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Engagement with shareholders

The appointment of the Board of Directors and
BFF Remuneration Framework

December 2023

- 1. The appointment of the BFF Board of Directors**
- 2. The BFF Remuneration Framework**

Annex

Current Board of Directors

56%
Independent

44%
Female Directors

61 y/o
Average Age

Name & Title	Slate ¹	Gender	Nationality	Year of Birth	Independence ²	First Appointment	Risk and Control Committee	Remuneration Committee	Nomination Committee
Salvatore Messina³ Non-Executive Chairman	2021 Board Slate	M	Italian	1946	NO	2013			
Massimiliano Belingheri Chief Executive Officer	2021 Board Slate	M	Italian	1974	NO	2006			
Federico Fornari Luswergh Non-Executive Director	2021 Board Slate	M	Italian	1964	NO	2010	Member		Member
Anna Kunkl Independent Director	Co-opted ⁴	F	Italian	1972	YES	2022			
Michaela Aumann Independent Director	2021 Board Slate	F	German	1953	YES	2015	Chair		
Piotr Enryk Stepniak Non-Executive Director	2021 Board Slate	M	Polish	1963	NO	2021		Member	
Domenico Gammaldi Independent Director	2021 Board Slate	M	Italian	1953	YES	2021	Member	Member	Chair
Monica Magri Independent Director	Co-opted ⁴	F	Italian	1964	YES	2022			Member
Giovanna Villa Independent Director	2021 Assogestioni Slate	F	Italian	1966	YES	2021 ⁵		Chair	

¹ This column indicates the slate from which each Director was drawn.

² As per independence requirements set out in art. 13 of Decree no. 169/2020.

³ [As announced on Oct. 26th](#), 2023, Chairman Mr. Salvatore Messina informed the Board of Directors of his intention not to stand for re-election in the slate being prepared for the next renewal.

⁴ Monica Magri was co-opted by the board on Feb. 10, 2022, to replace Barbara Poggiali (2021 Board Slate). Anna Kunkl was co-opted by the board on March 1, 2022, to replace Amélie Scaramozzino (2021 Board Slate).

⁵ Director appointed by the "minority slate".

The Board and/or Shareholder(s) $\geq 1\%$ share capital can submit a slate of candidates

Director Election Procedure: *Voto di Lista*

In Italy, directors' elections take place through the **voto di lista mechanism** (slate elections). Directors will serve for a three-year term in line with market practice.

BFF Bank

Who can submit a slate?

Outgoing Board of Directors

Shareholder(s) $\geq 1\%$ share capital

Slates of candidates may be submitted by:

- the outgoing Board of Directors or
- one or more shareholders who hold in aggregate shares representing a percentage equal to at least 1% of the share capital entitling to voting right at ordinary meetings.

Number of Board members

9 directors

The company is managed by a Board composed of no less than 5 and no more than 13 members who are appointed by the Shareholder Meeting after determining their numbers.

The current Board is composed of 9 directors and the Board intends to confirm such size.

Gender balance

>40% to the least represented gender

The Board of Directors fulfils, in its composition, the gender balance established by the legislation in force.

Independence

At least 50% of directors

More than half of directors shall be independent as per the Company's Bylaws.

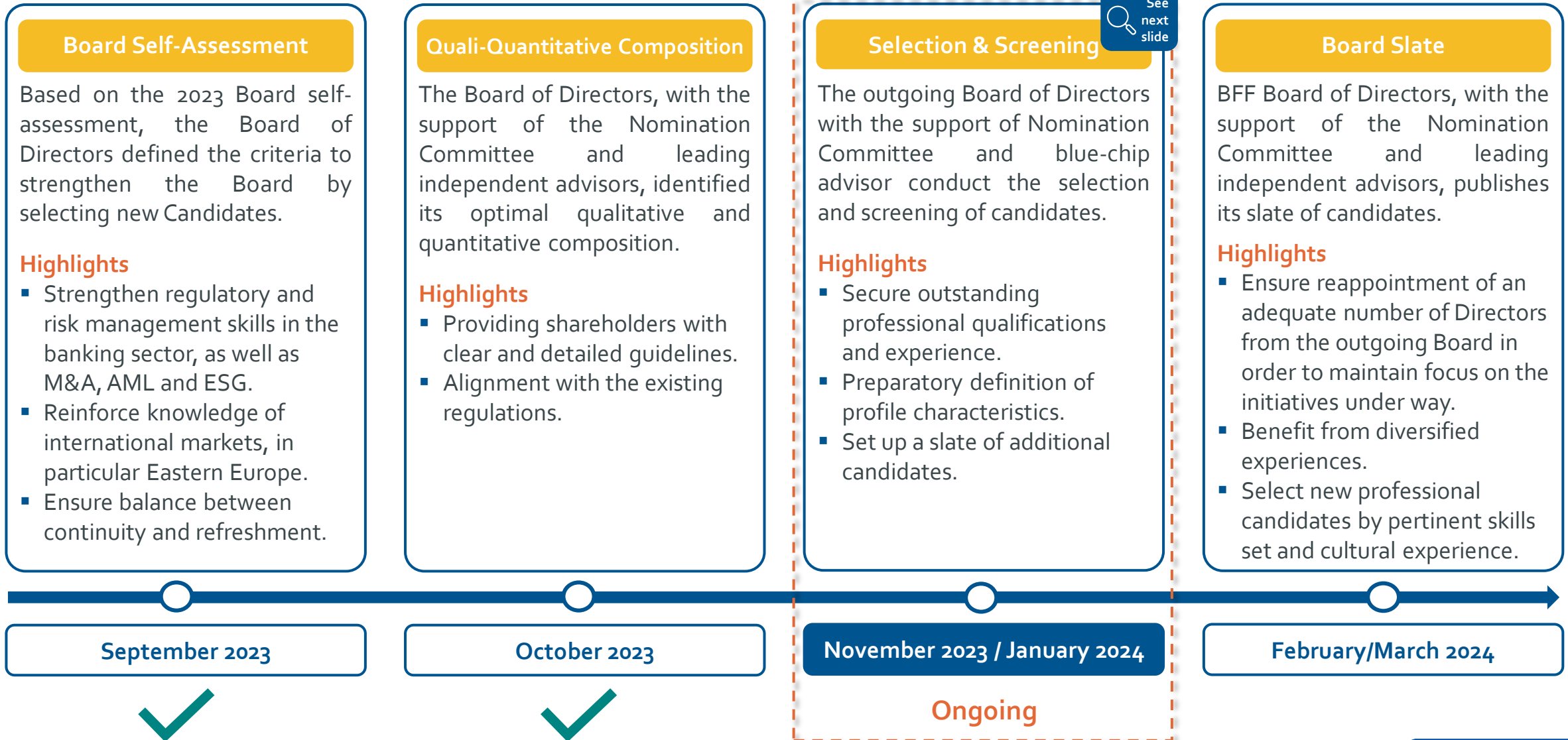
How are members appointed?

- a number of Directors equal to the **total number of members to be appointed less 1 (one)**, is derived from the slate which obtained the majority of casted votes (so called "majority slate"), following the sequential order with which they are listed in the same slate;
- **the residual director is derived from the second slate which obtained the highest number of votes at the meeting (so called "minority slate")**, which is not affiliated in any way, not even indirectly, to those who have submitted or voted for the majority slate.

Note: if the majority slate does not contain a sufficient number of candidates to ensure that the number of directors to be elected pursuant to letter (a) above is reached, all the candidates listed therein shall be taken from that slate, in the order in which they are indicated; after having taken the other director from the minority slate pursuant to letter (b), the remaining directors are taken - for the positions not covered by the majority slate - from the minority slate that obtained the highest number of votes among the minority slates, according to the capacity of such slate. In case there is insufficient capacity, the remaining Directors are chosen - according to the same procedure - from the following slate or, if necessary, from subsequent slates, depending on the number of votes and the capacity of these slates.

Board Slate: process aligned with best market practice

Process to be followed by the Board of Directors for the definition of its own slate of candidates.



Board Slate: solid and transparent process for the selection and screening of candidates



1. APPOINTMENT TO THE EXTERNAL CONSULTANT

NOMINATION COMMITTEE AND BOARD OF DIRECTORS

The Nomination Committee, if necessary, identifies and submits to the approval of the Board of Directors a short list of Consultants among the Head-Hunting companies considering their preparation, experience in matters of corporate governance, neutrality, objectivity and independence of judgment.



2. DEFINITION OF CANDIDATES PROFILES

NOMINATION COMMITTEE

Identifies the personal, professional and independence characteristics considered optimal, possibly with the support of an external consultant

BOARD OF DIRECTORS

Approval of the Board of Directors



See next slides

3. POTENTIAL CANDIDATES

NOMINATION COMMITTEE

Develops a list of potential candidates ("long list"), possibly with the support of an external consultant

NOMINATION COMMITTEE

Starts individual interviews with each of the possible external candidates

Presents to the Board a short slate of candidates and a slate proposal

Ongoing


4. CANDIDATES INDIVIDUATION AND SLATE NOMINATION / DRAFT

BOARD OF DIRECTORS

Reviews the slate of candidates

Decides on the proposal formulated by the Nomination Committee

Target Quali-Quantitative Composition: Size, Independence, Gender Diversity...

 Criteria	Guidelines on the qualitative and quantitative composition of the Board of Directors
Board Size	9 (nine) members is considered to be the optimal size.
Independence	A majority of independent* directors, at least 5 (five) members, excluding the Board Chair.
Cap on offices held	No aggregate number of positions in banks or other business organizations in excess of one of the following alternative combinations: <ul style="list-style-type: none"> a. 1 (one) executive assignment and 2 (two) non-executive assignments b. 4 (four) non-executive assignments
Gender Diversity	At least two-fifths of the Board members belonging to the least represented gender. If the Board of Directors consists of 9 (nine) members, at least 4 (four) Directors shall be appointed belonging to the less represented gender.
Age	Combination of different age brackets within the Board , so as to allow a balanced plurality of perspectives and managerial and professional experiences. In addition: <ul style="list-style-type: none"> a. At least 1 member <50 years old at the first appointment b. Chair <68 years old at the first appointment
Professionalism	Mix of skills and experiences based on: Fit&Proper Requirements, Board Regulations and Self-assessment results.

*as per the Code of Corporate Governance.

Target Quali-Quantitative Composition: Chair, CEO and NED Profile

Role	Skills and Experience
Chair	<ul style="list-style-type: none">▪ Competent in the legal and economic-financial field and in the management of strategic issues within the Board.▪ Represent a guarantee for all Shareholders and in-depth experience of the regulatory context of the sector.▪ At least 5 years of administration or control activities or management duties in the last 20 years.▪ <68 years old in case of first appointment.
CEO	<ul style="list-style-type: none">▪ Strategic vision and entrepreneurial spirit.▪ As per Succession Plan, knowledge of financial instruments and finance.▪ Ability to interact and listen as soft skills.▪ At least 5 years of specific experience in the field of credit, finance, securities or insurance, gained through administration or control activities or management duties in the last 20 years.
Non-Executive	<ul style="list-style-type: none">▪ Candidates must meet at least one of the following requirements: 1) Adequate knowledge of the banking sector, economic-financial system, banking and financial regulations and risk management and control methodologies 2) experience in the management of operations 3) experience in entrepreneurial management and business organization 4) ability to read and interpret economic and financial data 5) international experience and knowledge of foreign markets.▪ Directors should be characterized by the following profiles to achieve a mix of different and complementary skills and experiences, gained for at least three years: Managerial profiles, Professional profiles, Academic and/or institutional profiles.

*More details in Annex.

1. The appointment of the Board of Directors

2. BFF Remuneration Framework

Annex

Highlights

- Solid financial results and very well positioned with ESG ratings
- BFF constantly engages with shareholders for a transparent dialogue
- Improvements in the pipeline
- Outstanding performance in recent years
- What has changed in the CEO's contract
- CEO's termination pay in line with best market practice
- CEO pay reviewed to close the gap with performance, results and to increase retention
- CEO pay results in the 3rd quartile post review, while BFF ranks 1st for performance in the peer comparison

Slide 12

Slide 13

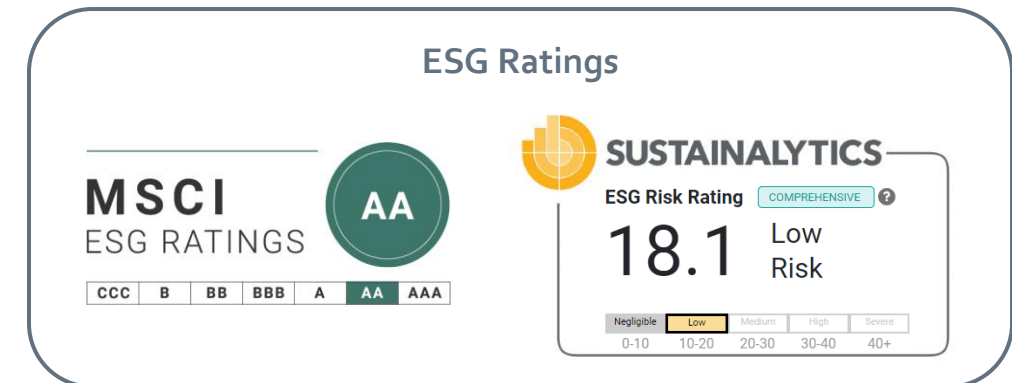
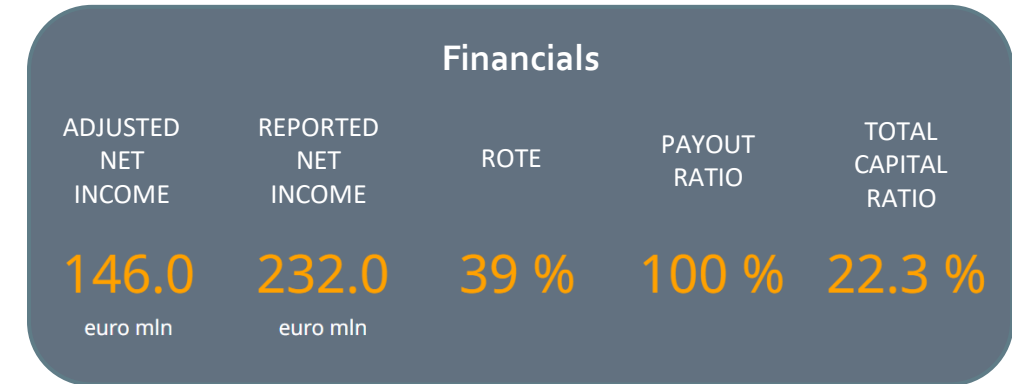
Slides 14

Slide 15

Slide 16

Slides 17-18

Slide 19-22



According to Ambrosetti Group, BFF ranks with the second highest score among Borsa Italiana Mid Cap companies for remuneration and incentive mechanisms...

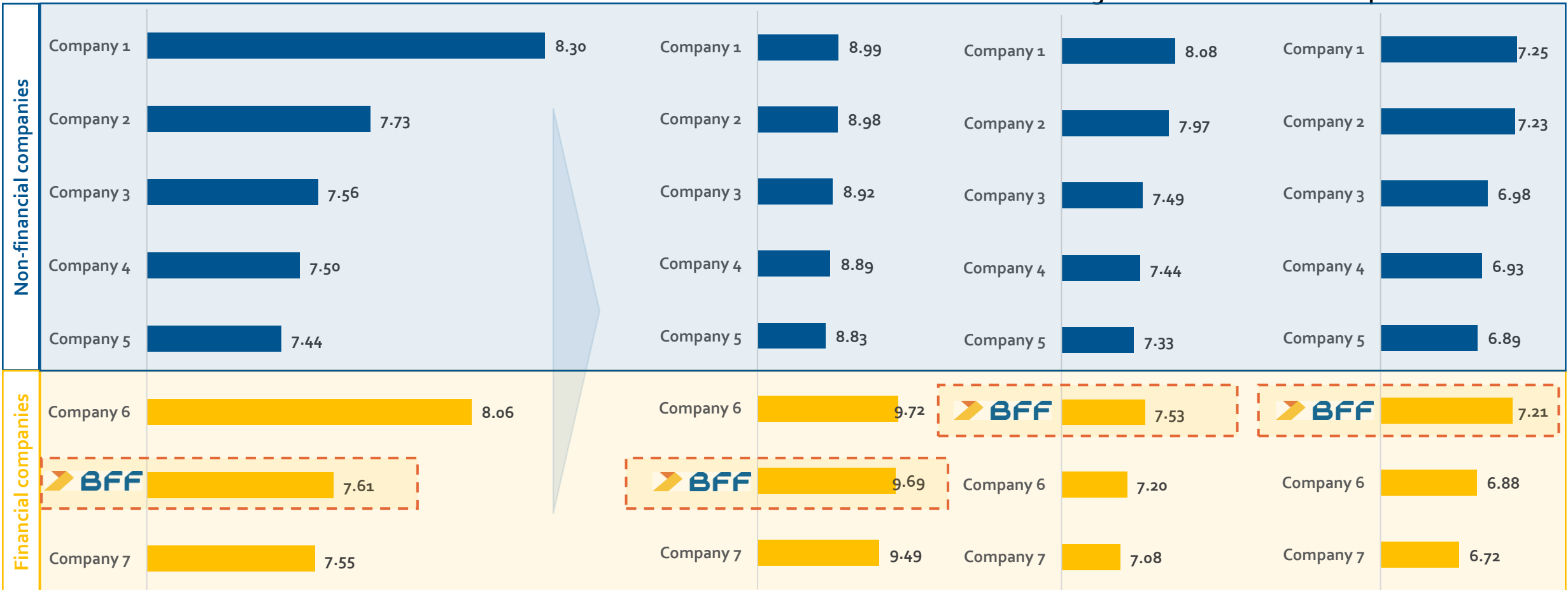
Governance Excellence ("GE") 2023 Index – MID CAP⁽¹⁾

Focus on Next Slide

a Remuneration and incentive mechanisms

b BoD composition and functioning

c Shareholding Structure and Representation

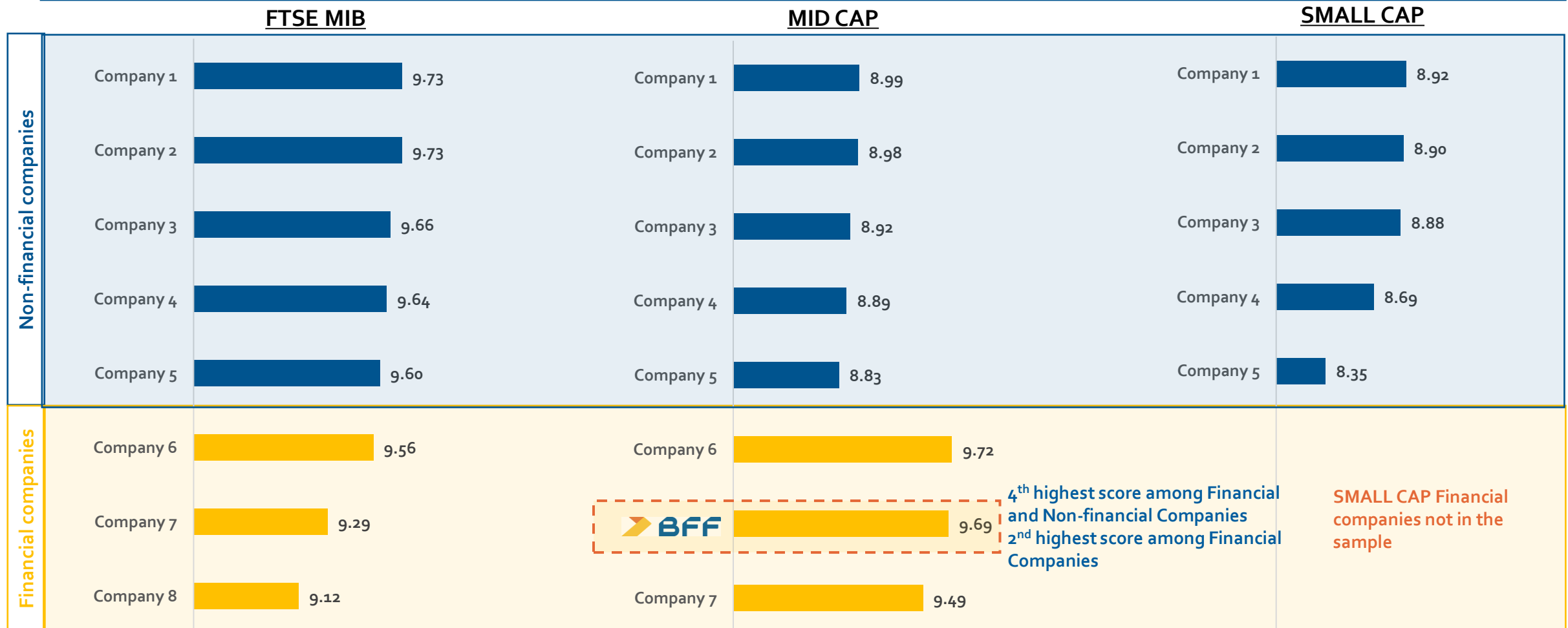


Average score: 6.53

Avg. values, min=1, max=10

...and the fourth highest score in GE Index among all Italian Companies and the second highest score among financial companies for remuneration and incentive mechanisms

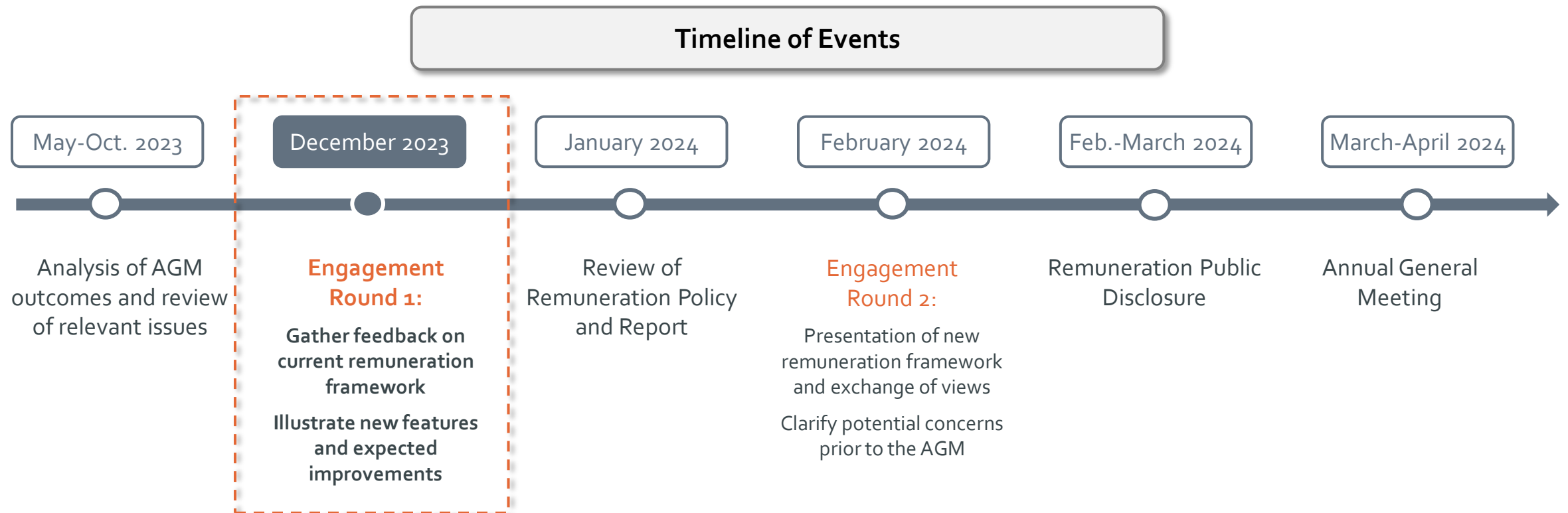
GE INDEX – REMUNERATION AND INCENTIVE MECHANISMS



Avg. values, min=1, max=10

BFF constantly engages in a transparent dialogue with shareholders

- In continuity with previous years, BFF is conducting an extensive engagement with shareholders to obtain relevant advice and illustrate the directions of change of next year's remuneration policy.
- The dialogue with BFF's investors and proxy advisors aims at enhancing awareness on Group's remuneration practices and receiving feedback, a useful input for the continuous internal evaluation and review process.



Remuneration Policy: improvements in the pipeline

Key recent implementations in BFF's remuneration framework and improvements planned for 2024.

2022 AGM

- ✓ Inclusion of ESG performance into CEO's STI scorecard.
- ✓ Enhancement of deferrals within both the STI and LTI pay components.
- ✓ Ex-post disclosure of performance achievement of the STI component and the integration bonus.
- ✓ Disclosure of a section related to the exceptional deviations' powers of the Board.
- ✓ Disclosure of the employees' average remuneration.
- ✓ Introduction of the ESG materiality matrix and gender neutrality principle.

2023 AGM

- ✓ Inclusion of multiple ESG KPIs into CEO's STI scorecard, among which gender pay gap as per investor requests.
- ✓ Disclosure of CEO Pay Mix and CEO Pay-Ratio.
- ✓ Enhanced disclosure of STI payout thresholds (min/target/max. expressed in % of fixed pay).
- ✓ Introduction of a section dedicated to the description of engagement activities with investors and proxy advisors.
- ✓ Pay-for-performance model with disclosure of related peer group and benchmark assessment.
- ✓ Removal of the trigger condition for CEO severance on regulatory changes.
- ✓ Enhancement of the ESG matrix with double materiality.

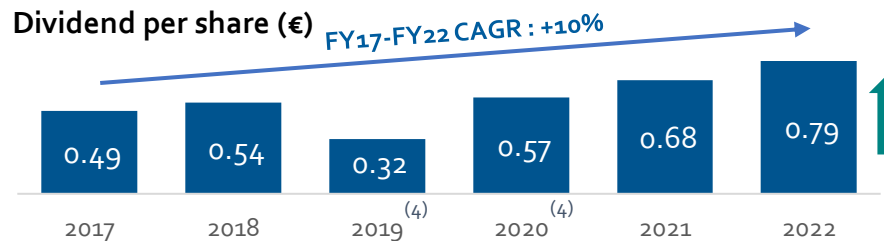
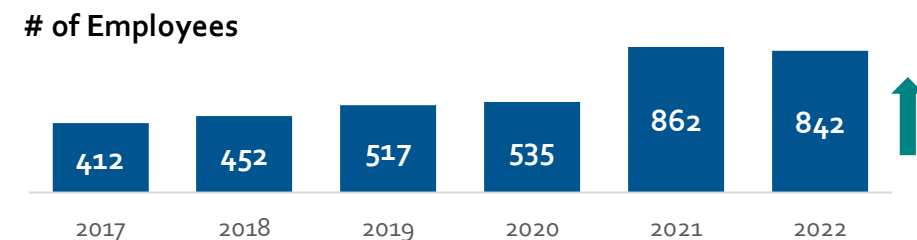
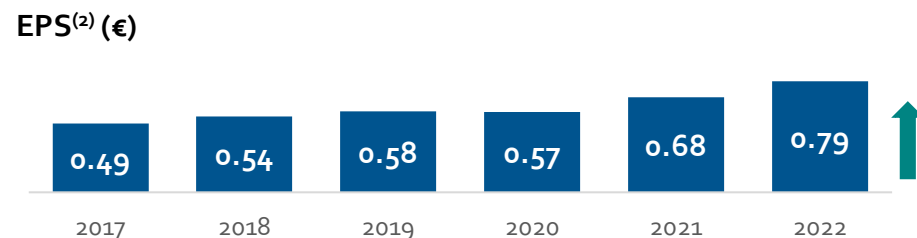
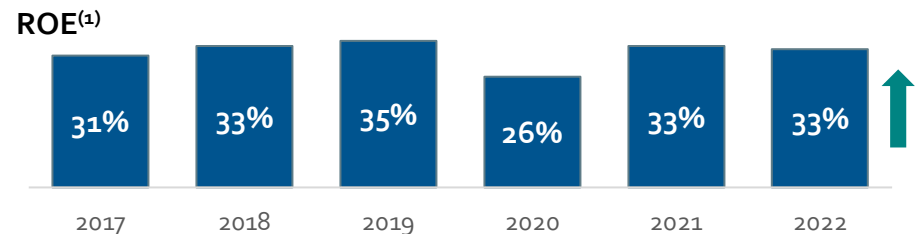
2024 AGM

drafting

- ✓ Removal of the trigger condition for CEO severance in the event of non-renewal of the office of CEO upon expiry of the mandate.
 - ✓ No change of severance as effect of CEO pay review, including the absolute limit.
 - ✓ Increased maturity term of CEO's non-compete agreement, as a risk mitigant.
 - ✓ **Further improvement of ex-post and ex-ante disclosure on variable pay and performance to align with best practice.**
 - ✓ **Introduction of the Shareholder Guidelines for CEO and top management under evaluation.**
- Also note:
- ✓ Dilution from all outstanding equity incentive plans below 3% of share capital.

Consistent profitability growth, along with high return to shareholders (>250% return since IPO)

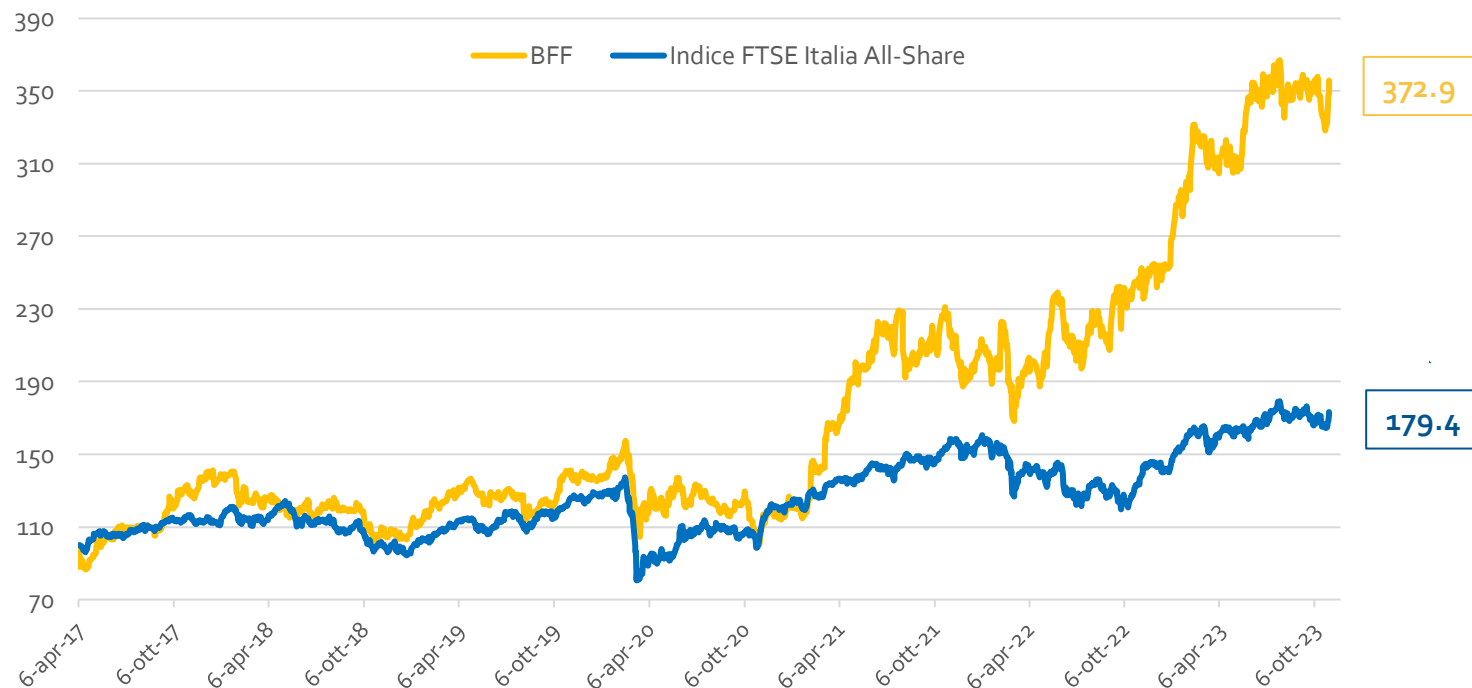
Evolution of BFF Bank in the period 2017-2022.



>€697m of dividends paid to date to shareholders since 2017 IPO, c. 87% of IPO-market cap.

Total Return since the IPO, with reinvested dividends⁽⁵⁾

- €1.9bn market cap today. TSR compared to the IPO placement price was 273%. FTSE Italia All-Share Index total return was 79%.



Sources: BFF Financial Statements.

(1) ROE: Adj. Net Profit / (Year-end Equity book value – Reported Net Income + Interim dividend - AT₁); (2) Adjusted; (3) Net Banking Income; (4) Paid in 2021; (5) Updated with market data as of 24 Nov 2023.

What has changed in the CEO's contract

Three key amendments:

1.

More freedom for the Board on Reappointment

- Removal of trigger event for severance in case of non-reappointment as CEO upon expiry of the mandate.

2.

Strengthened non-compete agreement

- Duration increased from 2 to 3 years
- Annual amount increased to 100% of the fixed pay to strengthen the effectiveness of the agreement, in line with market practice.

3.

Reviewed CEO salary ahead of the decision on reappointment

- + 20% increase from 2020 level (CAGR 10%)
- No changes in severance maximum payout as a result of the pay increase, remaining anchored to limits approved by the 2021 AGM
- The new pay package represents the commitment of BFF towards the CEO in case of his reappointment at the upcoming Board elections.

 See next slides

CEO's termination pay in line with best market practice

Removal of a trigger event and enhancement of non-compete agreement in the interests of the company in terms of risk management.
No change as effect of CEO pay review, including the absolute limit.

1. Severance

Trigger events

Circumstances determining the CEO's right to payment of the severance		
⊗	Removed	Failure to renew the office of CEO upon expiry of the mandate.
⊙	Standing	Removal from office as a director before expiry of the mandate (other than on bad leaver grounds).
⊙	Standing	Reduction of the CEO pay package during any term of office (except for legal purposes).

Amount

unchanged

Equal to the lower of:

- 1.8 times the sum of the fixed pay (excluding benefits) and the average variable remuneration of the previous three years
- the amount of €4,500,000 (cap approved by the 2021 AGM)

In addition:

- ✓ 51% of severance paid in shares
- ✓ 40% upfront, 60% deferred over a six-year period
- ✓ linked to performance and subject to claw back mechanisms

Note: Please note that the CEO is a Director of the Company and not an employee, what is defined in this page is the pre-agreed publicly-disclosed termination package for his position, with no hidden costs and no further due to law and collective bargaining agreements (e.g. notice period and additional contractual indemnities), contrary to the severance of the whose majority of Italian CEOs also being employees. **Example:** in case Group CEO role with General Manager, (hidden) additional indemnities for notice period would amount to at least 10 months' total pay.

2. Non-compete agreement

Before

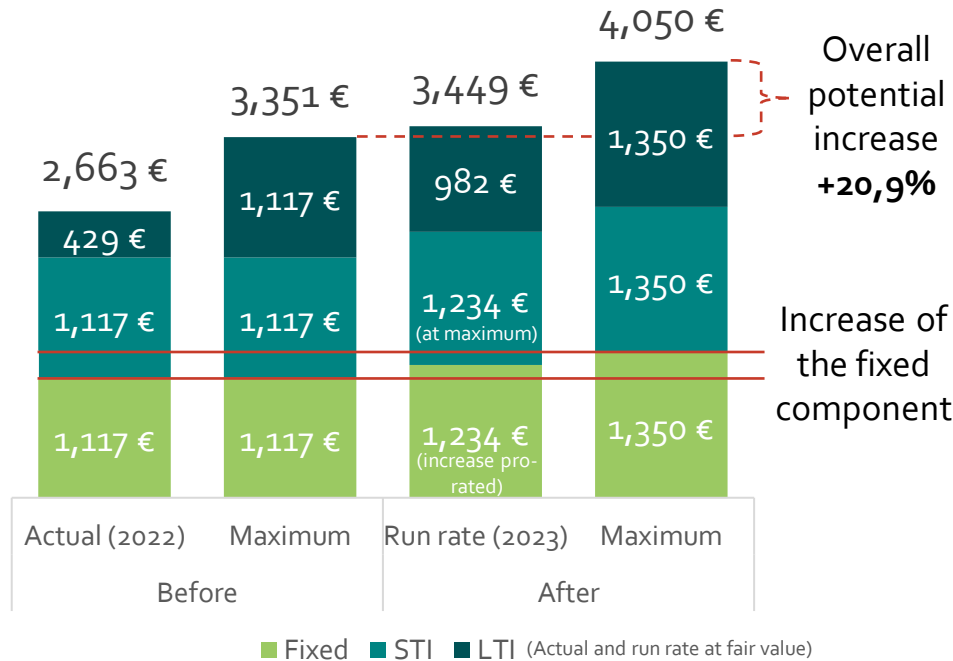
After

Duration	
2 years	↑ 3 years
Annual Amount	
35% of the fixed pay	↑ 100% of the fixed pay
Penalty	
In the event of breach of the non-compete obligation:	✓ Unchanged
<ul style="list-style-type: none"> 100% of the fixed pay 	
In the event certain types of conduct:	
<ul style="list-style-type: none"> 100% of the non-compete amount 	

CEO pay reviewed to close the gap with performance

3. BFF CEO pay increased in 2023 to allow an alignment with performance

CEO Pay – Change by category (thousands)



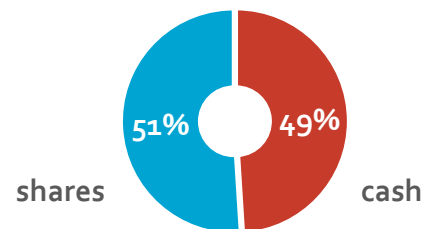
Rationale

- BFF is a top performer (see next slides): alignment with 3rd quartile of peer group
- 3 years since last pay increase despite outstanding performance
- Review of pay to drive further performance and retention, in the interests of all

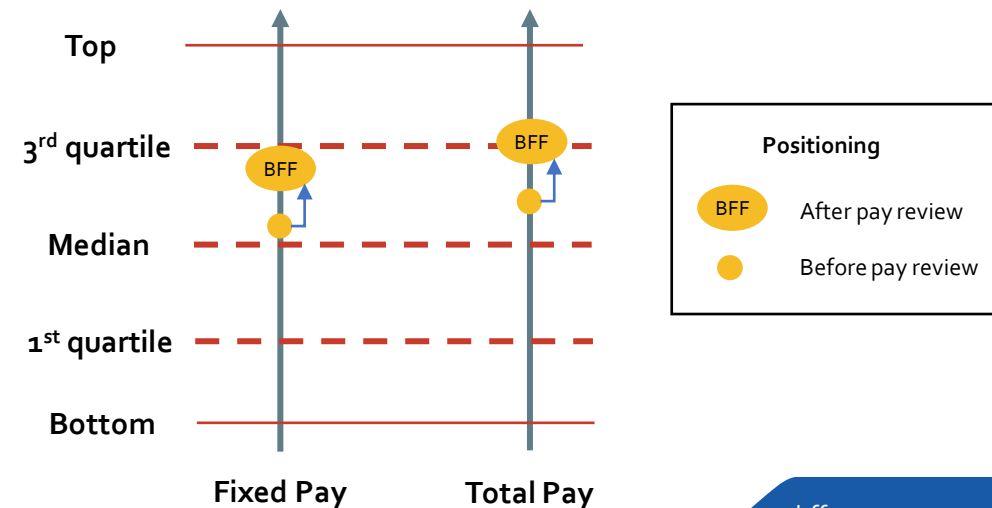
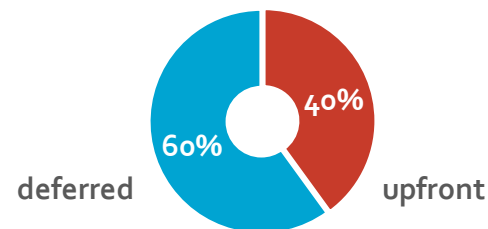
Benchmark

- Based on a peer group composed by *Banca Popolare di Sondrio, Banco BPM, Banco de Sabadell, Bankinter, BPER Banca, Cembra Money Bank, FinecoBank, International Personal Finance, Nexi and Plus 500.*
- During 2023, 50% of peers approved an increase of CEO fixed pay.
- New positioning:

51% of STI and LTI paid in shares



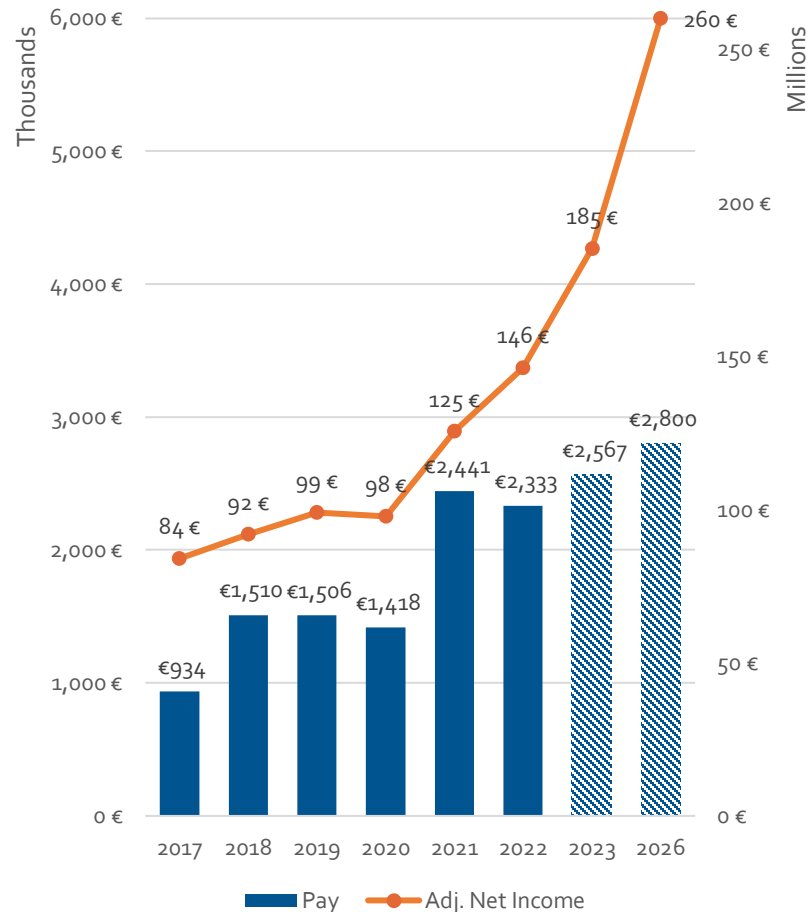
STI subject to deferral over 5 years



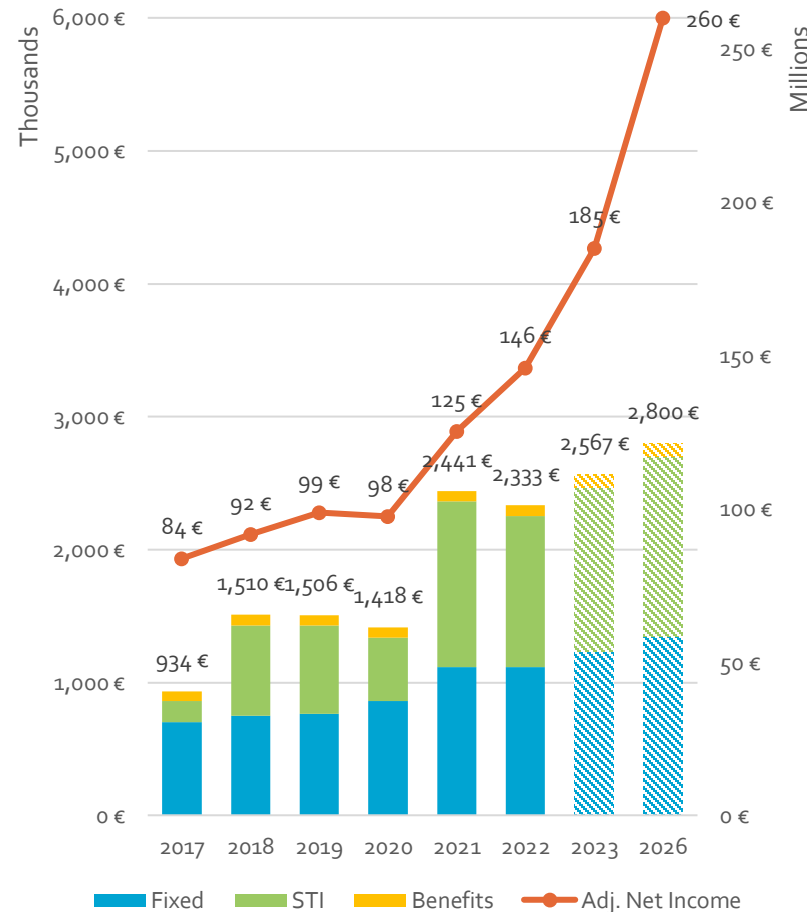
CEO's total pay lags behind outstanding Company's performance

Evolution of BFF CEO's realized pay vs. Adj. Net Income (2017-2022 period). Adjusted Net Income targets disclosed to the market (Strategy Update to 2028 of 29th June 2023): €185m for 2023 and €260m for 2026.

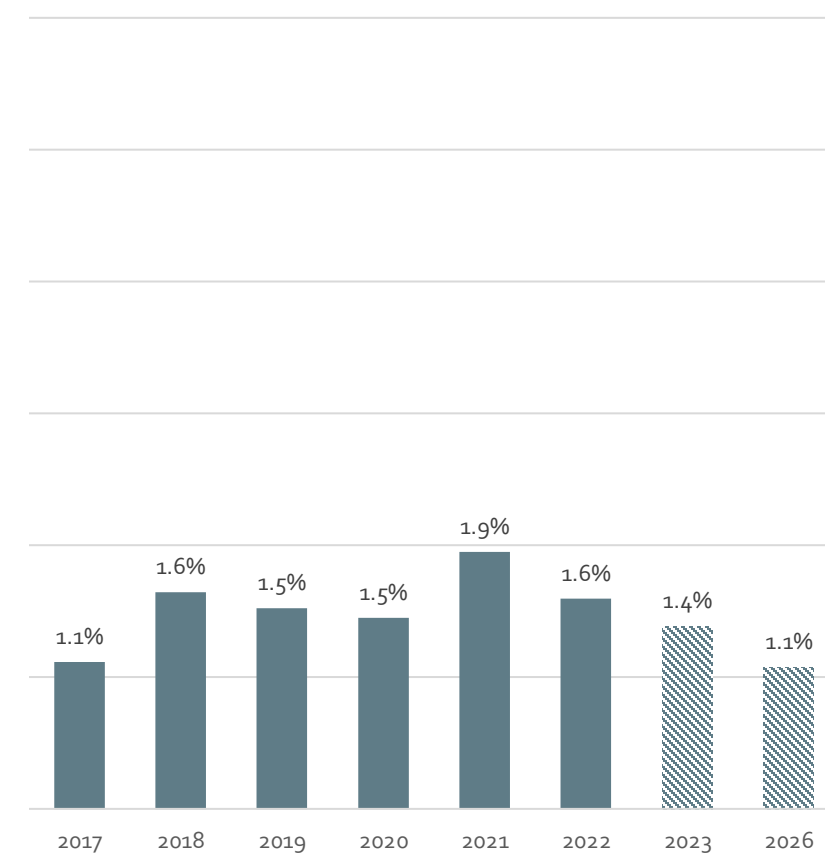
CEO Pay vs. Adj. Net Income



CEO Pay vs. Adj. Net Income – by category



CEO Pay/Adj. Net Income Ratio



Notes: CEO Pay does not take into account the LTI component (Stock Options) and a retention bonus paid in FY2020 (€1,61m), related on agreements due to changes in ownership (resulting 2020 Total Pay/Adj. Net income Ratio = 3,1%). 2023 and 2026 CEO Pay at maximum based on the new fixed pay (pro-rated in 2023).

Sources: Morrow Sodali and BFF Financial Statements.

CEO pay is in the 3rd quartile post review, while BFF ranks 1st for performance in the Peer Group


Peer group used for pay setting and new positioning of BFF following the pay review.

Peers: selection based on industry, size, complexity and governance factors.

Peer	Country	2019-2022 TSR*
BFF Bank	Italy	140,2%
Fineco Bank	Italy	92,8%
Banco BPM	Italy	85,0%
Plus500	UK	73,5%
Banca Popolare di Sondrio	Italy	57,3%
Bankinter	Spain	46,3%
Cembra Money Bank	Switzerland	17,0%
Banco De Sabadell	Spain	0,3%
BPER Banca	Italy	-8,2%
Nexi	Italy	-12,7%
International Personal Finance	UK	-57,3%

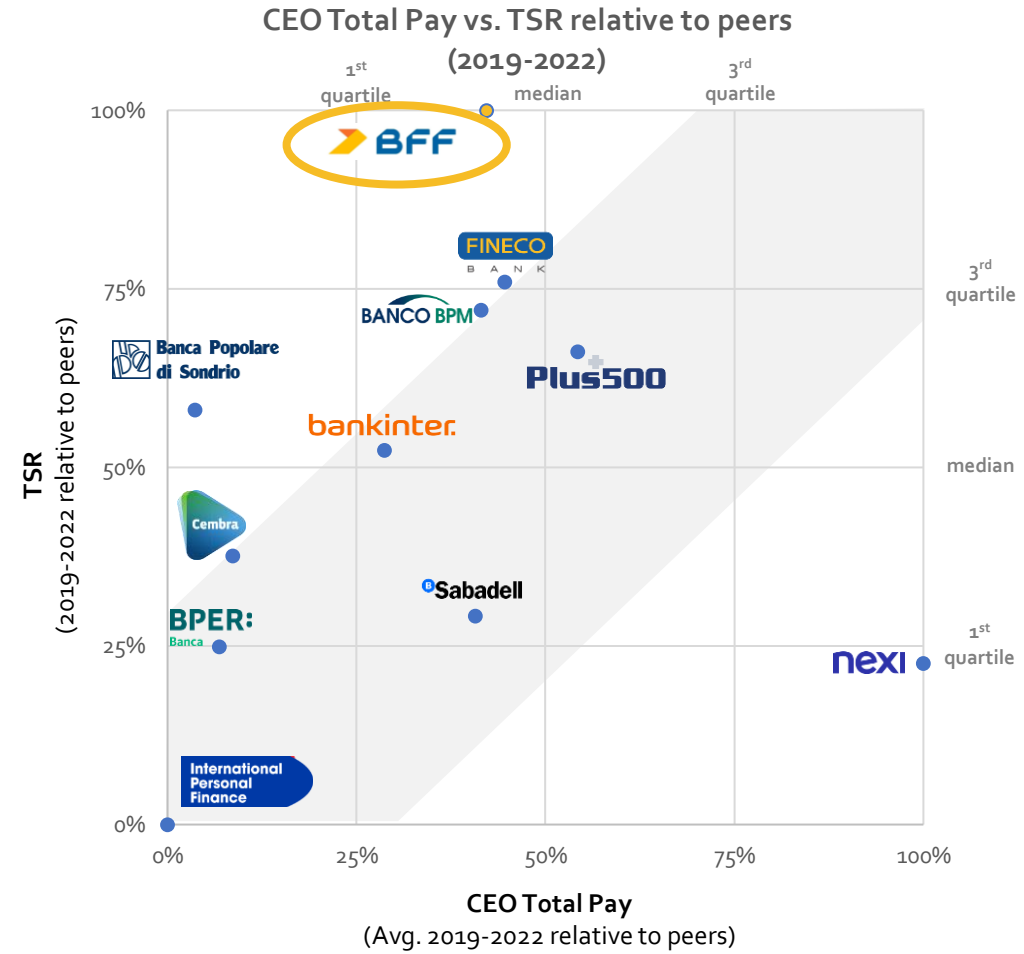
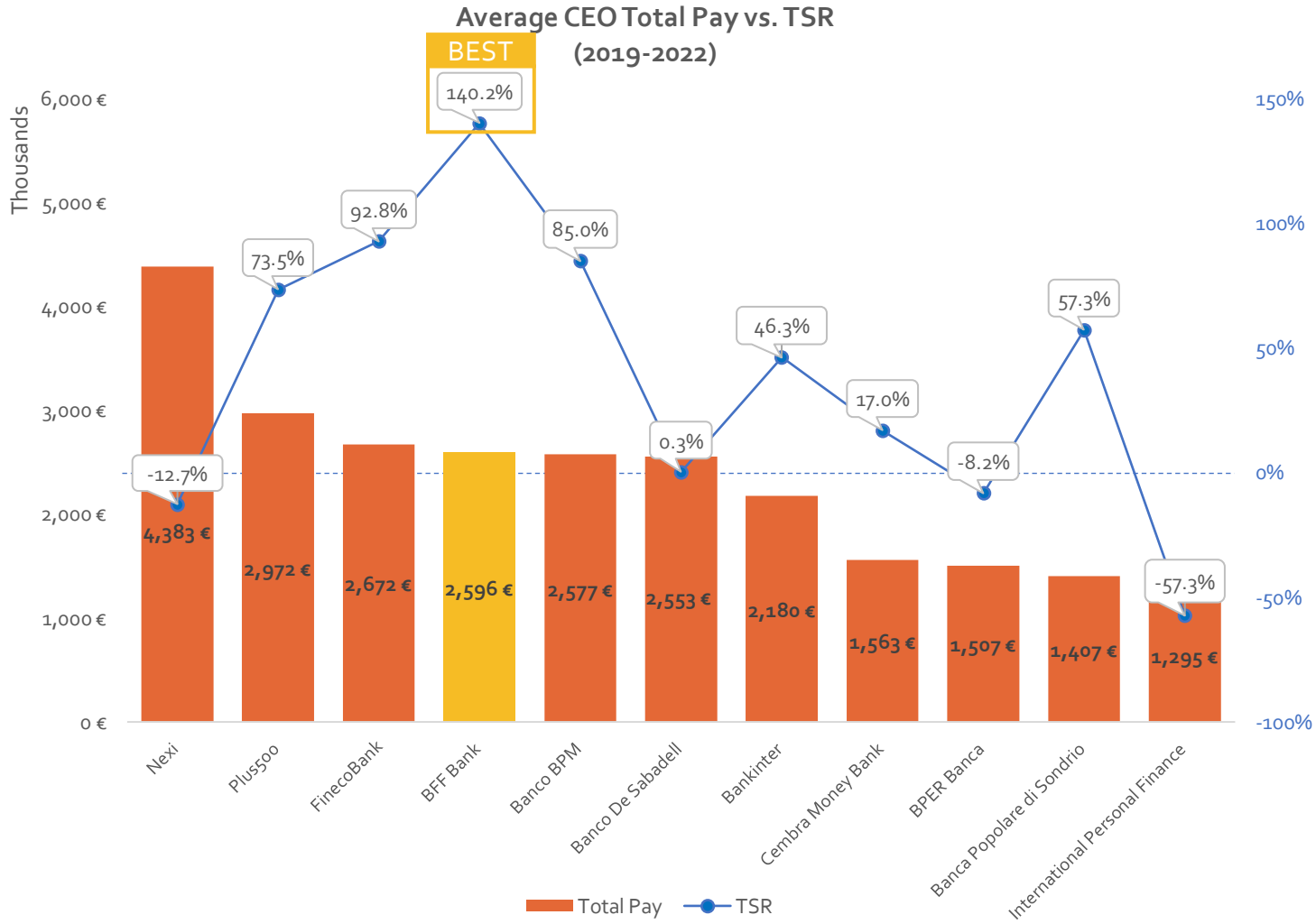
* TSR in the period 1/1/2019-31/12/2022 preceding the pay review occurred in mid 2023.

Fixed Pay		Total Pay	
Peer 1	2,20 € m	Peer 2	8,40 € m
Peer 2	1,50 € m	Peer 8	4,30 € m
Peer 3	1,45 € m	Peer 3	4,10 € m
<i>3rd quartile</i>	<i>1,43 € m</i>	BFF Bank	4,05 € m
Peer 4	1,38 € m	<i>3rd quartile</i>	<i>4,03 € m</i>
BFF Bank	1,35 € m	Peer 1	3,80 € m
Peer 5	1,01 € m	Peer 4	3,18 € m
<i>Median</i>	<i>1,01 € m</i>	<i>Median</i>	<i>3,09 € m</i>
Peer 6	1,00 € m	Peer 6	3,00 € m
Peer 7	0,94 € m	Peer 7	2,36 € m
Peer 8	0,88 € m	Peer 5	2,10 € m
Peer 9	0,78 € m	Peer 9	1,78 € m
Peer 10	0,53 € m	Peer 10	1,47 € m

 Change in ranking after pay review.

BFF ranks first in the Peer Group for TSR

Average CEO Realized Total Pay vs. TSR of BFF and companies included in the Peer Group (2019-2022 period).



BFF CEO total pay over net income consistently below other Italian listed specialty finance companies' average

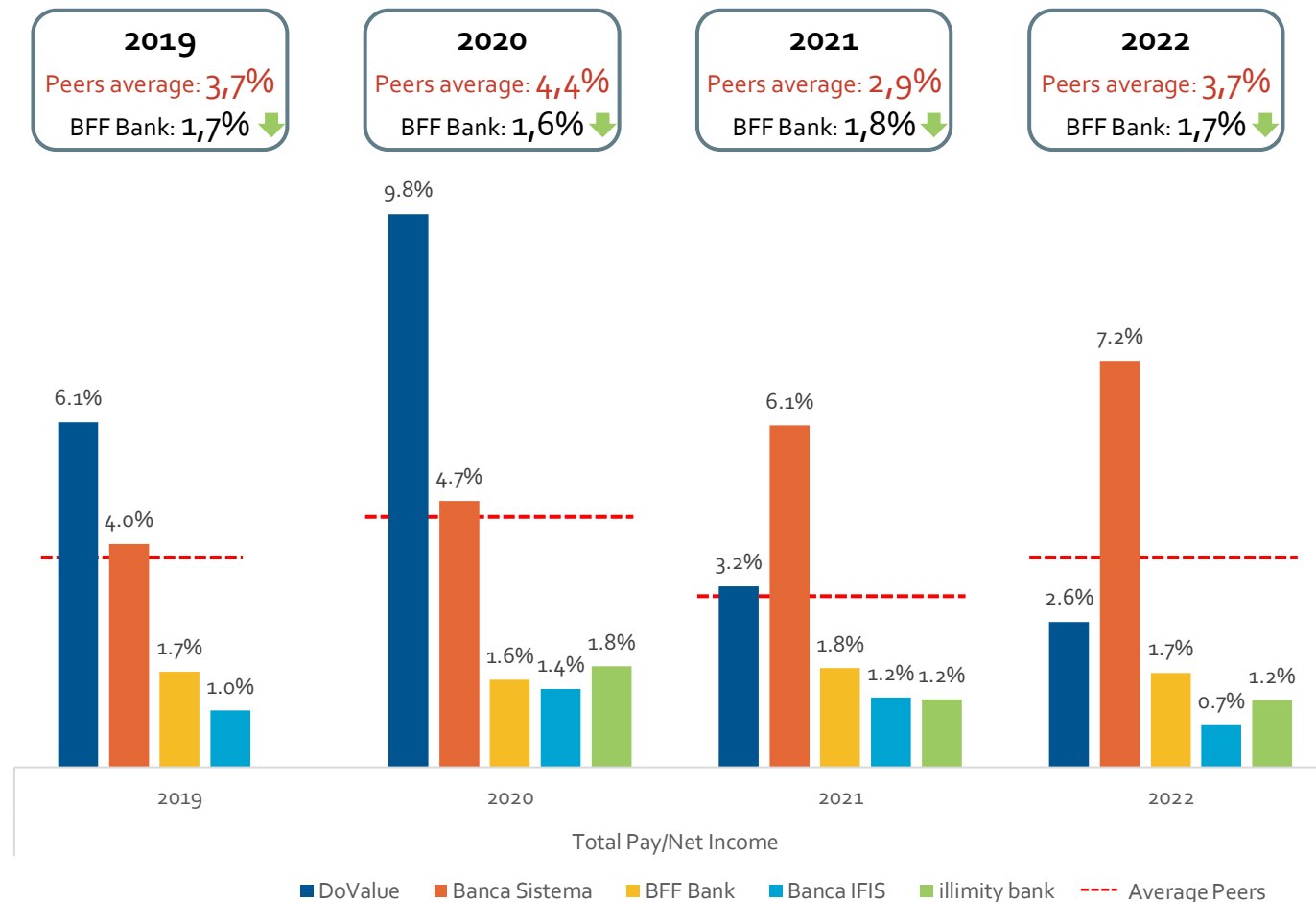
CEO Realized Total Pay / Net Income Ratio of BFF vs. companies operating in adjacent business (evolution 2019-2022 period).

Other Italian listed specialty finance companies: Italian companies which are comparable and similar to BFF in terms of business model and services provided.

Peer	Country	Industry	Market Cap*
Banca Ifis	Italy	Specialty Finance	863 € m
Banca Sistema	Italy	Specialty Finance	90 € m
DoValue	Italy	Specialty Finance	306 € m
Illimity bank	Italy	Specialty Finance	448 € m
BFF Bank	Italy	Specialty Finance	1.772 € m

*As of Oct. 6th, 2023

CEO Total Pay / Net Income ratio of selected peers

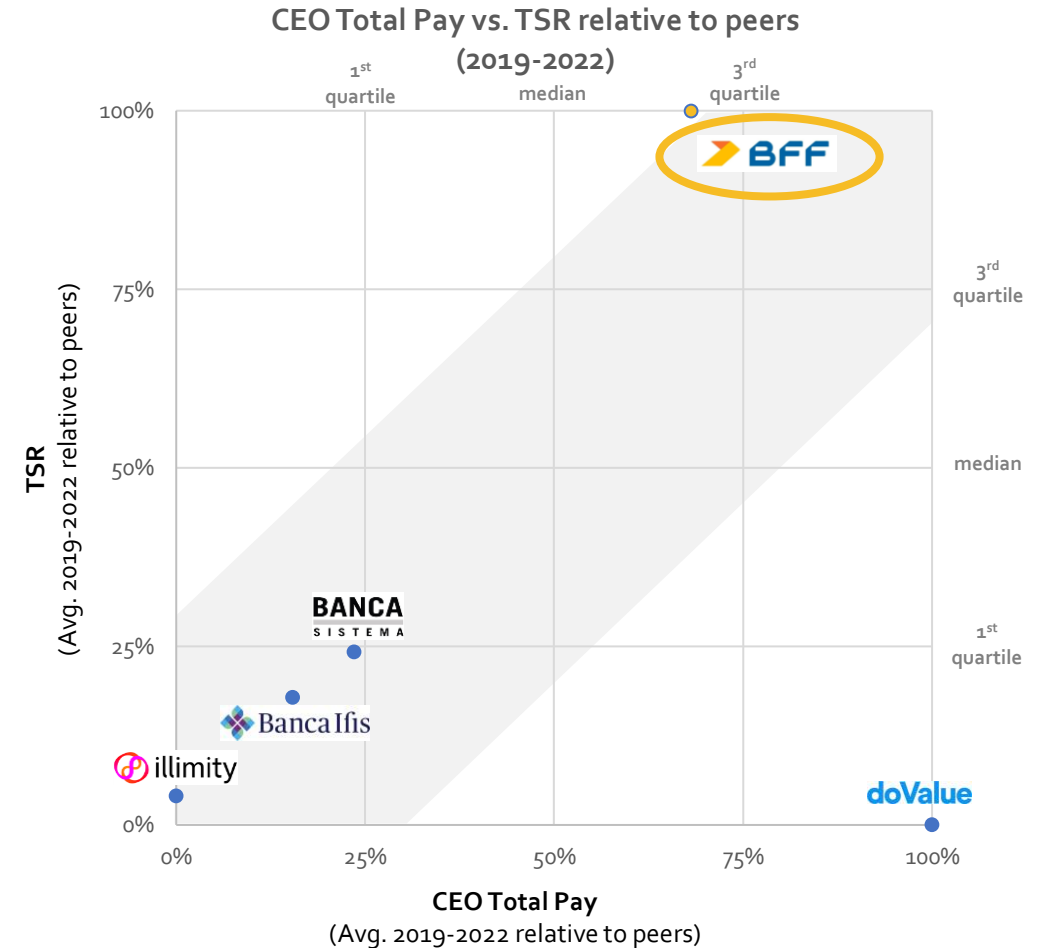
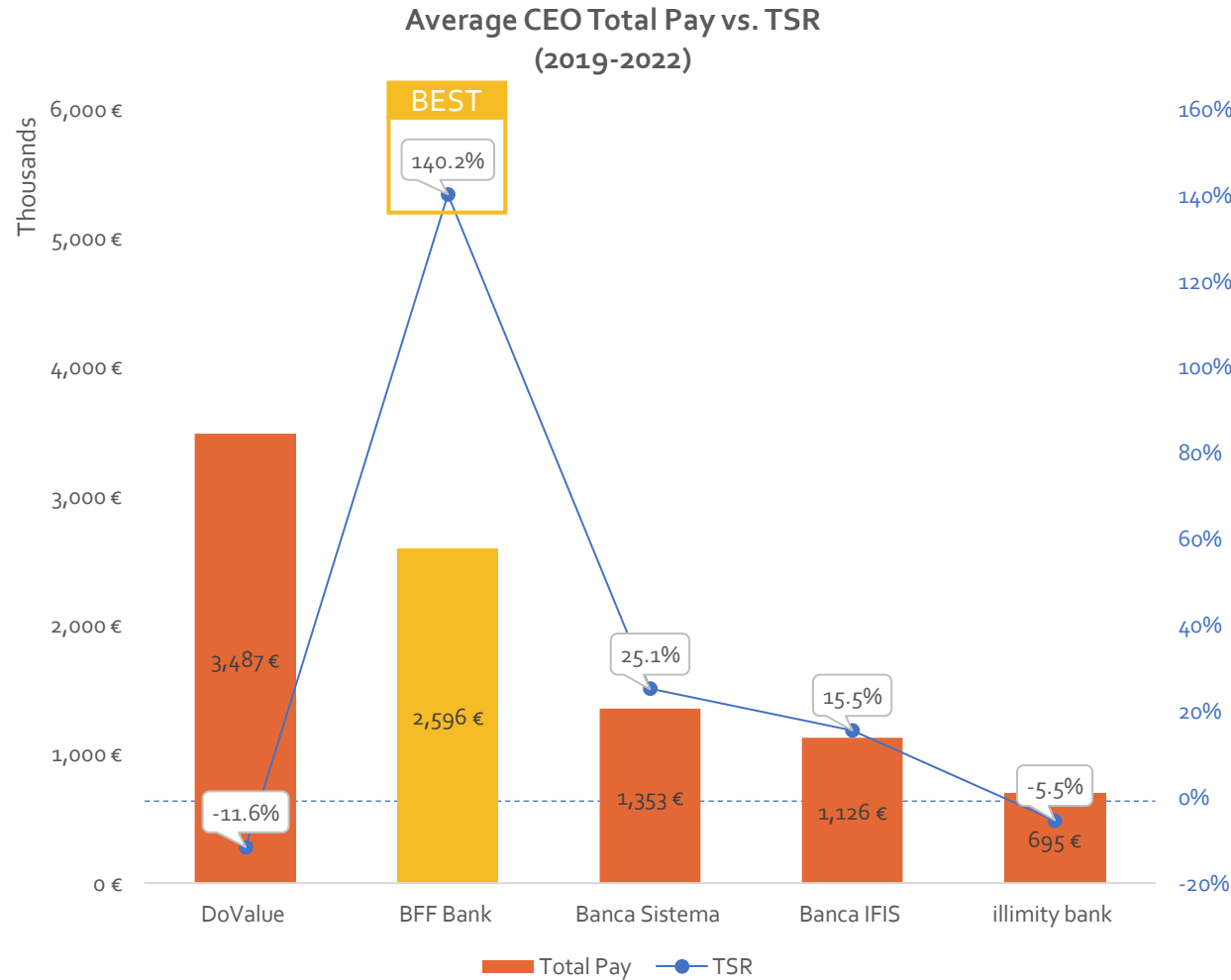


BFF ranks first among other Italian listed specialty finance companies for TSR



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Average CEO Realized Total Pay vs. TSR of BFF and other Italian listed specialty finance companies in terms of business (2019-2022 period).



- 1. The appointment of the Board of Directors**
- 2. BFF Remuneration Framework**

Annex

Criteria	Guidelines on the qualitative and quantitative composition of the Board of Directors
<p>Chair Skills</p>	<ul style="list-style-type: none"> ▪ Competent in the legal and economic-financial field and in the management of strategic issues within the Board. ▪ Ensures a correct, efficient and effective management in the functioning of the Board itself, where he has the task of creating a strong spirit of cohesion, while representing a guarantee for all Shareholders. ▪ In-depth experience of the regulatory context of the sector, knowledge of the regulatory evolution and the impacts that regulations have on risk and capital management. ▪ International experience. ▪ Fluency in Italian and English, considering the engagement duties required by the role. ▪ Time management, ability to manage conflicts constructively and decision-making aptitude as soft skills.
<p>Chair Experience</p>	<ul style="list-style-type: none"> ▪ At least 5 years of administration or control activities or management duties in the last 20 years: <ul style="list-style-type: none"> a. in the credit, financial, securities or insurance industry; or b. in listed companies or companies whose size and complexity is greater than or comparable with that of BFF Group (in terms of turnover, nature and complexity of the organization or activity carried out); or in the areas relating to non-executive directors (<i>see slide 9</i>). ▪ <68 years old in case of first appointment. ▪ As per Succession Plan, experience in coordination, direction or management of human resources such as to assure effective performance of the functions of coordinating and directing the work of the Board, promoting its adequate functioning, also in terms of circulation of information, effectiveness of confrontation and stimulation of internal dialectics, as well as adequate overall composition of the body.

Criteria	Guidelines on the qualitative and quantitative composition of the Board of Directors
<p>CEO Skills</p>	<ul style="list-style-type: none"> ▪ Strategic vision and entrepreneurial spirit. ▪ As per Succession Plan, knowledge of financial instruments (e.g. Securitization, Bond, Structured Finance, etc.) and finance (budget, planning, market disclosure, relationships with shareholders, road shows, etc.). ▪ In-depth experience of the regulatory context of the sector, knowledge of the regulatory evolution and the impacts that law has on the management of risks and capital. ▪ Adequate level of internationality, a relational network in Italy and Europe, both of a commercial nature and with the Supervisory and sector Authorities. ▪ Fluency in Italian and English, considering the engagement duties required by the role. ▪ Ability to interact and listen as soft skills.
<p>CEO Experience</p>	<ul style="list-style-type: none"> ▪ At least 5 years of specific experience in the field of credit, finance, securities or insurance, gained through administration or control activities or management duties in the last 20 years: <ol style="list-style-type: none"> a. in the credit, financial, securities or insurance industry; or b. in listed companies or companies whose size and complexity is greater than or comparable with that of BFF Group (in terms of turnover, nature and complexity of the organization or activity carried out). ▪ In alternative, experience in Investment Banking or Private Equity gained in the related sector or in companies comparable to BFF in terms of business, size and operational complexity (as per Succession Plan).

Criteria	Guidelines on the qualitative and quantitative composition of the Board of Directors
<p>Non-Executive Directors Skills</p>	<p>Pursuant to Board Regulations, candidates must meet at least one of the following requirements:</p> <ol style="list-style-type: none"> Adequate knowledge of the banking sector, the dynamics and economic-financial system, banking and financial regulations and, above all, risk management and control methodologies, acquired through many years of experience in administration, management and control in the financial sector; experience in the management of operations aimed at facilitating the freeing up, management and collection of receivables, in particular from healthcare providers and the Public Administration; experience in entrepreneurial management and business organization acquired through many years of administration, management or control in companies, or groups of significant economic size, or in the Public Administration; ability to read and interpret economic and financial data acquired through many years of experience in administration and control in companies, or professional activities, or university teaching; international experience and knowledge of foreign markets, acquired through the performance of entrepreneurial or professional activities over several years at foreign institutions or bodies, companies or groups with an international outlook.
<p>Non-Executive Directors Experience</p>	<p>Directors should be characterized by the following profiles to achieve a mix of different and complementary skills and experiences, gained for at least three years:</p> <ul style="list-style-type: none"> Managerial profiles. Positions of responsibility in the banking or financial sector, or within listed companies comparable with BFF Group, as well as the possession of a strong orientation towards strategies and results, in compliance with the principles of proper corporate and entrepreneurial management, and with focus on Sustainable Success; Professional profiles. Administrative or managerial positions within qualified professional firms, consultancy companies or public or private bodies in the credit, financial, securities or insurance sectors, acquiring knowledge, for example, in economic, accounting, legal (with particular reference to the banking sector, financial matters, as well as extraordinary financial transactions, risk management and remuneration policies, with particular regard to the current and prospective activities of the Bank and the Group); Academic and/or institutional profiles, skills and experience gained through activities carried out in an academic and/or institutional context, particularly in the legal-economic sector or which, in any case, may be useful for the development and consolidation of the BFF Group's business.

The appointment of the Board of Statutory Auditors – Overview

2024 AGM will be called to appoint the Board of Statutory Auditors and its Chair for the three-year term 2024-2026.

Statutory Auditors Election Procedure: *Voto di Lista*

In Italy, statutory auditors' elections take place through the **voto di lista mechanism** (slate elections). BFF's Board of Directors is not entitled to submit its own slate of candidates.

BFF Bank

Who can submit a slate?

Shareholder(s) \geq 1% share capital

Slates of candidates may be submitted by a shareholder or a group of shareholders representing at least 1% of the of the ordinary share capital with voting rights at the Ordinary Shareholders' Meetings.

Number of members

3 statutory and 2 alternate

The Board of Statutory Auditors is composed of 3 statutory members, in addition to 2 alternate in case a replacement is needed.

Gender balance

1/3rd to the least represented gender

The Board of Statutory Auditors fulfils, in its composition, the gender balance established by the legislation in force (at least 2/5th of seats to the least represented gender: but at least 1/3rd of seats, in case of a Board of Statutory Auditors made up of 3 permanent members).

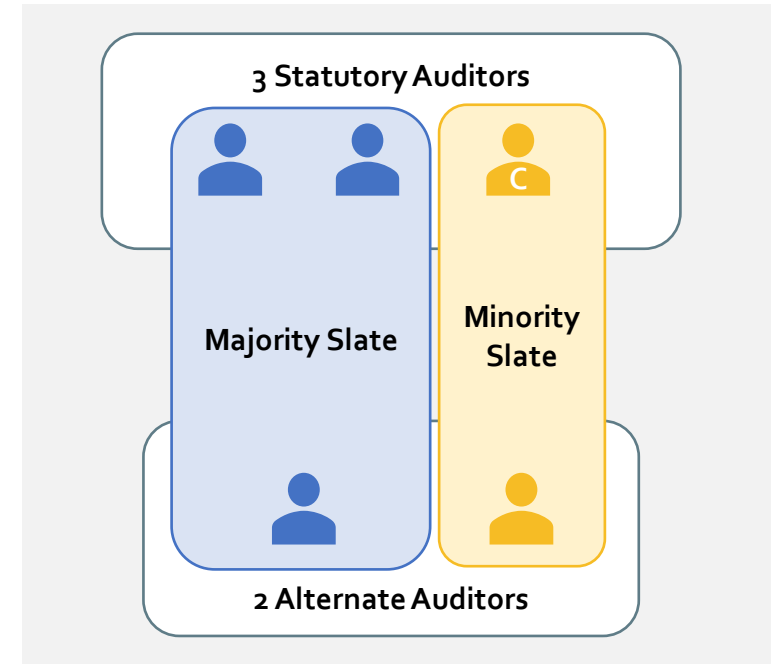
Term for the presentation of a slate

- **Filing:** no later than the 25th day prior to the AGM as it will be specified in the notice of call;
- **Disclosing:** at least 21 days prior to the AGM in the modalities established by current provisions.

The appointment of the Board of Statutory Auditors – Procedure

The following charts illustrate the procedure for the appointment of the Board of Statutory Auditors, as per art. 22 of BFF Bylaws.

ELECTION IN CASE OF MULTIPLE SLATES*	Majority Slate ⁽¹⁾	Minority Slate ⁽²⁾
Statutory Auditors	the first 2 statutory auditors' candidates of the first most voted slate	the first statutory auditors' candidate of the second most voted slate, to be appointed as Chair
Alternate Auditors	the first alternate candidate of the most voted slate	the first alternate candidate of the second most voted slate
Chair of the Board of Statutory Auditors	×	✓



*If only one slate is submitted, all the statutory auditors to be elected shall be drawn from that slate.

(1) Majority Slate: the Slate obtaining the majority of votes

(2) Minority Slate: the Slate which came in second by number of votes

Note: Should the application of the slate vote mechanism not ensure, separately considering statutory auditors and alternate auditors, the minimum number of auditors belonging to the less-represented gender provided for by the law, the candidate belonging to the more-represented gender and appointed, indicated as last in sequential order in each section of the majority slate, is replaced by the candidate belonging to the less-represented gender and not appointed, derived from the same section of the same slate according to the sequential order of presentation.

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