required, in defining and implementing the policy for Board-managed Staff. Specifically:

- i) proposes reviews of the remuneration for his or her first reports to the Board of Directors, coordinating with the Remuneration Committee;
- ii) submits proposals to the Board of Directors to review the Policy for Staff other than Board-managed Staff;
- iii) through the Human Resources and Organizational Development Function, implements the approved remuneration policy, including incentive systems for all Staff;
- iv) proposes to the Board of Directors the hiring, promotion, disciplinary sanctions, dismissal and any other measure regarding Senior Executives and Executives who report directly to him or her, subject to the limitations set out in supervisory provisions;
- v) defines, for the Group Subsidiaries, the remuneration systems that are not under the responsibility of the Bank's Board of Directors, taking into account relevant local regulations;
- vi) identifies the beneficiaries of the Short- and Long-Term Incentive plans, including 'equity' and 'cash settled' Stock option plans and the number of instruments (including stock options, Phantom Shares, etc.) to be allocated to Board-managed Staff, as established in the same plans. The Chief Executive Officer and General Manager also carries out the Plan's administrative activities entrusted by the Board of Directors or pursuant to said plans;
- vii) re-allocates options granted to Staff other than Board-managed Staff, which have been made available to the Bank in accordance with the regulations of the stock options plans.

1.8. Process of the adoption, application and control of 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 the mandate from the Remuneration Committee, prepares a draft of the Policy involving the competent functions, including the Risk Management Function, the Compliance & AML Function, the General Counsel Function, the Finance & Administration Department, the Investor Relations Function and the Internal Audit Function, assisted by an external legal advisor 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, with the support of the Human Resources and Organizational Development Function, external consultants and all other functions deemed necessary from time to time, involving the Chief Executive Officer and General Manager;
- iv) The Chief Executive Officer and General Manager makes *motu proprio* proposals regarding the sections of the Policy concerning Staff other than Board-managed Staff;
- v) The Remuneration Committee submits, for approval, the Remuneration and Incentive Policy to the Board of Directors, with its own reasoned opinion and accompanied by a specific opinion from the Compliance & AML Department;
- vi) The Board of Directors, having heard the opinion of the Remuneration Committee and the Control and Risks Committee, resolves to approve the Policy and submits it to the Shareholders' Meeting for approval;
- vii) The Shareholders' Meeting resolves on the adoption of the Policy.

For details of the roles of the various corporate functions, see Annex 3.

As regards the process for applying and controlling the implementation of the Policy, the Human Resources and Organizational Development Function is the corporate structure responsible for the policy's application at Group level.

⁵ Regulatory References: Article 123-ter of the Consolidated Law on Finance, Schedule 7-bis of Annex 3A to the Issuers' Regulation.

⁶ For this Policy, PedersoliGattai Law Firm and PwC Italy.

2. IDENTIFICATION OF RISK TAKERS AND CLASSIFICATION OF COMPANY ROLES⁷

The Group identifies Risk Takers through an assessment process, which is at least annual, overseen by the Board of Directors, with the support of the Human Resources and Organizational Development Function, the Regulatory and Processes Organizational Unit, and the Risk Management Function – carried out according to the criteria in Supervisory Provisions.

The objective of the process is to identify the staff that, because of their role, responsibility or remuneration level, may have a material impact on the Group's risk profile. The identification takes place on the basis of **qualitative** and **quantitative** criteria defined ex ante by current regulations.

In particular, the following individuals are identified as Risk Takers:

- i) the members of the body with a strategic oversight and management function and senior management;
- ii) members of Staff with managerial responsibility for corporate control functions or in significant operational/business units;
- iii) members of Staff for whom the following conditions are jointly complied with:
 - a) total Remuneration in the previous year was, jointly, equal to or greater than:
 - €500,000;
 - the average total remuneration paid to the Staff referred to in letter a);
 - b) the professional activity is carried out within a significant 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 in Commission Delegated Regulation (EU) No 923 of 25 March 2021 are relevant. The category of Risk Takers also includes the individuals identified in implementation of Commission Delegated Regulation (EU) No 923 of 25 March 2021.

Whenever the Bank or one of the Subsidiaries establishes a new employment and/or external contract relationship, the Human Resources and Organizational Development Function carries out an assessment to check whether the individual belongs to the category of Risk Takers.

With regard to 2026, the process was based on the criteria indicated in reference regulations and in particular:

- ▶ qualitative criteria: relating to the role, the decision-making powers assigned and responsibilities undertaken, set out within the structure of the Bank, and consistent with the nature, scope and complexity of the activities carried out;

- ▶ quantitative criteria: relating to the total remuneration awarded in the previous financial year.

The results of the identification process were submitted to the Remuneration Committee, which expressed a positive assessment, and subsequently presented to the Board of Directors, which – at its meeting on March 2, 2026 – approved the proposed perimeter.

The analysis carried out, based on the qualitative and quantitative criteria referred to above, led to the inclusion of two additional profiles compared to the assessment made the previous year.

STAFF CATEGORY	NO. OF POSITIONS
Body with a management function	1
Body with a strategic oversight function*	9
Head of risk management, compliance and internal audit	3
Members of senior management: Senior Executive of the Group	5
Head of a significant operational/business unit	13
Other Risk Takers	18
TOTALE	49

* As of March 2, 2026, the 9 Risk Takers of the body with strategic oversight included the former Chief Executive Officer Massimiliano Belingheri, who, as is known, subsequently resigned from his position. However, the number of Risk Takers of the body with strategic oversight remained unchanged, as the Board of Directors co-opted Giuseppe Sica as a new member of the Board of Directors. In any case, Giuseppe Sica had already been identified as a Risk Taker as he belonged to the body with a management function.

2.1 Identification of Relevant Staff (Directive 2014/59/EU)

Directive 2014/59/EU, called the Bank Recovery and Resolution Directive (BRRD), was introduced in 2014 with the aim of giving Resolution Authorities a structured set of powers and tools aimed at: i) preparing planning for the management of crisis situations; ii) ensuring timely intervention, even in a phase prior to the crisis being triggered, iii) governing the resolution process in an orderly and efficient manner. The Guidelines issued by the Single Resolution Board, in combination with additional regulatory provisions, require intermediaries to have adequate governance structures aimed at ensuring the rapid and effective implementation of staff retention measures in the context of the Resolution Plan. In this framework, banks are required to identify staff (Relevant Staff - classified as Critical or Essential), including, within the scope of critical functions or core business lines, at least top management and other relevant positions, based on the relevance of the role in terms of impact in the event of a vacancy of the position and the difficulty of replacement with resources that have similar skills, within an appropriate time horizon.

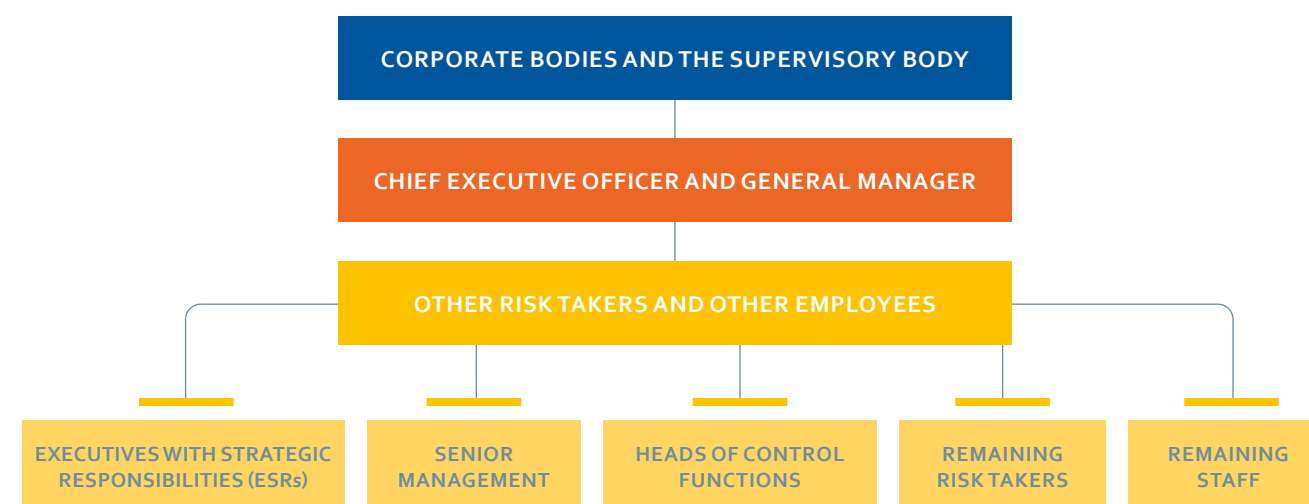
In line with the above, the Group periodically defines and update the scope of Relevant Staff for the purposes of the Resolution Plan, also providing criteria and operational guidelines on remuneration, succession planning and the development of resources included in the scope, within the approved policies.

⁷ Regulatory References: Supervisory Provisions, First Part, Title IV, Chapter 2, Section I paragraph 6, Commission Delegated Regulation (EU) No 604/2014.

3. RECIPIENTS OF THE REMUNERATION AND INCENTIVE POLICY

The Remuneration and Incentive Policy is differentiated by type of recipient, in order to take into account the specific characteristics of each individual and specific regulatory provisions.

In this regard, the Policy identifies the following categories of staff, whose remuneration systems are explained in the next chapters.



4. REMUNERATION SYSTEM FOR CORPORATE BODIES AND THE SUPERVISORY BODY

4.1. Bank Directors

All Directors:

- i) receive the remuneration set by the Shareholders' Meeting at the start of the mandate in April 2024, and are also reimbursed for expenses incurred during the performance of their duties;
- ii) directors who hold the position of Committee Chair or Committee member, and the AML Officer, may receive an additional fee determined by the Board of Statutory Auditors, pursuant to Article 2389, paragraph three of the Italian Civil Code;
- iii) have a third-party liability insurance policy, the cost of which is paid by the Bank.

In no case shall Directors receive Variable Remuneration, except for the Chief Executive Officer General Manager, who receives a variable component, however, referring to the employment relationship as an executive of the Bank in his/her role as General Manager, as better described in section 5 below. No additional amount is paid to the Chief Executive Officer and General Manager pursuant to Article 2389, paragraph 3 of the Italian Civil Code for the special offices held in a capacity as director.

The Chair of the Board of Directors receives 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) the role assigned;
- ii) the size and organizational complexity of the Bank;
- iii) market practices and benchmarks.

The non-executive members of the Board of Directors with specific roles on the board committees and with specific reference to the AML officer receive additional fees consistent with the role, commitment and responsibilities exercised in carrying out their specific functions.

No attendance fees are envisaged.

With reference to Massimiliano Belingheri, it should be noted that he exercised the functions of Chief Executive Officer of the Bank until January 31, 2026, a date when he was still the recipient of the remuneration system envisaged for executive directors, as established in the Remuneration Policy and applicable regulations.

4.2. Statutory auditors

The Statutory Auditors:

- i) receive a fee established by the Shareholders' Meeting, which is commensurate with their expertise, professionalism and commitment required by the importance of their role and the size of the Bank;
- ii) do not receive any Variable Remuneration or remuneration linked to the results of the Bank or the Group;
- iii) have a third-party liability insurance policy, the cost of which is paid by the Bank.

The fee of the Chair of the Board of Statutory Auditors is higher than the fee of the Statutory Auditors; both fees are set by the Shareholders' Meeting.

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

Members of the Supervisory Body who are not Employees receive Fixed Remuneration set by the Board of Directors. The amount of the Fixed Remuneration is set based on market conditions and the responsibilities undertaken, guaranteeing the independence and autonomy of the function, and diligent performance of the appointment. These individuals cannot receive Variable Remuneration but have D&O insurance cover, and are reimbursed for expenses actually incurred for the exercise of their functions.

On the other hand, members of the Supervisory Body who are Employees do not receive any fee for the position, but only have D&O insurance cover and are reimbursed for expenses actually incurred for the exercise of their functions.

5. REMUNERATION OF THE CHIEF EXECUTIVE OFFICER AND GENERAL MANAGER

The Chief Executive Officer and General Manager, as a member of the Board of Directors with powers, receives the remuneration approved by the Shareholders' Meeting for all Board members pursuant to Article 2389, paragraph 1 of the Italian Civil Code. As already stated, no further amount is paid to the Chief Executive Officer and General Manager pursuant to Article 2389, paragraph 3 of the Italian Civil Code for special offices held in a capacity as director.

In view of the above, taking into account the Bank's capital context, also characterized by the Total Capital Ratio (TCR) levels lower than the Overall Capital Requirement (OCR) and the consequent failure to comply with the combined capital reserve requirement, and given the need to incentivize and guide the performance of the Chief Executive Officer and General Manager, performance drivers will be assigned consistent with the 2026 financial targets communicated to the market and approved by the Board of Directors, as well as with the capital conservation plan adopted by the Bank, without this involving the actual allocation of the 2026 MBO bonus or other component of Variable Remuneration, nor generating a legitimate expectation in this regard.

These drivers are defined for management purposes only and are not currently activated for the payment of variable remuneration.

The possible use of the aforementioned drivers for remuneration purposes remains subject to the capital conditions consistent with applicable legislation being restored and, in any case, in compliance with the capital conservation measures and the constraints provided for by prudential legislation, as well as the consequent decisions of the competent Bodies.

Without prejudice to the above, with reference to the sole position of General Manager, the potential Remuneration structure would have the following pay mix:

- ▶ Fixed Remuneration, consisting of Gross Annual Salary and a benefits package, established by the Board of Directors;
- ▶ an annual incentive system (MBO), based on quantitative/financial and qualitative/non-financial performance indicators within an individual scorecard, the possible activation of which remains subject to the conditions referred to above;
- ▶ a medium-long term incentive plan (LTI), as described in section 5.2, also subject to compliance with the applicable capital and regulatory conditions. Under no circumstances may the LTI represent a portion greater than 100% of fixed remuneration in a ratio of 2:1 between Variable Remuneration and Fixed Remuneration.

In addition to the above components, the Remuneration provided for in the General Manager's employment contract consists of (i) a non-compete agreement with the aim of protecting the Bank after the termination of the employment relationship and (ii) a golden parachute - agreed in order to limit the risks of potential litigation with the Bank, among other things which could be disbursed under certain conditions, upon termination of the employment relationship and the office of Chief Executive Officer.

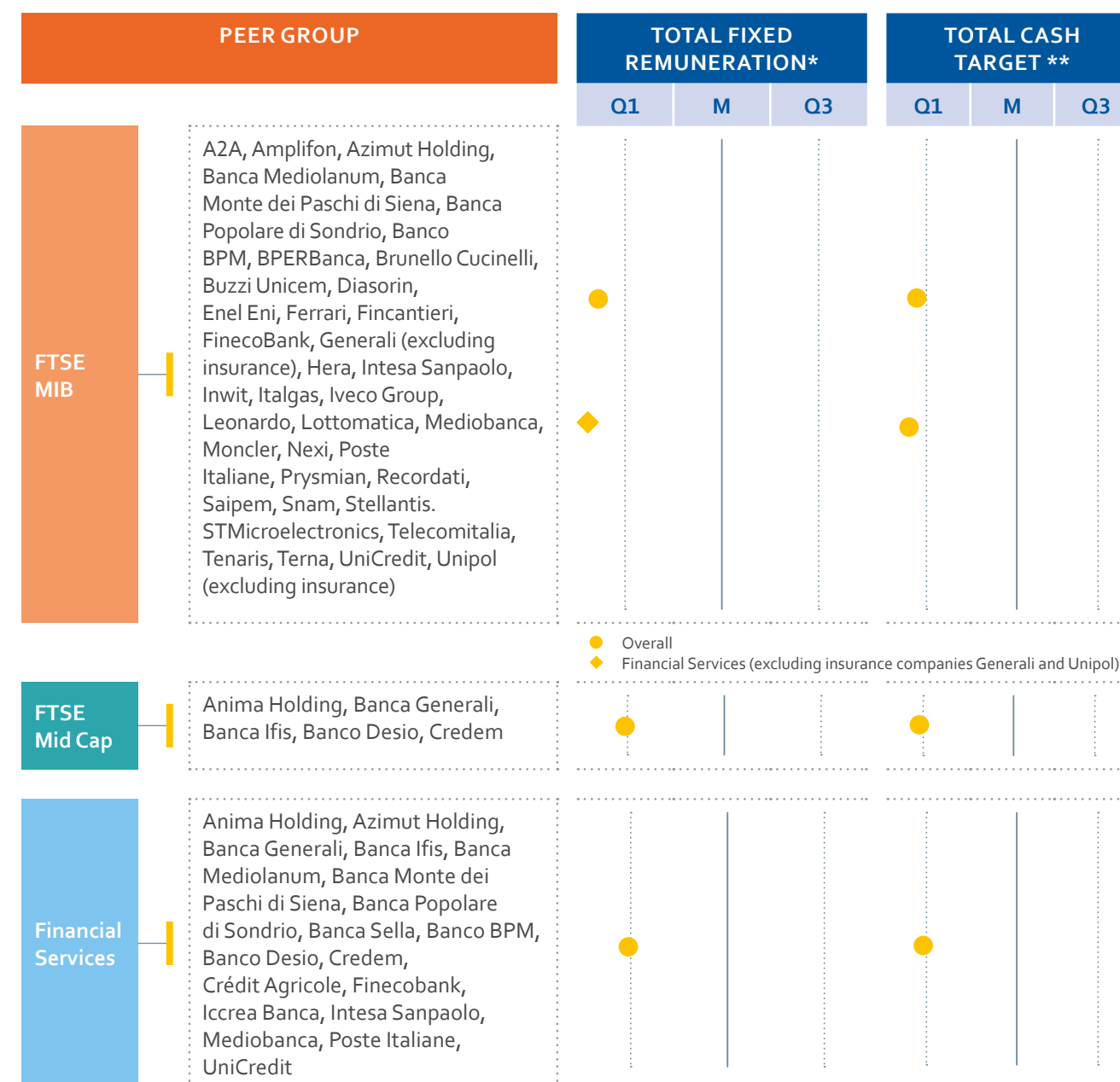
As stated, together with the new organizational structure, in the first few months of 2026 a benchmarking exercise was carried out aimed at supporting the definition of the new remuneration package. This analysis was carried out on the basis of a multi-Peer Group analysis, built according to criteria of dimensional comparability, capitalization and organizational complexity. For the purposes of the analysis, three Peer Groups were identified (in the specific case of the FTSE MIB, two cuts were analyzed: i) overall and ii) Financial Services (excluding Insurance).

The peer groups identified and built on the basis of belonging to the market indices and sectoral and dimensional comparability are as follows:

- ▶ FTSE MIB Peer Group: this group includes companies belonging to the FTSE MIB index, operating in different sectors, and makes it possible to represent the remuneration practices applied to the top management of main Italian listed companies with a high capitalization and organizational complexity. This panel is used as a reference for competitiveness, not as a direct target, in view of the different size;
- ▶ FTSE MID CAP Peer Group (Financial Services) Group: this group exclusively includes companies in the Financial Services sector belonging to the FTSE MID CAP segment comparable to BFF in terms of size and business model;

- ▶ Financial Services Overall Peer Group: this group exclusively covers companies in the Financial Services sector, including financial companies belonging to the FTSE MIB and the FTSE Mid Cap.

Below is the market remuneration positioning of the proposed remuneration package with reference to Fixed Remuneration and the Total Cash Compensation Target:



Third quartile (Q3): represents the value above which 25% of the sample falls.

Median (M): represents the value below (or above) which 50% of the sample falls.

First quartile (Q1): represents the value below which 25% of the sample falls.

* Total Fixed Remuneration: Gross Annual Salary + Fees + Allowances.

** Total Cash Compensation Target (TCT): Total Fixed Remuneration + Short-Term Incentive/Annual Bonus.

5.1. MBO

The following, with reference to the potential MBO bonus of the Chief Executive Officer and General Manager, must be interpreted in light of the fact that possible allocation is subject to the capital and regulatory conditions consistent with applicable legislation being met and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals of the competent Bodies.

Annual Variable Remuneration is awarded and the correlation between risks and performance is made through a process consistent with the risk profile defined by the Risk Appetite Framework (RAF), and with a view to business continuity and the sustainability of long-term results.

In particular, with regard to the MBO system, delivery is subject to reaching certain entry gates:

Indicator	Minimum threshold
Liquidity Coverage Ratio (LCR)	≥ risk tolerance (*)
Total Capital Ratio (TCR)	≥ risk tolerance (*)
EBTDA ^{RA} (risk-adjusted and cost of capital-adjusted profitability)	Positive
Actual EBTDA ^{RA} / Target EBTDA ^{RA}	≥ 70%

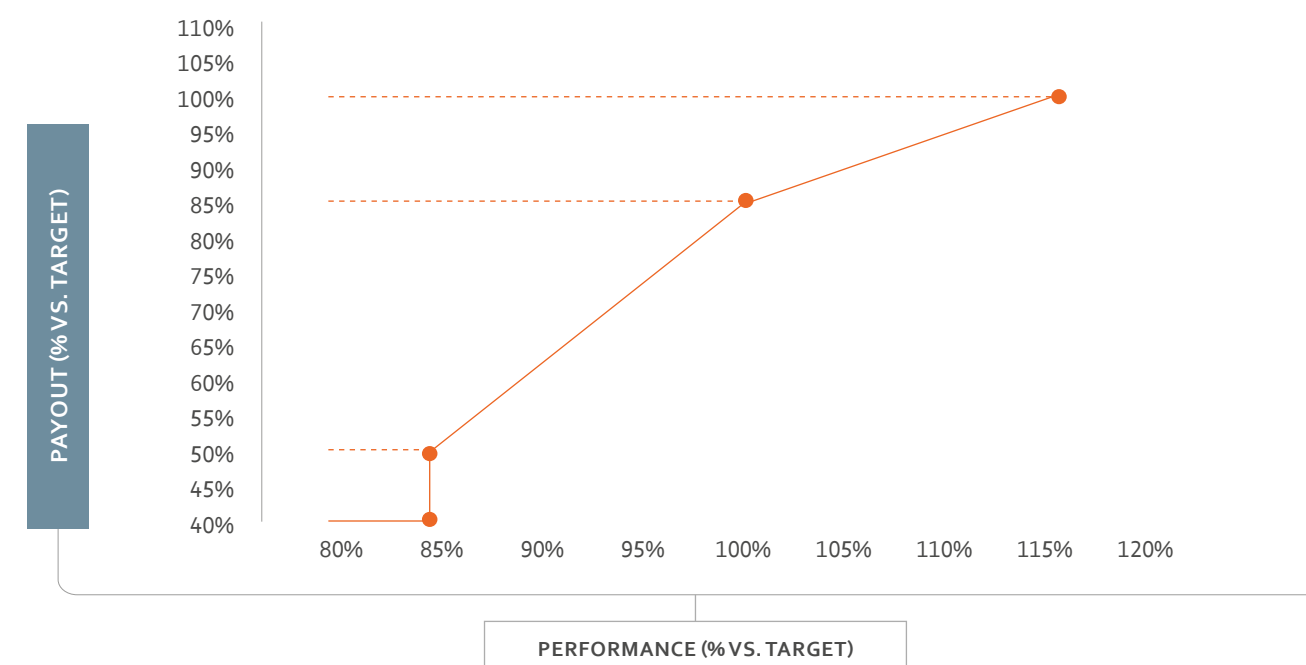
(*) Level approved by the Board of Directors, and defined in the RAF.

The 2026 MBO bonus is paid based on the level of attainment of a set of economic/financial and/or ESG objectives. In view of the aforementioned context, all objectives will be assigned as performance drivers, consistent with the Recovery Plan and with the 2026 financial targets revised in a prudential manner.

The payout values, in the case of the accrual of the bonus and conversion of drivers into objectives, would be as follows:

- ▶ minimum payout: 50% of the Gross Annual Salary;
- ▶ target payout: 85% of the Gross Annual Salary;
- ▶ maximum payout: 100% of the Gross Annual Salary.

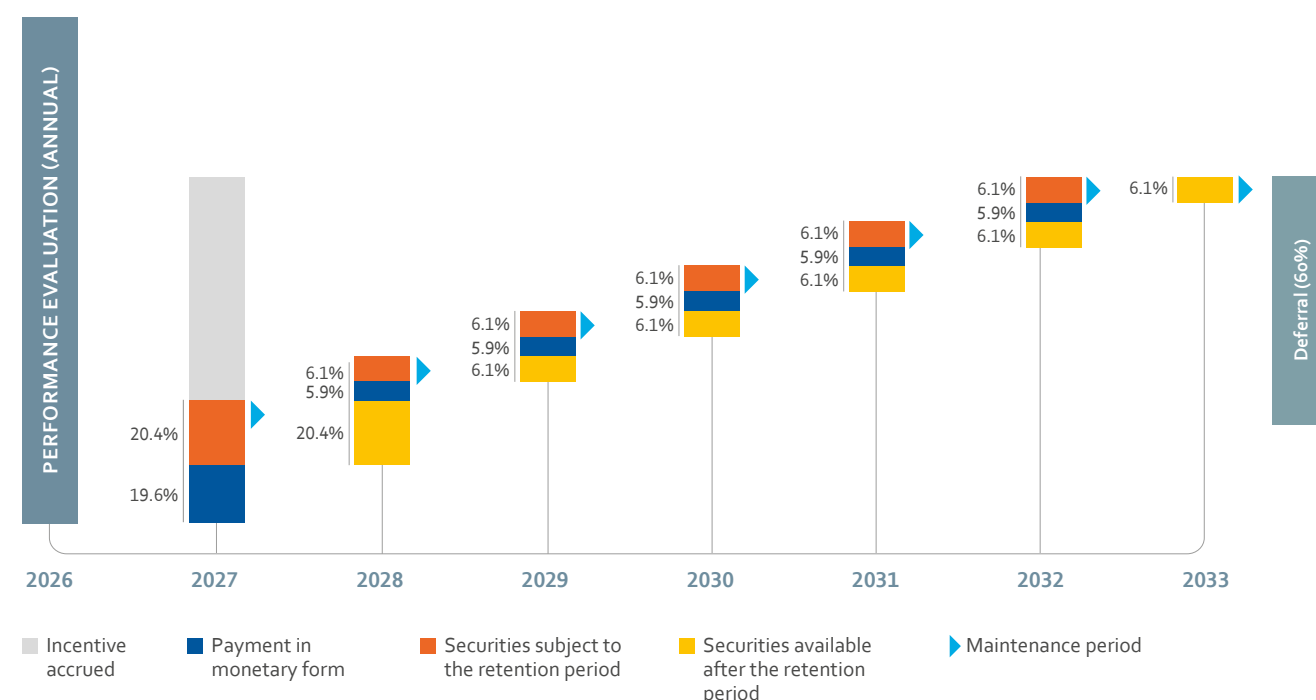
The total payout could not exceed 100% of the Annual Base Salary (net of benefits). The bonus is also subject to *Malus* and Clawback clauses, in line with the remaining perimeter of Risk Takers.



Method of payment

The Variable Remuneration of the Chief Executive Officer and General Manager is considered to be of a 'particularly high amount'⁸ for Supervisory Provision purposes, even if the MBO has accrued at the minimum level envisaged (i.e. 50% of the Fixed Remuneration). Consequently, the General Manager's MBO bonus is disbursed as follows:

- ▶ the up-front portion is settled following the approval of the Group's financial statements and is equal to 40%, while the remaining 60% is deferred in equal annual portions over 5 years, starting 12 months from the payment of the up-front portion;
- ▶ 51% of both the up-front and deferred is paid as financial instruments, subject to a retention period of one year;
- ▶ the bonus is subject to *Malus* and Clawback clauses, as provided for the remaining RiskTakers (see section 6.3 – *Ex-post* correction mechanisms (*Malus* and Clawback)).



(The graph provides an example with remuneration on a 100% basis).

5.2. Medium-long term variable system (LTI)

In compliance with the capital requirements and prudential constraints provided for by applicable legislation, in addition to the annual Fixed and Variable Remuneration (or 'MBO') described above, the General Manager participates in the 2025 long-term Incentive Plan ('2025 LTI'), approved by the Shareholders' Meeting on April 17, 2025⁹ and subject to all applicable rules on Variable Remuneration.

The system is structured in three annual tranches.

The 2025 Incentive Plan has a maximum opportunity for each beneficiary, including the General Manager, equal to 100% of the Fixed Remuneration on a *pro-rata* annual basis. In particular, the plan does not provide for any compensatory effect with other variable components and, therefore, the assessment of compliance with the maximum limit between Variable Remuneration and Fixed Remuneration (200%) is carried out *ex ante*, regardless of the actual payout achieved. In this regard, each tranche of the Incentive Plan is not counted entirely in the year of allocation, but is distributed *pro-rata* over the entire life cycle of the tranche, including the vesting period (6 years), as expressly provided for by the Supervisory Provisions. The actual allocation will be subject to a further deferral period, as indicated below, after which a further retention period of 12 months will be applied. Any allocation is conditional on the absence of conditions for implementing *Malus* or Clawback mechanisms.

5.3. Non-compete agreement

The Bank has entered into a non-compete agreement with the Chief Executive Officer and General Manager, the components of which are shown below, in accordance with the provisions of Schedule 7-bis of Annex 3A to the Issuers' Regulation¹⁰:

- ▶ **Duration:** 1 year from the termination of the employment relationship;
- ▶ **Fee:** 50% of the Annual Base Salary paid with the first pay slip following the termination of the employment relationship;
- ▶ **Penalty:** 50% of the Annual Base Salary, in addition to the obligation to return any consideration paid and without prejudice to the Bank's right to further compensation.

⁸ The amount is to be considered particularly high when above the threshold of €456,258. See section 6.2.1.3 for the definition of a 'particularly high amount'.

⁹ See the press release of April 17, 2025: "BFF Bank S.p.A. GSM approves all the resolutions, including the 2024 Financial Statements, the Remuneration Policy and the New Incentive Plans".

¹⁰ Schedule 7-bis of Annex 3A to the Issuers' Regulation: 'With reference to the members of the corporate bodies, general managers and other Executives with Strategic Responsibilities, the section contains at least the following information, to be illustrated in a clear and understandable way: (...) the policy relating to the processing envisaged in the event of termination of office or termination of the employment relationship, specifying: (...) the components for any non-compete commitments. If these fees are stated according to the year, indicate in detail the components of this year (fixed, variable, etc.);'

5.4. Golden parachutes

In order to regulate the economic aspects related to the termination of the employment relationship and to avoid the occurrence of a dispute, the Bank and the Chief Executive Officer and General Manager have agreed on a golden parachute. The golden parachute will be paid upon the occurrence of the following circumstances ('Good Leaver' hypothesis):

- ▶ dismissal without just cause pursuant to Article 2119 of the Italian Civil Code and without subjective justification pursuant to Article 2118 of the Italian Civil Code;
- ▶ dismissal for objective justification pursuant to Article 2118 of the Italian Civil Code;
- ▶ resignation for just cause pursuant to Article 2119 of the Italian Civil Code;
- ▶ resignation due to the substantial reduction of the¹¹ powers of Chief Executive Officer and/or General Manager and occurring within 30 days of the same;
- ▶ resignation due to the appointment of a Director with powers comparable to those of the Chief Executive Officer and General Manager, occurring within 30 days of the same;
- ▶ termination of the employment relationship due to death.

The golden parachute is subject to (i) the termination of the employment relationship with the Bank and any other employment relationship or office with the Bank and Subsidiaries and (ii) the stipulation of a general and novation transaction with the Chief Executive Officer and General Manager waiving, vis-à-vis the Group, action against any claim and/or right deriving from or even only caused by the employment relationship with the Bank and any other relationship with the Bank and the Subsidiaries.

The golden parachute will be quantified as follows:

- ▶ 6 months of the "Global Average Remuneration"¹² if the Good Leaver event occurs in the first 3 years from the appointment as General Manager;
- ▶ 9 monthly payments of the Global Average Remuneration if the Good Leaver event occurs after the first 3 years from the appointment as General Manager, but no later than 6 years;
- ▶ 12 monthly payments of the Global Average Remuneration if the Good Leaver event occurs more than 6 years after the appointment as General Manager.

In any case, the sum between the golden parachute and the consideration for the non-compete agreement may not exceed the lower of (i) 24 months' Fixed Remuneration of the General Manager and (ii) the maximum total amount of €1,750,000, in compliance with provisions in section 6.2.2.8.b.

The above quantification is consistent with the formula identified by the Bank for the calculation of the golden parachutes referred to in section 6.2.2.8.b below ($X = Z - K$)¹³, considering the risk of litigation in the event of unjustified dismissal of the executive, statistically increasing on the basis of the greater length of service.

The golden parachute will replace any other sum and indemnity (including the additional indemnity provided for by the CCNL (National Collective Bargaining Agreement) and excluding only any indemnity in lieu of notice and end-of-service payments such as post-employment benefits under Italian law (TFR), accrued holidays and deferred monthly payments) due for any reason in accordance with law, individual contracts or collective agreements in connection with the termination of the employment relationship.

Where due, the golden parachute will be paid as follows, in application of the rules on remuneration of a particularly high amount (see section 6.2.1.3):

- ▶ the up-front portion is equal to 40%, while the remaining 60% is deferred in equal annual portions over 5 years, starting 12 months from the payment of the up-front portion;
- ▶ 51% of both the up-front and vested portions is paid in the form of financial instruments, subject to a retention period of one year.

In addition, the golden parachute is:

- ▶ subject to *Malus* and Clawback mechanisms;
- ▶ subject, in the vesting year, to compliance with associated entry gates, compliance with equity and liquidity limits and the application of performance parameters net of risks.

¹¹ The termination of the Chief Executive Officer's powers due to not being confirmed as a member of the Bank's Board of Directors at the end of the current mandate or any subsequent mandate does not constitute 'a substantial reduction in powers' or any other 'Good Leaver' hypothesis.

¹² Global Average Remuneration' means: (A) if the Good Leaver event occurs by December 31, 2026: (Annual Base Salary + annual MBO value at target + annual benefit value) / 12; (B) if the Good Leaver event occurs from January 1, 2027 onwards: (Annual Base Salary + average of MBO bonuses received in the previous 3 years + annual benefit value) / 12; 'Fixed Remuneration', for the purposes of this formula, means: (Annual Base Salary + annual benefit value) / 12.

¹³ Z = the estimated maximum litigation risk; K = the litigation risk reduction coefficient estimated with a view to negotiating.

6. EMPLOYEE REMUNERATION STRUCTURE¹⁴

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

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

The Excluded Benefits may include one-off sums of a limited amount which is not significant, paid during the annual salary review. The payment of these amounts is duly justified and documented on the basis of quality and/or quantitative standards.

6.1. Fixed Remuneration

Fixed Remuneration (including benefits) is related to the experience and professional skills of the individuals who work in the company, also based on the roles held.

Each Group company may establish a benefits package, including flexible benefits, in accordance with local regulations.

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

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

Fixed Remuneration is determined based on certain principles consistent with the Code of Ethics and which may be summarized as follows:

- ▶ **equity**, meaning the allocation or recognition of what is due to the individual resource, in terms of professional growth, based on having the required characteristics, the roles and responsibilities covered, without any discrimination, giving everyone the same career opportunities;
- ▶ **competitiveness**, meaning an analysis of the remuneration positioning of each position with respect to specific market benchmarks;
- ▶ **meritocracy**, meaning harnessing the value of individuals based on the recognition of their merit;
- ▶ **consistency over time**, with reference to medium-/long-term objectives and the risk management policies pursued.

6.2. Variable Remuneration

Below are the elements characterizing the Variable Remuneration of Employees. The following sections, as well as the entire Policy, must be read in light of the Bank's financial situation and, in particular, its failure to comply with the combined capital reserve requirement, which currently does not allow for the allocation of new variable remuneration components.

In view of the above, given the need to incentivize and guide the performance also of employees, qualitative-quantitative performance drivers consistent with the 2026 financial targets, revised on a prudential basis, will be assigned, without this resulting in an actual allocation of the 2026 MBO bonus (or other component of Variable Remuneration) or a legitimate expectation in this regard.

These drivers are defined for management purposes only and are not currently activated for the payment of variable remuneration.

Their possible valuation for remuneration purposes remains subject to the financial and regulatory conditions consistent with applicable legislation being restored and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals by the competent Bodies.

6.2.1. General principles

Variable Remuneration is linked to various parameters consistent with the function of the specific instrument for the payment of the Variable Remuneration adopted (e.g. individual and/or the Bank's performance, period of service, alignment with the risk profile, sustainability of results in the medium to long term).

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

- i) Short-term incentive plans (MBO);
- ii) Long-term incentive plans, including stock option/LTI plans;
- iii) VAP for staff covered by the 'National Collective Bargaining Agreement for senior managers and staff of professional areas of credit, financial and vehicle companies' employed by the Bank;
- iv) Additional elements of variable remuneration, such as any retention bonuses, any discretionary pension benefits, additional MBOs, golden parachutes and other components provided for in the Policy.

Guaranteed forms of Variable Remuneration are not allowed, except in exceptional cases, for the hiring of new Staff and only for the first year of employment or office (e.g. entry bonus). These forms of guaranteed Variable Remuneration:

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

The payment of Variable Remuneration, both up-front and vested, with the exception of the golden parachutes provided for in section 6.2.2.8 (Golden Parachute), is also dependent on:

- i) the ongoing nature of the employment relationship with the Bank and/or Subsidiaries, without notice having been given, and without disciplinary proceedings - that may end with dismissal at the payment date - pending. In any case, after the three-year vesting period has ended, with the employment relationship ongoing, the beneficiary will also accrue the right to payment of the subsequent deferred instalments, regardless of the termination of the employment relationship;
- ii) compliance with economic, capital and liquidity parameters.

As regards the requirement for the employment relationship with the Bank and/or Subsidiaries to be ongoing, exceptions are possible, in special circumstances justified on a case-by-case basis (e.g. good leaver provisions), where, even if the employment relationship has ended, the Variable Remuneration in question may, in any event, be paid in whole or in part or *pro-rata temporis* depending on the time in the year when the relationship with the Bank and/or the Subsidiaries terminates. These exceptions must be approved by the Chief Executive Officer and General Manager, except for Board-managed Staff, for whom the Board of Directors is competent.

In this regard, with a view to avoiding a possible circumvention of the regulations or the Policy, the Bank ensures that the Group's Staff are not remunerated or do not receive payments or other benefits through vehicles, instruments or methods that are in any case evasive, including with regard to Subsidiaries. With reference to this, the Bank may request the Group's Risk Takers to communicate any access to custody and administration accounts with other intermediaries, and any financial transactions or investments made, which could affect the Group's risk-alignment mechanisms.

¹⁴ Regulatory References: Schedule 7-bis of Annex 3A to the Issuers' Regulation.

6.2.1.1. Ratio between Variable Remuneration and Fixed Remuneration

In accordance with the regulatory provisions in force, a maximum ratio of 2:1 between the variable and fixed components of remuneration for Risk Takers is also confirmed for 2026, as established by the Shareholders' Meeting of December 5, 2016¹⁵, in compliance with the prior disclosure procedure of the Bank of Italy.

For the Heads of the Corporate Control Functions, on the other hand, the ratio between Variable Remuneration and Fixed Remuneration must not exceed the limit of one third. This limit has been raised to 50% for the Director of the Human Resources Function and Organizational Development of the Group and for the Financial Reporting Officer, while maintaining their Variable Remuneration at a moderate level.

In compliance with current regulatory provisions, the benefits indicated in the Bank's policy for specific categories of staff, together with the fixed components of remuneration, are considered as Fixed Remuneration for the purposes of calculating the variable/fixed ratio.

The adoption of the 2:1 ratio does not compromise the Bank's ability to comply with prudential rules.

6.2.1.2. Methods of payment of Variable Remuneration¹⁶

The methods of payment of Variable Remuneration (with the exception of non-compete agreements and Incentive Plans based on Financial Instruments, which have specific characteristics, in compliance with the regulations) provide for the following:

- ▶ deferral period and bonus percentage subject to deferral;
- ▶ component in financial instruments and related retention period;
- ▶ *ex-post* correction mechanisms (*Malus* clauses, for deferred components, and Clawback clauses).

These methods differ according to the different categories of Employees, as illustrated in the next sections, and summarized in the diagram:

	CATEGORY OF EMPLOYEES	PORTION IN FINANCIAL INSTRUMENTS	DEFERRAL PERIOD DEFERRED PERCENTAGE			EX-POST ALIGNMENT MECHANISMS	
			5 YEARS 60%	4 YEARS 40%	2 YEARS 30%	MALUS CLAUSES	CLAWBACK CLAUSES
RISK TAKERS	Risk Takers belonging to Senior Management	☑	☑ (if a particularly high variable. Section 6.2.1.3)				
	Other Risk Takers			☑	☑ (if a particularly high variable. Section 6.2.1.3)	☑	☑
NON-RISK TAKERS	Employees up to employment category QD3 and for the non-Italian perimeter, Managers with a minimum target MBO of 26% of their Annual Base Salary					☑	☑ Always present
	Remaining Employees						

¹⁵ The increase in the limit from 1:1 to 2:1 approved by the Shareholders' Meeting on December 5, 2016 was confirmed by a subsequent resolution of the Shareholders' Meeting on April 5, 2018, pending the previous regulation, which did not clarify whether, after the first resolution to increase the limit, a subsequent confirmation resolution was necessary, by the Shareholders' Meeting, in following years. The update of the Supervisory Provisions of October 23, 2018 then clarified that 'if the Shareholders' Meeting approves the increase in the limit, it is not necessary to submit a new resolution to the Shareholders' Meeting in the following years, provided that the assumptions on the basis of which the increase was approved, the staff to whom it refers and the measure of the limit itself have not changed' (Supervisory Provisions, First Part, Title IV, Chapter 2, Section III).

¹⁶ Regulatory References: Supervisory Provisions, First Part, Title IV, Chapter 2, Section III.

¹⁷ Without prejudice to the provisions of section 6.2.1.3. in relation to the particularly high Variable Remuneration of the Chief Executive Officer and General Manager, responsible for the main corporate functions, and direct reports of the Board of Directors and section 6.2.1.4 for Moderate Variable Remuneration.

Deferral

Except as provided for:

- i) Particularly high Variable Remuneration (section 6.2.1.3);
- ii) Moderate Variable Remuneration (section 6.2.1.4),

in order to guarantee long-term sustainability, the payment of short-term variable remuneration (MBO) is as follows:

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

The payment rules described above also apply in the case where retention bonuses or golden parachutes are awarded, as described in section 6.2.2.5 and section 6.2.2.8. respectively.

The long-term incentive plans have deferral schemes consistent with their characteristics and the regulatory provisions.

Regardless of whether or not an individual qualifies as a Risk Taker, the deferral mechanism applies to all Employees who fall into at least one of the following categories:

- b) staff with an Italian managerial contract;
- c) staff with an employment category of at least QD3 (Level Three Middle Manager), to whom the National Collective Bargaining Agreement applies for middle managers and staff of professional areas of credit, financial and vehicle companies;
- d) staff with an employment category of at least Middle Manager, to whom the National Collective Bargaining Agreement of the Tertiary, Distribution and Services Sector applies;
- e) senior executive, executive or managerial staff (meaning levels for which the target MBO is equal to at least 26% of the Annual Base Salary), if hired outside Italy.

The foregoing is without prejudice to the provisions in section 6.2.1.4 (Moderate Variable Remuneration).

The portion of Variable Remuneration subject to deferral is governed by the Remuneration and Incentive Policy in force in the reference year of the variable component (for example, the deferred portion of the 2025 MBO is subject to the provisions of the 2025 Remuneration and Incentive Policy). The *ex-post* correction mechanism (*Malus* and Clawback clauses) is still applicable, as well as the verification of compliance with the capital, liquidity and profitability entry gates with reference to the financial statements of the year prior to the year when the deferred portion is paid.

Balance between Cash and Financial Instruments

In the case of the Variable Remuneration envisaged for Risk Takers¹⁷, 50% of both the up-front and deferred portions is paid in the form of financial instruments.

The number of financial instruments of the Bank to be allocated, for the balancing purposes indicated in this section, is determined on the basis of the value of these instruments, recorded on the last trading day prior to the allocation date. During the deferral period, and until its completion, no dividends or interest accrue on the allocated financial instruments.

Retention period

In order to align incentives with the Bank's long-term interests, the financial instruments provided for in the Policy, with reference to Risk Takers, are subject to a retention period. The retention period, both for Financial Instruments paid up-front and for those subject to deferral, is 1 year.

The regulations of the Financial Instrument Plans contain, with reference to the options and shares that may be allocated in the event of exercise, provisions aimed at ensuring compliance with regulatory provisions on retention.

During the retention period, the Financial Instruments:

- i) accrue interest and/or dividends (with the exception of stock options, whose strike price is however reduced by the amount of dividends per share paid in the retention period);
- ii) cannot be sold by the relevant beneficiary Risk Takers.

The disposal of the Financial Instruments during the retention period represents a legitimate reason for activating:

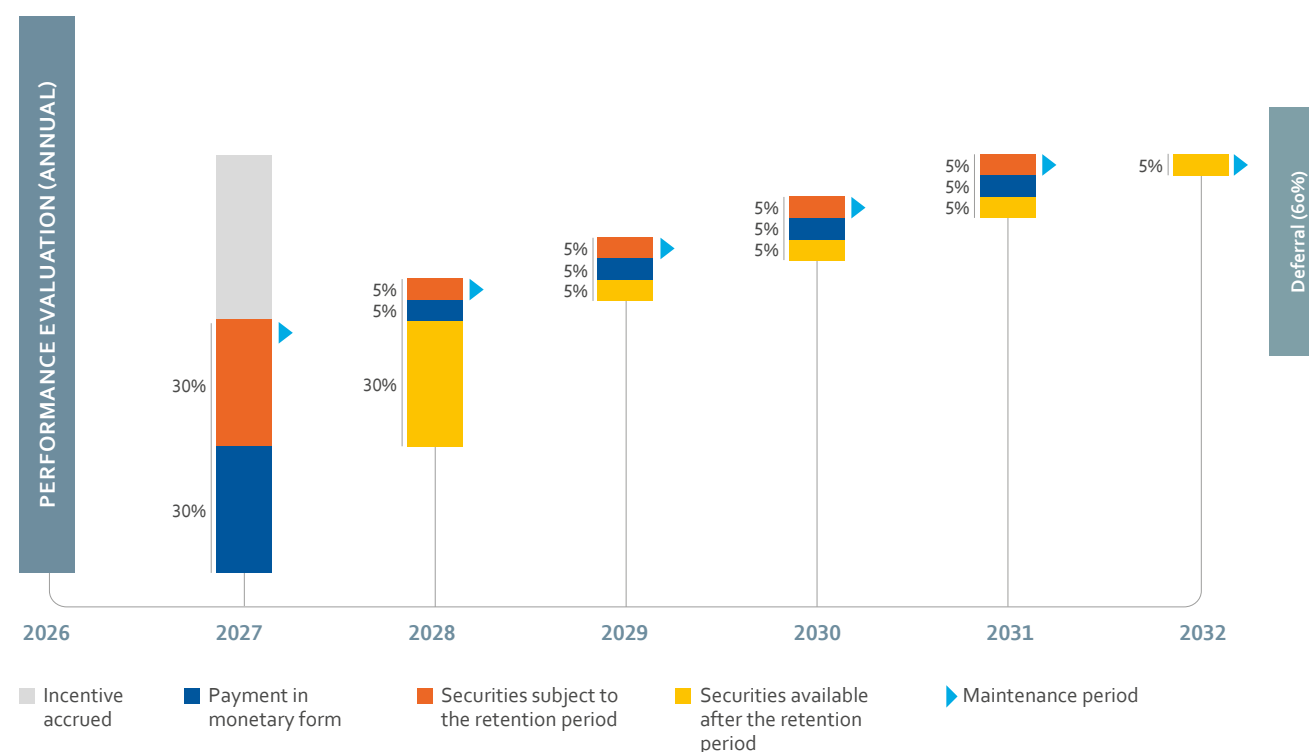
- i) the *Malus* and Clawback mechanisms described in section 6.3 below. (*Ex-post* correction mechanisms (*Malus* and Clawback));
- ii) with regard to Employees, disciplinary proceedings pursuant to Article 7, Law no. 300 of May 20, 1970 (the so-called Workers' Statute).

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

The provisions relating to *ex-post* correction mechanisms (*Malus* and Clawback), referred to in point 5.3 (*Ex-post* correction mechanisms – *Malus* and Clawback), are also applicable to the part of Variable Remuneration disbursed in the form of Financial Instruments.

Summary of the payout scheme for Risk Takers

Except as set out in the following sections (in the event of the Particularly High Variable Remuneration of Senior Management and in the event of Moderate Variable Remuneration), the payout for Risk Takers can be summarized as follows:



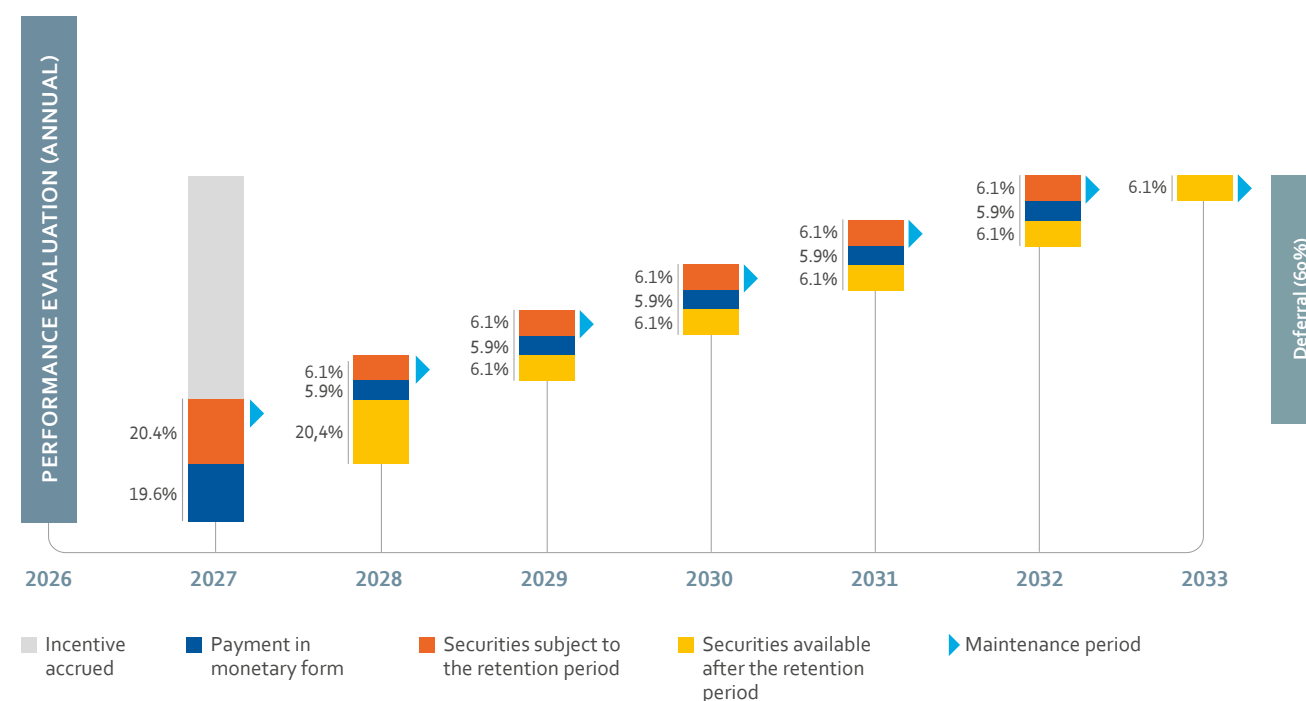
6.2.1.3. Particularly High Variable Remuneration of Senior Management

As required by the Bank of Italy Supervisory Provisions on Remuneration, the Bank has defined particularly 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. This value, according to the report published by the EBA in 2025 with reference to December 2022 data, amounts to €456,258;
- ii) 10 times the average total remuneration of the Bank's employees is €613,856.

Consequently, the variable remuneration exceeding €456,258 is considered particularly high.

If the Variable Remuneration of Senior Management is considered to be particularly high, 60% is subject to a deferral period of 5 years. In addition, in this case, 51% of the Senior Management's deferred Variable Remuneration is paid in financial instruments.



6.2.1.4. Moderate Variable Remuneration

In cases where the annual Variable Remuneration does not exceed €50,000 and does not represent more than one third of the total annual Remuneration, the bonus is subject to:

- i) A two-year deferral period (30% of Variable Remuneration) for the following categories:
 - ▶ Risk Takers;
 - ▶ Employees with a minimum employment category of QD3 (Level Three Middle Manager) and application of the 'National Collective Bargaining Agreement for managers and staff of professional areas of credit, financial and instrumental companies', regardless of their qualification as Risk Takers;
 - ▶ the remaining Employees whose target MBO is at least 26% of the Annual Base Salary.
- ii) For Risk Takers, a 50% portion in financial instruments with a retention period of 6 months.

For all matters not specifically provided for in this section, the same rules apply to Moderate Variable Remuneration as for variable remuneration, including the *ex-post* correction mechanisms (*Malus* and *Clawback*).

6.2.2. Variable Remuneration Components

Below is a description of the possible forms of Variable Remuneration that may be allocated to Staff.

6.2.2.1. Employee MBOs

In view of the above, taking into account the Bank's capital context, characterized by Total Capital Ratio (TCR) levels lower than the Overall Capital Requirement (OCR) and consequent failure to comply with the combined capital reserve requirement and given the need to incentivize and guide the performance of Employees, qualitative-quantitative performance drivers will be assigned consistent with the 2026 financial targets, without this resulting in an actual allocation of the 2026 MBO bonus (or other component of Variable Remuneration) or a legitimate expectation in this regard. These drivers are defined for management purposes only and are not currently activated for the payment of variable remuneration.

Any valuation is subject to the capital conditions being met and, in any case, in compliance with the capital conservation measures provided for by Circular 285, subject to the necessary assessments and approvals by the competent Bodies.

The Employee MBO¹⁸ is a formalized incentive system that provides for the possible payment - set at the Gross Annual Salary - of an incentive, for the attainment of company and individual qualitative-quantitative objectives. The mix between quantitative and qualitative objectives is appropriately balanced according to the roles and responsibilities of entitled Employees. The MBO provides for retention mechanisms for all Employees, namely payment which is subject to the beneficiary still being employed by the Group.

For Employees, a length of service of at least 6 months is normally required in the financial year in question, in addition to being with the Group - without there being a period of notice and without a disciplinary procedure pending which then ends with dismissal - at the time of payment of the MBO (in any case, after three years of deferral, the beneficiary will also accrue the right to payment of the subsequent deferred instalments, regardless of the termination of the employment relationship).

The MBO for Employees is based on a performance management system that pursues the objective of:

- ▶ encouraging discussion and guiding all employees to achieve the company's objectives;
- ▶ aligning organizational behaviors with company values and supporting medium-long term objectives;
- ▶ encouraging dialogue between each manager and their staff, the development of resources, teamwork, integration and cooperation among functions.

With regard to the ordinary process to manage the 'MBO' short-term incentive system management, the Human Resources and Organizational Development Function, when preparing the budget, estimates the MBO bonus pool for Staff, the amount of which is determined by a hypothesis of attaining individual and company objectives based on the mechanisms provided for by the incentive system.

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

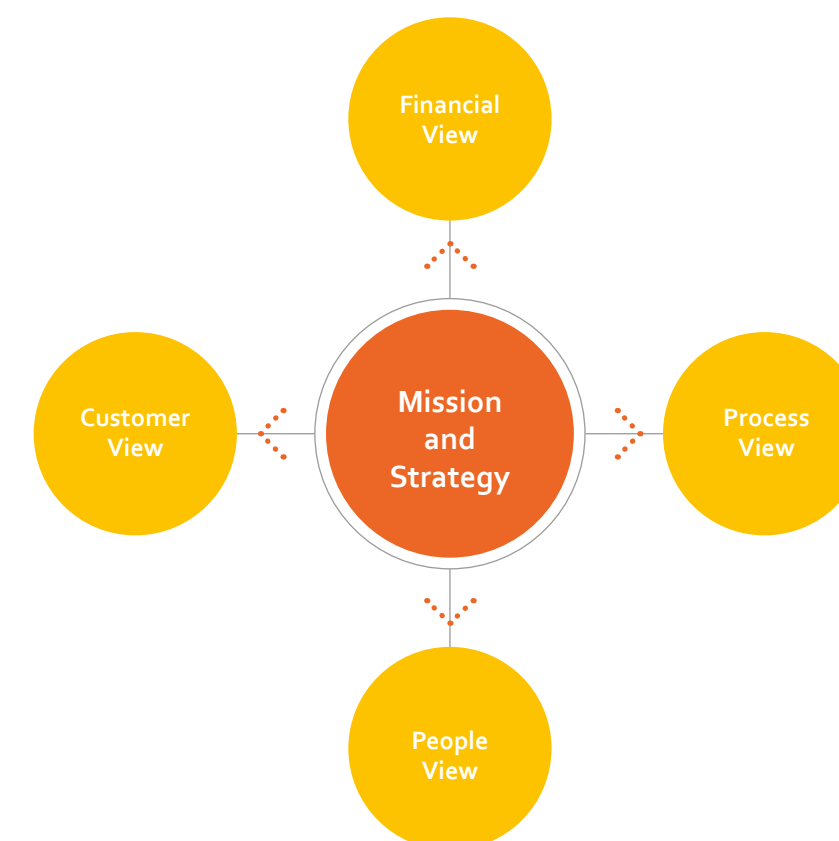
- ▶ quantitative objectives may be economic, or related to projects, process efficiency and people, and may refer to an individual, team, or organizational unit. They must also be clear, objectively observable and measurable, and - depending on the aforementioned type, directly linked to the Risk-Adjusted EBTDA and/or growth;
- ▶ the qualitative objectives are, on the other hand, linked to organizational behavior, are identified starting from corporate values and culture and are differentiated according to the role covered.

In order to facilitate strategic alignment with company objectives, the assignment of quantitative objectives is based on a structured 'cascading' process.

a) Goal Setting

By the first quarter of each year, unless otherwise indicated, based on the guidelines provided by the Chief Executive Officer and General Manager, and through a process aimed at full alignment and a broader engagement, all heads of the Organizational Units/Functions/Departments inform employees of their respective qualitative and quantitative objectives, based on which, at the end of the year (by the first quarter of the following year, and in any case after the approval of the financial statements by the Shareholders' Meeting), the individual performance will be assessed and Variable Remuneration will be determined as the MBO related to it. The objectives fall into the four areas related to the bank's strategy (economic-financial, process and project improvement, customer focus, people focus), as shown in Table 1.

TABLE 1 - GROUP PERFORMANCE MANAGEMENT MODEL



¹⁸ For the MBO of the Chief Executive Officer and General Manager, see section 5.1..

The attainment of each objective is then verified by a certifier other than the assigning person, in order to guarantee an independent verification.

In particular, MBO quantitative targets are assigned as follows:

- as regards the Senior Executives and Executives who report directly to the General Manager and the heads of the Corporate Control Functions, the objectives are discussed by them with the Chief Executive Officer and General Manager, and subsequently submitted by the latter to the approval of the Board of Directors, in compliance with provisions of regulations and this Policy;
- for the rest of the Bank's Employees, the objectives are approved by the Chief Executive Officer and General Manager;
- for the Subsidiaries' Risk Takers, the objectives are approved by the Chief Executive Officer and General Manager;
- for the rest of the Subsidiaries' Employees, the objectives are approved after consulting with the Human Resources and Organizational Development Function, based on the system of powers.

Depending on the staff's seniority, the percentage weight of quantitative and qualitative objectives changes, as shown in Table 2.

TABLE 2 - PERCENTAGE OF QUANTITATIVE AND QUALITATIVE OBJECTIVES

CATEGORIES	IMPACT %	
	QUANTITATIVE OBJECTIVES	QUALITATIVE OBJECTIVES
Senior Executive/Executive	70%	30%
Manager		
Professional/Coordinator	60%	40%
Specialist		

With particular reference to Senior Executives who are Executives with Strategic Responsibilities, the quantitative macro-objectives included in the individual scorecards with a weight of 70% are as follows:

ENTRY GATE	INDIVIDUAL PERFORMANCE	ACCELERATOR (MULTIPLIER)	
✓ Liquidity: LCR ✓ Capital Adequacy: TCR ✓ Profitability: EBTDA ^{RA}	Economic/financial objectives ✓ Group ✓ Function / Department / O.U.	✓ EBTDA ^{RA}	✓ Customers: Customer Satisfaction multiplier
	Process goals ✓ Function / Department / O.U. ✓ Individual		
	People Empowerment Goals ✓ Group ✓ Function / Department / O.U.		

Qualitative objectives, broken down into specific organizational behaviors that are linked to seniority and are therefore uniform for predefined groups, as shown in table 2 above, contribute to making the company culture stable and solid through the behaviors adopted from day to day. The behaviors are explained in the following table (Table 3).

TABLE 3 - EMPLOYEE MBO ORGANIZATIONAL BEHAVIORS

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	✓	✓

In addition, to make the evaluation of organizational behavior as objective and comparable as possible, objectives (drivers) are assigned that can help make the qualitative evaluation less discretionary.

b) Verification of the attainment of company objectives

In addition to meeting individual targets, the accrual and payment of the MBO is also conditional on exceeding 3 entry gates in the accrual year related to compliance with the indicators for (i) liquidity, (ii) capital and (iii) positive risk-adjusted and cost of capital-adjusted profitability (Risk-Adjusted EBTDA or EBTDA^{RA}).

In particular:

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

The possibility of activating *Malus*¹⁹ and Clawback mechanisms, in line with the provisions of the Policy, is not affected.

Subject to the approval of the Chief Executive Officer and General Manager, for Subsidiaries, additional entry gates related to the profitability of individual companies may be envisaged.

The profitability gate does not apply for the MBO of:

- ▶ Corporate Control Functions;
- ▶ the Financial Reporting Officer;
- ▶ the Human Resources and Organizational Development Function.

c) Application of multipliers

Once the 3 entry gates have been complied with, the MBO of the Bank's Employees is then also calculated on the basis of two different multiplier mechanisms. Specifically:

- i) a first mechanism makes the actual payment of the MBO subject to the attainment of the Group's economic objective set out in the budget for the same year adjusted for risk, as indicated in the Risk Appetite Framework, associated with compliance with capital and liquidity limits.

This objective is defined by the ratio between the Risk-Adjusted EBTDA (EBTDA^{RA}) and Target EBTDA^{RA} defined as follows:

- a) if the actual EBTDA^{RA}/Target EBTDA^{RA} result is less than 70%, the payout will be reset;

- b) if the actual ratio is between 70% and 100%, the total payout of the scorecard will be multiplied by 50% to 100% with a linear proportion for Senior Executives, Executives, and other senior managers of the Bank, as well as for the Bank's middle managers, office staff, managers, coordinators, professionals and specialists;
- c) above 100%, the ratio operates as a multiplier and can increase the MBO by up to 40% for Senior Executives, Executives and other senior managers of the Bank and up to 30% for the Bank's middle managers, officer staff, coordinator managers and professionals (excluding the Greek branch, (also "BFG"), and Portuguese branch (also "BFP").

If the EBTDA^{RA}/Target EBTDA^{RA} ratio does not meet the percentages indicated above, the payment of the MBO may in any case be allowed, in whole or in part, for all or some of the categories indicated above, subject to approval by the Board of Directors, to be adopted with the opinion of the Remuneration Committee, for Board-managed Staff and for other Staff, subject to the approval of the Chief Executive Officer and General Manager, in the case of exceptional circumstances that have prevented the percentage indicated above being reached. This approval shall be adequately justified by the significant performance of the Staff category for which the exception is requested, identifying the aforementioned circumstances, and certifying the absence of any detrimental effects on the Group's financial sustainability prospects.

The target and multiplier related to the EBTDA^{RA}/Target EBTDA^{RA} ratio do not apply to:

- ▶ Corporate Control Functions;
- ▶ the Financial Reporting Officer;
- ▶ the Human Resources and Organizational Development Function.
- i) 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 may increase the MBO by up to a maximum of 9%. This indicator:
 - a) is valid as a multiplier only in an incremental sense;
 - b) is not financial, but qualitative, while remaining measurable;
 - c) is a valid indicator of the level of sustainability over time, because it measures customer satisfaction with the service offered.

In addition, similar multipliers and entry gates, even with a local perimeter, can also be applied by Subsidiaries, and branches, including BFG and BFP, subject to approval by the Chief Executive Officer and General Manager for matters not expressly within the responsibility of the Board of Directors.

6.2.2.2. VAP

The VAP is a sum for non-executive Employees of the Bank, to whom the National Collective Bargaining Agreement for Middle Managers and Staff of the professional areas of credit, financial and vehicle companies applies in Italy. The VAP is linked to the achievement of specific performance objectives of the Bank, and can be paid in one of the following forms:

- i) in cash;
- ii) through corporate welfare goods and services on the basis of relevant supplementary agreements;
- iii) through Financial Instruments.

For beneficiary Risk Takers, the VAP is paid without deferral.

6.2.2.3. Incentive Plans based on Financial Instruments

Similarly for the 2026 variable remuneration components, taking into account the Bank's capital context, no allocation of Incentive Plans based on Financial Instruments (or other component of Variable Remuneration) is planned at present.

As already mentioned, if, during 2026, the capital conditions and the constraints provided for by applicable prudential legislation are met, the Bank may evaluate the possible activation and allocation of Incentive Plans based on financial instruments, subject to approval by the competent Bodies.

In this context, and as part of its Remuneration and Incentive Policy and in compliance with applicable regulations, the Group adopts Incentives Plans with 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 Staff integration, making them share in the company's results;
- ii) make Staff more aware about creating value for the Group and for shareholders;
- iii) increase the retention capacity (maintenance of key resources) of Staff by decreasing the inclination of valuable professionals to resign from the Group;
- iv) improve the Group's competitiveness on the labor market, making it more attractive for the best talents with the professionalism and skills suitable for the Group's needs;
- v) promote the sustainability of the Bank in the medium to long term and ensure that Variable Remuneration is based on the results actually achieved.

¹⁹ Compliance with the entry gates with reference to the year prior to the settlement of the deferred part of Variable Remuneration is a *Malus* condition for employees as indicated in point 10.2.2.2 (*Ex-post* correction mechanisms (*Malus* and Clawback)).

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

- i) is determined on the basis of the fair market value, with valuation methodologies and parameters commonly used and recognized by the financial community (the valuation is constructed using the Black-Scholes formula), proposed by the Risk Management Function and approved by the Board of Directors;
- ii) constitutes Variable Remuneration on a par with MBO, with which it contributes to determining the 2:1 limits.

The mechanism for recognizing and exercising stock option plans follows the rules of applicable legislation on long-term incentive plans, as regulated in the specific regulations to which reference is made for details.

Stock options are also subject to *ex-post* correction mechanisms (*Malus* and *Clawback*), which can lead to a reduction in the allocated stock options, or even their being reset to zero. In particular, for stock options, certain entry gates are applied during the vesting period, linked to the attainment of a positive Group profitability net of risk, and to compliance with the risk tolerance levels for capital and liquidity, respectively, with reference to the previous year with respect to the date on which the exercise of stock options becomes possible.

In particular, at the Shareholders' Meeting of April 17, 2025²⁰, the regulations of the Group's 2025 long-term incentive plan were approved²¹. This plan is for beneficiaries identified from Staff, the main provisions of which are described below:

- i) the plan consists of three tranches and allocates a maximum number of options equal to 12,000,000 (total of the maximum options that may be allocated). There are two types of options: options A, which carry the right to receive shares of the Bank and options B, which carry the right to receive phantom shares;
- ii) each tranche is subject to a deferral period with respect to the allocation date:
 - a) for non-Risk Takers, the deferral period is 3 years, after which the options can be exercised within a maximum period of 24 months;
 - b) for Risk Takers, the deferral period is 6 years. The options may be exercised as follows:
 - 70% within a maximum period of 24 months following the first 3 years of deferral;
 - 10% within a maximum period of 24 months following the first 4 years of deferral;
 - 10% within a maximum period of 24 months following the first 5 years of deferral;
 - 10% within a maximum period of 24 months following the first 6 years of deferral.

Each Exercise Period shall have a duration of 24 months from the date when the Accrued Options may be exercised, as indicated above.

iii) the exercise of options is subject to:

- a) the ongoing nature of the employment relationship with the Bank and/or Subsidiaries, without notice having being given, and without disciplinary proceedings - that may end with dismissal at the payment date - pending. In any case, after the three-year vesting period has ended, with the employment relationship ongoing, the beneficiary will also accrue the right to payment of the subsequent deferred instalments, regardless of the termination of the employment relationship;
- b) the attainment of KPIs, which also determine the number of options accrued. In particular, upon reaching the 'minimum' level, 50% of the total Options connected with the single KPI will accrue. Subsequently, with a linear growth, all the Options connected with this KPI will accrue on attainment of the 'reference' level, until finally, with a linear growth, 150% of the Options connected with the single KPI upon reaching the 'maximum' level of performance will accrue.

The allocation, subject to a further deferral with reference to Risk Takers, is conditional on the absence of *Malus* or *Clawback* clauses. Following the deferral, a further retention period of 12 months is defined at the end of which the options may be exercised.

Only Beneficiaries identified as Risk Takers and recipients of Options A are prohibited from disposing of the Shares received following the exercise of Options A during the relevant Lock-up period. The Lock-up period meets the retention requirements of the Policy.

The 2025 Incentive Plan has a maximum opportunity for each beneficiary equal to 100% of the Fixed Remuneration on a *pro-rata* annual basis. In particular, the plan does not provide for any compensatory effect with other variable components and, therefore, the assessment of compliance with the maximum limit between Variable Remuneration and Fixed Remuneration is carried out *ex ante*, regardless of the actual payout achieved. In this regard, each tranche of the Incentive Plan is not counted entirely in the year of allocation, but is distributed *pro-rata* over the entire life cycle of the tranche, including the vesting period (6 years), as expressly provided for by the Supervisory Provisions.

6.2.2.4. Collectors Bonus and Sales Bonus

For certain categories of Employees, additional forms of bonus management by objectives related to KPIs may be envisaged.

In particular, the following may be assigned:

- i) so-called Bonus Collectors, which reflect the achievement of collection targets for ancillary charges, as well as control of further parameters determined from time to time (Past Due, Calendar Provisioning, Capital Rescheduling and LPI Rescheduling). The beneficiaries of Bonus Collectors are debtor management staff based on specific strategic and business reasons;

- ii) so-called Sales Bonuses, which are intended to support the achievement of the Bank's commercial and financial/capital objectives, taking into account the actual needs of customers and in line with their risk profile. Beneficiaries of the Sales Bonus are Relevant Personnel. This component of Variable Remuneration is specifically governed by the Remuneration Policy applicable to Relevant Personnel for transparency purposes, as well as to Complaints Handling Staff and Creditworthiness Assessment Staff.

In line with the provisions of this Policy, during 2026, qualitative-quantitative performance drivers consistent with the Bank's targets may be defined and communicated, for management and guidance purposes only. These drivers do not in any way determine the allocation of Variable Remuneration components, nor the accrual of rights, payment obligations or legitimate expectations on the part of the beneficiaries.

Any recognition of the Collectors Bonus and the Sales Bonus remains in any case subject to the joint occurrence of the following conditions:

- i) the attainment of annual company and individual qualitative-quantitative objectives, the latter distributed quarterly, but, in any case, assessed as part of the annual performance;
- ii) compliance with the 3 company entry gates envisaged for the incentive systems for Employees, related to the indicators for (i) liquidity, (ii) capital and (iii) positive risk-adjusted and cost of capital-adjusted profitability (Risk-Adjusted EBTDA or EBTDA^{RA});
- iii) the actual possibility of the Bank to proceed with the allocation of variable remuneration in compliance with the capital conditions and the constraints provided for by applicable prudential legislation;
- iv) the possible activation of *Malus* and *Clawback* mechanisms provided for by the Policy.

With reference to Sales Bonuses, any recognition is also subject to:

- i) the level of achievement of the Target EBTDA^{RA}, according to the thresholds set for the payment of the MBO for Employees, based on the classification of beneficiaries (point C of Section 6.2.2.1. – Application of multipliers);
- ii) the attainment of a specific indicator (KPI) relating to Customer satisfaction, which is only met if the percentage or value set annually by the Chief Executive Officer and General Manager is reached, also entitled to any exceptions.

Both the Collectors Bonus and the Sales Bonus, if activated, may reach a maximum of 100% of the Gross Annual Salary and, added to any other management by objectives bonus, contribute to determining the ratio between Variable Remuneration and Fixed Remuneration for the purposes of the 2:1 limit.

²⁰ See the press release of April 17, 2025: "BFF Bank S.p.A. GSM approves all the resolutions, including the 2024 Financial Statements, the Remuneration Policy and the New Incentive Plans".

²¹ The details of the 2025 Incentive Plan are described in the disclosure available on the Bank's website, drawn up pursuant to Article 84-bis of the Consob regulation adopted by order 11971 of May 14, 1999 as amended.

6.2.2.5. Retention Bonus

Forms of Variable Remuneration linked to Staff being in office at 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 guarantee the stability of the relationship. In particular, when assessing the allocation of a retention bonus, the Group companies – in accordance with EBA guidelines (EBA/GL/2021/04) – assess:

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

Retention bonuses, if awarded, are paid at the end of the period or if the event occurs, 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 paid as a retention bonus may be calculated in equal shares in each year of the period of employment (so-called linear *pro-rata*), or as a single amount in the year in which the condition of employment is met.

6.2.2.6. Free allocation of Bank shares to Employees

In the event that the Shareholders' Meeting resolves on a specific free capital increase, or assigns specific power 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 allocate shares of the same to Employees free of charge within the limits referred to in Article 51, paragraph 2, letter g) of the Consolidated Law on Income Tax (TUIR).

6.2.2.7. Discretionary pension benefits

To date, there are no discretionary pension benefits for Staff, and the Bank has no plans to use these instruments. However, the Group companies, subject to the approval of the Board of Directors, for Board-managed Staff, and the approval of the Chief Executive Officer and General Manager, for other Staff, may allocate discretionary pension benefits, as defined and provided for in 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 complied with.

6.2.2.8. Golden parachutes

The golden parachutes are approved by the Board of Directors for Board-managed Staff, and by the Chief Executive Officer for other Staff. The following are golden parachutes²²:

- the amounts recognized under a non-competition agreement;
- the amounts paid under an agreement for the settlement of a current or potential dispute, including relating to (or with a view to) the termination of employment or office, regardless of how the agreement takes place;
- the indemnity for failure to give notice, in excess of the amount established by law.

a) Non-compete agreements

Group companies may enter into non-compete agreements with the aim of limiting the initiative of Staff, who may compete with the Group's activity, after the termination of their relationship with the Group.

Unlike other forms of Variable Remuneration, the amounts paid as a consideration for non-compete agreements are subject to the limits set for Variable Remuneration, including the *ex-post* correction mechanisms indicated in the Policy, only for the portion exceeding 100% of the Fixed Remuneration of the last year of employment or office, within applicable regulatory limits.

The consideration for the non-compete agreement is payable after termination of employment or office with the relevant Group company. For Risk Takers, the portion of the annual consideration exceeding the last year of Fixed Remuneration is included in the calculation of the limit on the ratio of Variable Remuneration to Fixed Remuneration.

b) Amounts paid under an agreement for the settlement of a current or potential dispute

The amounts agreed in view of or on early termination of the employment relationship or for the early termination of office constitute Variable Remuneration.

The Board of Directors, for Board-managed Staff, and the General Manager, for remaining Risk Takers, may determine golden parachutes in the event of early termination of the employment relationship or termination of office and/or within the framework of an agreement between the Bank and Staff, regardless of the place where the agreement is reached, for the settlement of a current or potential dispute concerning remuneration-related claims, in compliance with the conditions provided for by current regulations and the criteria indicated below.

Any amounts paid for the settlement of disputes that do not concern remuneration-related claims (for example: non-pecuniary damages such as biological, existential and moral damages) are excluded from the concept of the "golden parachute"²³.

Golden parachutes constitute Variable Remuneration and:

- comply with the following formula:
 $X = (Z - K)$
Where
 Z = the estimated maximum litigation risk;
 K = the litigation risk reduction coefficient estimated with a view to negotiating.
The foregoing is without prejudice to the right of the Board of Directors, for Board-managed Staff, and of the Chief Executive Officer and General Manager, for remaining Staff, to quantify the golden parachute on the basis of criteria other than the above formulas. In such cases, any golden parachute will be included in the calculation of the 2:1 limit on the ratio between Variable Remuneration and Fixed Remuneration.
- In any case, when added to the consideration for any non-compete agreements, the limit of 24 months of Fixed Remuneration (including benefits) referring to the last year of the relationship or, in the event of a permanent employment relationship, to the year when the dispute is settled, and, in any case, €1,750,000, may not be exceeded²⁴. The amounts paid in fulfilment of legal obligations (e.g. severance pay, indemnity in lieu of notice) or on the occasion of judicial settlements and/or settlement agreements not exclusively concerning the termination of employment or office are excluded from the calculation of the aforementioned limits;
- they are not included in the calculation of the 2:1 limit on the ratio between Variable Remuneration and Fixed Remuneration approved by the shareholders' resolution of 5 December 2016 in the event that they are calculated on the basis of the formula under i)²⁵;
- they are linked to the performance achieved and the risks undertaken by the person and the Bank, and are agreed in compliance with the criteria set by the Shareholders' Meeting;
- they are subject to a 50%-50% balance between cash and Financial Instruments (51% financial instruments in the event of particularly high Variable Remuneration);
- they are subject to a one-year retention period for the part paid in Financial Instruments;
- a share of 40% (60% in the case of particularly high Variable Remuneration) is subject to a deferral period of four years (five years in the case of the particularly high Variable Remuneration of Senior Management) on a *pro-rata* basis;
- they are subject to the *ex-post* correction mechanisms (i.e. *Malus* and *Clawback*) provided for by the Policy.

The aforementioned limits, with the exception of being subject to *ex-post* correction mechanisms, may not be applied in the specific hypotheses expressly provided for by the Supervisory Provisions.

²² 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 golden parachutes within the common meaning of the word (i.e. amounts paid in the context of an agreement for the settlement of a current or potential dispute, regardless of how the agreement takes place), but also include fees for non-compete agreements and an indemnity for failure to give notice, for the part that may exceed the amount established by law.

²³ The caps indicated in this section for golden parachutes may therefore not apply in the event that the settlement agreement does not exclusively concern the termination of employment or office.

²⁴ The formula for defining golden parachutes and the maximum limits of 24 months' Fixed Remuneration (including benefits) and €1,750,000 are approved by the shareholders' meeting, as provided for in the Supervisory Provisions, Part One, Title IV, Chapter 2, Section II, Paragraph 1.

²⁵ The indication of a predefined formula (i.e. the formulas under point i) enables the Bank to exclude these amounts from the 2:1 limit, as provided for 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 party whose relationship is ending or has just ended. On the other hand, it places a maximum limit on the amounts payable on the interruption of the relationship, in line with market practice.

c) Advance notice allowance for the amount exceeding the legal limit

The treatment applied in the event of termination of the employment relationship, if provided for by applicable law, is that indicated by relevant national category agreements and/or by the law governing the relationship. The Bank may provide for agreements to extend the notice period for retention purposes. In this case, if the Bank waives the notice period, the portion of the agreed allowance exceeding the amount calculated pursuant to the collective agreement applied and law (Article 2121 of the Italian Civil Code), constitutes Variable Remuneration, and as such is subject to all related limits (accrual period, qualitative-quantitative criteria, 2:1 limit, balancing, deferral, retention, ex post correction mechanisms).

6.2.2.9. Additional Elements of Variable Remuneration

The Bank may provide for additional components of Variable Remuneration for all or part of the Staff, within the limits of the Policy and in accordance with regulations in force from time to time, including retention bonuses, long-term incentive plans, any quarterly incentives for sales or similar, one-off extraordinary entry bonuses, in order to encourage talent acquisition (payable only once in the entire relationship, and not subject to the rules on the structure of Variable Remuneration if disbursed as a single payment at the time of hiring).

These components will always be allocated within the limits of the variable/fixed remuneration ratio provided for in this Policy (section 6.2.1.1. – Ratio between Variable Remuneration and Fixed Remuneration).

6.3. Ex-post correction mechanisms (*Malus* and Clawback clauses)

Variable Remuneration, including golden parachutes, is subject to *ex-post* correction mechanisms (*Malus* and Clawback), which may lead to an even significant reduction in the variable component or to it being reset to zero. Correction mechanisms must be identified within the limits permitted by law and by the collective agreements applicable to employment relationships, suitable to reflect performance levels net of risks actually assumed or achieved and capital levels, as well as to take into account individual behaviors. Assisted by company functions (see Annex 3, Role of the Company Functions - Procedure for activating *Malus* or Clawback mechanisms), the Board of Directors of the Parent Company checks the conditions for the activation of *ex-post* correction mechanisms with reference to Board-managed Staff, and decides on their application according to the procedures set out in the Policy. For remaining Staff, the Chief Executive Officer and General Manager is responsible, relying on the support of the competent company functions and, where necessary, the corporate boards of the Subsidiaries.

For the purposes of paying deferred Variable Remuneration, using any other legal and contractual basis, the application of a certain gate linked to the attainment of a positive Group profitability net of risk, associated with compliance with the levels of risk tolerance for capital (TCR) and liquidity (LCR) as defined in the RAF in force at the end of the year preceding the payment of the deferred Variable Remuneration (the '*Malus*' condition) is envisaged during the period when the payment right accrues.

Recognition of the variable part of Remuneration ceases or, if already paid, its return may be requested, following the activation of the *Malus* and Clawback clauses provided for by the procedure indicated in Annex 3. These clauses may be activated if it is ascertained that the component of Variable Remuneration in question has been determined on the basis of data that have subsequently been found to be manifestly incorrect and/or in the presence of individual behaviors of the person concerned, adopted within the scope of the Group's activity and/or in any case of the person's professional activity, attributable to one or more of the following hypotheses (the '*Clawback*' conditions):

- i) behaviors that result in a significant loss for the Group, the Bank or its Subsidiaries or customers;
- ii) breach of the obligations referred to in Article 26 of the Consolidated Law on Banking for persons belonging to the category of Staff performing administrative, management and control functions;
- iii) breach of the obligations in Article 53(4) and following of the Consolidated Law on Banking by the parties indicated therein, with regard to the Group undertaking activities-at-risk with individuals who may exercise, directly or indirectly, an influence on the management of the Bank or the Group, as well as the parties associated with them, as well as in situations of conflict of interest and/or in breach of the conditions and limits identified by the Bank of Italy pursuant to the aforementioned Article 53 of the Consolidated Law on Banking;

- iv) breach of the obligations and provisions referred to in the Supervisory Provisions (Section III, undue receipt of remuneration, breach of the retention period);
- v) a specific behavior committed with willful misconduct or gross negligence, which has caused pecuniary or non-pecuniary damage, including damage to the Group's image, the Bank or the Group's companies, even if not entirely quantifiable, including, but not limited to:
 - a) a breach of confidentiality and non-compete obligations during the contractual relationship with the Bank;
 - b) a breach of any post-contractual obligations of confidentiality and non-competition, such as non-compete agreements also pursuant to Articles 2125 of the Italian Civil Code;
- vi) a breach, with willful misconduct or gross negligence, of the obligations under Italian Legislative Decree no. 231/2001 or the Code of Ethics;
- vii) fraudulent conduct or other conduct carried out with intent or gross negligence to the detriment of the Group, the Bank, customers or Group companies.

If a Clawback condition occurs, the Board of Directors (for Board-managed staff) and the Chief Executive Officer and General Manager (for remaining staff) may consider activating a Clawback clause. In this case, the Variable Remuneration may be partially reduced, rather than entirely resetting it, justifying this decision. The amount may be deducted and offset against Remuneration and/or end-of-office payments of the beneficiary.

Where the return of a part of variable remuneration already received by the beneficiary is problematic, making it difficult to quantify, or where collection from the beneficiary is costly and not immediate, the payment of a sum commensurate with the amount of the variable remuneration subject to the Clawback or the value of the benefit attributed may be requested, without prejudice to any claims for further damages. The amount determined in this way may be deducted and offset against remuneration and/or end-of-office payments of the beneficiary.

For the adoption of *Malus* and Clawback mechanisms, the time when the Bank ascertains the fact to activate the mechanisms applies, with the procedure indicated in Annex 3 (Role of the Company Functions - Procedure for activating *Malus* and Clawback mechanisms).

In addition to compensation for any damage, from the moment the Clawback conditions are ascertained, the Bank and other Group companies have the right to obtain the return of all or part of the Variable Remuneration already paid, being able to exercise this right within five years of each payment or allocation.

In addition, the termination of the employment relationship and/or the termination of office does not prevent the activation of Clawback mechanisms, which in any case take into account the relevant legal, social security payment and tax profiles, and the time limits provided for by locally applicable regulations.

With reference to Incentive Plans based on Financial Instruments, if the Internal Audit function at the request of the Board of Directors, for Board-managed staff, and of the Chief Executive Officer and General Manager, for remaining Staff, ascertains one or more *Malus* conditions before the vesting date, the Board of Directors and the Chief Executive Officer and General Manager, respectively, may cancel all or part of the options (or the different financial instruments) allocated and not yet accrued.

As regards Stock Option Plans, options accrued and not yet exercised may be subject to Clawback by the Board of Directors and the Chief Executive Officer and General Manager for Staff under their responsibility if the relevant conditions are ascertained by the Internal Audit Function after the vesting date and before the exercise of the accrued options.

If a Clawback condition is established after the exercise of the options, the beneficiary may be required, within applicable limits, to pay the Bank a sum equal to the value of the options as determined at the time of allocation, without prejudice to the right of the Bank to claim compensation for any further damage, at the request of the Board of Directors and the Chief Executive Officer and General Manager for the Staff under their responsibility.

6.4. Share Ownership Guidelines

In 2024, the Board of Directors, on the proposal of the Remuneration Committee, introduced guidelines on share ownership for the Chief Executive Officer and General Manager and for Executives with Strategic Responsibilities (the '**Recipients**') with the aim of promoting the alignment of Recipients' interests with those of all stakeholders that are relevant to the Group over the long term. In particular, Recipients must maintain, from 2029 onwards (or, if later, from the fifth year after becoming Recipients), a number of Bank shares whose value is at least equal to 50% of their Annual Base Salary, subject to the actual receipt of financial instruments as a consideration of variable remuneration.

These levels must be maintained throughout the term of office and/or employment with the Bank or with 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 allocated to them ('hedging').

7. OBLIGATIONS ON DISCLOSURE AND COMMUNICATION TO THE BANK OF ITALY

For the purposes of public disclosure, as required by the Supervisory Provisions that incorporate the provisions of Article 450 of the CRR²⁶, among other information provided, the Bank publishes on its website, as part of the document 'Pillar III - Public Disclosure:

- i) information on the link between pay and performance;
- ii) the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, the deferral policies and vesting criteria;
- iii) aggregate quantitative information on Remuneration, broken down by lines of activity;
- iv) aggregate quantitative information on Remuneration, broken down by senior management and staff members whose actions have a significant impact on the Group's risk profile;
- v) the number of persons that receive remuneration of €1 million or more per year, for Remuneration between €1 million and €5 million divided into payment bands of €500,000, and for Remuneration equal to or greater than €5 million divided into payment bands of €1 million.

The same information made available to the public is provided, at least annually, to the Shareholders' Meeting.

In addition, the Bank, as Parent Company, sends the Bank of Italy, through the 'INFOSTAT' platform, the following information, consistent with the provisions of the EBA guidelines 2022/06 and 2022/08:

- i) on an annual basis:
 - ▶ by 15 June of each year, the information required by Annexes I and II of the EBA guidelines 2022/08, with reference to the Group's so-called high earners, i.e. individuals whose total remuneration is equal to €1 million on an annual basis;
 - ▶ by 31 August of each year, the information on trends and remuneration practices contained in tables REM1, REM2, REM3, REM4 and REM5 of Implementing Regulation (EU) 2021/637 and in Annexes I, II and III of the EBA guidelines 2022/06, the Bank being included in the survey sample for benchmarking purposes of the Bank of Italy, in implementation of the EBA guidelines²⁷.
- ii) every two years, starting from 2023, by 15 June of the year of recognition, the information on the relationships between the variable component and fixed component of the remuneration of Risk Takers exceeding 100% as provided for in Annex V of the EBA guidelines 2022/06;
- iii) every three years, starting from 2025, by 15 June of the year of recognition, information on the gender pay gap as provided for in Annex IV of the EBA guidelines 2022/06.

²⁶ Regulation (EU) No 575/013 of 26 June 2013.

²⁷ Banking groups with consolidated assets in excess of €40 billion are subject to recognition requirements for benchmarking purposes, as are banks and banking groups with balance sheet assets in excess of €5 billion for national supervisory purposes. The balance sheet assets that determine the obligation to send information are those resulting at the end of the previous financial year to which the reporting data refer.

8. ANNEXES TO THE POLICY

Annex 1: DEFINITIONS

Senior Management	Executive directors, general managers, co-general managers and deputy general managers; individuals responsible for the main business areas, company functions or geographical areas; individuals reporting directly to the Board of Directors and/or the Chief Executive Officer and General Manager.
Bank, Parent Company	BFF Bank S.p.A., parent company of the BFF Banking Group.
Excluded Benefits	Economic benefits excluded from the concept of Remuneration, as they (i) are of marginal value, (ii) are non-discretionary, (iii) come under the general policy of the Bank, and (iv) have no effect on the Bank's risk profile. These conditions must exist together for an Excluded Benefit to be identified.
Collectors Bonus	Form of short-term variable remuneration based on objectives, belonging to the category of MBO (Management By Objectives) bonuses for Staff in charge of debt collection from debtors.
Sales Bonus	Variable remuneration, other than the MBO, for the attainment of annual company and individual qualitative-quantitative objectives, the latter distributed quarterly, but, in any case, assessed as part of annual performance. This bonus is governed by the Remuneration Policy for Relevant Personnel, Staff in charge of Claims Processing and Staff in charge of Creditworthiness Assessment.
Clawback	The full or partial return of Variable Remuneration already received.
Corporate Governance Code	The Corporate Governance Code of listed companies approved by the Corporate Governance Committee established by Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni) on 31 January 2020.
Code of Ethics	The code of ethics adopted by the Group.
Executives with Strategic Responsibilities	Executives with Strategic Responsibilities, according to IAS 24, are persons who have the power and responsibility, directly or indirectly, for the planning, direction and control of the company's activities and whose remuneration is disclosed - in aggregate form - in section II of the report on remuneration and remuneration paid.
Supervisory Provisions	Bank of Italy Circular no. 285 of 17 December 2013 as amended, the 'Supervisory Provisions for Banks'.
Performance Driver	Quantitative and/or qualitative indicators used to measure individual, organizational unit or Group performance.
Risk-Adjusted EBTDA (EBTDA^{RA})	This indicates the Group EBTDA adjusted on the basis of a correction mechanism that takes into account the risks assumed, consistent with the capital targets defined in the RAF determined based on the strategic plan/ budget approved by the Board of Directors according to the following formula: $EBTDA^{RA} = EBTDA - (RWA^M * TCR\ Target * Ke)^{28}$. The calculation of the EBTDA ^{RA} includes the cost of short-term variable remuneration, assuming the attainment of the target KPIs in order to ensure full comparability between strategic planning and what is actually achieved.
Executive	The heads of structured or high-level professional profile organizational units that report to the Chief Executive Officer and General Manager or Senior Executives, who contribute significantly and with broad ranging autonomy to the achievement of the objectives of the structure they belong to, or who provide qualified support/advice for the company's top management and the rest of the organization. These may be in the Risk Takers category. Executives are identified by a specific resolution of the Board of Directors.
BFF Group or Group	The BFF Banking Group.
2022 Incentive Plan	The Group's incentive plan based on stock options approved by the Shareholders' Meeting of March 31, 2022 ²⁹ .
2025 Incentive Plan	The Group's incentive plan based on stock options approved by the Shareholders' Meeting of April 17, 2025.
Look Back Period	This term indicates, in relation to the allocation of each tranche of Options, the accrual period corresponding to the year prior to the Allocation Date (e.g. the calendar year prior to the First Year, for the first tranche of Options to be allocated in the First Year) with respect to which the individual performance of the Beneficiary and of the Bank is assessed.
Malus	The reduction in or loss of the right to payment of the Variable Remuneration, not yet received.
MBO	The short-term incentive system of the Chief Executive Officer and General Manager and Employees, for the payment of an annual incentive based on the Gross Annual Salary.
Transparency Regulations	The Bank of Italy's 'Provisions on the transparency of financial transactions and services. Correct conduct between intermediaries and customers' of March 19, 2019.
Staff or Employees	The members of the bodies responsible for strategic oversight, management and control, employees and other staff of the Group.

²⁸ Whereas:

EBTDA: profit from earnings before tax (Line Item 290) excluding net impairment losses on tangible assets (Line Item 210), net impairment losses on intangible assets (Item 220) and income statement items that are offset by corresponding changes in equity (e.g. foreign exchange loss and costs related to stock option plans). This accounting item is also considered by including or excluding any extraordinary accounting items provided for in the budget (for example, in the case of extraordinary transactions) and/or unexpected items generated by the Bank or the Group that cannot be foreseen in the budget. The above takes place 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 RWAs at the end of the month, calculated by the Planning, Administration and Control Department on the basis of monthly accounting closures and by replicating the mandatory prudential final data for quarterly supervisory reporting;

TCR Target: in the absence of instruments that are eligible for the purpose of calculating Own Funds, this consists of 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. In the case of instruments that are eligible for the purpose of calculating Own Funds, the TCR Target value to be applied in the formula is equal to the difference between the RAF's Risk Appetite and the percentage these instruments account for on the Group's TCR Target);

Ke: cost of the Group's own capital, defined as 10%.

²⁹ See the press release of March 31, 2022: "Ordinary Shareholders' Meeting of BFF Bank S.p.A.".

Board-managed Staff	Staff whose remuneration and incentive systems, annual targets and related assessment are defined by the Board of Directors, and namely: i) the Chief Executive Officer and General Manager; ii) Directors with special offices; iii) the Group's Senior Executives; iv) Executives who report directly to the Chief Executive Officer and General Manager; v) the Heads of the Group's Corporate Control Functions.
2016 Stock Option Plan	The stock option plan originally approved by the Shareholders' Meeting on December 5, 2016, and subsequent updates, with the last allocation in 2019.
2020 Stock Option Plan	The stock option plan approved by the Shareholders' Meeting of April 12, 2020.
Stock Option Plans	The 2020 Stock Option Plan and the 2022 Incentive Plan and the 2025 Incentive Plan are considered together.
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's companies.
Policy	The Remuneration and Incentive Policy for the members of the Strategic Oversight, Management and Control Bodies, and the Staff of the BFF Banking Group.
Remuneration Policy for Relevant Personnel, Staff in charge of Claims Processing and Staff in charge of Creditworthiness Assessment	The Remuneration and Incentive Policy in favor of the Relevant Personnel of the BFF Banking Group and staff in charge of claims processing and in charge of creditworthiness assessment, defined in accordance with the Transparency Regulations, 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 11971/1999.
Remuneration	Any form of payment or benefit paid, including any ancillary components (so-called allowances), directly or indirectly, in cash, financial instruments or services or goods in kind (fringe benefits), in exchange for the work or professional services rendered by Staff to the Bank or to other Group companies, with the exception of Excluded Benefits.
Gross Annual Salary	The fixed component of staff remuneration, expressed on an annual basis and gross of tax and social security payments borne by the employee, including the basic remuneration and any fixed and continuous elements recognized at the time of employment. The Gross Annual Salary does not include any form of variable remuneration, one-off rewards, incentives, financial instruments, or benefits of a non-fixed nature.
Fixed Remuneration	Remuneration that is stable and irrevocable, determined and paid on the basis of pre-established and non-discretionary criteria – such as, in particular, levels of professional experience and responsibility – that do not create incentives to take risks and do not depend on the Bank's performance.
Total Remuneration	The sum of Annual Fixed Remuneration, annual benefits, and the maximum MBO value payable for the relevant year.
Global Average Remuneration	A definition used exclusively for the quantification of the golden parachute of the General Manager. It means: (A) if the Good Leaver event occurs by December 31, 2026: (Annual Base Salary + annual MBO value at target + annual benefit value) / 12; (B) if the Good Leaver event occurs from January 1, 2027 onwards: (Annual Base Salary + average of MBO bonuses received in the previous 3 years + annual benefit value) / 12; 'Fixed Remuneration' means: (Annual Base Salary + annual benefit value) / 12.
Variable Remuneration	i) The Remuneration of which recognition or payment may be modified in relation to performance, regardless of how it is measured (income targets, volumes, etc.), or of other parameters (e.g. duration of office), excluding the end-of-service package/post-employment benefits established by general legislation on employment relationships and allowance in lieu of notice, when their amount is determined in accordance with the provisions of the law, and within the limits provided therein. ii) Discretionary pension benefits and amounts agreed between the Bank and Staff in view of or on early termination of the employment relationship or early termination of office, regardless of the title, legal qualification and economic reason for which they are recognized. These amounts include those recognized by way of a non-compete agreement or as part of an agreement for the settlement of a current or potential dispute, regardless of how the agreement takes place. iii) Carried interests, 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 may not be unequivocally classified as Fixed Remuneration, with the exception of Excluded Benefits.
Risk Takers	Persons whose professional activity has or may have a significant impact on the Group's risk profile, as identified according to the criteria set out in Chapter 2 of the Policy.
Moderate Variable Remuneration	Annual Variable Remuneration which does not exceed €50,000 and does not represent more than one third of the total annual Remuneration.
Particularly High Variable Remuneration	Variable remuneration exceeding €456,258.
Senior Executive	Central Managers or Vice Presidents (VP) who report directly to the Chief Executive Officer and General Manager, contribute in a decisive way to the achievement of the Group's strategic objectives, are among the Risk Takers, and generally manage significant budgets for human and/or financial resources, within the framework of formal authority and powers of attorney. Senior Executives are identified by a specific resolution of the Board of Directors.
Share Ownership guidelines	Guidelines adopted by the Bank to regulate the minimum ownership of Bank shares by certain senior positions, in order to strengthen the medium-/long-term alignment between the interests of management and those of shareholders.
Subsidiaries	The companies that are part of the Group, excluding the Bank.
Relevant personnel	Staff who offer products or services to customers, interacting directly with them, as well as staff to whom such personnel report hierarchically, as defined in the Bank of Italy's provisions of July 29, 2009, as subsequently amended, on the 'Transparency of banking and financial operations and services'.
Sustainable Success	The objective that guides the action of the Board of Directors which is based on the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders that are material for the Group.
Target EBTDA^{RA}	The level of EBTDA ^{RA} as expected and calculated from the annual budget approved by the Board of Directors for the relevant year.
VAP	Company bonus provided for by the National Collective Bargaining Agreement for managerial staff and staff in professional areas, employees of credit, financial and vehicle companies.

Annex 2: REGULATORY CONTEXT OF THE POLICY

The Policy applies to all Bank Staff, and for the purposes of applying the requirements of the Supervisory Provisions, the Bank falls into the category of listed bank other than banks of a smaller size or operational complexity, having average balance sheet assets of more than €5 billion in the four years prior to 2023.

The report on the remuneration policy of the BFF Group was defined in accordance with:

1. the **Supervisory Provisions**³⁰ of the Bank of Italy on remuneration and incentive policies issued on October 23, 2018, as amended, which set out structured regulations for banks and banking groups on remuneration practices and policies;
2. the **Issuers' Regulation**, recently amended by Consob, implementing Directive 2017/828/EC ('SHRD II'), with Resolution no. 21623 of December 10, 2020. These changes also concerned Schedule 7-bis of Annex 3A of the aforementioned Regulation, which prescribes the content of the remuneration policies of listed companies;
3. the **Corporate Governance Code**. As the Supervisory Provisions on Remuneration define overall more stringent limits than the corresponding provisions of the Corporate Governance Code, to which the Bank adheres, the Supervisory Provisions on Remuneration apply, which incorporate and replace the provisions of the Code of Conduct on remuneration practices and policies, including the provisions on the retention of shares allocated as part of remuneration plans, which tend to encourage the alignment of beneficiaries with the interests of shareholders over the long term. In this regard, it should be noted that the Corporate Governance Code requires share-based remuneration plans for executive directors and top management to have a main part of the plan with an overall vesting period of at least five years. The Bank does not apply the above provision on share ownership, but applies the rules of the Supervisory Provisions instead, as overall they are more stringent than the corresponding provisions of the Corporate Governance Code. In particular, 50% of the Variable Remuneration of Risk Takers is paid in financial instruments, 40% is subject to a deferral period of at least 4 years and additional retention 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 diversity criteria, for the composition of the Board of Directors, in compliance with the priority objective of ensuring the adequate skills and professionalism of its members;
4. the **Transparency Regulations**. In this regard, the Bank's Board of Directors approved a Group Remuneration Policy for Relevant Personnel, Staff in charge of Claims Processing and Staff in charge of Creditworthiness Assessment. At national level, the framework was supplemented during 2019 by the recent amendment to the Bank of Italy's order of July 29, 2009 on the 'Transparency of banking and financial transactions and services', which introduced some provisions on the remuneration policies that intermediaries must adopt in relation to 'staff and third-party sales network operators'. To implement these provisions, the Bank draws up a Policy for so-called 'Relevant Personnel', subject to approval by the Board of Directors.

Reference is also made to the enactment of Legislative Decree no. 49 of 10 May 2019, which amended Article 123-ter of the Consolidated Law on Finance, transposing Directive 2017/828/EC ('SHRD II') as regards the encouragement of long-term shareholder engagement, which provides for 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 the latter, on the other hand, most of these provisions overlap with those of the Supervisory Provisions (for example, the principle of alignment with long-term interests, the inclusion in the Report of the remuneration policy also in relation to the control bodies, the binding vote of the shareholders' meeting for the approval of the Remuneration and Incentive Policy).

At European level, the regulatory framework consists of:

- ▶ the Capital Requirements Directive V (CRD V) which sets out specific principles and criteria that banks must adhere to in order to:
 - i) ensure the correct development and implementation of remuneration systems;
 - ii) effectively manage possible conflicts of interest;
 - iii) ensure that the remuneration system appropriately takes into account current and forward-looking risks, the degree of capitalization and the liquidity levels of each intermediary;
 - iv) increase the degree of transparency towards the market;
 - v) ensure that there is no gender discrimination among Staff; or strengthen the level of harmonization among Member States;
 - vi) ensure greater clarity and transparency in the application of the principle of proportionality.
- ▶ EBA Guidelines - GL 2021/04 of 2 July 2021, which provide guidelines and clarifications in accordance with CRD V.

³⁰ See Circular 285, Section One, Title IV, Chapter 2.

Annex 3: ROLE OF COMPANY FUNCTIONS

Corporate Control Functions

The Corporate Control Functions, each according to their respective responsibilities, ensure the Policy's adequacy and compliance with current regulations.

The Compliance & AML Function ensures the company's reward system is consistent with applicable legislation, the Articles of Association and any codes of ethics or other standards of conduct adopted by the Bank. As part of the above, the AML & Compliance Function operates in such a way that the legal and reputational risks inherent above all in customer relations are assessed and limited, and notifies the Chief Executive Officer and General Manager, the Remuneration Committee as well as, in the context of periodic reports, the Board of Directors and the Board of Statutory Auditors. The Shareholders' Meeting shall be informed of these results by the Board of Directors.

The AML & Compliance Department also ensures that the Subsidiaries implement the Policy correctly and in full, assessing any further limits imposed by local legislation. In the event of a possible conflict with local legislation, the AML & Compliance Function gives an opinion to the Chief Executive Officer and General Manager on the resolution of the conflict regarding regulations, and identifies operational solutions capable of correctly implementing the Policy.

The Risk Management Function, based on the accounting evidence provided by the Finance and Administration Department, verifies the achievement of the entry gates to Variable Remuneration, including the results of the EBTDA^{RA}, and the consistency of the incentive system with risk management methods.

The Internal Audit Function verifies, at least annually, the compliance of Remuneration practices with the Remuneration and Incentive Policy, in particular, on the basis of the audit plan, developed with a risk-based logic. The results of the audits conducted are brought to the attention of the Board of Directors and the Shareholders' Meeting. The Internal Audit Function also works with the Human Resources and Organizational Development Function in activating *Malus* and Clawback mechanisms, carrying out necessary reviews and analyses at the request of the Human Resources and Organizational Development Function, or the Chief Executive Officer and General Manager, to ascertain the facts that may lead to the activation of *Malus* and Clawback mechanisms.

Financial Reporting Officer

The Financial Reporting Officer provides the accounting data necessary to verify objectives and, where provided for in his or her activity plan, verifies the performance management process for the payment of Variable Remuneration, referred to in section 6.2.2.1 (MBO of Employees).

Human Resources and Organizational Development Function

The Human Resources and Organizational Development Function:

- i) applies the provisions of the Policy by putting them into practice, in operational terms, within the limits provided for by the role and powers conferred;
- ii) ensures the correct application of the criteria and parameters of the remuneration and incentive system within the Group;
- iii) carries out benchmarking against a panel of banks comparable to the Bank in terms of business and size, both domestic and foreign, which may vary according to the subject under consideration. This analysis is conducted in order to determine:
 - a) proposals for the revision of the Policy;
 - b) the review of the remuneration and incentive system in terms of 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 Controls and Risks Committee;
- vi) monitors regulatory developments in labor law and regulations on the remuneration system;
- vii) submits the draft update of the Policy to the Remuneration Committee;
- viii) collects proposals for the Policy formulated by the Remuneration Committee and the Chief Executive Officer and General Manager for the approval of the Board of Directors, accompanied by a specific opinion of the AML & Compliance Function;
- ix) starts the process to verify *Malus* and Clawback conditions, assisted by the Internal Audit Function for appropriate assessments.

The roles in the following processes are described below:

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

Process for verifying the achievement of individual

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

- i) Group Planning and Control Unit, if of an economic nature;
- ii) Strategy and Projects Unit, if of a design nature.

However, the certification process may involve additional company functions that may be responsible for verifying quantitative objectives relevant to the reference function. In any case, the owner of the certification usually differs from the individual assessed, to guarantee objectivity in the assessment. Apart from quantitative economic and design objectives, other types of objectives may be assigned, which are then verified and certified by the Functional Manager of the OU of the individual staff and approved by the Chief Executive Officer and General Manager. Individual quality objectives are linked to organizational behavior and are assessed directly by the manager of the individual function concerned according to a granular assessment scale. In order to make the assessment of the qualitative objectives as objective as possible, quantitative annual drivers relating to the performance of the OU or Function or Department to which they belong are identified, whose overall results support the assessment of the individual's organizational behavior in achieving the identified driver. These drivers make it possible to support with more precision the assessment of individual performance in relation to concrete objectives that are considered important for the function they belong to, from year to year.

Procedure for activating *Malus* or Clawback mechanisms

Malus or Clawback mechanisms are activated following the procedure summarized below.

The Internal Audit Function, at the request of the Board of Directors, for Board-managed Staff, and of the Chief Executive Officer and General Manager, for remaining Staff, carries out necessary analyses to ascertain the facts that may lead to *Malus* or Clawback clauses being activated. The analyses are carried out by the Head of the Internal Audit Function, assisted by his or her own function to carry out the initial stage of analyzing information.

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

If the conditions are met, before activating the *Malus* or Clawback mechanisms:

- i) in the case of an employee, disciplinary proceedings are initiated pursuant to Article 7, Law no. 300/1970 and the applicable collective agreement. With the notice that the disciplinary proceeding has been completed (or in a separate notice), the party in question is informed of the activation of the *Malus* or Clawback mechanisms;
- ii) the following procedure is activated in relation to a person that has a non-employee working relationship, or in relation to persons who no longer have any relationship with the Bank:
 - a) the facts that are assumed to be suitable for activating the *Malus* or Clawback mechanisms must be notified in writing to the interested party, who is guaranteed the right to provide his/her defense in writing within a reasonable time and in proportion to the complexity of the contested facts, in any case not less than 5 calendar days;
 - b) once the interested party has been heard in his/her defense (or after the deadline has elapsed without the interested party having submitted his/her defense), the Chief Executive Officer and General Manager, keeping the Board of Directors (or the Board of Directors for Board-managed Staff) informed, may proceed with any measures.

The reasoned decision must be communicated to the interested party in writing. A measure that refers to the facts committed, that identifies the rules that are assumed to be violated and the reasons why the defense of the interested party cannot be accepted is considered justified.



SUMMARY

SECTION I

SECTION II

SECTION II



IMPLEMENTATION OF THE REMUNERATION AND INCENTIVE POLICY DURING THE YEAR 2025

1. INTRODUCTION

This section of the Report provides information on the implementation of the 2025 Remuneration Policy (the 'Policy'), during 2025, also in light of the feedback 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 17, 2025, which voted in favor. This section consists of two parts.

The first part contains:

- i) a summary of the main results reached by the Bank in 2025 with the aim of illustrating the relationship between the incentives paid and the performance achieved, in compliance with the pay-for-performance principle that characterizes the Group's remuneration policy, while respecting principles of prudence and sustainability;
- ii) general information on the implementation of the 2025 Policy, including the monitoring of gender neutrality, which is focused on in particular, and the assessments provided by the Group's control functions, for areas under their responsibility;
- iii) a representation of the items that make up Remuneration (including the packages in the event of termination of office or termination of employment) of the persons indicated above, in accordance with the 2025 Policy;
- iv) the implementation of the reference incentive policy, including the conditions necessary to activate the variable remuneration systems (entry gates), and a specific section referred to Massimiliano Belingheri, in his capacity as former Chief Executive Officer in office during the year 2025.

The second part contains:

- ▶ The analytical representation of the individual components of remuneration, according to the table formats in the Issuers' Regulation. In particular, disclosure is provided:
 - on members of the corporate bodies (by name), and on Massimiliano Belingheri, as the former Chief Executive Officer in office in 2025;
 - in aggregate form, for Executives with Strategic Responsibilities, as none of them received a higher Remuneration than the former Chief Executive Officer, Massimiliano Belingheri¹.
- ▶ the disclosure required by Article 450 of the CRR regarding the application of the 2025 Remuneration Policy².

For an illustration of how the Bank took into account the vote expressed by the Shareholders' Meeting the previous year pursuant to Article 123-ter, paragraph 4, letter B-bis) of the Consolidated Law on Finance, please refer to Section I - Shareholders' vote and main changes made.

This Section is consistent with the 2025 Remuneration and Incentive Policy and takes into account the inspection report delivered to the Bank on April 29, 2024 with which the Supervisory Authority required the Bank to refrain from "deciding or implementing the payment of Variable Remuneration". These measures remained in force until November 2, 2025, the date when the Board of Directors acknowledged the lifting of the restrictions. In accordance with the indications in the Policy, up to that date the Bank had not assigned or disbursed variable components in favor of Staff, without prejudice to the payment for items due for years prior to 2024.

With reference to the annual incentive system (MBO) for 2025, in the first few months of the year, the Bank and the Subsidiaries proceeded to define and allocate qualitative-quantitative performance drivers, in line with the provisions of the 2025 Policy. These drivers were assigned for purely management and guidance purposes and, at this stage, did not constitute an assignment of variable remuneration or give rise to any legitimate expectation in this regard.

Following the lifting of the ban by the Supervisory Authority, the Bank verified the conditions provided for by the Policy and, as these were met, assigned the 2025 MBO bonus, setting the previously defined drivers.

Similarly, once the bans had been lifted, the Bank allocated the first tranche of options of the 2025 Incentive Plan and the Employee Stock Grant Plan was implemented, both approved by the Shareholders' Meeting of April 17, 2025, as better described in section 2.5.1 below ("Employee Stock Grant Plan") and 2.5.2 ("2025 Incentive Plan").

The payments described in this Section were therefore disbursed in compliance with the limitations imposed by the Bank of Italy.

¹ The applicable regulatory report framework (Article 123-ter of the Consolidated Law on Finance and Schedule 7-bis of Annex 3A to the Issuers' Regulation) requires disclosure, on an individual basis, of:
a. the remuneration of the members of the corporate bodies;
b. the remuneration of any other Executives with Strategic Responsibilities who received, during the year, total remuneration (including both cash-based and financial instrument-based components) higher than the highest remuneration granted to the individuals referred to under point (a), which, in the case of BFF Bank, corresponds to the former CEO.

² COMMISSION IMPLEMENTING REGULATION (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013.

2. PART ONE

2.1. Main results for 2025

The results for the 2025 financial year, illustrated below, take into account the changes made to the financial statements and the effects of the initiatives adopted following the Order of the Bank of Italy announced on March 29, 2026, as stated in the press release of April 30, 2026³:

- ▶ Adjusted Net Profit for 2025 amounted to €139.1 million, showing a decrease of 3% compared to the previous year, while net accounting profit was €37.0 million, mainly reflecting the incidence of non-recurring components and de-risking initiatives implemented;
- ▶ The Bank's CET1 ratio is 9.94% compared to the related Overall Capital Requirement (OCR) of 9.80%, while the Total Capital Ratio is 12.31%, compared to an overall OCR requirement of 13.30%, resulting in non-compliance with the combined capital reserve requirement. In this context, the Board of Directors of the Bank presented a capital conservation plan to the Regulator and activated the Recovery Plan in order to ensure greater oversight and effectiveness of the Bank's remedial actions;
- ▶ The Board of Directors also updated the financial targets for 2026, forecasting an Adjusted Net Profit in the range between €115-140 million;
- ▶ The deposits of the Transaction Services division increased by 15% on an annual basis, contributing to the strengthening of the funding structure.

In a challenging year such as 2025, with the results of financial position and performance affected by the strengthening initiatives adopted by the Bank, the decisions relating to Staff remuneration and incentives were taken from a pay-for-performance perspective, and at the same time respecting principles of prudence and sustainability.

In particular, these results meant that the access conditions ("entry gates") set out in the 2025 Remuneration Policy, with specific reference to the Group's capital indicator (Total Capital Ratio) were not met.

Failure to meet these conditions impacted all the Bank's variable remuneration systems, affecting both the short-term variable component referring to 2025 (2025 MBO) and the deferred components accrued in the previous years of which payment was planned in 2026, as well as long-term incentive plans based on financial instruments.

The related effects are described in the following sections.

2.2. General information on the implementation of the 2025 Policy

During 2025, Fixed Remuneration was paid to the directors and Employees, in accordance with the provisions of the 2025 Policy, individual contractual agreements and in compliance with the applicable Collective Bargaining Agreements.

Due to the lifting of the ban ordered by the Bank of Italy, in 2025 the 2024 MBO bonus for Employees was disbursed, already duly accounted for. On the other hand, no amount was paid as an MBO 2024 bonus to the former Chief Executive Officer, Massimiliano Belingheri, who voluntarily and unconditionally waived this payment.

Compliance with the ratio between Fixed Remuneration and Variable Remuneration indicated in the 2025 Policy was verified, taking into account the gross annual value of all elements of Fixed Remuneration, including Benefits, and the variable component accrued in the year. In accordance with the provisions of Bank of Italy Circular 285/2013, compliance with the maximum limits of the Variable Remuneration to Fixed Remuneration ratio of 2:1 for Risk Takers and for the former Chief Executive Officer, the limit of 1:3 for Heads of Corporate Control Functions and the limit of 1:2 for Equivalent Functions was verified.

The Group uses Financial Instruments to provide Risk Takers with a share of at least 50% of Variable Remuneration, both for the upfront part and for the deferred part.

For Risk Takers, the shares and deferral periods, as well as the shares and retention periods of the Financial Instruments were applied to all accrued Variable Remuneration items, in line with the relevant Remuneration and Incentive Policy.

With reference to the variable component relating to the 2025 financial year, it should be noted that, following the failure to meet the access conditions ("entry gates") envisaged in the Remuneration Policy, no variable remuneration component was paid during the year, including that relating to previous years payable in 2026.

It should be noted that, the trade union agreement on the corporate bonus (VAP)⁴, referring to the 2025 financial year and for non-executive Employees of the Bank on the national collective labor agreement applicable in Italy, was duly signed.

Failure to comply with the entry gates to access variable remuneration envisaged in the Bank's 2025 remuneration policy would ordinarily preclude the accrual of the VAP, as a 2025 variable component. However, the 2025 remuneration policy provides for the possibility to depart from the rules of the policy, including the entry gates, only in the presence of "exceptional circumstances", understood as cases in which the departure "is necessary for the purposes of the pursuit of the long-term interests and sustainability of the Company as a whole or to ensure its ability to remain on the market" (section 1.2, note 3, of the Bank's 2025 Remuneration and Incentive Policy).

In this context, considering that the non payment of the VAP could negatively affect the level of engagement and organizational stability of the company, with possible repercussions on operational effectiveness, the Bank is considering the possibility of a waiver, even if only partial, from the gate rule with reference only to the 2025 VAP. This is also in light of (i) the recipients of the bonus, given that the VAP is intended for the non-executive population, which includes only one Risk Taker; (ii) the amount of the bonus, which will not have a significant impact on the Bank's capital conditions and was already fully set aside in the results for 2025 FY approved by the Board of Directors on April 30, 2026; (iii) its prudential sustainability, given that the payment is in any case subject to approval of the financial statements and compliance with the combined capital reserve requirement or the existence of adequate capacity in terms of the Maximum Distributable Amount (MDA) pursuant to Circular 285/2013 of the Bank of Italy.

In any case, any implementation of the aforementioned derogation would be specifically described in the first report on remuneration subsequent to its approval, with an indication of the exceptional circumstances that would justify it and the authorization process followed.

In 2025, the use of long-term incentive plans continued. For information pursuant to Article 114-bis of the Consolidated Law on Finance (TUF) relating to plans based on Financial Instruments active during the year, please refer to sections 2.5.2 (2025 Incentive Plan) and 2.5.3 (2022 Incentive Plan) of this Report.

In addition, during the reporting period, no discretionary pension benefits were provided and/or allocated (i.e. no pension benefits were provided in addition to the plans provided for by the National Bargaining Agreements and by law).

In accordance with the provisions of the Issuers' Regulation, the Parent Company provides information on the annual change in the total remuneration of each of the members of the Board of Directors, the Bank's results and the average Gross Annual Salary, measured for the Group's full-time employees, other than members of the corporate bodies and the Chief Executive Officer. In this regard, please refer to Tables 2 and 3 in section 2.10.

³ See the press release of April 30, 2026: "BFF approves the Parent Company draft Annual Report and the consolidated Financial Statements as of 31st December 2025".

⁴ The Results Bonus (VAP) is subject to the achievement of specific performance objectives of the Bank and is paid in accordance with the payment methods provided for by current legislation and applicable company agreements. The VAP may be disbursed, alternatively or cumulatively, in cash, through company welfare goods and services, within the limits and in the manner governed by relevant supplementary agreements, or through financial instruments. With reference to Risk Takers, the VAP is paid in full and without applying deferral mechanisms.

2.3. Final Balance of 2025 Short-Term Variable Remuneration

Under the Remuneration Policy, the short-term variable component - both the upfront portion and the deferred portion - is paid if the **three Group entry gates are reached**, as shown below:

- i) the Group liquidity indicator, represented by 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 at the closing date of the relevant reporting year;
- ii) the Group capital indicator, represented by 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 at the closing date of the relevant reporting year and, in any case, in compliance with the requirements set out by the supervisory regulations on remuneration;
- iii) the Group profitability indicator adopted as the **gate** corresponds to a **positive Risk-Adjusted EBTDA** (EBTDA^{RA}).

At its meeting on May 11, 2026, the Board of Directors verified the attainment of the aforementioned indicators, ascertaining:

- compliance with liquidity and profitability requirements;
- failure to reach the Total Capital Ratio (TCR), with respect to the risk tolerance threshold.

Considering the failure to meet this access condition, no component of variable remuneration, either upfront or as the deferred portion, was accrued and payable. The aforementioned access condition applies without distinction to all staff, employees and non-employees of the Bank, including Massimiliano Belingheri in a capacity as the former Chief Executive Officer.

Failure to pass the capital gate (TCR) is a sufficient condition to exclude the payment of the 2025 variable components. In this context, the additional conditions provided for in the 2025 Policy for certain specific categories of Staff – with the exception of the Corporate Control Functions, the Financial Reporting Officer and the Human Resources and Organizational Development Function – are not relevant and, therefore, do not apply.

For the sake of completeness and despite not being applicable in this case, evidence is provided below of the payout adjustment mechanism (the **multiplier**) provided for by the Policy, linked to the Group's risk-adjusted economic objective (EBTDA^{RA}), which operates exclusively as a result of passing the Group's entry gates.

The indicator is defined as follows:

$$\text{Actual 2025 EBTDA}^{\text{RA}} / \text{Target 2025 EBTDA}^{\text{RA}}$$

For 2025, this ratio is **equal to 66.25%, therefore below the minimum threshold of 70%**. As a result, **the multiplier is not activated** and, for the staff categories it would apply to, **the payout of the MBO would be reset**.

In any case, it is clear that this mechanism does not produce effects in the present case, since the failure to pass the capital gate already determines the absence of the conditions for the accrual of the variable remuneration.

2.4. Implementation of the reference Remuneration and Incentive Policy in 2025

2.4.1. Remuneration of strategic oversight, management and control bodies

The Gross Annual Salary approved by the Shareholders' Meeting of April 18, 2024, for Directors, and by the Board of Directors, in a meeting held on the same date, for Directors with particular offices and for members of the Committees is indicated below:

Table 1

OFFICE	REMUNERATION
Director	60,000 €
Chair of the Board of Directors	270,000 €
Former Chief Executive Officer (Massimiliano Belingheri)	1,300,000 €
Chair of the Control and Risks Committee	35,000 €
Member of the Control and Risks Committee	20,000 €
Chair of the Remuneration Committee	20,000 €
Member of the Remuneration Committee	10,000 €
Chair of the Appointments Committee	20,000 €
Member of the Appointments Committee	10,000 €
Chair of the Related Party Transactions Committee	10,000 €
Member of the Related Party Transactions Committee	4,000 €

For the specifications of the former Chief Executive Officer, please refer to section 2.4.1.4.

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

During 2025, the following remuneration items were paid to the non-executive members of the Board of Directors (parameterized for their actual period in office)⁵:

- i) a fixed fee for the office of director, equal to €60,000 gross⁶;
- ii) additional fixed remuneration for Committee Chairs and Committee members of a maximum annual cumulative amount of €55,000 gross;
- iii) for the Chair of the Board of Directors, additional remuneration under paragraph 3 of Article 2389 of the Italian Civil Code, of €270,000 gross per year.

No Variable Remuneration was paid to the non-executive directors. No agreements on packages in the event of termination of office or variable components of remuneration are envisaged for members of the Board of Directors.

⁵ Defined within the overall amount approved by the Shareholders' Meeting of April 18, 2024.

⁶ One of the members receives additional remuneration of €84,000 gross for the position of AML Officer.

2.4.1.2. Remuneration of the members of the Board of Statutory Auditors

During the 2025 financial year, the members of the Board of Statutory Auditors were paid the remuneration due for their appointment, approved by the Shareholders' Meeting of March 25, 2021 and confirmed by the same on April 18, 2024, equal to:

- i) fixed remuneration for the office of Standing Auditor, equal to €65,000 gross;
- ii) fixed remuneration for the Chair of the Board of Statutory Auditors, equal to €85,000 gross;

The Remuneration of members of the Board of Statutory Auditors is consistent with the Group's Remuneration and Incentive Policy, since, among other things:

- i) it is in line with the pursuit of the Group's long-term objectives;
- ii) no variable component was paid to the Statutory Auditors⁷.

2.4.1.3. Remuneration of members of the Supervisory Body

With regard to the Supervisory Body, two members are not Bank Employees, while one member is an employee.

For external members, the following fixed annual remuneration was paid, calculated *pro-rata temporis* based on the actual duration of the position:

- ▶ The first external member: received a fixed annual remuneration of €20,000, paid for the entire period from January 1, 2025 to December 31, 2025;
- ▶ The second external member:
 - the replaced member received remuneration calculated *pro-rata temporis* on the basis of an annual amount of €20,000, for the period from January 1, 2025 to June 25, 2025;
 - the incoming member received remuneration calculated *pro-rata temporis* on the basis of an annual amount of €25,000, for the period from June 26, 2025 to December 31, 2025.

None of the members of the Supervisory Body were paid Variable Remuneration.

Finally, the internal member - a Bank Employee - did not receive any additional remuneration.

2.4.1.4. Remuneration of the former Chief Executive Officer - Massimiliano Belingheri

A. Fixed Remuneration and Benefits:

- ▶ the Gross Annual Salary paid to Massimiliano Belingheri in 2025, as Chief Executive Officer, was equal to €1,360,000, of which €60,000 as **fixed remuneration** for the office of director;
- ▶ a package of non-monetary benefits, amounting to €92,061, was also disbursed⁸.

B. Variable Remuneration for 2025:

In accordance with the **Remuneration and Incentive Policy**, during the meeting held on **May 11, 2026, the Board of Directors** verified that the Group's **entry gate related to the Total Capital Ratio (TCR)**, required for the payment of variable remuneration, **had not been met**.

In light of this assessment, the following have neither accrued nor become payable and therefore cannot be disbursed:

- ▶ the deferred variable remuneration portions relating to previous years, whose payment was scheduled for 2026;
- ▶ the payout of the 2025 MBO.

Likewise, **the conditions for the accrual of the Options granted in the context of the Second Tranche of the 2022 Incentive Plan**, the allocation of which is subject to compliance with the entry gate conditions as at **December 31, 2025**, have not been met.

With reference to the Options subject to a deferral period, for which the start of the Exercise Period is expected in 2026, the conditions required for the start of the exercise period have not been met, as their occurrence is subject to compliance with the same capital and risk indicators identified at the end of the 2025 financial; therefore, the *malus* mechanisms provided for by the Plans' regulations apply.

2025 LTI:

With reference to the '2025 Incentive Plan' – following the acceptance by the Board of Directors of the lifting of the restriction ordered by the Bank of Italy on November 2, 2025 – and in the context of the first tranche of the Plan, 1,624,000 options were granted during 2025 as Cash settled/Phantom shares to the former Chief Executive Officer.

C. Variable remuneration from previous years

2022 LTI:

With reference to the 2022 Incentive Plan, at its meeting on June 26, 2025, the Board of Directors verified the achievement of the vesting conditions of the Options granted in the context of the First Tranche of the Plan, determining a **total of 1,164,000** Options accrued.

In accordance with the provisions of the Plan Regulations:

- ▶ **70%** of the accrued Options are subject to a **one-year retention period**;
- ▶ the remaining **30%** are subject to a **deferral mechanism**, divided into **three annual tranches**, accruing in **1, 2 and 3 years** respectively.

As at December 31, 2025, the accrued Options had not been exercised.

With reference to the Options subject to a deferral period, with Exercise Period expected to start in 2026, it should be noted that – as a result of the failure to open the capital gate relating to the TCR as at December 31, 2025 – 116,400 Options do not meet the conditions required to start the exercise period. Therefore, the *malus* mechanisms provided for in the Plan's regulations apply.

The Options granted in the context of the **Second Tranche of the 2022 Incentive Plan**, as already stated, did not accrue due to the failure to meet the envisaged vesting conditions, resulting in the forfeiture of a total of 388,000 Options.

SOP 2020:

With reference to the 2020 Stock Option Plan, in the context of the **first tranche of the Plan**, a total of 1,120,000 cashless options were granted to the former Chief Executive Officer.

Of these, as at December 31, 2025:

- ▶ 896,000⁹ had already been exercised;
- ▶ 224,000 are still to be exercised.

In the context of the **second tranche of the Plan**, the former Chief Executive Officer was granted 350,000 cashless options, which as at December 31, 2025 were still to be exercised.

Of these, 70,000 options are subject to a deferral period, with the start of the exercise period in 2026, for which the conditions required for the start of the exercise have not been met.

In particular, the verification of these conditions is subject to compliance with the same capital and risk indicators identified at the end of the 2025 financial year, which – as highlighted above – were not met.

Therefore, the *malus* mechanisms provided for by the Plan regulations apply to these options, with the consequent loss of the right to exercise.

⁷ In accordance with Article 3 of Section III of the Supervisory Provisions on Remuneration, which precludes any form of variable remuneration for the members of the body with a control function.

⁸ The maximum disburseable amount provided for in the Agreement between the Bank and the former Chief Executive Officer is €100,000.

⁹ Due to the unavailability of the Bank's own shares, a part of the shares due – for a total number of 90,211 – have not yet been actually allocated to the beneficiary.

D. Remuneration components related to the termination of his role as Chief Executive Officer:

As described in Section I, Massimiliano Belingheri stepped down from his management powers on February 1, 2026 and the office of director with effect from March 17, 2026 and, therefore, is no longer part of the Board of Directors. Despite having ceased to hold the role of Chief Executive Officer in 2026, given the importance of the position in question, the Bank has indicated in this section the remuneration packages related to the termination of this position, so as to provide information as promptly and transparently as possible:

- ▶ **Golden Parachute:** given the circumstances and reasons for the termination of his role as Chief Executive Officer, the Board of Directors of the Bank considered that there are no conditions for the recognition of the so-called golden parachute;
- ▶ **Non-compete agreement pursuant to Article 2596 of the Italian Civil Code:** given the termination of his position as Chief Executive Officer on February 1, 2026 and in line with the provisions of the contract in force between the parties, the Bank determined that an amount of €4,080,000 was due under the non-compete agreement (equal to 300% of the fixed remuneration of Massimiliano Belingheri), to be paid as follows: (i) €1,360,000¹⁰ to be paid in cash and upfront; (ii) €1,088,000 (of which 51% in financial instruments) to be paid upfront and (iii) €1,632,000 (of which 51% in financial instruments) according to a linear *pro rata* deferral over the following 5 years.

In light of the above, the Bank, with the support of appointed legal advisors, assessed whether the upfront portion of the consideration should be paid from the date of termination of the Chief Executive Officer role, or whether payment should instead be deferred until Massimiliano Belingheri's resignation as non-executive director (which occurred on March 17, 2026).

On February 6, 2026, the Remuneration Committee met, and after analyzing the legal opinion received and the related conclusions and having discussed matters with the legal advisors, acknowledged the fact that the consideration for the non-compete agreement was due under contractual provisions and the relevant remuneration policy. The Remuneration Committee then unanimously gave a favorable opinion on the option of paying the consideration for the non-compete agreement only after the termination of Massimiliano Belingheri's position as non-executive director, in consideration of the fact that, up until then, he would have been subject to the non-compete obligation pursuant to Article 2390 of the Italian Civil Code.

However, on February 10, 2026, at the end of a lively and structured debate, the Board of Directors resolved by a majority, against the opinion of the Remuneration Committee, to proceed with the payment of the consideration for the non-compete agreement starting from the handover of powers. The resolution was adopted with the favorable vote, among others, of a director, a member of the Remuneration Committee, who changed his assessment with regard to what was expressed on the point in the Committee session, as well as with the decisive vote of the Chair pursuant to the Bank's Articles of Association. The decision of the Board of Directors was taken in order to: (i) avoid potential risks of losing in legal proceedings; (ii) guarantee the Bank the full and immediate effectiveness of the safeguards provided for in the non-compete agreement; (iii) mitigate any reputational risks related to the establishment of a dispute with the former Chief Executive Officer; (iv) ensure the Bank the greater protection provided for by the non-compete agreement, with respect to that offered in accordance with Article 2390 of the Italian Civil Code, as also confirmed by the legal opinions received. On this resolution, the Board of Statutory Auditors expressed strong concerns due both to the timing provided for the start of the non-compete period and, primarily, to the coexistence between the aforementioned contractual provisions and the general provision established by Article 2390 of the Italian Civil Code.

In view of the above, the Bank paid Massimiliano Belingheri the upfront part of the relative consideration, for a total of €2,448,000 gross, of which:

- €1,893,120 in cash;
- €554,880 through phantom shares, subject to a one-year retention period.

- ▶ **Other remuneration components:** there was no employment relationship between the Bank and Massimiliano Belingheri. Therefore, as explained in the Bank's Remuneration Policy for the year 2025 (footnote no. 10, page 40, section 5.1), for the purposes of the accrual of the variable components, the criterion of the employment relationship being ongoing, without a notice period and without pending disciplinary proceedings, did not apply at the date of payment. Consequently, the termination of office did not entail the forfeiture of Massimiliano Belingheri's rights related to the MBO¹¹ and LTI plans in force, of which he is the beneficiary. The Bank will provide adequate disclosure in the relevant remuneration report, indicating the amounts that may accrue accordingly, once the additional accrual conditions have been verified and the relative amounts have been determined.

* * *

In light of recent events that have affected the Bank, on the basis of the provisions of Section I of this Policy, the Bank is required to assess the existence of facts suitable for activating the *ex-post* correction mechanisms with regard to variable remuneration components.

¹⁰ Amount not subject to the rules on variable remuneration, being equal to 100% of the fixed remuneration of Massimiliano Belingheri (section 2.2.2, Part One, Title IV, Chapter 2, Section III, Bank of Italy Circular 285/2013).

¹¹ Consequently, Massimiliano Belingheri theoretically maintains his opportunity of 1/12 of the 2026 MBO bonus, corresponding to the actual period when executive functions were exercised (January 1 – February 1, 2026). However, this forecast must be considered in light of the fact that the allocation of the MBO objectives of the Bank's Staffs and of Massimiliano Belingheri is subject to the attainment by the Bank, during the 2026 financial year, of the minimum Overall Capital Requirement (OCR) levels.

In this case, the share due equal to 1/12 of the 2026 MBO bonus would also remain subject to compliance with the payment conditions provided for in the remuneration policy, and namely:

- entry gates (gates);
- performance measurement criteria;
- *ex-post* risk correction and alignment mechanisms as provided for in the Remuneration Policy.

Massimiliano Belingheri's MBO bonus referring to the period January 1 – February 1, 2026 would potentially be based on sets of economic/financial and qualitative/ESG drivers similar to those granted in 2025. Each scorecard objective would be assessed separately, therefore, failure to attain a target would not preclude the payment of a part of the bonus in the event of attaining the other targets. In relation to financial objectives, the payout would vary depending on the attainment of a minimum, target or maximum level of the objective:

- below the minimum level, the related payout does not accrue;
- starting from the minimum payout level (50%) for a performance equal to 90% of the target, the payout is increased, proportionally, up to the target (100%);
- in the case of a performance between the target level and the maximum level, a linear interpolation mechanism is applied, up to a maximum of 130% of the payout.

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

2.4.1.5. Remuneration of Executives with Strategic Responsibilities

A. Fixed Remuneration and Benefits

- ▶ The Gross Annual Salary paid to Executives with Strategic Responsibilities amounted to a total of €1,108,782 in 2025;
- ▶ A package of non-monetary benefits was also provided, amounting to a total of €83,804.

B. Variable Remuneration for 2025

In compliance with the Remuneration and Incentive Policy, the Board of Directors ascertained at its meeting on May 11, 2026, that the Group's entry gate for the Total Capital Ratio (TCR), intended for the payment of variable remuneration, had not been reached.

In light of this, the portions of deferred variable remuneration referred to previous financial years, of which payment was expected in 2026, and the payout of the 2025 MBO have neither accrued, nor are payable.

Similarly, the conditions for the accrual of the Options granted in the context of the Second Tranche of the 2022 Incentive Plan, the allocation of which is subject to compliance with the entry gate conditions as at December 31, 2025, have not been met.

With reference to the Options subject to a deferral period for which the start of the Exercise Period is expected in 2026, the conditions required for the start of the financial year have not been met. In particular, the verification is subject to compliance with the same capital and risk indicators identified at the end of the 2025 financial year, which – as highlighted above – were not met.

Therefore, the *malus* mechanisms provided for by the plan regulations apply.

- ▶ **2025 LTI:** with reference to the '2025 Incentive Plan', – following the acceptance by the Board of Directors of the lifting of the restriction ordered by the Bank of Italy on November 2, 2025 – and in the context of the first tranche of the Plan, 1,000,000 options were granted during 2025 as Cash settled/Phantom shares to the Executives with Strategic Responsibilities.

C. Variable Remuneration from previous years

- ▶ **2024 MBO:** final data on the 2024 MBO were disclosed in the 2024 remuneration report. The upfront portion, for a total of €201,901 – of which €100,951 in financial instruments – was disbursed following the acceptance by the Board of Directors of the lifting of the restriction ordered by the Bank of Italy on November 2, 2025;
- ▶ **2022 LTI:** With reference to the 2022 Incentive Plan, at its meeting on June 26, 2025, the Board of Directors verified the achievement of the vesting conditions of the Options granted in the context of the First Tranche of the 2022 Incentive Plan, determining a total of 570,000 Options Accrued.

In accordance with the provisions of the Plan:

- **70%** of the accrued Options are subject to a **one-year retention period**;
- the remaining 30% are subject to a **deferral period** divided into **three annual tranches** (1, 2 and 3 years).

With reference to the Options subject to a deferral period, for which the start of the Exercise Period is expected in 2026, it should be noted that, due to the non-opening of the capital gate relating to the TCR as at December 31, 2025, 7,000 Options do not meet the conditions required for the start of the exercise period.

Therefore, the *malus* mechanisms provided for by the Plan's regulations apply.

The Options granted in the context of the **Second Tranche of the 2022 Incentive Plan**, as already stated, did not accrue due to the failure to meet the envisaged vesting conditions, resulting in the **forfeiture of a total of 210,000 Options**.

- ▶ **2020 SOP:** during 2025, Executives with Strategic Responsibilities exercised 76,000 options relating to the first tranche of the 2020 SOP.

With reference to the Options of the 2020 SOP (first and second tranche) subject to a deferral period, for which the start of the Exercise Period is expected in 2026, it should be noted that, due to the non-opening of the capital gate relating to the Total Capital Ratio (TCR) as at December 31, 2025, the Options with a deferral period in 2026, for a total number of 84,000, do not meet the conditions required for the start of the exercise period.

Therefore, the *malus* mechanisms provided for in the Plan's regulations apply.

For more details, see Table 2 SCHEDULE No. 7-BIS: Remuneration report - TABLE 2.

D. Remuneration components related to the termination of employment

In 2025, the Bank disbursed to an Executive with Strategic Responsibilities, whose employment relationship ended at the initiative of the Bank in 2025:

- ▶ **An allowance in lieu of notice:** €987,197 as an allowance in lieu of notice, in line with the provisions of the applicable CCNL (the Italian National Collective Labour Agreement);
- ▶ **Non-compete agreements pursuant to Article 2125 of the Italian Civil Code:** given the termination of the employment relationship with the Executive with Strategic Responsibilities – effective from February 10, 2025 – and in compliance with the provisions of the existing non-compete agreement, with reference to the first tranche of the same, in 2025 a total amount of €36,400 was disbursed, of which:
 - €27,300 in cash;
 - €9,100 in phantom shares. The number of phantom shares was calculated with reference to the value of the Bank's shares on the last trading day before the allocation date. Phantom shares will be converted to cash at the end of the retention period;
- ▶ **Long-term incentive plans:** due to the termination of the employment relationship, the Executive with Strategic Responsibilities in question forfeited the possibility of exercising 313,000 Options (of which 18,000 related to the 2020 SOP plan and 295,000 to the 2022 Incentive Plan) granted based on the relationship being maintained.

In light of recent events that have affected the Bank, on the basis of the provisions of Section I of this Policy, the Bank is required to assess the existence of facts suitable for activating the *ex-post* correction mechanisms with regard to variable remuneration components.

2.5. Illustration of Existing Long-Term Incentive Plans

2.5.1. 2025 Employee Stock Grant Plan

During 2025, the Employee Stock Grant Plan was implemented, approved by the Shareholders' Meeting on April 17, 2025 with the aim of increasing staff loyalty and involvement. The Plan, aimed at the general employee population, with the exception of Board-level staff, had a 97% uptake, corresponding to 778 Group resources.

Each Beneficiary was granted a free allocation of Shares, with a maximum value of €2,065, determined on the basis of the average market value of the share in the month prior to the Allocation Date, according to the criteria set out in tax legislation.

The Plan pursued its own goals of strengthening engagement, aligning with strategic objectives and sharing the value created by the Group, registering a considerable uptake. The initiative also generated a low dilutive impact, equal to 0.1%¹².

¹² Calculated as the ratio of the shares allocated to the beneficiaries of the initiative to total outstanding shares as at December 31, 2025.

2.5.2. 2025 Incentive Plan

This Plan, in continuity with the 2022 Incentive Plan, is aimed at attracting, motivating and retaining the Group's talent.

The 2025 Incentive Plan consists of three tranches and allocates a maximum number of options equal to 12,000,000. There are two types of options:

- ▶ Options A, which grant the right to receive shares in the amount, under the terms and conditions indicated in the Regulations;
- ▶ Options B, which grant the right to receive Phantom Shares in the amount, under the terms and conditions indicated in the Regulations; these Phantom Shares will then be converted into Bonuses.

Pursuant to the 2025 Incentive Plan, type A and B options allocated in each tranche mature upon completion of the relevant vesting period. Vesting is subject to the joint occurrence of the conditions set out in the Regulations, and namely:

- i) maintenance of the employment relationship with one of the Group companies and/or the position on the Board of Directors, without the beneficiary having given notice for resignation or dismissal on that date;
- ii) Compliance with the entry entry gates provided for by the current Remuneration Policy, i.e.:
 - a) LCR > risk tolerance level defined in the RAF;
 - b) TCR > risk tolerance level defined in the RAF;
 - c) positive EBTDA^{RA}
- iv) Verification of the level of performance achieved for each KPI with respect to the relative Target, according to the schedule reported in the Regulation ('minimum', 'reference' and 'maximum' levels, with the relative percentage of Accruable Options) as follows:

KPIs	% of options accrued at the 'minimum' level	% of options accrued at "target" level ¹³	% of options accrued at the 'maximum' level
ROTE	17.5%	35%	52.5%
Adj. EPS	17.5%	35%	52.5%
C / I	10%	20%	30%
ESG (Carbon Footprint)	5%	10%	15%

As at December 31, 2025, the number of options allocated was equal to 7,664,000 (of which 2,445,500 equity-settled and cash-less and 5,218,500 cash-settled/phantom shares). These options refer to the first tranche of the Plan and are still to be fully exercised.

The second part of this section includes table 2, schedule 7-bis provided for in Annex 3A of the Issuers' Regulation.

¹³ - 14 The Accrued Options may not in any case exceed the Options granted.

2.5.3. 2022 Incentive Plan

The 2022 Incentive Plan provides for the allocation - in three tranches - of a maximum total number of 9,700,000 stock options.

There are two types of options:

- ▶ Options A, which grant the right to receive shares in the amount, under the terms and conditions indicated in the Regulations;
- ▶ Options B, which grant the right to receive Phantom Shares in the amount, under the terms and conditions indicated in the Regulations; these Phantom Shares will then be converted into Bonuses.

Pursuant to the 2022 Incentive Plan, type A and B options allocated in each tranche mature upon completion of the relevant vesting period. Vesting is subject to the joint occurrence of the conditions set out in the Regulations, and namely:

- i) maintenance of the employment relationship with one of the Group companies and/or the position on the Board of Directors, without the beneficiary having given notice for resignation or dismissal on that date;
- ii) compliance with the entry gates provided for by the current Remuneration Policy, i.e.:
 - a) LCR > risk tolerance level defined in the RAF;
 - b) TCR > risk tolerance level defined in the RAF;
 - c) positive EBTDA^{RA}
- iii) verification of the level of performance achieved for each KPI with respect to the relative Target, according to the schedule reported in the Regulation ('minimum', 'reference' and 'maximum' levels, with the relative percentage of Accruable Options) as follows:

KPI	% of options accrued at the 'minimum' level	% of options accrued at "target" level ¹⁴	% of options accrued 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 at December 31, 2025, the total number of options allocated, and referring entirely to the first and second tranche, was equal to 7,774,500 (of which 3,493,500 equity-settled and 4,281,000 cash-settled/phantom shares).

With reference to the first tranche, 5,820,000 options were granted (of which 2,674,000 equity-settled and 3,146,000 cash-settled/phantom shares). Of these, as at December 31, 2025:

- ▶ 198,000 options had been exercised;
- ▶ 738,000 options were no longer exercisable;
- ▶ 4,884,000 options were still to be exercised, of which 1,006,400 options with a deferral period after 31 December 2025.

With reference to the Options subject to a deferral period, for which the start of the Exercise Period is expected in 2026, it should be noted that, due to the non-opening of the capital gate relating to the Total Capital Ratio (TCR) as at December 31, 2025, 348,800 options did not meet the conditions required for the start of the exercise period. Therefore, the *malus* mechanisms provided for in the Plan's regulation apply.

With reference to the second tranche, 1,954,500 options were granted (of which 819,500 equity-settled and 1,135,000 cash-settled/phantom shares).

In compliance with the Remuneration and Incentive Policy, the Board of Directors ascertained at its meeting on May 11, 2026, that the Group's entry gate for the Total Capital Ratio (TCR) intended for the payment of variable remuneration had not been reached; consequently, the conditions for the accrual of the Options granted in the context of the Second Tranche of the 2022 Incentive Plan, the allocation of which is subject to compliance with the entry gate conditions as at December 31, 2025, have not been met.

The third tranche is unallocated. Pursuant to the Regulations, the final deadline for the allocation of options was set at December 31, 2024.

The second part of this section includes table 2, schedule 7-bis provided for in Annex 3A of the Issuers' Regulation.

2.5.4. 2020 Stock Option Plan

The 2020 Stock Option plan originally provided for the allocation - in three tranches - of a maximum overall number of 8,960,000 stock options, each of which granting the beneficiaries the right to receive ordinary shares of the Company, within the terms, in the manner and under the conditions set out in the plan's regulations. In particular, options can be exercised on a cash-less basis.

Pursuant to the 2020 Stock Option Plan, the stock options allocated in each tranche mature upon completion of the relevant vesting period. Vesting is subject to a series of conditions described in more detail in the same 2020 Stock Option Plan, which require:

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

The 2020 Stock Option Plan allocated a total of 8,384,500 options.

With reference to the first tranche, 6,284,500 options were granted. Of these, as at December 31, 2025:

- ▶ 5,428,000 options had already been exercised;
- ▶ 368,500 options were no longer exercisable;
- ▶ 488,000 options were still to be exercised, of which 36,000 options with a Deferral period in 2026.

With reference to the Options subject to a deferral period, for which the start of the Exercise Period is expected in 2026, it should be noted that, due to the non-opening of the capital gate relating to the Total Capital Ratio (TCR) as at December 31, 2025, 36,000 options did not meet the conditions required for the start of the exercise period. Therefore, the *malus* mechanisms provided for in the Plan's regulation apply.

With reference to the second tranche, 2,100,000 options were granted. Of these, as at December 31, 2025:

- ▶ 1,195,000 options had already been exercised;
- ▶ 133,000 options were no longer exercisable;
- ▶ 772,000 options were still to be exercised, of which 224,000 options with a Deferral period in 2026.

With reference to the Options subject to a deferral period, for which the start of the Exercise Period is expected in 2026, it should be noted that, due to the non-opening of the capital gate relating to the Total Capital Ratio (TCR) as at December 31, 2025, 224,000 options did not meet the conditions required for the start of the exercise period. Therefore, the *malus* mechanisms provided for in the Plan's regulation apply.

The second part of this section includes table 2, schedule 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 determine - for Risk Takers - payments in the event of early termination of employment or termination of office. The purpose, among other things, is to limit the risks of potential litigation with the Risk Takers in question and to pre-quantify the related cost to the Bank, avoiding the uncertainty of a legal ruling.

These fees are quantified and paid by the Group in accordance with the criteria indicated below.

The determination of such compensation is subject to *ex-post* correction mechanisms (*Malus* and *Clawback*), within the limits permitted by collective agreements applicable to the employment relationship, as required by the Supervisory Provisions for Banks and, in any case, in compliance with the limits and requirements of relevant laws. The portion of such compensation paid in financial instruments is subject to a retention period of no less than one year.

For the amounts agreed with Staff members in view of or on early termination of the employment relationship or early termination of office, the limits set out in the Supervisory Provisions on Remuneration, Section III, paragraph 2.2.2 shall apply: the agreed amount may not exceed the limit of 24 months of the Fixed Remuneration referring to the last year of the relationship, including any consideration for the non-compete agreement.

In any case, these amounts may not exceed €1,750,000.

In this regard, the Bank has not agreed on any amounts in view of or upon early termination of office or early termination of employment during 2025.

The only amount in view of or on the early termination of office or early termination of the employment relationship in place in 2025 was agreed in the years prior to 2025 with the former Chief Executive Officer, Massimiliano Belingheri, whose contract provided for the potential payment, on termination of office, of a value equal to the lesser of (i) 1.8 times the sum between the average Variable Remuneration¹⁵ of the previous three-year period and the Fixed Remuneration (excluding Benefits), and (ii) €4,500,000.

The golden parachute of the former Chief Executive Officer would be implemented only upon the occurrence of specific conditions:

- ▶ removal from the position of director prior to the approval of the Bank's financial statements as at December 31, 2029, for a reason other than those qualifying as a bad leaver (a scenario that is not applicable as Massimiliano Belingheri is no longer a member of the Board of Directors);
- ▶ where it is demonstrated that, during his tenure as Chief Executive Officer, Massimiliano Belingheri suffered a material reduction or withdrawal of his delegated powers;
- ▶ where it is demonstrated that, during his tenure as Chief Executive Officer, Massimiliano Belingheri suffered a reduction in remuneration not attributable to the non-achievement of variable incentive targets and not due to the need to align the contract with regulatory changes.

The payment of the golden parachute would be structured as follows:

- ▶ the upfront part is 40%, while the remaining 60% is deferred in equal annual parts over 5 years, starting 12 months from the payment of the upfront part;
- ▶ 51% of both the upfront and deferred portion is paid in financial instruments, subject to a one-year retention period.

¹⁵ Defined as the average of the amounts paid to the former Chief Executive Officer by way of Variable Remuneration (as defined today) in the three-year period prior to the date when the former Chief Executive Officer's right to receive the golden parachute matures, including the amounts still subject to deferral (for clarity: account is taken of the deferred variable remuneration accrued in the previous three-year period and not the deferred remuneration received in the three-year period deriving from the variable remuneration prior to the reference three-year period) and including the value of any stock options, phantom shares or other equivalent instruments granted in the three-year period, the value of which is the value calculated on the allocation date.

In addition, the golden parachute would be:

- ▶ subject to *Malus* and Clawback mechanisms;
- ▶ subject to the absence of ascertained behaviors of the former Chief Executive Officer, adopted in the context of the Bank's activity or professional activity, in this area, which give rise to significant loss for the Bank or for the Group's companies;
- ▶ subject, in the vesting year, to compliance with applicable gates, equity and liquidity limits, as of the application of risk adjusted performance parameters.

2.7. In-depth study of the gender Pay Gap and the Diversity & Inclusion Operational Plan

The BFF Group offers, regardless of gender, remuneration in line with the market, benefits and additional incentive systems aimed both at improving people's quality of life and enhancing their performance on a meritocratic basis.

In particular, to ensure constant monitoring of pay gaps and gender neutrality within the overall governance of the policy, and in compliance with the provisions contained in the update to Circular 285/13 on remuneration and incentive policies and systems of November 24, 2021 and EBA Guidelines¹⁶ (July 2, 2021), an annual Report is prepared on the gender neutrality of the Remuneration Policy, activating a number of safeguards as specified below.

With regard to the Board of Directors, it should be noted that the remuneration policy is defined *ex-ante* for the role held, regardless of the gender of each director. Therefore, an analysis was carried out on the current composition of the Board, which showed, in keeping with the previous year, a higher number of women.

The Group confirmed its objective of achieving a Pay Equity Gap of less than 5% (threshold defined as 'critical' by the EU Pay Transparency Directive) in all main countries in line with regulations and consistent with the principles of equity, meritocracy and sustainability guiding the remuneration system and human resources management policies.

During the 2025 financial year, the Company further strengthened its initiatives in support of pay equity, professional development and the attractiveness of selection processes, with particular attention paid to inclusion and fostering gender diversity.

With reference to salary review activities, the analyses carried out made it possible to identify and correct salary gaps, with actions mainly targeting a reduction in gaps, in favor of the female workforce, in line with the principles of internal equity and meritocracy.

Development, succession and managerial growth policies have produced positive and measurable effects over time. Since 2022, the number of females who are Senior Managers, in managerial roles and potential successors has been consolidated, confirming the effectiveness of the enhancement and career planning paths adopted by the Company.

As regards talent attraction and recruitment, the introduction of training courses on unconscious bias and the adoption of structured and objective assessment tools have helped to make selection processes more balanced and inclusive. These initiatives have fostered greater representation of females in the advanced stages of selection for managerial positions, contributing to the creation of a diversified and sustainable talent pool in the medium to long term.

Finally, the Group confirmed its intention of continuing its talent development programs, with a particular focus on initiatives aimed at accelerating the career paths of female resources, working on the structural causes of the Gender Pay Gap and contributing, in the medium to long term, to the remuneration system's sustainability and effectiveness.

For more details, please refer to the Non-Financial Statement.

2.8. Checks of the Control Functions and board committees on the remuneration system

The Corporate Control Functions, and any other person responsible for supervising the Group's incentive system, participated in the compliance assessment of the Remuneration and Incentives Policy implemented in 2025.

2.8.1. Compliance and AML

The Compliance and AML Function checked the compliance of the Remuneration and Incentive Policy against the relevant regulatory framework, and believes that they are consistent with applicable reference legislation, with the Code of Ethics and with the Articles of Association.

2.8.2. Risk Management

The Risk Management Function provided opinions on the adequacy of the indicators used to take into account the risks assumed by the Group in relation to the incentive systems. The Risk Management Function also verified the finalization of the same indicators for 2025.

2.8.3. Internal Audit

In line with the Supervisory Provisions on Remuneration, the Internal Audit Function carried out the annual audit on the compliance of the Group's Remuneration and Incentive practices with the 2025 Policy.

2.8.4. Control and Risks Committee

The Control and Risks Committee ensured that the incentives underlying the Group's remuneration system are consistent with the maximum levels of risk that the Group intends undertaking.

¹⁶ Guidelines on sound remuneration policies pursuant to Directive 2013/36/EU - [GL on remuneration policies under CRD.pdf \(europa.eu\)](#)

2.9. Composition and activities carried out by the Remuneration Committee

The Remuneration Committee¹⁷ met 12 times in 2025. The main activities carried out concerned:

- i) Reporting of the 2024 performance results relating to the roles of Chief Executive Officer, Senior Executives, Executives reporting directly to the Chief Executive Officer, and Heads of Group Control Functions for the definition of relevant MBOs, including scorecards, contractual *addenda* and performance drivers;
- ii) Definition of the 2025 quantitative objectives relating to the roles of the Chief Executive Officer, Senior Executives, Executives reporting directly to the Chief Executive Officer and Heads of Group Control Functions;
- iii) Contribution to the definition of the guidelines on the Policy and principles on remuneration;
- iv) Analysis and approval of remuneration packages for the hiring of new Executives and Senior Executives;
- v) Analysis of shareholders' votes and engagement activities with investors, including off-season engagement initiatives for the Shareholders' Meeting and updating of the Remuneration and Incentive Policy in favor of the members of the strategic oversight, management and control bodies and the staff of the BFF Banking Group;
- vi) Review and implementation of short-term and long-term incentive plans, including activities related to the 2025 MBO, the new 2025 Incentive Plan, the 2025 Stock Grant and the verification of the vesting conditions of the 2022 Incentive Plan;
- vii) Analysis of mechanisms for the settlement of the variable components and financial instruments, even in the event of inadequate treasury shares;
- viii) Support to the Board of Directors in analyzing the neutrality of the Remuneration and Incentive Policy with respect to gender and verification of the Gender Pay Gap, and its evolution over time.

In carrying out its functions, the Remuneration Committee had the opportunity to consult relevant internal structures and be assisted by external consultants such as Sodali, with reference to the analysis of shareholders' votes, Mercer for benchmarking analysis, and the law firm PedersoliGattai and PwC Italy for the drafting of the Policy.

Two descriptive tables are presented below, concerning respectively:

- ▶ the meetings of the Remuneration Committee during 2025;
- ▶ its composition, pursuant to Article 123 bis, paragraph 2 of the Consolidated Law on Finance, by member name, any executive role, the person appointed as chair and the percentage of attendance at meetings.

¹⁷ For a description of the composition, function and functioning of the Remuneration Committee please refer to Section I - paragraph 1.4 (Remuneration Committee).

DESCRIPTION OF THE MEETINGS OF THE REMUNERATION COMMITTEE IN 2025 AND MEETINGS PLANNED FOR 2026

Have proceedings been recorded in the minutes?	Yes
Did the Chair of the Remuneration Committee inform the Board of Directors at the first possible meeting?	Yes
Number of meetings of the Remuneration Committee	12
Average duration of meetings	1 hour and 36 minutes
Were there any Remuneration Committee meetings attended by external members?	Yes, by invitation. The Chief Executive Officer, the Head of the Human Resources and Organizational Development Function, the Head of the AML & Compliance Function, the Head of the Risk Management Function, the Chief Financial Officer, the Group General Counsel & Business Legal Affairs, the Head of Group Legal Affairs, the Head of the Investor Relations, Strategy, and M&A Function and external consultants participated in 2025 in some meetings of the Remuneration Committee, and for some points of the agenda.
Were there any Remuneration Committee meetings attended by the Chair 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 in matters of remuneration policies, considered adequate by the Board at the time of appointment?	Yes
Number of Remuneration Committee meetings scheduled for 2026 (and number of meetings already held in the current year).	Year 2026: 12, of which 9 meetings have already taken place (as of 11/05)

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

INFORMATION RELATING TO THE MEMBERS OF THE REMUNERATION COMMITTEE from January 1, 2025 to December 31, 2025

First name and last name	Is he/she an Independent Director?	Is he/she a Non-Executive Director?	Has he/she been elected as a Chairperson?	% of attendance at meetings in relation to the term of office	Term of office
Guido Cutillo	Yes	Yes	Yes	100%	01/01/2025-12/31/2025
Mimi Kung	Yes	Yes	No	100%	01/01/2025-12/31/2025
Susana Mac Eachen	Yes	Yes	No	100%	01/01/2025-12/31/2025

2.10. Comparison between the annual change in the total remuneration of the members of the Board of Directors, the Chief Executive Officer and the board of statutory auditors, and the company's results as well as the average Gross Annual Salary of employees

Information is presented below relating to the comparison between:

- ▶ the total remuneration of each of the parties for whom the information referred to in this section of the Report is provided by name (Table 2);
- ▶ the average Gross Annual Salary, parameterized to full-time employees, of employees other than the individuals in table 2 is shown in Table 3;
- ▶ the pay ratio (ratio of the Chief Executive Officer's remuneration to the average of group employees) is shown in Table 4.

Table 2

Name	Office	2023	2024	2025	Change 2024-2023	Change 2025-2024	Any comments
Salvatore Messina	Chair of the Board of Directors	320,000	94,426	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Ranieri de Marchis	Chair of the Board of Directors	-	232,623	330,000	na	42%	In office since 04/18/2024 – Remuneration relating to the actual period when the office was held during the year
Massimiliano Belingheri	Chief Executive Officer	1,233,500	1,360,000	1,360,000	10%	0%	– Resignation from the position of Chief Executive Officer on February 1, 2026 – End of the term of office as Director with effect from March 17, 2026
Federico Fornari Luswergh	Board Director	80,000	23,607	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Gabriele Michaela Aumann Schindler	Board Director	89,000	26,262	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Piotr Henryk Stepniak	Board Director	83,505	74,098	90,000	-11%	21%	
Domenico Gammaldi	Board Director	100,000	103,525	144,000	4%	39%	
Monica Magri	Board Director	60,000	17,705	-	-70%	-100%	In office from 02/10/2022 until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Anna Kunkl	Board Director	60,000	67,049	70,000	12%	4%	
Giovanna Villa	Board Director	74,000	21,839	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Alexia Ackermann	Board Director	-	63,443	99,000	na	56%	In office since 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Mimi Kung	Board Director	-	63,443	110,000	na	73%	In office since 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Susana Mac Eachen	Board Director	-	52,164	80,000	na	53%	In office since 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Guido Cutillo	Board Director	-	59,213	84,000	na	42%	In office since 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Nicoletta Paracchini	Member of the Board of Statutory Auditors	85,000	25,082	-	-70%	-100%	In office from 06/22/2022 until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Fabrizio Riccardo Di Giusto	Member of the Board of Statutory Auditors	65,000	19,180	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Paolo Carbonero	Member of the Board of Statutory Auditors	65,000	19,180	-	-70%	-100%	In office until 04/17/2024 – Remuneration relating to the actual period when the office was held during the year
Simone Scettri	Member of the Board of Statutory Auditors	-	59,918	85,000	na	42%	In office since 04/18/2024 – Remuneration relating to the actual period when the office was held during the year
Simona Elena Pesce	Member of the Board of Statutory Auditors	-	45,820	65,000	na	42%	In office since 04/18/2024 – Remuneration relating to the actual period when the office was held during the year
Vittorio Dell'Atti	Member of the Board of Statutory Auditors	-	45,820	65,000	na	42%	In office since 04/18/2024 – Remuneration relating to the actual period when the office was held during the year
Silvio Necchi	Member of the Supervisory Body	20,000	20,000	20,000	0%	0%	
Marina Corsi	Member of the Supervisory Body	20,000	20,000	9,644	0%	-52%	In office until 06/25/2026 – Remuneration relating to the actual period when the office was held during the year
Francesca Pedrazzi	Member of the Supervisory Body	-	-	12,945	na	100%	In office since 06/26/2025 – Remuneration relating to the actual period when the office was held during the year

18 Restated.

Table 3

Scope	Average Gross Annual Salary 2022	Average Gross Annual Salary 2023	Average Gross Annual Salary 2024	Average Gross Annual Salary 2025	Change 2023-2022	Change 2024-2023	Change 2025-2024
Italy	56,533	60,806	62,820 ¹⁸	63,299	+7.6%	+3.3%	+0.8%

Table 4

Pay Ratio	Fixed Remuneration
2025 Ratio of the CEO vs average employees Italy	21.5:1
2025 Ratio of the CEO vs average Group employees	25.4:1

3. PART TWO

In this second part of Section II, the remuneration paid to the members of the corporate bodies and to Executives with Strategic Responsibilities is analytically illustrated. For the purposes of this second part, 'other Executives with Strategic Responsibilities' means the individuals who, within the Banking Group, come under the definition of Senior Executive contained in the 2025 Policy.

Also shown is the remuneration paid during the reporting period but relating to activities carried out in previous years (deferred Variable Remuneration referring to previous years), and to be paid in subsequent years in respect of the activity carried out in the reporting period (deferred Variable Remuneration for the reporting period).

Remuneration data are disclosed on an individual basis for members of the corporate bodies, and the former Chief Executive Officer, while aggregate data is provided for Executives with Strategic Responsibilities as none of them receives a higher remuneration than the former Chief Executive Officer.

3.1. Analytical tables on "Compensation paid to members of the Bank's corporate bodies, general managers and other managerial staff with strategic responsibilities"

Issuers' Regulation - Annex 3A. SCHEDULE No. 7-BIS: Remuneration report – TABLE 1 (in euro).

(A)	(B)	(C)	(D)	1	2	3	4	5	6	7	8
Name and position		Period for which the office was held	Term of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration	Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service allowance or termination of the employment relationship
						Bonuses and other incentives	Profit sharing				
Massimiliano Belingheri	Chief Executive Officer	from 01/01/2025 to 12/31/2025	03/17/2026								
(I) Remuneration in the company preparing the financial statements				1,360,000	0	0	0	92,061	0	1,452,061	1,181,784 ⁽¹⁾
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				1,360,000	0	0	0	92,061	0	1,452,061	1,181,784
Ranieri de Marchis	Chairperson	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				330,000	0	0	0	0	0	330,000	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				330,000	0	0	0	0	0	330,000	0
Piotr Henryk Stepniak	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	30,000	0	0	0	0	90,000	0
(II) Remuneration from subsidiaries and associates				37,785 ⁽²⁾	0	0	0	0	0	37,785	0
(III) Total				97,785	30,000	0	0	0	0	127,785	0
Domenico Gammaldi	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	0	0	0	0	84,000	144,000	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	0	0	0	0	84,000	144,000	0
Anna Kunkl	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	10,000	0	0	0	0	70,000	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	10,000	0	0	0	0	70,000	0

continued

(A)	(B)	(C)	(D)	1	2	3	4	5	6	7	8
Name and position		Period for which the office was held	Term of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration	Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service allowance or termination of the employment relationship
						Bonuses and other incentives	Profit sharing				
Alexia Ackermann	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	39,000	0	0	0	99,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	39,000	0	0	0	99,000	0	0
Guido Cutillo	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements	0							
(I) Remuneration in the company preparing the financial statements				60,000	24,000	0	0	0	84,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	24,000	0	0	0	84,000	0	0
Mimi Kung	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	50,000	0	0	0	110,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	50,000	0	0	0	110,000	0	0
Susana Mac Eachen	Director	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				60,000	20,000	0	0	0	80,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				60,000	20,000	0	0	0	80,000	0	0
Simone Scettri	Chairperson of the Board of Statutory Auditors	from 01/01/2025 to 31/12/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				85,000	0	0	0	0	85,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				85,000	0	0	0	0	85,000	0	0
Vittorio Dell'Atti	Member of the Board of Statutory Auditors	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				65,000	0	0	0	0	65,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				65,000	0	0	0	0	65,000	0	0
Simona Elena Pesce	Member of the Board of Statutory Auditors	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				65,000	0	0	0	0	65,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				65,000	0	0	0	0	65,000	0	0

continued

(A)	(B)	(C)	(D)	1	2	3	4	5	6	7	8
Name and position		Period for which the office was held	Term of office	Fixed remuneration	Remuneration for participation in committees	Non-equity variable remuneration	Non-monetary benefits	Other remuneration	Total	Fair Value of equity remuneration	End-of-service allowance or termination of the employment relationship
						Bonuses and other incentives	Profit sharing				
Silvio Necchi	Member of the Supervisory Body	from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				20,000	0	0	0	0	20,000	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				20,000	0	0	0	0	20,000	0	0
Marina Corsi	Member of the Supervisory Body	from 01/01/2025 to 06/25/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				9,644	0	0	0	0	9,644	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				9,644	0	0	0	0	9,644	0	0
Francesca Pedrazzi	Member of the Supervisory Body	from 06/26/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				12,945	0	0	0	0	12,945	0	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				12,945	0	0	0	0	12,945	0	0
Executives with Strategic Responsibilities (6)		from 01/01/2025 to 12/31/2025	Approval of the 2026 financial statements								
(I) Remuneration in the company preparing the financial statements				2,125,979 ⁽³⁾	0	0	0	83,804	2,209,784	399,601 ⁽¹⁾	0
(II) Remuneration from subsidiaries and associates				0	0	0	0	0	0	0	0
(III) Total				2,125,979	0	0	0	83,804	2,209,784	399,601	0

Note to Table 1:

(1) Fair value is determined in accordance with IFRS 2 and reflects the accounting adjustments resulting from the market performance of the share; this value does not represent a direct economic effect for the beneficiaries.
The effects deriving from the failure to meet the entry gates (TCR), which entails the forfeiture of the options whose vesting or deferral period would have started in 2026, are not included.

(2) Value in Euros, corresponding to PLN 160,008, calculated at the exchange rate at 12/31/2025.

(3) In 2025, the Bank paid an Executive with Strategic Responsibilities €987,197 as an indemnity in lieu of notice.

3.2. Analytical Tables on 'Stock options granted to members of the board of directors, general managers and other Executives with Strategic Responsibilities'

SCHEDULE No. 7-BIS: Remuneration report – TABLE 2.

			Options held at the beginning of the year				Options allocated during the year					Options exercised during the year			Options expired during the year ⁽²⁾	Options held at year end	Options for the year
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 (= 2+5-11-14)	16
First name and Last name	Office	Plan	Number of options	Exercise price	Possible exercise period	No. of options	Exercise price (Euros)	Possible exercise period (from - to)	Fair value at the date of assignment	Date of Assignment	Market price of the shares underlying the allocation of options	No. of options	Exercise price	Market price of the underlying shares at the exercise date	No. of options	No. of options	Fair value ⁽¹⁾
Massimiliano Belingheri	CEO																
(I) Remuneration in the company preparing the financial statements		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 04/02/2020	1 st tranche 1,120,000		80% from May 2023 to April 2025 20% from November 2024 to October 2026							896,000	1.81	8.30		224,000	1,375,320 (193,536)
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 04/02/2020	2 nd tranche 350,000		80% from September 2024 to August 2026 For 20% from March 2024 to February 2026										70,000	280,000	
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 03/01/2022	1 st tranche 1,164,000		2022 - 2025 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)										116,400	1,047,600	
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 03/01/2022	2 nd tranche 388,000		2023 - 2026 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)										388,000	0	
		BFF Group Stock Option Plan approved by the Shareholders' Meeting of 04/17/2025				1 st tranche 1,624,000		2025 - 2028 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)	3.45	11/04/2025	10.41					1,624,000	
(II) Remuneration from subsidiaries and associates																	
(III) Total			3,022,000			1,624,000						896,000			574,400	3,175,600	1,181,784

Note to Table 2:

- (1) Fair value at 12/31/2025 is determined in accordance with IFRS 2 and reflects the accounting adjustments resulting from the market performance of the share; this value does not represent a direct economic effect for the beneficiaries. The effects deriving from the failure to meet the entry gates (TCR), which entail the forfeiture of the options whose vesting or deferral period would have started in 2026, are not included.
- (2) The data presented in this column include options relating to long-term incentive plans that have not accrued, as well as options subject to a deferral period with the start of the exercise period envisaged in 2026, for which the conditions for the start of the exercise period have not been met, in both cases as a result of not meeting, as at December 31, 2025, the access conditions ('entry gates') provided for by the Remuneration and Incentive Policy, with particular reference to the Total Capital Ratio (TCR) (see Section II of the 2026 Remuneration and Incentive Policy).
- (3) Expensed in 2023.

Options held at the beginning of the year						Options allocated during the year						Options exercised during the year				Options expired during the year ⁽²⁾	Options held at year end	Options for the year
A	B	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 (= 2+5-11-14)	16	
First name and Last name	Office	Plan	Number of options	Exercise price	Possible exercise period		No. of options	Exercise price (Euros)	Possible exercise period (from - to)	Fair value at the date of assignment	Date of Assignment	Market price of the shares underlying the allocation of options	No. of options	Exercise price	Market price of the underlying shares at the exercise date	No. of options	No. of options	Fair value ⁽¹⁾
Executives with Strategic Responsibilities (6) ⁽⁴⁾																		
(I) Remuneration in the company preparing the financial statements		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 04/02/2020	1 st tranche 256,000		80% from May 2023 to April 2025 20% from November 2024 to October 2026								76,000	1.81	10.3	36,000	144,000	- ⁽³⁾
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 04/02/2020	2 nd tranche 210,000		80% from September 2024 to August 2026 For 20% from March 2024 to February 2026											66,000	144,000	
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 03/01/2022	1 st tranche 790,000		2022 - 2025 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)											277,000	513,000	
		BFF Group Stock Option Plan approved by the Shareholders' Meeting on 03/01/2022	2 nd tranche 285,000		2023 - 2026 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)											285,000	0	
			BFF Group Stock Option Plan approved by the Shareholders' Meeting of 04/17/2025				1 st tranche 1,000,000		2025 - 2028 (70% after 3 years, 30% in 3 <i>pro-rata</i> annual tranches: fourth year 10%, fifth year 10%, sixth year 10%)	2.3	11/04/2025	10.41						1,000,000
(II) Remuneration from subsidiaries and associates																		
(III) Total			1,541,000				1,000,000						76,000			664,000	1,801,000	399,601

Note to Table 2:

(1) Fair value at 12/31/2025 is determined in accordance with IFRS 2 and reflects the accounting adjustments resulting from the market performance of the share; this value does not represent a direct economic effect for the beneficiaries. The effects deriving from the failure to meet the entry gates (TCR), which entail the forfeiture of the options whose vesting or deferral period would have started in 2026, are not included.

(2) The data presented in this column include options relating to long-term incentive plans that have not accrued, as well as options subject to a deferral period with the start of the exercise period envisaged in 2026, for which the conditions for the start of the exercise period have not been met, in both cases as a result of not meeting, as at December 31, 2025, the access conditions ('entry gates') provided for by the Remuneration and Incentive Policy, with particular reference to the Total Capital Ratio (TCR) (see Section II of the 2026 Remuneration and Incentive Policy).

(3) Expensed in 2023.

(4) Including the former Executive with Strategic Responsibilities.

(5) Exercise price determined in accordance with the formula provided for under the Stock Option Plan at each exercise date.

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.

			Financial instruments awarded in previous years not <i>vested</i> during the year			Financial instruments awarded during the year				Financial instruments <i>vested</i> during the year and not allocated	Financial instruments vested during the year and allocable		Financial instruments pertaining to the year
A	B	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	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													

3.4. Analytical Tables on 'Monetary incentive plans for members of the board of directors, general managers and other Executives with Strategic Responsibilities'

SCHEDULE No. 7-BIS: Remuneration report – TABLE 3B.

A	B	1	2	3	4
First name and Last name	Office	Plan	Bonus of the year ⁽²⁾		
			Bonuses from previous years ⁽²⁾		
			(A)	(B)	(C)
			May be disbursed/ Disbursed	Deferred	Deferral period
				May no longer be disbursed	May be disbursed/ Disbursed
				Still deferred	
Belingheri Massimiliano	Amministratore Delegato				
		2025 MBO		0	
		2022 MBO			0
		Settlement agreement ⁽¹⁾			268,080
(II) Remuneration from subsidiaries and associates					
(III) Total			0	0	0
Executives with Strategic Responsibilities (5)					
		2025 MBO		0	
		2024 MBO			0
		2023 MBO			100,951
		2022 MBO			0
		Settlement agreement			0
(I) Remuneration in the company preparing the financial statements					
(II) Remuneration from subsidiaries and associates					
(III) Total			0	0	0

Note to Table 3B:

- (1) Settlement agreement entered into on July 6, 2023 between the Bank and the former Chief Executive Officer Massimiliano Belingheri; for further details, please refer to the Report on Remuneration Paid in 2024 included in the 2025 Remuneration and Incentive Policy, paragraph 2.4.1.5, Section II.
- (2) Following the failure to meet, as at December 31, 2025, the access conditions ('entry gates'), with particular reference to the Total Capital Ratio (TCR), there is no accrued or payable variable remuneration relating to the 2025 financial year, nor are there deferred portions relating to previous financial years whose payment was expected in 2026.

3.5. Analytical Tables on the 'information on investments of members of the board of directors, general managers and other Executives with Strategic Responsibilities'

SCHEDULE NO. 7-TER. Shareholdings of members of the management and control bodies and general managers.

First name and Last name	Office	Investee	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
Massimiliano Belingheri	Chief Executive Officer	BFF Bank S.p.A.	371,739	480,955	42,638	810,056
Persons closely associated with Belingheri			10,602,253	-	-	10,602,253
Ranieri de Marchis	Chairperson	BFF Bank S.p.A.	-	-	-	-
Piotr Henryk Stepniak	Director	BFF Bank S.p.A.	-	-	-	-
Domenico Gammaldi	Director	BFF Bank S.p.A.	-	-	-	-
Anna Kunkl	Director	BFF Bank S.p.A.	-	-	-	-
Alexia Ackermann	Director	BFF Bank S.p.A.	-	-	-	-
Guido Cutillo	Director	BFF Bank S.p.A.	-	-	-	-
Mimi Kung	Director	BFF Bank S.p.A.	-	-	-	-
Susana Mac Eachen	Director	BFF Bank S.p.A.	-	-	-	-
Simone Scettri	Chairperson of the Board of Statutory Auditors	BFF Bank S.p.A.	-	-	-	-
Vittorio Dell'Atti	Member of the Board of Statutory Auditors	BFF Bank S.p.A.	-	-	-	-
Simona Elena Pesce	Member of the Board of Statutory Auditors	BFF Bank S.p.A.	-	-	-	-
Silvio Necchi	Member of the Supervisory Body	BFF Bank S.p.A.	-	-	-	-
Marina Corsi	Member of the Supervisory Body	BFF Bank S.p.A.	33,825	-	-	33,825
Francesca Pedrazzi	Member of the Supervisory Body	BFF Bank S.p.A.	-	-	-	-

SCHEDULE NO. 7-TER. TABLE 3: Shareholdings of other Executives with Strategic Responsibilities.

Number of Executives with Strategic Responsibilities	Investee	Number of shares held at 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
Executives with Strategic Responsibilities (5)	BFF Bank S.p.A.	372,457	53,260	272,111	153,606
People closely related to Executives with Strategic Responsibilities (1)		40,000	-	40,000	-

3.6. ANNEX TO THE 2026 REMUNERATION POLICY: BANK OF ITALY CIRCULAR 285/2013 - SECTION VI – DISCLOSURE AND DATA TRANSMISSION OBLIGATIONS – PARAGRAPH 1 PUBLIC DISCLOSURE OBLIGATIONS. INFORMATION PURSUANT TO ARTICLE 450 OF THE CRR DRAWN UP IN ACCORDANCE WITH IMPLEMENTING REGULATION (EU) NO 637 OF MARCH 15, 2021.

a) Information relating to the bodies that oversee remuneration. The information includes:

- the name, composition and mandate of the main body (management body and remuneration committee where established) overseeing the remuneration policy and the number of meetings held by that main body during the financial year;

The Remuneration Committee is composed of three non-executive members of the Board of Directors, at least two of whom are independent. The Chair of the Remuneration Committee is selected from the independent directors. The Chair of the Board of Directors, even if assessed as independent, cannot be appointed as a member of the Remuneration Committee.

The Remuneration Committee, as of 2025, is composed of Guido Cutillo, Chair (independent member), Susana Mac Eachen (independent member), Mimi Kung (independent member).

The Remuneration Committee has fact-finding, advisory and proposal functions supporting the Board of Directors in remuneration and staff incentive policies, as well as monitoring areas under its responsibility.

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 during 2025 and the relative breakdown, please refer to section 2.9 of the Report on remuneration paid for 2025.

During 2025, the Committee met 12 times.

- the name of the external consultants whose advice was sought, the body that appointed them and the areas of the remuneration framework for which they provided advice;

In carrying out its functions, the Remuneration Committee had the opportunity to consult relevant internal structures and be assisted by external consultants such as Sodali, with reference to the analysis of shareholders' votes, Mercer for benchmarking analysis, and the Law Firm PedersoliGattai and PwC Italy for the drafting of the Policy.

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

The Group Policy ensures the consistency of remuneration and incentive systems within the Banking Group, in compliance with the specific aspects of the Group Companies' sectors, their organizational structures, 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 institution's risk profile;

BFF identifies the Group's Risk Takers, considering all the companies of the same Group, whether or not subject to banking regulations on an individual basis, also ensuring the overall consistency of the identification process as well as the coordination between different provisions applicable based on the sector the Group companies belong to.

To this end, in line with applicable regulatory provisions, it adopts a policy on the process of identifying the Group's Risk Takers, which defines: i) the criteria and procedures used for the identification of Risk Takers, ii) the methods for evaluating staff; iii) the role played by the corporate bodies and the company functions responsible for processing, monitoring and reviewing the identification process.

The Group Companies actively participate in the process of identifying the Group's Risk Takers conducted by the Parent Company, providing the latter with the necessary information and following the coordination instructions received.

For more details, see section 2 of the Remuneration Policy ('Identification of Risk Takers and classification of company roles').

b) Information relating to the design and structure of the remuneration system for the most significant staff. The information includes:

- an overview of the key features and objectives of the remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders (e.g. the shareholders' meeting);

The 2026 Remuneration Policy has been prepared taking into account the Bank's financial performance and position and capital position, as well as developments in the regulatory framework and the evidence that has emerged with respect to 2025. In this context, the Policy is aimed at ensuring consistency between the Bank's remuneration systems, risk profile and capital and liquidity conditions, with a view to prudence, sustainability and stability in the medium term.

The remuneration system is structured in order to ensure an adequate balance between fixed and variable components, as well as an effective integration of risk alignment mechanisms, including through the application of specific access conditions (entry gates) and *ex-post* correction mechanisms. The BFF Group has defined a governance process in order to regulate the activities of defining, implementing and managing remuneration policies. This process involves, at different levels and according to their areas of responsibility, numerous control bodies and corporate functions. Each year, the Report on Remuneration Policy and Compensation Paid is approved by the Shareholders' Meeting, after approval by the Board of Directors, with the opinion of the remuneration committee.

Details are given in section 1 of the Policy ('Governance of the remuneration and incentive system'), and specific reference is also made in Part II of the Report.

- information on the criteria used for performance measurement and *ex-ante* and *ex-post* risk adjustment;

BFF has defined a variable incentive system with the aim of aligning management's interests with the creation of shareholder value, such as to reward virtuous behavior and positive results and penalize failure to achieve results and any deterioration in the Group's capital solidity, liquidity and profitability.

To achieve this, annual variable remuneration is awarded and a correlation between risks and performance is made through a process consistent with the risk profile defined by the Risk Appetite Framework (RAF), and with a view to business continuity and the sustainability of long-term results.

For details see sections 5 and 6 of the Remuneration Policy.

— whether the management body and the remuneration committee, where established, reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration;

Main changes included in the 2026 policy:

- Introduction of the 'Highlights' section on remuneration components;
- strengthening transparency on regulatory interventions regarding the remuneration system, with particular reference to the safeguards applied in contexts of non-compliance with the entry gates and the reference regulatory framework;
- a review of post-employment benefits;
- strengthening the description of decision-making processes in relation to the change of governance.

b) Information relating to the design and structure of the remuneration system for identified staff. The information includes:

— information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee;

The remuneration of positions belonging to Control Functions classified as MRTs consists of a fixed part and a variable component that does not exceed more than one third of the fixed component. The latter is not determined by the achievement of economic-financial objectives, but is related to specific objectives of the function, in order to safeguard the independence required of the functions.

— policies and criteria applied for the award of guaranteed variable remuneration and severance payments.

Details of the Golden Parachutes in place in the 2025 financial year and valid for 2026 can be found in detail in section 6.2.2.8 of the Remuneration Policy ('Golden Parachutes').

c) Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.

The MBO system of the former Chief Executive Officer is linked to the timely attainment or passing of a set of economic/financial and qualitative/ESG objectives determined from year to year by the Board of Directors.

The payment of variable remuneration is subject to the occurrence of the conditions for reaching certain entry gates:

- Liquidity Coverage Ratio (LCR) ≥ risk tolerance;
- Total Capital Ratio (TCR) ≥ risk tolerance;
- EBTDA^{RA} (risk-adjusted and cost of capital-adjusted profitability): Positive;

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

The Shareholders' Meeting approves the increase in the limit of the ratio between Variable Remuneration and Fixed Remuneration from 1:1 up to a maximum of 2:1 for Risk Takers. This increase was implemented with a shareholders' resolution of December 5, 2016 in which the Shareholders' Meeting approved the proposal of the Board of Directors to raise the limit on the ratio between Variable Remuneration and Fixed Remuneration from 1:1 to a maximum of 2:1 (with the exception of Staff of the Corporate Control Functions for whom the ratio between Variable Remuneration and Fixed Remuneration does not exceed the limit of one third. This limit has been raised to 50% for the Director of the Human Resources Function and Organizational Development of the Group and for the Financial Reporting Officer).

e) Description of how the institution seeks to link the performance recorded in the valuation period to remuneration levels. The information includes:

— a summary of the main performance criteria and metrics of the institution, business lines and individual people;

The MBO system of the former Chief Executive Officer is linked to the timely attainment or passing of a set of economic/financial and qualitative/ESG objectives determined by the Board of Directors from year to year.

With regard to other Employees, the ordinary process to manage the 'MBO' short-term incentive system management requires the Human Resources and Organizational Development Function, when preparing the budget, to estimate the MBO bonus pool for Staff, the amount of which is determined by a hypothesis of attaining individual and company objectives based on the mechanisms provided for by the incentive system.

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

- quantitative objectives may be economic, or related to projects, process efficiency and people, and may refer to an individual, team, or organizational unit; they must also be objectively observable and measurable, depending on the aforesaid type, connected directly to the EBTDA^{RA} and/or growth;
- the qualitative objectives are, on the other hand, linked to organizational behavior, and identified starting from corporate values and culture and are differentiated according to the role covered.

In order to facilitate strategic alignment with company objectives, the assignment of quantitative objectives is based on a structured 'cascading' process.

For more details, see Section 6.2 of the Remuneration Policy.

— a summary of how the amounts of individual variable remuneration are linked to individual and the institution's performance;

Individual variable remuneration is mainly based 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 the individual performance.

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

Variable remuneration has a maximum incidence of 2:1 (with the exception of Staff of the Corporate Control Functions for whom the ratio between Variable Remuneration and Fixed Remuneration does not exceed the limit of one third. This limit has been raised to 50% for the Director of the Human Resources Function and Organizational Development of the Group and for the Financial Reporting Officer). With reference to the most important annual staff incentive systems, payment takes place for at least 50% in financial instruments, both upfront and as 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 allocated entirely through financial instruments or, if in monetary form, in any case in accordance with the regulatory provisions on the balance between monetary components and financial instrument components.

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

In order to discourage the assumption of excessive risks that may lead to a deterioration of the Group's 'health' conditions and also in compliance with Bank of Italy regulations, the payment of the bonus pool, regardless of its size, is subject to compliance with entry gate indicators (gates), linked to indicators of capital solidity, liquidity and risk-adjusted profitability.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. The information includes:

— an overview of the institution's policy on deferral, the payout in instruments, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.

In view of the Bank's classification as a 'bank of significant size', the payout schemes for the Chief Executive Officer and the remaining Risk Takers were confirmed, significantly extending the time horizon and increasing the incidence of the share component.

- i) as of 2022, the deferral rates of Variable Remuneration of 60% for the former Chief Executive Officer and 40% for the other members of Senior Management have been confirmed. With reference to **December 31, 2025**, the hypothesis of **particularly high Variable Remuneration** applies exclusively to the former Chief Executive Officer (see Part I, Sections 6.2.1.2. and 6.2.1.3.);
- ii) starting from 2022, the deferral periods have been increased from 2 to 4 years (5 years in the case of particularly high Variable Remuneration) on a *pro-rata* linear basis, (i.e. 10% one year after the payment of the upfront part, 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 on a *pro-rata* linear basis (i.e. 12% one year after the payment of the upfront fee, 12% in the second year, 12% in the third year, 12% in the fourth year, 12% in the fifth year). The payment 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 of the institution's criteria for ex post adjustments (*malus* during deferral and clawback after vesting, if permitted by national law).

Variable Remuneration, including golden parachutes, is subject to *ex-post* correction mechanisms (*Malus* and Clawback), which may lead to an even significant reduction in the variable component or to it being reset to zero. Correction mechanisms must be identified within the limits permitted by law and by the collective agreements applicable to employment relationships, suitable to reflect performance levels net of risks actually assumed or achieved and capital levels, as well as to take into account individual behaviors.

Assisted by company functions, the Board of Directors of the Parent Company checks the conditions for the activation of *ex-post* correction mechanisms with reference to Board-level Staff, and decides on their application according to the procedures set out in the Policy. For the remaining Staff, the Chief Executive Officer is responsible, relying on the support of the competent company functions and, where necessary, the corporate boards of the Subsidiaries.

— Where applicable, shareholding requirements that may be imposed on the most significant staff.

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

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. The information includes:

— information on the specific risk/performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, sharelinked instruments, equivalent non cash-instruments, options and other instruments.

The annual total variable remuneration of the Group's divisions and business units, including the share attributable to identified staff, is determined according to the risk-adjusted economic performance of the respective division perimeters.

A significant part of the variable remuneration is deferred and paid in part with financial instruments to link the incentives to the creation of long-term value, allowing the continuity and sustainability of positive results to be verified. Payments are made with annual payments on a *pro-rata* basis, depending, jointly, on the role held and the amount of the variable remuneration assigned.

h) Upon demand from 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 remuneration paid.

i) Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.

— For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate to which of the remuneration requirements they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.

In cases where the annual Variable Remuneration does not exceed €50,000 and does not represent more than one third of the total annual Remuneration, the bonus is subject to:

- ▶ A two-year deferral period (30% of Variable Remuneration) for the following categories:
 - a) Risk Taker;
 - b) Employees with a minimum employment category of QD3 (Level Three Middle Manager) and application of the 'National Collective Bargaining Agreement for managers and staff of professional areas of credit, financial and instrumental companies', regardless of their qualification as Risk Takers;
 - c) the remaining Employees whose target MBO is at least 26% of the Annual Base Salary.
- ▶ For Risk Takers, a 50% portion in financial instruments with a retention period of 6 months.

For all matters not specifically provided for in this section, the same rules apply to Moderate Variable Remuneration as for variable remuneration, including the *ex-post* correction mechanisms (*Malus* and Clawback).

j) Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.

See the following tables pursuant to Article 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 members of senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	8	1	6	29
2		Total fixed remuneration	1,007,000	1,452,061	2,209,784	4,402,218
3		Of which: cash-based	1,007,000	1,360,000	2,125,979 ⁽¹⁾	4,066,430
4		(Not applicable in 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 EU)	--	--	--	--
7	Variable Remuneration	Of which: other forms	0	92,061	83,804	335,789
8		(Not applicable in EU)	--	--	--	--
9		Number of identified staff		1	6	29
10		Total variable remuneration		1,181,784	399,601	(108,621)
11		Of which cash ⁽³⁾	--	0	0	0
12		Of which: deferred	--	0	0	0
EU-13a		Of which shares or equivalent ownership interests ⁽²⁾	--	1,181,784	399,601	(108,621)
EU-14a		Of which: deferred	--	0	0	0
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments ⁽³⁾	--	0	0	0
EU-14b		Of which: deferred	--	0	0	0
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)		1,007,000	2,633,845	2,609,384	4,293,597

Note to REM 1 Table:

- (1) The amount of the indemnity in lieu of notice relating to the termination of a member of Senior Management as specified in Section II, paragraph 2.4.1.5 letter D.
- (2) Fair value is determined in accordance with IFRS 2 and reflects the accounting adjustments resulting from the market performance of the share; this value does not represent a direct economic effect for the beneficiaries.
The effects deriving from the failure to meet the entry gates (TCR), which entails the forfeiture of the options whose vesting or deferral period would have started in 2026, are not included.
- (3) Following the failure to meet, as at December 31, 2025, the access conditions ('entry gates'), with particular reference to the Total Capital Ratio (TCR), there is no accrued or payable variable remuneration relating to the 2025 financial year, nor are there deferred portions relating to previous financial years whose payment was expected in 2026.

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 in its Strategic Supervisory Function	Management Body in its Management Function	Other senior management	Other identified staff
Bonuses which are part of guaranteed variable remuneration				
1	Guaranteed variable remuneration awards - Number of identified staff	--	--	--
2	Guaranteed variable remuneration awards -Total amount	--	--	--
3	Of which bonuses that are part of the guaranteed variable remuneration paid during the year which are not considered in the maximum bonus limit	--	--	--
Severance payments awarded in previous periods, that have been paid out during the financial year				
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	--	--	--
Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	--	--	--
7	Severance payments awarded during the financial year - Total amount	--	312,000 ⁽¹⁾	--
8	Of which paid during the financial year	--	36,400	--
9	Of which deferred	--	275,600	--
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	--	--	--

Note to REM 2 Table:
(1) Amount relating to the Non-Compete Agreement recognized on the end of office of an Executive with Strategic Responsibilities during 2025.

Template EU REM3: deferred remuneration

	A	B	C	D	E	F	G	H
Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods (Total columns B+C)	Of which amounts accruing during the financial year Deferred bonuses of previous years Payable in 2026 corresponds to table 3B	Of which amounts that will accrue in subsequent years Deferred bonuses of previous years not yet payable corresponds to table 3B	Amount of the performance adjustment, made during the financial year, on the deferred remuneration that would have accrued during the financial year	Amount of the performance adjustment, made during the financial year, on the deferred remuneration that would have accrued in subsequent years of service	Full amount of adjustments made during the year due to implicit <i>ex-post</i> adjustments (i.e. changes in the value of deferred remuneration due to changes in the prices of the instruments)	Full amount of deferred reimbursement recognized before the financial year, actually paid during the financial year. Deferrals paid in 2025	Total amount of deferred remuneration awarded for the previous performance period that has accrued 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	940,080	-	940,080	--	--	--	672,784	337,732
8 Cash-based	460,639	-	460,639	--	--	--	335,052	--
9 Shares or equivalent ownership interests	479,441	-	479,441	--	--	--	337,732	337,732
10 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
11 Other instruments	--	--	--	--	--	--	--	--
12 Other forms	--	--	--	--	--	--	--	--
13 Other members of senior management	145,765	-	145,765	--	--	--	244,216	122,108
14 Cash-based	72,883	-	72,883	--	--	--	122,108	--
15 Shares or equivalent ownership interests	72,883	-	72,883	--	--	--	122,108	122,108
16 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
17 Other instruments	--	--	--	--	--	--	--	--
18 Other forms	--	--	--	--	--	--	--	--
19 Other identified staff	384,252	-	384,252	--	--	--	736,985	345,645
20 Cash-based	205,793	-	205,793	--	--	--	391,339	--
21 Shares or equivalent ownership interests	178,459	-	178,459	--	--	--	345,645	345,645
22 Share-linked instruments or equivalent non-cash instruments	--	--	--	--	--	--	--	--
23 Other instruments	--	--	--	--	--	--	--	--
24 Other forms	--	--	--	--	--	--	--	--
25 Total amount	1,470,097	-	1,470,097	--	--	--	1,653,984	805,486

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	1
5	From 3,000,000 to less than 3,500,000	--
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 institution's risk profile (identified staff)

		A	B	C	D	E	F	G	H	I	J
		Remuneration of the management body		Business areas							
		Management body with a strategic oversight function ⁽¹⁾	Management function of the management body	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	8	1	9	--	--	--	--	--	--	--
3	Of which other members of senior management	--	--	--	--	--	--	--	--	--	--
4	Of which other members of identified staff	--	--	--	--	--	--	6	6	23	35
5	Total remuneration of identified staff	1,007,000	2,633,845	3,640,845	--	--	--	1,123,685	1,169,940	4,609,357	6,902,982
6	Of which variable remuneration	0	1,181,784	1,181,784	--	--	--	142,616	(7,804)	156,168	290,980
7	Of which fixed remuneration	1,007,000	1,452,061	2,459,061	--	--	--	981,069	1,177,744	4,453,189	6,612,002

(1) Including directors who have ceased to hold office during the financial year.

Shareholders,

in the light of the foregoing, we invite you to approve the following proposal for a resolution (on which two separate votes will be proposed depending on the subject, one for each point to decide, each with its own mandate):

'The Shareholders' Meeting

Having regard to the '2026 Remuneration and Incentive Policy for members of the Strategic Oversight, Management and Control Bodies, and Staff of the BFF Banking Group' for 2026 as illustrated in the Board of Directors' Report

RESOLVES

- i) to approve the new '2026 Remuneration and Incentive Policy for members of the Strategic Oversight, Management and Control Bodies and Staff of the BFF Banking Group' included in Section I of the Board of Directors' Report;
- ii) to specifically approve the provisions referred to in sub-point (b) of point 6.2.2.8 (amounts recognized under an agreement for the settlement of a current or potential dispute), of the new 2026 Remuneration and Incentive Policy for members of the management body and staff of the BFF Banking Group – of Section 1 of the 'Annual Report on the remuneration and incentive policies of the BFF Banking Group' relating to the policies for determining remuneration in the event of early termination from office or termination of the employment relationship contained therein, including the predefined formula for determining the amounts recognized under agreements with staff, 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 that make up the Remuneration (including the treatment provided for in the event of termination of office or termination of the employment relationship) of the aforementioned individuals, in accordance with the 2025 Policy; (ii) the general information on the implementation of the 2025 Policy in 2025 and the assessments provided by the Group's control functions, each for the aspects under their responsibility; (iii) the analytical illustration of the remuneration paid in the year under consideration, for any reason and in any form, by the Bank and the Subsidiaries; (iv) the remuneration to be paid in one or more subsequent years, for the activity carried out in the year under consideration;
- iv) to grant the Board of Directors, and for it the Chief Executive Officer, the broadest ranging powers to carry out all acts, fulfil all obligations and formalities necessary for the implementation of each of the previous resolutions, and thus also the power to make any changes to the aforementioned Policy that may be necessary in compliance with legislation, including regulations, in force from time to time'.

Milan, May 11, 2026

The Board of Directors

