



INFORMATION DOCUMENT

(drafted pursuant to art. 84-*bis* of Consob Regulation no. 11971 of 14 May 1999 and as amended)

RELATED TO THE LONG TERM INCENTIVE PLAN
CALLED THE "2021-2023 LTI PLAN"

Milan, 28 June 2021

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I. INTRODUCTION

With this information document (the “**Information Document**”), Banca Ifis SpA (“**Banca Ifis**” or the “**Bank**”), in compliance with the provisions of articles 114-*bis* of the Legislative Decree of 24 February 1998, no. 58, as subsequently amended (the “**TUF**”) and 84-*bis*, paragraph 1, of the regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended (the “**Issuer Regulations**”), as well as Scheme 7 of Annex 3A of the Issuer Regulations, it is proposed to provide its shareholders and the financial community with adequate information on the incentive plan term called the “2021-2023 LTI Plan”, approved by the Board of Directors during the meeting of 24 June 2021 (the “**2021-2023 LTI Plan**” or the “**Plan**”) and submitted for approval by the Shareholders' Meeting convened at the registered office of the Bank, in Venice - Mestre, Via Terraglio n. 63, in single call for 28 July 2021.

The Plan relates to the free assignment of purchase option rights (the “**Options**”) on ordinary shares (the “**Shares**”) of Banca Ifis to the Chief Executive Officer and to any additional beneficiaries, who may be subsequently identified at the sole discretion of the Board of Directors between the members of the top management of the Bank and of the Ifis Group (the “**Additional Beneficiaries**” and, together with the Chief Executive Officer, the “**Beneficiaries**”). In any case, the Bank has the right to also use the Phantom Stock Option (as defined below), even if this is necessary in order to be able to include the Additional Beneficiaries in the Plan.

The Plan is aimed at improving the alignment of interests between the *top management* and all the *stakeholders* of the Ifis Group, encouraging the Beneficiaries to achieve the Bank's medium-long term objectives, which will be reflected in the strategic plan currently under development, and also promoting *retention*.

The characteristics of the Plan are in line with the provisions of the applicable legislation on remuneration, in particular with the Supervisory Provisions of the Bank of Italy on remuneration and incentive policies and practices (refer to Bank of Italy Circular no. 285 of 17 December 2013 – Supervisory provisions for banks – Title IV, Chapter 2, “*Remuneration and incentive policies and practices*”, last updated on 23 October 2018; the “**Circular**”).

For the purposes of implementing the Plan, the Shares that can be purchased by the Beneficiaries following the exercise of the Options will recover, in whole or in part, from the provision of treasury shares that Banca Ifis may purchase and which it may dispose of in execution of specific shareholders' meeting authorizations, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code, art. 132 of the TUF and art. 144-*bis* of the Issuer Regulations, subject to the issue of a specific authorization by the Bank of Italy pursuant to art. 77, letter a) and 78 of EU Regulation no. 575/2013.

It should be noted that the Plan is to be considered of “*particular importance*” pursuant to art. 114-*bis*, paragraph 3, of the TUF and art. 84-*bis*, paragraph 2, of the Issuer Regulations, as it is addressed to the Bank's Chief Executive Officer and, as is currently assumed, to other executives with strategic responsibilities of the Bank and its subsidiaries.

The Information Document is made available to the public at the registered office of Banca Ifis in Venice - Mestre, Via Terraglio n. 63, via the centralized storage mechanism for regulated information, SDIR-NIS, managed by Blt Market Services, on the website www.emarketstorage.com and on the Bank's website www.bancaifis.it, in the section *Corporate Governance - Shareholders' Meeting*.

II. DEFINITIONS

For the purposes of this information document, the terms indicated below have the following meaning:

The Chief Executive Officer	The director with managerial powers and who is principally responsible for the management of Banca Ifis.
Shareholders' Meeting	The shareholders' meeting of Banca Ifis.
Shares	The ordinary shares of Banca Ifis.
Banca Ifis or Bank	Banca Ifis S.p.A. with registered office in Venice – Mestre, Via Terraglio n. 63, tax reference number, VAT number and Venice-Rovigo Business Register number 02505630109, registered in the Banking Register under no. 5508.
Beneficiaries	Jointly, the Chief Executive Officer and the Additional Beneficiaries.
Circular	Bank of Italy Circular no. 285 of 17 December 2013 – Supervisory provisions for banks – Title IV, Chapter 2, “ <i>Remuneration and incentive policies and practices</i> ”, last updated on 23 October 2018.
Civil Code	The Italian Civil Code, approved by Royal Decree no. 262 of 16 March 1942, as subsequently amended and supplemented.
Corporate Governance Code	The Corporate Governance Code prepared by the Corporate Governance Committee of Borsa Italiana S.p.A.
Remuneration Committee	The Bank's <i>pro tempore</i> remuneration committee.
Board of Directors	The Bank's <i>pro tempore</i> Board of Directors.
Subsidiaries	Without distinction, each of the companies directly or indirectly controlled by the Bank at the time, pursuant to art. 2359 of the Italian Civil Code, which have a Relationship with one or more Beneficiaries.
Cost/Income Ratio	The ratio of operating costs to net interest and other banking income.
Date of the Information Document	The date of publication of the Information Document, <i>i.e.</i> 28 June 2021.
Approval date	The date of approval of the Plan by the Shareholders' Meeting.
Information Document	This information document, drawn up pursuant to and by effect of art. 84- <i>bis</i> , paragraph 1, of the Issuer Regulations.
Ifis Group	The Banca Ifis Banking Group, enrolled in the Register of Banking Groups, the parent company of which is Banca Ifis.
Gross NPE Ratio	The ratio of gross impaired loans to total gross loans.

Options	The option rights covered by the Plan, assigned free of charge to each Beneficiary, which give the right to purchase a corresponding number of Shares upon payment of the Strike Price.
Vesting period	The three-year period (2021-2023) in which the <i>performance</i> of each Beneficiary is measured on the basis of the objectives.
2021-2023 LTI Plan or Plan	The “2021-2023 LTI Plan”, the adoption of which, pursuant to art. 114- <i>bis</i> of the TUF, is subject to the approval of the Shareholders' Meeting called for 28 July 2021.
Phantom Stock Option	The so-called <i>phantom stock options</i> eventually assigned to the Beneficiaries, which attribute the right to the disbursement, for each Phantom Stock Option exercised, of a sum of money corresponding to the difference between the value of the Shares at the time of exercise of the Phantom Stock Options and the Strike Price, under the terms and conditions that will be better detailed in the Plan Regulations.
Remuneration Policies	The remuneration policies of Banca Ifis in force at the time.
Strike Price	The strike price of the Options, equal to the average of the market value of the Shares recorded in the period of 30 days preceding the date of presentation of the Plan for the approval of the competent bodies to submit it to the Shareholders' Meeting (i.e. in the period of 30 days preceding 18 June 2021) and equal to €12.92.
Relationship	The administrative or employment relationship in place between the Beneficiary and the Bank.
Plan Regulations	The regulations that govern the terms and conditions of the Plan and which will be drawn up and approved by the Board of Directors, on the proposal of the Remuneration Committee and subject to the favourable opinion of the Board of Statutory Auditors of the Bank, after the approval of the Plan by the Shareholders' Meeting.
Issuer Regulations	The regulation adopted by Consob with resolution no. 11971 of 14 May 1999, as subsequently amended.
Remuneration Report	The version in force at the time of the report prepared by Banca Ifis in compliance with the provisions on the subject provided for by the national and community regulations of the banking sector, by the regulatory provisions concerning issuing companies, and by the Corporate Governance Code.
Relative TSR	The total return of the Bank's share measured in relation to the positioning with respect to the TSR of the <i>peers</i> of comparison. The <i>Total Shareholder Return</i> measures the increase in the share price and the dividends paid per share, over a specified period of time.
TUF	Legislative Decree no. 58 of 24 February 1998 of 24 February 1998, as subsequently amended.

**Additional
Beneficiaries**

Any additional beneficiaries, identified at the sole discretion of the Board of Directors between the *top management* of the Bank and of the Group.

1. RECIPIENTS

1.1 The names of recipients who are members of the issuer's Board of Directors, i.e. of the Management Board of the companies controlling the issuer, and of companies that are directly or indirectly controlled by the issuer.

As of the Date of the Information Document (except for subsequent changes and subject to what will be decided by the Board of Directors), the recipient of the Plan is the Chief Executive Officer of the Bank, Frederik Herman Geertman.

Any additional Beneficiaries that will be identified by the Board of Directors may include persons who hold the role of directors, employees and/or collaborators of the Bank and of companies directly or indirectly controlled by the Bank.

The name of the effective Beneficiaries who will be identified by the Board of Directors, as well as the other information required by paragraph 1 of Scheme 7 of Annex 3A to the Issuer Regulations, will be provided in accordance with the methods and terms set out in art. 84-*bis*, paragraph 5, letter a), of the Issuer Regulations.

1.2 Categories of employees or contract workers who work for the issuer and for the issuer's parent companies or subsidiaries.

Any additional Beneficiaries of the Plan will be selected from among the Bank's high-level *managers*, capable of providing a contribution to the implementation of the Bank's long-term strategies, generally belonging to the category of managers with strategic responsibilities.

Precise indication of the effective Beneficiaries who will be identified by the Board of Directors, as well as the other information required by paragraph 1 of Scheme 7 of Annex 3A to the Issuer Regulations, will be provided in accordance with the methods and terms set out in art. 84-*bis*, paragraph 5, letter a), of the Issuer Regulations.

1.3 Names of the persons benefiting from the Plan belonging to the groups indicated in point 1.3, letters a), b) and c) of Annex 3A, Scheme 7 of the Issuer Regulations.

The Beneficiaries of the Plan may include persons belonging to the group indicated in point 1.3, letter a) of Annex 3A, Scheme 7, of the Issuer Regulations.

At present it is not envisaged - unless otherwise determined by the Board of Directors in the future - that the Beneficiaries of the Plan include persons belonging to the groups indicated in point 1.3, letters b) and c) of Annex 3A, Scheme 7, of the Issuer Regulations.

In any case, the name of the effective Beneficiaries belonging to these categories who are identified by the Board of Directors, as well as the other information required by paragraph 1 of Scheme 7 of Annex 3A to the Issuer Regulations, will be provided in accordance with the methods and terms set out in art. 84-*bis*, paragraph 5, letter a), of the Issuer Regulations.

1.4 Description and numerical indication of the beneficiaries, separated for the categories indicated in point 1.4, letters a), b) and c) of Annex 3A, Scheme 7 of the Issuer Regulations.

Any additional Beneficiaries may include executives with strategic responsibilities.

On the other hand, there are no Beneficiaries for which differentiated characteristics of the Plan are envisaged.

The name of the effective Beneficiaries who will be identified by the Board of Directors, as well as the

other information required by paragraph 1 of Scheme 7 of Annex 3A to the Issuer Regulations, will be provided in accordance with the methods and terms set out in art. 84-*bis*, paragraph 5, letter a), of the Issuer Regulations.

2. **THE REASONS FOR ADOPTING THE PLAN**

2.1 **Targets to be achieved by attribution of plans**

The Plan, in full compliance with the Circular and applicable regulations and in line with the best practice on the subject (including the recommendations of the Corporate Governance Code), is aimed at improving the alignment of interests between the *top management* and all the *stakeholders* of the Ifis Group, encouraging the Beneficiaries to achieve the Bank's medium-long term objectives, which will be reflected in the strategic plan currently under development, and also promoting *retention*.

In consideration and for the purposes of pursuing these objectives, the Plan will have the duration specified in the following Paragraph 4.3. This timeframe appears to be suitable, however, for achieving the aforementioned long-term objectives pursued with the Plan.

The 2021-2023 LTI Plan is also consistent with the Remuneration Policies for the 2021 financial year, as is the subject of an *addendum* submitted for approval by the Shareholders' Meeting called for 28 July 2021.

2.2 **Key variables, also as *performance* indicators, considered for attribution of the plans based on financial instruments**

The Plan relates to the free assignment of Options to Beneficiaries.

In any case, the Bank has the right to also use the Phantom Stock Option, even if this is necessary in order to be able to include the Additional Beneficiaries in the Plan.

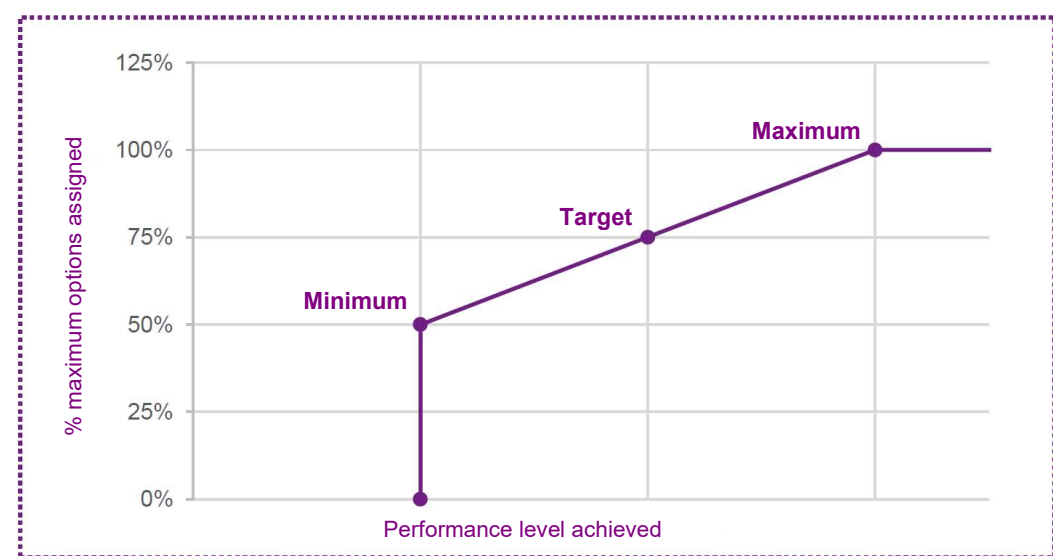
The Plan provides that the Options and/or Phantom Stock Options assigned to each Beneficiary become exercisable after the Vesting Period under the terms and conditions specified below.

Performance objectives

The vesting of Options and/or Phantom Stock Options is linked to the achievement of *performance* targets in terms of market indicators (Relative TSR vs. Peer Group), economic-financial indicators (Profit Before Tax, Cost/Income Ratio, Gross NPE Ratio) and ESG indicators (in line with the provisions of the strategic plan). For further information, including on the weights of the individual objectives, please refer to the addendum to the Remuneration Policy, which is also in the process of being published. The number of Options and/or Phantom Stock Options attributable at the end of the Vesting Period for *performance* indicators, other than the Relative TSR, will be calculated according to the incentive curve defined according to the following configuration:

- (i) upon reaching the minimum level of *performance*, a number of Options and/or Phantom Stock Options equal to 50% of the options assigned to the maximum will be assigned; below this minimum level no Option and/or Phantom Stock Options will be assigned;
- (ii) upon reaching the *target* level of *performance*, a number of Options equal to 75% of the Options and/or Phantom Stock Options assigned to the maximum will be assigned;
- (iii) upon reaching the maximum level of *performance*, a number of Options and/or Phantom Stock Options equal to the number of the Options assigned to the maximum will be assigned (100%); upon reaching a higher *performance* level, no additional Option and/or Phantom Stock Option will be assigned;

- (iv) for intermediate *performances* between the minimum level and the *target*, and between the *target* and the maximum, the number of Options and/or Phantom Stock Options to be assigned will be calculated by linear interpolation, as shown in the following graph:



Market indicators

As regards the Relative TSR objective, the same will be measured, with reference to the Vesting Period and with respect to a *peer group* that includes subjects comparable with Banca Ifis in terms of the *business* model and share *performance* and indicated in the table below:

<i>Peer Group</i>	
Banca Farmafactoring	Credem
Banca Sistema	Illimity
Banco BPM	Intesa San Paolo
Banco di Desio	Mediobanca
BPER	Unicredit

The number of options accrued on the basis of this indicator will be calculated on the basis of the Bank's ranking with respect to the *peer group* mentioned above according to the following incentive curve:

Ranking	Options accrued
Banca Ifis position higher than or equal to 9th decile	Maximum level of options assigned (100%)
Banca Ifis position lower than 9th decile but greater than/equal to 3rd quartile	Options assigned target level (75%)
Banca Ifis position lower than 3rd quartile but higher/equal to the median	Minimum level of options assigned (50%)
Banca Ifis position below the median	No accrued Options

Economic-financial indicators and ESG indicators

As regards the economic-financial indicators and ESG indicators, given that the 2021-2023 LTI Plan represents a tool to incentivize the CEO (and any other beneficiaries) to achieve long-term objectives for the Bank, as will be reflected in the strategic plan (currently being drawn up), the specific *targets* underlying these indicators will be defined in greater detail and adjusted if necessary following the definition of the strategic plan, to always ensure maximum consistency and interconnection between the two.

As for the ESG indicators, it is currently assumed that they may include *targets* linked to so-called environmental indicators, to so-called Social matters (including, for example, the development of *social impact hub* programs, compliance with the Code of Ethics in relation to *customer assistance*, development of cultural and artistic heritage, etc.) and to so-called Governance (including, for example, targets on *gender diversity*, reduction of *gender pay-gap*, participation in ESG indices, etc.), subject to confirmation on the basis of what will be definitively indicated in the future. All indicators will also be linked to objectively measurable objectives.

The specific *targets* – within the limits of the confidentiality requirements relating to highly sensitive data - will therefore be *disclosed* in the next Remuneration Report (following the approval of the new strategic plan).

The final assessment of the degree of achievement of the objectives with respect to the *targets* set will be carried out after the end of the *performance* period of the Plan (and therefore at the beginning of 2024).

Deferment period

Pursuant to the provisions of the regulations and the Remuneration Policies in force at the time, the options accrued at the end of the three-year period must be assigned only in part *up-front* and the rest over a deferred timeframe, as envisaged for “particularly high amounts”.

On this point, it is recalled that, based on the provisions of the Circular currently being consulted (and subject to subsequent changes in the final version), for these amounts, even in “intermediate” banks, a five-year deferral of 40% of the incentive accrued is envisaged, so that, in this case, 60% of the Options and/or Phantom Stock Options granted and accrued could be exercised at the end of the Vesting Period, while the remaining 60% could be exercised over a deferred time frame of 5 (five) years.

In this regard, it should be noted that, due to the particularly long reference period of the Plan, the *addendum* to the Remuneration Policies submitted to the approval of the Shareholders' Meeting called for 28 July 2021 to decide, among other things, on the approval of the Plan, includes, with specific reference to the latter, an adjustment to provide that:

- (i) the deferred instalments will be attributed, in compliance with the applicable regulations, instead of all at the end of the five-year deferral period, in equal annual instalments during the period of reference; and
- (ii) in order to further favour *retention*, any termination of the relationship with the single beneficiaries, during the deferral period and in the cases of a *bad leaver* (as indicated below) will imply the loss of all rights in relation to the instalments still subject to deferral.

Maintenance of the Relationship

The Options and/or Phantom Stock Options assigned to each Beneficiary will be exercisable, as a rule, on condition that the Relationship is still in existence after the Vesting Period.

For a description of the effects resulting from termination of the Relationship, please refer to the following Paragraph 4.8.

Gate conditions

At the time of accrual and at the expiry of the subsequent deferral terms, the exceeding of the minimum access *gates* established by the Remuneration Policies at the time – and therefore, in essence, the exceeding of the minimum levels of liquidity, capitalization and profitability adjusted for the risks – must be verified in compliance with the Circular and the regulatory legislation.

Malus and claw back mechanisms

The incentive covered by the Plan will also be subject to the *ex post* correction mechanisms (*malus* and *claw back*) upon the occurrence of the cases envisaged by the Remuneration Policies.

2.2.1 Additional information

As indicated in the previous Paragraph 2.2, the characteristics of the variable remuneration in financial instruments (deferral period, maintenance of the Relationship, access conditions, *malus* and *claw back* mechanisms) are adopted in implementation of the Circular and the Remuneration Policies.

2.3 Elements for calculation of the amount of compensation based on financial instruments, that is their criteria

The number of Options and/or Phantom Stock Options that can be assigned to each Beneficiary is established by the Board of Directors.

In determining the total number of Options and/or Phantom Stock Options assignable to each Beneficiary, the Board of Directors acts with discretion, in compliance with the Remuneration Policies, the Circular and the applicable regulations, as well as in line with the applicable best practice (including the recommendations of the Corporate Governance Code).

With particular reference to the number of Options to be assigned to the Chief Executive Officer, this must be determined in compliance with the ratio between variable and fixed remuneration envisaged by the Circular and Remuneration Policies. Specifically, the Remuneration Policies currently in force provide for a limit on the ratio between fixed and variable remuneration equal to 1:1.

In light of this, and of the fact that the Chief Executive Officer already participates, for the year 2021, in an annual incentive system (within which an amount equal to up to 60% of the fixed remuneration can accrue), the amount of remuneration of the Chief Executive Officer which, with specific reference to the current year, can be allocated to the 2021-2023 LTI Plan (and on which to calculate, therefore, the value of the Options to be assigned in the context of the Plan) is equal to 40% of their fixed remuneration.

Furthermore, it is assumed, for the subsequent years of reference of the Plan, that an increase in the ratio between fixed and variable remuneration from 1:1 to 1.5: 1 will be submitted to a forthcoming shareholders' meeting, once the applicable procedures have been completed. In view of this, and only subject to the aforementioned shareholders' approval, with reference to the two subsequent years of reference of the Plan (2022 and 2023), the amount of variable remuneration to be allocated to the Plan (and converted into Options; see below) could be equal to approximately 70%¹ of the fixed remuneration

¹ This is to maintain a space to allocate part of the variable remuneration (always within the limits of the fixed/variable ratio) for the possible signing, also for the next few years, of stability agreements (the consideration of which, on the basis of the Circular, is equal to a variable remuneration).

on an annual basis².

Therefore, on the basis of these assumptions, in order to determine the number of potentially attributable options in compliance with the limit of the fixed/variable ratio (operation to be carried out *ex ante*, in light of the regulatory legislation), the value of the options covered by the Plan was assessed with the assistance of independent experts. This assessment was carried out according to the ordinary models of valuation of optional instruments used in practice that appreciate the financial value of time (in this case, the binomial model), regardless of the consideration of any effects on the value of the setting, as part of the 2021-2023 LTI Plan, of quantitative and qualitative objectives and constraints for exercise of the options (which would determine a lowering of the value of the options and, therefore, could be the basis for the assignment of a greater number of instruments).

As a result of the assessment carried out, the unit value of the Options for the purposes of the plan was equal, as of 18 June 2021, to €2.00 for each Option, considering that the strike price is commensurate with the average of the official stock market prices of the last 30 days with respect to that date and that the economic value of the Bank is determined on the basis of this same indicator.

In light of this value, the maximum number of Options that can be assigned to the Chief Executive Officer for the entire three-year period of reference, in the event that the ratio between variable and fixed remuneration is defined as 1:1 for the first year (2021) and as 1.5:1 for the following two years (2022 and 2023), and obviously subject to the achievement of all the conditions set out in the Plan (achievement of the objectives, permanence in service, etc.), is equal to approximately 696,000 Options, which give the right to purchase, at the Strike Price, a corresponding number of Shares.

As for any additional beneficiaries (which will be identified later on), the related *pay-ratio* will also be determined within the limits of the ratio between fixed and variable remuneration in force at the time and, within these limits, indicatively within a *ratio* consistent with the provisions of the Chief Executive Officer.

In the event of identification as Beneficiaries of *managers* who should enter service at the Bank after the start of the Plan (for example, during the financial years after the first), a corresponding reduction in the reference amount of the incentive may be assessed - depending on the date of entry - according to a *pro rata temporis* criterion.

2.4 Reasons for any decision to attribute compensation plans based on financial instruments not issued by the issuer, such as those issued by subsidiaries, parent companies or third parties not in the group belonged to; if those instruments are not traded on regulated markets information on criteria applied to calculate their value

Not applicable, as the Plan does not provide for the use of these financial instruments.

2.5 Assessment of the significant tax and accounting implications that affected defining the plan

Not applicable as there are no significant tax and accounting implications that affect defining the Plan.

2.6 Any support for the plan by the special Fund for boosting the participation of workers in companies, pursuant to article 4, paragraph 112, of Law no. 350 of 24 December 2003.

Not applicable, the Plan does not receive support from the special Fund for boosting the participation of workers in companies, pursuant to article 4, paragraph 112, of Law no. 350 of 24 December 2003.

²Similarly, if the increase in the fixed/variable ratio to 1.5:1 is not approved, the amount of variable compensation to be allocated to the Plan also for the financial years 2022 and 2023 could be 40% of fixed compensation on an annual basis.

3. APPROVAL PROCESS AND TIMESCALE FOR ASSIGNING THE FINANCIAL INSTRUMENTS

3.1 Scope of the powers and functions that the Shareholders' Meeting delegates to the Board of Directors in order to implement the plan.

On 24 June 2021, the Board of Directors, upon proposal of the Remuneration Committee of 23 June 2021 and with the favourable opinion of the Board of Statutory Auditors, resolved, with the abstention of the Chief Executive Officer, to submit the Plan to the Shareholders' Meeting.

The Shareholders' Meeting scheduled for 28 July 2021 will be called to resolve, in addition to the approval of the Plan, the attribution of any necessary or appropriate power to implement the Plan to the Board of Directors, with the right to sub-delegate to one or more of its members. Specifically, following the approval of the Plan by the Shareholders' Meeting, the Board of Directors will (again on the proposal of the Remuneration Committee and subject to the favourable opinion of the Board of Statutory Auditors) (i) approve the Plan Regulations; (ii) identify any Additional Beneficiaries; and (iii) define the *target* benefit for each Beneficiary.

The Shares that can be attributed to the Beneficiaries following the exercise of the Options will recover, in whole or in part, from the provision of treasury shares that Banca Ifis may purchase and which it may dispose of in execution of specific shareholders' meeting authorizations, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code, art. 132 of the TUF and art. 144-*bis* of the Issuer Regulations, subject to the issue of a specific authorization by the Bank of Italy pursuant to art. 77, letter a) and 78 of EU Regulation no. 575/2013.

For this purpose, a proposal to authorize the purchase and disposal of treasury shares will be submitted to the approval of the Shareholders' Meeting called to approve the Plan, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code and an application for authorization for the partial repurchase of primary class 1 instruments issued by Banca Ifis S.p.A. will be filed with the Bank of Italy pursuant to art. 77, letter a) and 78 of EU Regulation no. 575/2013 of the European Parliament and of the Council and of art. 32 of the EU Delegated Regulation no. 241/2014 of the Commission of 7 January 2014.

3.2 Individuals tasked with administering the plan, and their functions and responsibilities.

Within the limits established by the legislation, also regulatory, *pro tempore* in force, the Board of Directors may grant a mandate to a director and/or to a specific company function in order to put in place the functional activities to implement the 2021-2023 LTI Plan, including, among other things, the transmission to the Beneficiaries of the letters of assignment and adhesion to the Plan.

3.3 Any existing procedures to review the plans, including related to any variations to basic targets.

In the first reference year of the Plan, the objectives are identified and set by the Board of Directors and - as illustrated in more detail in Paragraph 2.2 - kept consistent over time with the long-term objectives and strategies of the Bank and the Ifis Group.

It should be noted that the Board of Directors may make any changes and additions deemed necessary and/or appropriate to the Plan, the relative regulations for subsequent issuance and the Letters of Participation, independently and without the need for further approval by the Shareholders' Meeting (including assignment of the Options in advance or the elimination or modification of the restrictions of unavailability) as a result of factors likely to affect the Options, the Shares, the Bank and/or the Ifis Group and/or the Plan and/or the objectives (including, purely by way of non-exhaustive example, extraordinary transactions and reorganisations concerning the Ifis Group, share capital transactions,

legislative and regulatory changes, changes in remuneration policies or the group perimeter, public purchase or exchange offers or changes of control, *compliance* with specific sector or foreign regulations applicable to individual Group companies, material variations of the macroeconomic conditions or international monetary policy), in order to keep the substance and economic content of the Plan unchanged, in a discretionary manner and in any case within the limits permitted by the applicable legislation at the time.

Furthermore, in the event of high market discontinuity (for example upon the occurrence of material changes in macroeconomic conditions or worsening of the financial environment), the Board of Directors, as part of the *governance* processes relating to remuneration, may reassess the equity and the overall consistency of the incentive systems, putting in place the appropriate and/or necessary corrections, also and in particular with regard to the reference objectives, the relative metrics and the assessment methods, without prejudice to compliance with the limits and general principles of the Policies of Remuneration and regulatory legislation and the safeguarding, also prospectively, of capitalization and liquidity levels.

3.4 Description of the methods for determination of the availability and assignment of the financial instruments on which the plans are based

The Plan is based on the free assignment of Options that give the right to receive Shares.

The Shares that can be attributed to the Beneficiaries following the exercise of the Options will recover, in whole or in part, from the provision of treasury shares that Banca Ifis may purchase and which it may dispose of in execution of specific shareholders' meeting authorizations, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code, subject to the issue of a specific authorization by the Bank of Italy pursuant to arts. 77, letter a) and 78 of EU Regulation no. 575/2013.

For this purpose, a proposal to authorize the purchase and disposal of treasury shares will be submitted to the approval of the Shareholders' Meeting called to approve the Plan, pursuant to arts. 2357 and 2357-*ter* of the Italian Civil Code and an application for authorization to buy back own shares will be filed with the Bank of Italy.

In any case, the Bank has the right to also use the Phantom Stock Option, even if this is necessary in order to be able to include the Additional Beneficiaries in the Plan.

3.5 Role played by each director in determining the characteristics of the plans; potential conflicts of interest arising concerning the directors involved.

The characteristics of the Plan were determined collectively by the Bank's Board of Directors.

Among the Beneficiaries of the Plan (except for subsequent changes and subject to what will be decided by the Board of Directors) is the Chief Executive Officer of the Bank, Frederik Herman Geertman. The board resolution to assign the Options will be adopted in compliance with the provisions of art. 2391 of the Italian Civil Code.

3.6 As per the requirements of art. 84-*bis*, paragraph 1, the date of the decision taken by the competent body to propose approval of the plans to the Shareholders' Meeting and any proposals from the remuneration committee, if established.

The Remuneration Committee, in the meeting of 23 June 2021, examined the Plan, giving its positive opinion, and resolved to submit it for the approval of the Board of Directors.

The Board of Directors, in the meeting held on 24 June 2021, with the favourable opinion of the

Remuneration Committee and of the Board of Statutory Auditors, resolved to approve the Plan proposal and submit it for approval by the Shareholders' Meeting.

3.7 As per the requirements of art. 84-*bis*, paragraph 5, letter a), the date of the decision taken by the competent body to assign financial instruments and any proposals put forward to this body that were formulated by a remuneration committee, if established.

The vesting of the Options and/or Phantom Stock Options is subject to verification by the Board of Directors of the achievement of the *performance* objectives at the end of the Vesting Period, having consulted the Remuneration Committee as far as is concerned.

The Shareholders' Meeting called to resolve on the approval of the Plan, among other things, is scheduled for 28 July 2021. Following the approval of the Plan by the Shareholders' Meeting, the Board of Directors will (again on the proposal of the Remuneration Committee and subject to the favourable opinion of the Board of Statutory Auditors) (i) approve the Plan Regulations; (ii) identify any Additional Beneficiaries; and (iii) define the *target* benefit for each additional Beneficiary.

The assignment of the Options will be resolved by the Board of Directors as detailed in the previous Paragraph 2.3.

3.8 The market price, recorded on the above dates, for the financial instruments that the plans are based on, if traded on regulated markets.

The market price of the Shares on 23 June 2021 (i.e. on the date on which the Remuneration Committee approved the proposed Plan) is equal to € 13.77.

The market price of the Shares on 24 June 2021 (i.e. at the date of approval of the Plan by the Board of Directors) is equal to € 13.81.

The market price of the Shares that will be recorded at the time of the decision taken by the Board of Directors regarding the assignment of the Options to the Beneficiaries will be communicated pursuant to art. 84-*bis*, paragraph 5, letter a).

3.9 For plans based on financial instruments traded on regulated markets, the terms and methods with which the issuer, when determining the timescale for assigning the instruments under the plan, takes into account a possible timing coincidence between: (i) the assignment of instruments and any decisions taken on the matter by the Remuneration Committee; and ii) the dissemination of any relevant information pursuant to Art. 17, of EU Regulation no. 596/2014; for example, if that information: (a) is already in the public domain and is likely to have a negative impact on the market price, or (b) is already in the public domain and is likely to have a negative impact on the market price.

The structure of the Plan, the conditions, the duration and the methods of assignment of the Options and/or Phantom Stock Options, do not currently suggest that the assignment could be significantly influenced by the possible dissemination of relevant information pursuant to art. 17 of EU Regulation no. 596/2014.

In any case, the Beneficiaries will be required to comply with the applicable regulatory provisions, with particular reference to the legislation on market abuse and in relation to the operations for exercising the Options and disposing of the Shares deriving from the exercise of the Options awarded in respect of participation in the Plan.

4. CHARACTERISTICS OF THE ASSIGNED INSTRUMENTS

4.1 Description of the forms in which the compensation plans based on financial instruments are structured; for example, indicate whether the plan is based on the assignment of: financial instruments (so-called assignment of *restricted stock*); the increase in the value of these instruments (so-called *phantom stock*); of option rights that allow the subsequent purchase of financial instruments (so-called *option grant*) with settlement by physical delivery (so-called *stock option*) or in cash on the basis of a differential (so-called *stock appreciation right*)

The Plan provides for the assignment to the Beneficiaries of the Options, the exercise of which, under the terms and conditions set out in the Plan, determines the right of the Beneficiary to purchase, at the Strike Price, a quantity of Shares according to the report referred to in the following Paragraph 4.16.

The Options are assigned to the Beneficiaries on a personal basis, and cannot be transferred by deed *inter vivos* or subject to restrictions or be the subject of other acts of disposal for any reason.

The Shares assigned upon the exercise of the Options have regular dividend and, therefore, the rights related to them belong to each Beneficiary from the moment in which he/she becomes the owner of the Shares.

In any case, the Bank has the right to also use the Phantom Stock Option, even if this is necessary in order to be able to include the Additional Beneficiaries in the Plan.

4.2 Indication of the actual plan implementation period, specifying any other cycles involved.

In accordance with the provisions of the regulations and the Remuneration Policies, the Options must be assigned only in part *up-front* and, for the rest, in a deferred time frame, as envisaged for “particularly high amounts”; on this point, based on the provisions of Circular currently in the consultation phase (and subject to subsequent changes in the final version), for these amounts, even in “intermediate” banks, a five-year deferral of 40% of the incentive accrued is envisaged, so that, in this case, 60% of the vested options will be exercised at the end of the *vesting* period, while the remaining 60% will be exercised over a deferred period of 5 (five) years.

In this regard, it should be noted that the *addendum* to the Remuneration Policies submitted to the approval of the Shareholders' Meeting called for 28 July 2021 to decide, among other things, on the approval of the Plan, includes, with specific reference to the latter, an adjustment to provide that:

- (i) the deferred instalments will be attributed, in compliance with the applicable regulations, instead of all at the end of the five-year deferral period, in equal annual instalments (equal to 12%) during the five-year period; and
- (ii) in order to further favour *retention*, any termination of the relationship with the single beneficiaries, during the deferral period and in the cases of a *bad leaver* (as indicated below) will imply the loss of all rights in relation to the instalments still subject to deferral.

4.3 The end of the plan

In light of the previous Paragraph, 4.2 the Options assigned and accrued may be exercised by the Beneficiaries under the terms and conditions outlined in the Plan Regulations, until 2028 (or such other date as may be consistent with the Remuneration Policies).

4.4 The maximum number of financial instruments, also as options, assigned in each tax year to the individuals identified by name or the categories specified.

Please refer to the previous Paragraph 2.3 for the maximum number of Options and/or Phantom Stock Options that can be assigned to the Chief Executive Officer.

As regards the maximum number of treasury shares serving the Plan, authorization must be requested (in the manner specified in the previous Paragraph 3.4) for the purchase of up to a maximum of 1,044,000 Shares.

Moreover, as indicated above, the Plan may be regulated in whole or in part in Phantom Stock Options, also in the event that the number of treasury shares indicated above proves to be insufficient in light of the need to attribute the bonus to any other Beneficiaries that should be identified.

In this last regard, since no Additional Beneficiaries have been identified as of the date of the Information Document, the maximum number of Options and/or Phantom Stock Options attributable to the same cannot be determined.

4.5 The methods and clauses for implementing the plan, specifying whether the actual assignment of financial instruments is subject to the occurrence of certain conditions or achieving certain results, including *performance* results.

Please refer to the previous paragraph 2.2.

4.6 Indication of any restrictions on the availability of the options, or on the financial instruments arising from options being exercised, with particular reference to the deadlines by which the subsequent transfer to the Company itself or to third parties is allowed or forbidden.

The Options and/or Phantom Stock Options are assigned to the Beneficiaries on a personal basis, and cannot be transferred by deed inter vivos or subject to restrictions or be the subject of other acts of disposal for any reason.

The Shares purchased against payment of the Strike Price following the exercise of the Options will be subject to *lock-up* periods pursuant to the provisions of the Remuneration Policies, during which they cannot be alienated or transferred for any reason.

4.7 The description of any decisive actions related to assigning plans if recipients perform *hedging* transactions enabling them to neutralise any prohibitions to sell the financial instruments, even as options, or the financial instruments resulting from exercising those options.

The Plan does not include any termination clauses as described above. However, the Remuneration Policies in forces strictly forbid individual employees to carry out *hedging* or insurance *strategies* on remuneration or on other aspects that may alter or influence the effects of business risk alignment inherent in the remuneration mechanisms applied.

4.8 Description of the effects resulting from termination of an employment contract

The Options and/or Phantom Stock Options can be assigned to each Beneficiary on condition that the Relationship is still in existence after the Vesting Period.

In this regard, the Plan provides for the usual clauses of *good* and *bad leaversh*ip, aimed at regulating the cases of termination of the Relationship before the end of the Vesting Period and during the subsequent

deferral period. In particular, without prejudice to more detailed rules that may be provided for in the Plan Regulations³ and in any case without prejudice to a different decision by the Board of Directors:

- (i) in the event of early termination of the relationship in cases of (a) revocation/dismissal/non-renewal in the absence of just cause or (b) resignation for just cause (including in cases of substantial and unshared change of powers and/or duties) or, again, (c) consensual termination of the relationship, the Beneficiaries will maintain all rights in relation to the Plan in a proportionate measure *pro rata temporis*; and
- (ii) in all cases of termination of the Relationship other than those indicated above, the Beneficiaries will lose all rights in relation to the Plan (but will however continue to maintain all rights to the deferred instalments in the event of termination in the cases of *good leavers*).

4.9 Indication of other possible causes for cancelling the plans.

Except as indicated in other Paragraphs of this Information Document, there are no other causes for the cancellation of the Plan.

4.10 Motives related to any “repurchase” foreseen by the company of the financial instruments in the plans, ordered pursuant to article 2357 et seq. Italian Civil Code; repurchase beneficiaries indicate whether it is only intended for certain employee categories; the effects of employment termination on that repurchase.

The Plan does not include redemption clauses by the Bank. However, the Regulations of the Plan will provide for *malus* and *claw back* clauses, with content consistent with the provisions of the Remuneration Policies.

4.11 Any loans or other concessions to be granted to purchase shares pursuant to art. 2358 of the Italian Civil Code.

Not applicable: the granting of loans or facilities for the purchase of the Shares is not envisaged pursuant to art. 2358 of the Italian Civil Code.

4.12 Indications of the expected costs for the company on the date of the related assignment, calculated on the basis of the terms and conditions already defined, by total amount and in relation to each instrument in the plan.

The expected charge for the Company is not currently determinable.

4.13 Indication of any dilutive effects on capital caused by compensation plans.

At the date of this Information Document, the maximum number of Shares serving the Plan represents 1.94% of the share capital. In consideration of the characteristics of the Plan, no dilutive effects on the capital are envisaged.

4.14 Any limits set out for exercising voting rights and assigning ownership rights.

There is no limit for the exercise of voting rights and for the assignment of equity rights inherent in the Shares awarded following the exercise of the Options.

³ In which further cases of *good leavers* may be included, such as death cases, permanent disability, etc.

4.15 In the event that shares are not traded on a regulated market, all necessary information regarding a full assessment of their actual value.

Not applicable.

4.16 Number of financial instruments underlying each option

Each 1 (one) Option attributed incorporates the right to purchase 1 (one) Share at the Strike Price.

In any case, the Bank has the right to also use the Phantom Stock Option, if this is necessary in order to be able to include the Additional Beneficiaries in the Plan.

4.17 Expiry of options

Please refer to Paragraph 4.2.

4.18 Methods (American/European), timing (e.g. periods valid for exercise) and exercise clauses (e.g. *knock-in* and *knock-out* clauses)

Please refer to the Paragraph 2.2.

4.19 Strike price of the option or methods and criteria for its determination, with particular regard to: a) the formula for calculating the strike price in relation to a specific market price (so-called *fair market value*); and b) the methods for determining the market price taken as a reference for determining the strike price

With reference to the Options, the Strike Price will be equal to the average of the price of the Shares recorded in the month preceding the date of presentation of the Plan for the approval of the competent bodies to submit it to the Shareholders' Meeting (i.e. in the period of 30 days preceding 18 June 2021). The value is equal to €12.92.

4.20 In the event that the strike price is not equal to the market price determined as indicated in point 4.19.b (*fair market value*), reasons for this difference

Not applicable.

4.21 Criteria on the basis of which different strike prices are envisaged between various subjects or various categories of recipients

Not applicable since different strike prices are not envisaged between various subjects or various categories of recipients.

4.22 In the event that the financial instruments underlying the options are not traded on regulated markets, indication of the value attributable to the underlying financial instruments or the criteria for determining this value.

Not applicable.

4.23 Criteria for the adjustments made necessary following extraordinary capital operations and other operations that involve a change in the number of underlying instruments (capital increases, extraordinary dividends, grouping and splitting of the underlying shares, mergers and demergers, conversion operations into other share categories, etc.).

Please refer to Paragraph 3.3.

4.24 Table

The information referred to in the attached table will be updated from time to time, during the implementation of the Plan, pursuant to art. 84-*bis*, paragraph 5, of the Issuer Regulations.

The information referred to in section 1, Box 1 of Table 1 of Scheme 7 of Annex 3A to the Issuer Regulations, as well as art. 84-*bis*, paragraph 5, of the Issuer Regulations, with reference to the incentive plans in place, are available on the Bank's *website* at www.bancaifis.it.

ANNEX 1

Table prepared in compliance with Section 2, Box 2 of Table 1 of Scheme 7 of Annex 3A to the Issuer Regulations

2021-2023 LTI Plan								
Newly assigned instruments based on the Board of Directors' decision to propose to the Bank's Shareholders' Meeting								
Name and surname or category	Role (to be indicated only for subjects named)	Date of the shareholders' meeting resolution	Description of instrument	Number of Options	Assignment date	Strike price	Market price of the underlying shares on the assignment date	Period of the possible year
Frederik Herman Geertman	The Chief Executive Officer	28 July 2021	Option rights on Bank Shares	696,000 ⁴	28 July 2021	12.92 EUR ⁵	N.A.	(i) 40% of vested Options: at the end of the Vesting Period; (ii) 60% of the Options accrued: in the following five-year period

⁴ Understood as the maximum number of Options that can be assigned to the Chief Executive Officer for the entire three-year period of reference, in the event that the ratio between variable and fixed remuneration is defined as 1:1 for the first year (2021) and as 1.5:1 for the following two years (2022 and 2023), and subject to the achievement of all the conditions set out in the Plan (achievement of the objectives, permanence in service, etc.).

⁵ Equal to the average of the market value of the Shares recorded in the period of 30 days preceding the date of presentation of the Plan for the approval of the competent bodies to submit it to the Shareholders' Meeting (i.e. in the period of 30 days preceding 18 June 2021).