

**ANNUAL REPORT
ON
CORPORATE GOVERNANCE
AND THE SHAREHOLDER STRUCTURE
OF THE GROUP
PURSUANT TO ARTICLE 123-BIS OF THE CFA
2020 ACCOUNTING PERIOD**

BANCO DI DESIO E DELLA BRIANZA S.p.A.
Registered office in Via Rovagnati, 1 – 20832 Desio (Monza and Brianza)
Tax Code no. 01181770155
Registered in the Metropolitan Chamber of Commerce of Milan, Monza and Brianza and Lodi, REA no. MB-129094
Share capital Euro 70,692,590.28 fully paid-up
Member of the Interbank Deposit Protection Fund
and the National Guarantee Fund
Registered in the Register of Banks at ABI Code No. 3440/5
Parent Company of the Banco di Desio e della Brianza Banking Group
Entered in the Banking Group Register under No. 3440/5

(BoD 25 FEBRUARY 2021)

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MAIN DEFINITIONS USED IN THIS REPORT

CBL: Consolidated Banking Law – Italian Legislative Decree No. 385/1993 and subsequent amendments and additions.

CFA: Consolidated Finance Act – Italian Legislative Decree No. 58/1998 and subsequent amendments and additions.

Company representatives: Directors, Standing and Alternate Auditors, the General Manager and the Vice General Manager¹

Executives with strategic responsibilities: the General Manager and the Vice General Manager.

Group: the Banking Group as defined by the CBL, including Banco Desio (Parent Company) and the subsidiary banking and finance companies.

Supervisory Body: Bank of Italy and Consob.

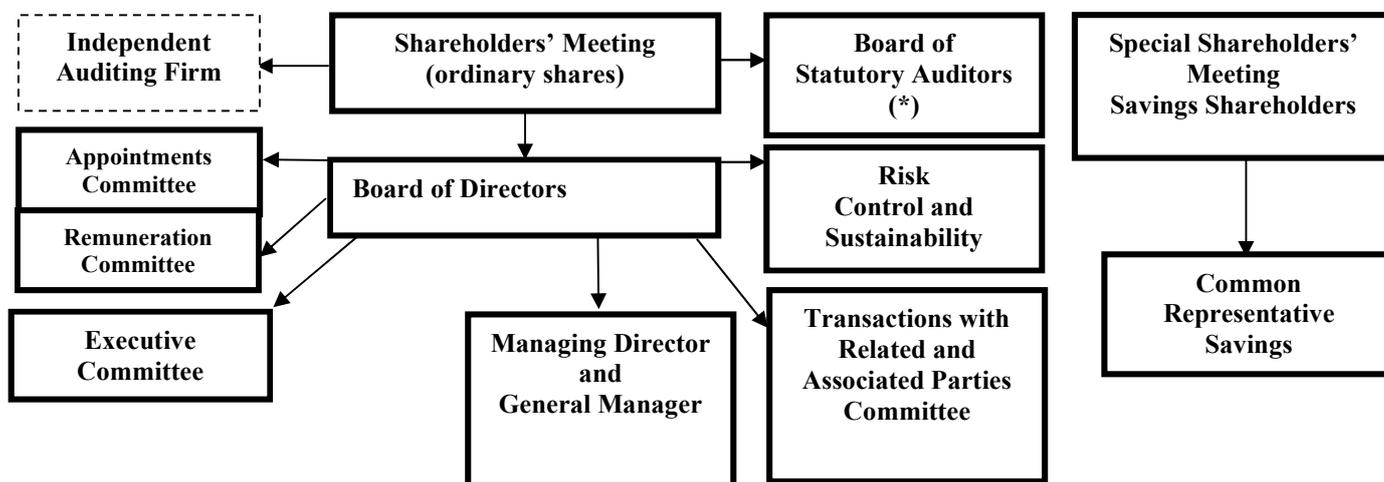
AISCI: the Director in charge of the Risk Management and Internal Control System (whose role is absorbed by that of the Managing Director as from 23 April 2020).

¹In this Report, “Vice General Manager” means the Vice General Manager, if any, or, if more than one, the Vice General Managers appointed as and when.

1 - GENERAL INTRODUCTORY REMARKS ON THE CORPORATE GOVERNANCE SYSTEM

1.1 Preliminary information

During 2020, a number of changes took place with regard to the essential profile within the overall corporate governance structure of Banco Desio and the Group². In detail, the current structure of the Bodies of the Bank is represented by the following chart³:



(*) the Board of Statutory Auditors also performs the tasks of the Supervisory Body established pursuant to Italian Legislative Decree No. 231/2001 (hereinafter, also “SB 231”) - For more detail, see section 7

The division of functions between the Shareholders’ Meeting, the Board of Directors, the Board of Statutory Auditors and the Independent Auditing Firm is disciplined by legal and supervisory regulations, to which the **Articles of Association** refer. With regard to the general aspects, the division of the functions between:

- i) Senior Bodies (Board of Directors, Advisory/Proposal-making Committees⁴, Executive committee)
- ii) Executive Parties (Managing Director and General Manager)
- iii) Technical-operating committees⁵
- iv) Internal control departments
- v) Appointed Executive

is disciplined, in observance of the legal, supervisory and Articles of Association restrictions, by the “Internal Regulations of the Corporate Bodies, of Internal Board Committees and of the General Management” hereinafter briefly “Internal Regulations”). For specific aspects not detailed in the Internal Regulations, reference is made to the "Organisational Structure and Description of Functions (so-called Function Chart)" and to the "Policies" (documents also approved by the Board of Directors), as well as to the Process Regulations. Process Regulations

² During the board meeting following the general shareholders' meeting held on 23 April 2020, a Managing Director was appointed, who also holds the position of General Manager.

³ In the diagram, the arrows indicate the appointment and removal relationships between the main bodies. Note that the BoD is also responsible for appointing/removing the Vice General Manager, the Executive appointed to the drafting of the company accounting documents ("Appointed Executive") and Heads of the Internal Control Departments and the Executives in general.

⁴ The Advisory/Proposal-making Committees (Appointments Committee, Remuneration Committee, Risk, Control and Sustainability Committee, Committee for Transactions with Related and Associated Parties) are composed solely of Board members and are, as such, defined as internal board committees.

⁵ See Section 4.3 below.

are, as a rule, approved by the Executive Committee, unless the matters are reserved to the competence of the Board of Directors by virtue of legal, regulatory, Articles of Association provisions and/or of resolutions of the Board itself, the Process Regulations pertaining to controls and risk remaining in any case reserved to the approval of the Board.

In 2018 - you are hereby reminded - it was deemed advisable to separate the Internal Regulations of the Board of Statutory Auditors from the aforesaid Internal Regulations. Both Regulations were recently up-dated during 2020.

In addition, the legislative system regarding the matters involved in this Report remains characterised essentially by the following documentation:

1. **General Shareholders' Meeting Regulations** (see Section 10 below);
2. **Regulations of the Information Flows of Corporate Bodies**, most recently revised during 2020;
3. **Regulations for Coordinating the Controls and the information flows of the Parent Company** (see Section 7 below) most recently revised during 2020;
4. **Regulations of the Delegated Powers**, most recently up-dated during 2020, which discipline in a unified manner the structure of the mandates: i) of operational powers and ii) of powers of representation granted to the Managers and certain employees of the operating units making up the corporate structure;
5. **Internal Regulations regarding Corporate Information of the Banco Desio Group** ("Corporate Information Procedure"), most recently up-dated during 2020, containing, among other things, the functioning of the Corporate Bodies in specific reference to the dissemination of related documentation and the handling of privileged information and the register of the individuals who have access to the same, as well as for the communication of Internal Dealing transactions;
6. **Internal Regulations on Transactions with "Related Parties"** and Art. 136 CBA", adopted in compliance with the Prudential Supervisory Provisions on risk activities and conflicts of interest with related parties issued by the Bank of Italy pursuant to Art. 53 CBA (see Section 5 below), most recently updated in 2018; said Regulations will be updated during 2021 following the issuance by Consob of the amendments to its Regulations on the subject in assimilation of Italian Legislative Decree No. 49/2019 regarding shareholders' rights in assimilation of the so-called "SHRD2" EU Directive (see below);
7. **Policy for identifying and managing conflicts of interest** most recently revised during 2017, referenced by the procedures used to identify the types of conflict of interest, potential or otherwise, in relation to the provision of any investment service or activity, related service, etc., by way of implementation of the provisions acknowledging the MIFID Directives (see Section 5 below);
8. **Policy for the regulation of "personal transactions"**⁶ in relation to investment services, also issued in implementation of the provisions transposing the MIFID Directives;

⁶Personal Transaction is understood, for the specific purposes of the aforementioned "Policy", as a trade in a financial instrument effected by or on behalf of a Relevant Person, where at least one of the following criteria is met:

- a. the Relevant Person is acting outside the scope of the activities they carry out in their capacity as a Relevant Person;
- b. the trade is carried out for the account of any of the following persons:
 - i. the Relevant Person;
 - ii. any person with whom the Relevant Person has a "Family Relationship" or "Close Links";
 - iii. a person whose relationship with the Relevant Person is such that the Relevant Person has a direct or indirect material interest in the outcome of the trade, other than a fee or commission for the execution of the trade.

A Relevant Person shall mean persons belonging to one of the following categories relating to each Group Company:

- a) members of "Corporate Bodies" (understood, also hereafter, as the Board of Directors and the Board of Statutory Auditors);
- b) shareholders who possess a significant equity investment in the Parent Company or in Group Companies;
- c) executives (including, also hereafter, the General Manager);
- d) employees;
- e) temporary workers and project-based contractors who participate in the provision of investment services and the exercise of investment activities;
- f) individuals who directly participate in the provision of services to the Group Parent and Group Companies based on an outsourcing agreement regarding the provision of investment services and related services.

9. **Policy that defines the Group's overall risk propensity ("Risk Appetite")**, intended as the maximum amount of capital that the Group is prepared to make available to hedge risks against a set expected return and that contains the general rules for business risk management with reference to each type of risk indicated in Prudential Supervisory Provisions of the Bank of Italy, containing specific provisions relating to risk activities with "Associated Parties" pursuant to point 4.

* * *

In the presentation of this Report, the traditional layout was maintained that, owing to the lack of consistent provisions on the matter, takes into consideration the guidelines indicated from time to time by Borsa Italiana S.p.A. and by Assonime. In said context, the attached Table 4 was maintained, which included the schedule summarising the implementation status of the recommendations in the Corporate Governance Code for Listed Companies as per Section 2.2 below⁷ (for the sake of brevity "the Corporate Governance Code")⁸.

This Report:

- has been drawn up in accordance with Article 123-bis CFA, which lays down a series of information on the ownership set-ups, the corporate governance practices, the risk management and internal audit systems relating to the financial disclosure process, and the composition and functioning of the general meeting, board and audit bodies; the independent auditing firm is required to express a consistent opinion on certain information required by the aforementioned Article 123-bis; this information is specified in Section 2.1 below;
- has been approved by the BoD, subject to the assessment of the Independent Directors as per a specific recommendation in the Corporate Governance Code as assimilated in the Internal Regulations⁹. This assessment is attached to said Report (Attachment A);
- it is published, albeit as a separate document, together with the Report on Operations, which also contains the due references. Likewise, it contains references to the financial statement documentation (Notes to the Consolidated Financial Statements, Report on Operations, etc.), as well as the Remuneration Report as per the subsequent point, for the information contained therein, which otherwise would be duplicated; the latter is prepared in accordance with Article 123-ter CFA, which also contains the information required by Bank of Italy Circular No. 285 regarding remuneration and incentive policies and practices in banks and banking groups.

Persons with whom the Relevant Person has a Family Relationship are intended as:

- a. the (not legally separated) spouse or the common law spouse of the Relevant Person;
- b. the children of the Relevant Person;
- c. any other relative of the Relevant Person to the fourth degree (i.e. parents, grandparents, great-grandparents, grandchildren, first cousins, aunts, uncles and great-aunts and great-uncles) who has shared the same household as the Relevant Person for at least one year on the date of the Personal Transaction.

Parties with whom the Relevant Person has Close Links means one or more individual or legal persons linked to a Relevant Person by:

- a) an equity investment (which means ownership, direct or by way of control, of 20% or more of voting rights or capital of an undertaking);
- b) control.

⁷Corporate Governance Code for Listed Companies – Borsa Italiana – 2011 Edition (2018 update)

⁸ Reference is made to the 2018 Edition of the Corporate Governance Code currently in force. On 31 January 2020, the new Corporate Governance Code for listed companies was published ("Corporate Governance Code"). The new version of the Code streamlines and enhances the formulation of the recommendations, introducing elements of flexibility in relation to the dimensions of the business and its ownership structures. The Code also assigns the BoD a new role in the furthering of the sustainability strategies and the dialogue with the market and the relevant stakeholders. **The companies which adopt the new Code will apply it as from the first accounting period which commences after 31 December 2020, informing the market thereof in the corporate governance report to be published during 2022.**

⁹ In compliance with the Corporate Governance Code in force until 31 December 2020, the Independent Directors met at least once a year in the absence of the other Directors (as a rule, at the time of the approval of the Annual Corporate Governance Report and for the purpose of expressing their opinion on the aspects they are responsible for, for which please refer to notes 23 and 24).

This Report and the aforementioned Remuneration Report are also published on the website www.bancodesio.it in the “La Banca/Governance/Documenti Societari” (The Bank/Governance/Corporate Documents) section.

1.2 General aspects of the corporate governance model pursuant to the applicable Supervisory Provisions¹⁰

The corporate governance model of Banco Desio is essentially structured on three legislative levels characterised by the Articles of Association, the Internal Regulations and the Control Coordination Document, whose main aspects are summarised below.

1.2.1. Articles of Association

Duties and powers of the corporate bodies

A.1 Board of Directors

The body tasked with strategic supervision is first and foremost reserved the decisions concerning strategic policies and transactions as well as business and financial plans. This provision is included in the Articles of Association of the Parent Company (for further details see Section 3 below). Among the powers that cannot be delegated, the BoD is responsible for the appointment of the heads of the internal auditing and compliance departments and the definition of the essential elements of the overall architecture of the internal audit system¹¹ (subject to the favourable opinion of the Board of Statutory Auditors). The Board of Directors also carries out management functions.

A.2 Board of Statutory Auditors

The body with auditing function oversees the observance of the legal, regulatory and Articles of Association provisions, the correct administration, and the adequacy of the organisational and accounting set-ups of the bank. The Articles of Association of the Parent Company assign the Board of Statutory Auditors the related duties and powers, which are illustrated within said Articles, according to the structure indicated in Circular No. 285. Furthermore, as stated, the Board of Statutory Auditors performs SB 231 functions, taking account not only the aforementioned Circulars No. 263 and 285, but also the provisions of paragraph 4-bis of Article 6 of the aforementioned Italian Legislative Decree No. 231/2001, and a specific recommendation in the Corporate Governance Code with regard to the Parent Company. The relevant provision is added to the respective Articles of Association.

B. Composition of the Corporate Bodies

- With regard to the Parent Company, the discipline of “list voting” is in force for the election of the members of the BoD and the Board of Statutory Auditors, already introduced in the Articles of Association, by virtue of Article 147-ter and Article 148 CFA. Moreover, the Articles of Association of the Parent Company also include the “gender quota” regulations introduced by Law No. 120/2011¹² for companies listed in regulated markets. This regulation envisaged that the “gender quota” had to be at least 1/5 for the first office (2014-2016) and at least 1/3 for the following two

¹⁰ The provisions to which reference is made are contained in the aforementioned Circular No. 285.

¹¹ Among the “essential elements of the overall architecture of the system of controls”, the Provisions themselves indicate “powers, responsibilities, information flows and handling of conflicts of interest”.

¹² So-called “Golfo-Mosca” Law

offices. The Extraordinary Shareholders' Meeting held on 23 April 2020 approved the amendment to the Articles of Association consequent to the entry into force (1 January 2020) of Italian Law No. 160 dated 27 December 2019 (the 2020 Budget Law), which extended the period of application by six mandates and raised the gender quotas for the Board of Directors and the Board of Statutory Auditors to at least 2/5 (a quota, however, maintained at at least 1/3 in the case of bodies comprising 3 members, as in the case of the Board of Statutory Auditors) with effect from the renewal of offices that took place during the aforementioned Shareholders' Meeting.

The Articles of Association of the Parent Company envisage the role of "Independent directors".

C. Remuneration and incentive mechanisms.

The provisions of Bank of Italy Circular No. 285 are shown: i) in the Articles of Association with respect to the general principles, where the Ordinary Shareholders' Meeting, in addition to establishing fees due to the Bodies it has appointed, approves the remuneration policies, including the plans based on financial instruments, and the criteria/limitations for any amounts agreed in view or on the occasion of the early termination of employment or cessation from office of identified staff ("golden parachutes") as provided for by the aforementioned Circular No. 285; ii) in the Internal Regulations with regard to the application guidelines (for more details also see section 6 below).

1.2.2. Internal Regulations of the Corporate Bodies, of Internal Board Committees and of the General Management

With regard to the regulatory provisions that are complementary to the Articles of Association provisions as per the previous Section 1.2.1, the Internal Regulations acknowledge the application guidelines of Bank of Italy Circular No. 285 as per points A.2) Board of Statutory Auditors and C) Remuneration and incentive mechanisms (for further details also see Section 6 below). It is also established, within the Internal Regulations, that the Statutory Auditors cannot undertake offices in bodies other than the Board of Statutory Auditors within other Group Companies, as well as with companies in which Banco Desio directly or indirectly holds a strategic investment¹³. With reference to the role of Chairman of the Board of Directors, who, according to the general principles expressed in the same Circular No. 285, performs an important role for the purpose of encouraging internal dialogue and ensuring the balancing of the powers, in the Internal Regulations it is specified that "the Chairman of the Board of Directors promotes a communicative and transparent relationship among the members of the Board, to assure the effective functioning of the corporate governance system"; for this purpose, the Chairman "within the scope of their function, directed at promoting internal dialogue and assuring the balancing of powers within the Board of Directors with respect to its different members, and to the Managing Director and the General Manager in relation to the role described in Section 4.2 below, oversees the organisation of the Board's activities and the circulation of the information relating to said work, furthering the constant performance of the role of strategic supervision and management of said Board. Maintains relations with the Chairman of the Board of Statutory Auditors and with the Chairmen of the advisory/proposal-making committees established within the Board of Directors, serving as their main interlocutor". For more details see also Section 4.2 below.

1.2.3. Regulations for Coordinating the Controls and the information flows of the Parent Company

¹³ As indicated by the aforementioned Circular No. 285, "strategic" for such purposes is understood to mean the equity investment that is equal to at least 10% of the share capital or the voting rights during ordinary Shareholders' Meetings of the investee company and 5% of the consolidated regulatory capital of the Banking Group.

The Control Coordination Regulations define the tasks and responsibilities of the auditing Bodies and functions within the Banco Desio Group (in particular, procedures, moments of coordination, organisational reports, and relevant links among the above-mentioned company departments), as well as the duties and responsibilities of the audit functions, the main audits carried out by each function, the information flows between the different functions and between them and the corporate Bodies, the coordination and collaboration procedures eliminating any potential overlaps and allowing to develop synergies between the functions establishing, inter alia, that the Internal Control System consists of the set of the rules, procedures, organisational structures and coordination mechanisms that aim at essentially assuring the compliance of the Group Companies' operations with respect to the corporate strategies and with internal and external regulations. To this end, the Parent Company, as part of the Group's management and co-ordination activities, regulated as a whole by the "Group Regulations" adopted at that time, exercises: a) strategic control on the evolution of the various areas of activities where the Group operates and the impending risks on the portfolio of activities carried out; b) management control aimed at maintaining the balance of the economic, financial and equity conditions, both for individual companies and the Group in its entirety; c) technical-operating control aimed at evaluating the various risk profiles contributed to the Group by the individual subsidiaries. For more information, see also Section 7 below.

2 - GENERAL INFORMATION ON THE OWNERSHIP SET-UPS AND ON OTHER CORPORATE ASPECTS, ON COMPLIANCE WITH A CORPORATE GOVERNANCE CODE AND ON THE GROUP STRUCTURE

This section contains information on the ownership arrangement and the corporate aspects **pursuant to Article 123-bis CFA**, as well as on the Group structure and the management and coordination activities, according to the various banking and statutory rules. Unless specified otherwise, the information listed below refers to the Banks of the Group.

Banco Desio is qualifiable as an "SME" in accordance with Article 1, Paragraph 1, Letter w-quater.1) CFA, which defines SMEs as the enterprises, issuing listed shares, whose market capitalisation is less than 500 million Euros. Issuers of listed shares that exceeded the aforesaid limit for three consecutive years are not considered SMEs. The checks carried out following promulgation of Consob Resolution No. 20621 of 10 October 2018 (up-dated by means of Consob Resolution No. 21625 dated 10 December 2020 which eliminated the reference to turnover) made it possible to ascertain that Banco Desio falls within the definition of SME provided above, because its market capitalisation as at 30 June 2018 amounted to 278 million Euros. If, for three consecutive years, Banco Desio were to exceed the aforesaid limit relating to revenue and capitalisation, it would cease to be included in the SME category. By way of indication, the total market capitalisation of ordinary and savings shares as of 18 February 2021 is approximately 362 million Euros. At the end of each year, the data is verified in accordance with the timescales and procedures established by the latest Consob Resolution referred to above.

2.1 OWNERSHIP ARRANGEMENTS AND OTHER CORPORATE ASPECTS OF BANCO DESIO (Article 123-bis CFA, paragraph 1)

a) Structure of the share capital

Banco Desio's share capital, fully subscribed and paid-up, is made up of a total of 135,947,289 shares (with a par value of 0.52 Euros each), of which 122,745,289 ordinary shares (around 90% of the total) and 13,202,000 non-convertible savings shares (around 10% of the total). The ordinary shares, listed

since 1995 in the MTA (On-line Equity Market), grant the holders the rights and obligations envisaged by current legislation (in particular, the right to profits and voting rights pursuant to Articles 2350 and 2351 of the Italian Civil Code), without Articles of Association exceptions or limitations.

The non-convertible savings shares, issued at the time of the share capital increase and listed on the MTA in 1999, have the following specific features, established by special legislation (Article 145 CFA) and by the Articles of Association: they lack the right to vote during ordinary and extraordinary shareholders' meetings; they can be bearer shares, except those held by Representatives; they are not convertible, on an optional basis, into ordinary shares; they have a preference with regard to the allocation of the profit for the year, which must never be less than 7% of their par value; in the event the company is wound up, they have a right of pre-emption with regard to the reimbursement of capital for their entire par value; in the event of exclusion from trading of the ordinary and savings shares, these savings shares automatically change into shares with a limited right to vote for the resolutions of the Extraordinary Shareholders' Meeting, without prejudice to the equity privileges indicated above. With regard to the category organisation, see Section 11 below.

Other specific categories of shares or financial instruments sharing in the profit endowed with specific equity or administrative rights have not been issued nor is the option to issue the same envisaged by the Articles of Association.

b) Restrictions on the transfer of shares

No voluntary or Articles of Association restrictions on the circulation of the shares are envisaged, such as limits to the possession of shareholdings or approval clauses. Furthermore, making equity investments in the Banks' share capital that would exceed the specific percentage thresholds is subject to restrictions established by the CBL and Supervisory Provisions.

c) Significant investments

Shareholders who hold stock in Banco Desio of **over 5%**¹⁴ as at 31 December 2020 were as follows:

- with regard to the share capital represented by a total of 122,745,289 ordinary shares:

- | | |
|---|--------|
| - Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A.
(controlling interest) | 50.44% |
| - Avocetta S.p.A. | 8.20% |
| - Stefano Lado ¹⁵ (of which 5.61% through Vega Finanziaria SpA) | 7.53% |

Total	66.17%
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- with regard to the share capital represented by a total of 13,202,000 savings shares:

- | | |
|---|--------|
| - Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. | 44.69% |
| - Avocetta S.p.A. | 10.62% |
| - Stefano Lado (of which 4.33% via Vega Finanziaria SpA) | 5.94% |
| - Averla Srl | 5.60% |

Total	66.85%
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The information on significant investments was essentially acquired on the basis of the entries in the Shareholders' Register, as well as the indications received by the company in accordance with Article

¹⁴ As a result of the undertaking, by Banco Desio, of the capacity of SME in accordance with the aforementioned regulations, the threshold for reporting material shareholdings rose from 3% to 5% in 2018.

¹⁵ The shareholding referring to Stefano Lado includes shares registered in the name of his spouse (0.005%) and shares registered in the name of his two children (in total 0.14%).

114, section 7 CFA (Internal Dealing) and Article 120 CFA (Ownership arrangements).

d) Securities that grant special control rights

No securities that grant special control rights have been issued.

e) Shareholdings of employees: voting procedure

Currently, there are no active employee shareholding plans.

f) Restrictions on voting rights

Restrictions on voting rights are not envisaged, except for the above limitation regarding savings shares and without prejudice to the restrictions envisaged by ad hoc legislation (for example: failure to acquire authorisation for the purchase of significant investments, not meeting “good standing” requirements by those investing in the share capital, failure to fulfil specific disclosure obligations vis-à-vis the Bank of Italy and Consob, etc.).

g) Agreements between shareholders

There are no shareholders’ or corporate agreements between shareholders, as envisaged by current provisions (Article 20 CBL and Article 122 CFA).

h) Change of control clauses

Banco Desio and/or its subsidiaries do not have any significant agreements outstanding, whose effectiveness is subordinated, or which change or cease in the event of any change in the control of the Bank.

i) Indemnity paid to directors in the event of early termination of employment

Refer to Section 6 below of the Remuneration Report.

l) Appointment and replacement of Directors and Statutory Auditors and Articles of Association amendments

The appointment of Banco Desio’s BoD and Board of Statutory Auditors has been disciplined by the procedure set forth in Article 147-ter and Article 148 CFA, respectively.

The BoD is made up of a minimum of 8 and a maximum of 12 members¹⁶, according to the decisions of the Shareholders’ Meeting, and is appointed by means of “majority” list voting that, in the event of the presentation of two or more lists of candidates, envisages the appointment of all the Directors less one from the list that obtained the greatest number of votes expressed during the Shareholders’ Meeting (majority list). One Director is appointed from the minority list that has obtained the greatest number of votes expressed after the majority list, provided that the number of votes is at least equal to half of the quorum necessary for the presentation of the lists and on condition that the minority list is not linked to the shareholders who have presented or voted for the majority list.

These lists can be presented by shareholders who are owners of ordinary shares equal to at least 2.5% of the share capital represented by ordinary shares and must be presented at least 25 days before the Shareholders’ Meeting, accompanied by: documentation proving the identity of the shareholders and their legitimate right to present the list; individual declarations accepting the candidacy and statement of compliance with the prescribed requirements, including independence requirements, as well as the Curriculum Vitae of the candidates; declarations of the shareholders who present the minority lists of the absence of any link with the majority shareholders.

¹⁶ On 6 April 2017, the Extraordinary Shareholders’ Meeting resolved to raise this maximum number from 11 to 12.

In the event the Director appointed from the minority list leaves office, the BoD is obliged to co-opt, where possible, a non-elected candidate from the same list. In any event, during the Shareholders' Meeting called to resolve the replacement of the Director appointed from minority lists, the candidates can only be presented by other shareholders not linked to those who have presented and voted for the majority list at the time of BoD appointment and the appointment of the Director takes place by means of a relative majority.

With regard to the Board of Statutory Auditors, a similar procedure applies with the following changes: two Standing Auditors and two Alternate Auditors are appointed from the majority list; a Standing Auditor, who will take on the office of Chairman, and an Alternate Auditor, are appointed from the first minority list not linked to the majority shareholders, irrespective of the number of votes obtained. In the event that in the 25 days prior to the Shareholders' Meeting, only the majority list has been duly presented, the deadline for the filing of the minority lists is extended by 3 days and the presentation quorum is halved.

Amendments to the Articles of Association are the exclusive responsibility of the Extraordinary Shareholders' Meeting, except in those cases where the law and the Articles of Association permit approval by the BoD. In any event, the Article of Association amendments are subject to the prior assent of the Bank of Italy in accordance with Article 56 CBL. For further information relating to the management body and the auditing body, see Sections 3 and 9 below.

m) Powers pursuant to Article 2443 of the Italian Civil Code and authorisations to purchase own shares

No powers have been granted to Banco Desio's BoD for increasing the share capital as per Article 2443 of the Italian Civil Code, nor for issuing financial instruments sharing in the profits. There are no Shareholders' Meeting authorisations for the purchase of own shares in force.

2.2. COMPLIANCE WITH A CORPORATE GOVERNANCE CODE (Article 123-bis CFA, paragraph 2, letter a)

As illustrated in previous Reports, Banco Desio complies with the Corporate Governance Code for Listed Companies as from its first issue by Borsa Italiana. In detail, the Code was adopted on a generalised basis, with the exception of certain criteria of a circumscribed nature that was considered not necessary or appropriate to assimilate fully. Detailed information on the state of compliance with the individual recommendations of the Code can be found in the attached Table 4. The Code in force until 31 December 2020 can be found at the following address: www.borsaitaliana.it/comitato-corporate-governance/codice/2018clean.pdf

On 19 November 2020, the Board of Directors resolved to fully adopt the new Code in force as from 1 January 2021: i) within the scope of the recommendations applicable to "non-large" and "concentrated ownership" companies; ii) in compliance with the Supervisory Provisions applicable to listed banks as they are treated as "larger banks" pursuant to Circular No. 285, as from 1 January 2021, it being understood that the recommendations relating to independence criteria shall be applied at the same time as the independence requirements set out in the MEF Regulation pursuant to Article 26 CBA in order to ensure the consistency of the system.

Additional information laid down by Article 123-bis, paragraph 2 CFA, referring to financial disclosure (letter b), the functioning of Shareholders' Meetings and dealings with shareholders (letter c) and the composition/functioning of management and audit bodies (letter d) is provided, specifically, in Sections 3, 7, 9 and 10 below. Section 7 also contains information about the non-financial statement.

2.3. GROUP STRUCTURE AND MANAGEMENT AND COORDINATION ACTIVITIES

Information in this section reflects (unless otherwise specified) the situation as at 31 December 2020.

Banco Desio is the Parent Company of the **banking group** of the same name, pursuant to Articles 60 and 61 CBL, which currently includes, further to the afore-mentioned merger, the following companies:

Banco Desio e della Brianza SpA Parent bank

Fides SpA Finance company entered in the Financial Intermediaries Registry, directly controlled (100%)

Desio OBG Srl Directly controlled (60%) special purpose vehicle for the issue of Covered Bonds

Banco Desio exercises management and co-ordination activities over these companies, both according to current banking system provisions and in accordance with Article 2497 et seq. of the Italian Civil Code. To this end, a special “Group Regulations” that regulate the matter as a whole was adopted at that time.

Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A., a financial company whose main purpose is the management of the controlling equity investment in Banco Desio, is the party that exercises control over said Bank according to applicable laws (Article 2359 of the Italian Civil Code and Article 23 CBL).

As the result of a specific Articles of Association provision, however, it does **not exercise management and co-ordination** activities over Banco Desio and its subsidiaries, based on neither banking legislation nor statutory provisions. Brianza Unione di Luigi Gavazzi e Stefano Lado S.A.p.A. does not hold any other controlling interests¹⁷.

3 - BOARD OF DIRECTORS

The information in this section has been provided in accordance with Article 123-bis, section 2, letter d CFA and articles 144-octies and 144-novies of the Issuers’ Regulation and reflects (unless otherwise specified) the situation as at 31 December 2020. For its development, see Section 13 below. For information about the diversity policies applied by the Banco Desio Group

¹⁷ In accordance with Articles 11 and 99 of Regulation EU No. 575/2013 (CRR) Brianza Unione is also obligated, starting from the accounting date of 30 June 2018, to forward prudential supervisory reports (so-called COREP) and statistical reports (so-called FINREP) on a consolidated basis. As consequence, Banco Desio, starting from the same accounting date, no longer sends the related reports on a consolidated basis because they are transmitted by Brianza Unione. Brianza Unione has appointed Banco Desio with a dedicated service agreement for the execution of some activities concerning the drafting and forwarding of the reports. For additional information, please refer to the Report on Operations.

in relation to the membership of the administration, management and control bodies with regard to aspects such as age, gender and education and professional experience, in accordance with Article 10 of Italian Legislative Decree no. 254/2016, please refer to Section 7 below.

3.1 Composition and requirements

Banco Desio's current Board of Directors is made up of 12 Directors and was appointed by the Shareholders' Meeting held on 23 April 2020, using the list voting mechanism pursuant to section 2.1.1) above. Its term expires with the Shareholders' Meeting held for the approval of the financial statements as at 31 December 2022. One Independent Director was elected from a list submitted by a minority shareholder (see also Section 3.2 below). For further information, please refer in full to the general meeting documentation published on the website www.bancodesio.it – section "La Banca/Governance/Corporate Governance/Assemblea" (The Bank/Governance/Corporate Governance/General Meetings). The composition of the BoD, together with other information on the structure of the Management Body and Committees, is included in the attached Table 1.

On the basis of the special reference legislation for banks with listed shares¹⁸, Directors must meet specific good standing and professionalism requirements, otherwise they will no longer be eligible for office. Specifically, with regard to professionalism, at least three years of experience in at least one of the following areas is required: management, audit or executive activities within companies; professional activities in matters pertaining to the banking, financial, insurance sectors or functional activities in banking; a university lecturing position in the law or economics faculties; public administrative or executive functions pertaining to the lending sector or which involve the management of economic-financial resources. With regard to the office of Chairman, the aforementioned experience must cover at least five years. For the offices of Managing Director and General Manager, specific expertise in matters pertaining to the lending sector is required, gained in positions of adequate responsibility for at least five years. The Board of Directors is responsible for verifying that the Representatives meet the requisites pursuant to Italian Ministerial Decree No. 161/1998 within 30 days of appointment, by means of the procedure established by the Bank of Italy's Supervisory Provisions. In short, the BoD checks and resolves that the requirements have been met, after consulting the Board of Statutory Auditors (who perform their own specific check¹⁹), for each individual representative, involving the abstention of the party concerned, on the basis of suitable documentation produced by said Representatives (examples: certificates, declarations, curricula vitae, affidavits or similar, declarations made by companies/bodies they worked with, etc.). This procedure will be partially amended by means of the so-called "Fit&Proper Assessment" introduced by the afore-mentioned Italian Ministerial Decree No. 169/2020.

Information on the personal and professional characteristics of the Directors, as well as information on their satisfaction of the requirements described in this section, are published upon submission of the

¹⁸ On 15 December 2020, Italian Decree No. 169 dated 23 November 2020 containing the Implementation regulations of Article 26 CBL issued by the MEF was published in the Italian Official Gazette; the MEF, after hearing the Bank of Italy, was called upon, as known, to identify in compliance with CRD4: a) the homogeneous good standing requirements for all the representatives; b) the professional standing and independence requirements, graded according to proportionality principles; c) the criteria of competence, consistent with the office to be held and with the characteristics of the bank, and of adequate composition of the body; d) the criteria of correctness, concerning, among other things, the business relations of the representative, the behaviour with regard to the supervisory authority and the sanctions or corrective measures imposed by them, restrictive measures concerning professional activities carried out, as well as any other element likely to affect the correctness of the representative; e) the limits to the number of offices held by bank representatives, graded according to proportionality principles and taking into account the size of the intermediary; f) the causes that involve the temporary suspension from the office and its duration. The related provisions, which were put out for consultation during 2017, apply to appointments after the date of its entry into force, i.e. 30 December 2020. The Appointments Committee has been monitoring the issuing process ever since.

¹⁹ With regard to the specific assessment of the Board of Statutory Auditors regarding the requisites of the Directors and the Statutory Auditors, also see Section 9 below.

lists for the renewal of corporate offices, in compliance with governing Consob regulations. For more details, refer to Section 3.5 below. Their curricula are also made available on the www.bancodesio.it website, in the section “La Banca/Governance/Corporate Governance/Consiglio di Amministrazione” (The Bank/Governance/Corporate Governance/Board of Directors). The same website now also contains summary profiles of the individual Company representatives, the Appointed Executive and the Heads of Internal Control Functions.

Following the issue of the new Italian Ministerial Decree as mentioned above, it is envisaged - in 2021 - that a Fit&Proper Policy will be adopted at the same time as the legislative updates deriving from the adoption of the new Corporate Governance Code.

3.2 Independent Directors

Of the 12 Banco Desio Directors currently in office, appointed by the Shareholders' Meeting on 23 April 2020, **5** qualify as independent, in accordance with the specific provisions of Articles 147-ter and 148 CFA as well as the criteria of the Corporate Governance Code²⁰. The assessment of independence is subject to BoD resolution and appropriate review by the Board of Statutory Auditors, specifically examining the individual positions of the Directors on the basis of suitable documentation available to the company or disclosure made by the party concerned, who abstains from voting and favouring, in any case, substance over form. The checks are envisaged after appointment, as well as when establishing Committees that require the participation of a certain number of Independent Directors, at the time of approval of the Self-Assessment Report of the BoD and of this Report (as well as each time the BoD considers it appropriate in relation to any situations that may change the qualification of independence relating to one or more Directors). The Directors, by virtue of said evaluations and checks performed in 2020 at the time the appointments were renewed and also confirmed during the approval of this Report, who currently meet the independence requisites (all in accordance with both the CFA and the Corporate Governance Code), are listed below:

- **Ms. Valentina Casella** (first appointed 28 March 2019)
- **Mr. Ulrico Dragoni** (appointed 23 April 2020)
- **Prof. Cristina Finocchi Mahne** (first appointed 30 May 2013)
- **Ms. Giulia Pusterla** (appointed 23 April 2020)²¹
- **Ms. Laura Tulli** (appointed 23 April 2020)

Ulrico Dragoni was appointed from a list presented by a minority shareholder (Carit Foundation - Cassa di Risparmio di Terni e Narni).

When the Fit&Proper Policy is adopted in 2021, the quantitative and/or qualitative criteria to be used for assessing the significance of the relationships under review for the purposes of verifying independence will also be defined ex ante.

The Independent Directors, take part in the Board's work and the activities of the advisory/proposal-making Committees to which they belong (i.e., the Risk Control and Sustainability Committee and the Remuneration Committee, of which they form the majority, as well as the Appointments Committee and

²⁰ In compliance with the aforementioned Circular No. 285, also the independence requirements of the Corporate Governance Code adopted by Banco Desio are reported, in addition to those established by the CFL, in the Articles of Association, as well as the minimum number of Independent Directors to an extent equal to 1/4 (the actual number of 5 is therefore currently higher than the minimum number of 3)

²¹ Giulia Pusterla has covered the office of Standing Auditor since 2014 and Chairperson of the Board of Statutory Auditors between 2017 and 2020.

the Committee for Transactions with Related and Associated Parties, consisting solely of three Independent Directors)²². Said Directors met on 23 February 2021, to express their assessment of the aspects of this Report that are under their competence, taking into account the role assigned by the Code, among non-executive members, especially to these Directors. The **Independent Directors' assessment** (which also takes into account the results of the self-assessment process per Section 3.6 below) is attached to this Report (**Enclosure A**).²³

3.3 Functioning

As a rule, Banco Desio's Board of Directors meets monthly, which is more frequently than the at least bi-monthly schedule envisaged in the Articles of Association. During 2020, a total of 16 meetings²⁴ were held, the majority of which scheduled at the beginning of the year. For 2021, at least 15 meetings have been scheduled. The dates of the meetings to approve periodic accounting documents (draft financial statements and consolidated financial statements, interim financial reports and quarterly voluntary reports) were made public, in January, within the context of the Annual Calendar of Corporate Events, in compliance with stock exchange legislation. The publication of the Corporate Calendar falls within the sphere of a more extensive process of scheduling the Board's work for all Group companies, which sees the involvement of the same BoDs of the Parent Company and the subsidiaries, for the purpose of optimising the activities of the Corporate Bodies consistent with the general principles of efficiency and effectiveness established by both the Corporate Governance Code and the aforementioned Circular no. 285. Internal regulations concerning the information flows between and within the Corporate Bodies are based on the same principles and were formalised in the "Information Flows Regulations for Corporate Bodies". These regulations are aimed at ensuring a circulation of information consistent with the needs of the Directors and Statutory Auditors to act in an informed manner and, at the same time, with the need to maintain organisational safeguards to avoid the risk of the improper use of confidential information.

In accordance with the provisions of the Articles of Association and the Corporate Information Regulations, the Chairman calls the BoD meetings by means of a notice that contains the list of issues to be discussed at least 5 days in advance. The documentation relating to the matters on the agenda is made available to Directors and Statutory Auditors, by means of a dedicated IT platform, through an e-mail generally sent at least 3 days in advance (7 days for the previous meeting's minutes). The documents not transmitted within 48 hours prior to the meeting (typically those that are "price sensitive"

²² In accordance with the Supervisory Provisions, the Independent Directors oversee the management of the company with autonomous judgement, contributing to ensure that such management is carried out in the interest of the company and consistently with sound and prudent management objectives, serving as a counterweight with respect to the bank's executive and management components and promoting dialogue within the body of which they are members. An extract from a Comment contained in the previous Corporate Governance Code is presented: "the non-executive directors enhance the board discussions with expertise formed outside the company, of a general strategic or specific technical nature. These skills make it possible to analyse the various subjects being discussed from different points of view and, therefore, contribute towards stimulating the dialogue that is the distinctive condition for a well thought-out and informed collective decision. The contribution of non-executive directors is particularly useful on matters where the interests of the executive directors and those of the shareholders may not coincide, such as the remuneration of said executive directors and the internal audit and risk management system.

²³ The provision that the Independent Directors should meet at least once a year in the absence of the other Directors has been maintained for the time being, although it is no longer envisaged in the case of Banco Desio by the new Corporate Governance Code, as the Bank of Italy put out for consultation on 24 December 2020 amendments to Circular No. 285 that introduce the same provision for all banks: "the proposal envisages the obligation for banks to adopt an internal regulation to define the procedures for fostering discussion among independent directors and requires that, in any case, the same directors meet, in the absence of the other directors, on a periodic basis - at least annually - to discuss issues of interest. The measure is aimed at strengthening coordination between the independent directors on the board and, in this way, the effectiveness of their role".

²⁴ The average duration of the Board meetings was 2 hours and 55 minutes (also by virtue of the rationalisation measures put in place). For greater details see Table 1

in order to maximise the protection of privileged information as a precaution against any possible form of IT violation by third parties) are made available for consultation at the Corporate Affairs Unit starting from the morning of the day prior to the same meeting. The Board of Directors deems this advance generally reasonable and observed. Especially for particularly complex documents, the provision is made prior to the above-mentioned minimum terms and sometimes prior to sending the notice of call. In any case, without prejudice to possible cases of “price sensitivity”, adequate in-depth analyses are made during the meetings if it was not possible to provide the documents in question early enough in order to ensure their confidentiality or for other reasons of opportunity/urgency. Confidentiality restrictions regarding the documentation and information subject to Board resolution are decreed – consistent with the mentioned market abuse regulations – also by the Corporate Information Regulations, for Directors, Statutory Auditors, external auditors and all employees who enter into possession of potentially price sensitive documentation and information. In this context, specific provisions discipline access to the minutes of Board of Directors’ meetings, without prejudice to the fact that all interested parties are assured that the necessary information is made available to carry out their responsibilities in an informed manner (For further details on this Regulation, see Section 8 below). The information in question is also provided directly by the head of the company divisions (in particular the internal audit managers) who, to this end, are regularly called to take part in the meetings (also of the internal board Committees) to help illustrate the subjects within their competence on the agenda.

3.4 Powers

The BoD is vested with all the powers of ordinary and extraordinary administration, except for the faculties reserved for the Shareholders’ Meeting by legal and/or supervisory provisions. In addition to the functions that cannot be delegated, decisions concerning the following matters are reserved by the Articles of Association for the exclusive competence of the BoD, also in accordance with the provisions of Circular no. 285:

- the setting of policies that affect the general management of the Bank’s and Group’s business and, within this sphere, decisions concerning strategic guidelines and transactions as well as the business and financial plans, approval of the organisational and corporate governance set-up, approval of the accounting and reporting systems and supervision of the public disclosure and bank communication process;
- the issuing and amendment of internal regulations, with the exception of amendments that merely adapt to the provisions of current legislation or to Shareholders’ and Board Meeting resolutions already adopted and effective;
- the establishment, transfer and closing down of branches and representative offices;
- the purchase, development and sale of real estate property assets other than those granted under financial lease as part of its institutional activities;
- the purchase and sale of equity investments that involve changes in the Banking Group or, in any event, the undertaking or disposal of controlling or associated interests or which involve exceeding the authorisation thresholds according to the applicable provisions. The BoD has the faculty to delegate, establishing the related limits, conditions and formalities, the purchase and sale of shares of subsidiaries listed on organised markets, provided that these operations take place: a) in observance of current regulations concerning issuers, brokers and markets; b) under the aforementioned authorisation thresholds;
- the setting of criteria for the management and co-ordination of the Banking Group and the other subsidiaries, as well as criteria for executing instructions from Bank of Italy;
- the appointment and removal of the General Manager, Vice General Managers and Executives and determining the powers assigned to them and to Middle Management;

- the appointment and removal of the Heads of Internal Auditing Divisions as well as the Appointed Executive and the definition of the essential elements of the overall architecture of the internal audit system, subject to the favourable opinion of the Board of Statutory Auditors;
- the appointment and removal of members of the internal board committees required by applicable legal and regulatory provisions (in particular, in addition to the appointment of the Executive Committee, the appointment of the Appointments Committee, the Remuneration Committee, the Risk Control and Sustainability Committee and the Committee for Transactions with Related and Associated Parties), as well as the establishment, appointment and regulation of additional committees with proposal-making, advisory and/or coordination roles, if any, with determination of their tasks;
- the appointment and revocation of the AISCI (if a Managing Director is not appointed), as well as the determination of the related duties.

Moreover, the Internal Regulations attribute to the BoD:

- the approval of the corporate organisational structure and governance;
- the approval of the accounting and reporting systems and supervision of the public disclosure and bank communication process²⁵, in accordance with the Supervisory Provisions in force from time to time;
- the approval, with reference to the activities of the Appointed Executive to draw up the accounting documents, with the input of the Risk Control and Sustainability Committee and the favourable opinion of the Board of Statutory Auditors, of the internal regulations pertaining to its duties and/or of “Financial Reporting”, as well as non-financial statement. The Board of Directors ensures that its own evaluations and decisions relating to the approval of the financial statements, of the other corporate accounting documents and to the relations with the Independent Auditor are supported by an adequate preparatory activity and assesses, with the input of the Board of Statutory Auditors, the results posted by the Independent Auditor in its own reports;
- the approval of the corporate policy pertaining to the outsourcing of corporate functions (also within the Group), with the opinion of the Risk Control and Sustainability Committee, constantly retaining full responsibility, knowledge and governableness of the risk factors relating to the outsourced functions;
- the appointment of Managers in charge of first line functions and of those regulated by specific legal and regulatory provisions;
- the appointment of the Data Protection Officer (DPO); this office was introduced by Regulation EU 2016/679;
- the approval of the corporate *recovery plan*²⁶;
- the review/approval of the reports of the corporate functions and structures, such as, by way of non-comprehensive example, the annual report on complaints, the report containing aggregate data pertaining to whistleblowing, as well as all reports prescribed in the Flows Regulations.

To the Board of Directors are also exclusively reserved the review and approval of the “significant” transactions carried out also by the subsidiaries, the term “significant” meaning, by way of non-comprehensive example, at least the following extraordinary transactions: capital increases, transfers in companies, acquisitions/sales of business units, transformations and liquidations, the merger via

²⁵ Circular No. 285, Part I, IV.1.III. Par. 2.2 Letter e)

²⁶ Provisions of the Bank of Italy on recovery plans, September 2020, requesting that the new recovery plan be submitted to the Supervisory Authority by 31 December 2020 in ordinary form, since, based on the assessment carried out by the Bank of Italy at the time of initial application of the new provisions for the application of Delegated Regulation EU 348/2019 of the European Commission, Banco Desio (with reference to the perimeter of the CRR Brianza Unione Group) obtained a score higher than the maximum threshold envisaged for obtaining the possibility of drawing up the recovery plan in simplified form.

incorporation of companies included in the Group at least at 90%, the establishment and closure of secondary branches, share capital reductions, in case of withdrawal by the shareholder, the transfer of the registered office of the company inside the territory of Italy, the establishment, transfer and/or closing down of branches and representative offices. The powers listed above include those provided for in the Corporate Governance Code and, in particular, the inherent responsibility of approving strategic, business and financial plans. The assessment of the general organisational and accounting set-up, envisaged by the Code, falls under the exclusive responsibilities of the BoD, established by the Internal Regulations, consistent with supervisory legislation regarding the internal audit system and individual and Group risk management policies. The Internal Regulations also reserve for the Board the specific responsibility of operational management, whose division between the BoD and the Bodies delegated by the same is expressed in terms of both business area and/or amount (as detailed in Section 4 below).

The BoD of Banco Desio is also tasked, at Group level, with approving strategies, policies and reporting pertaining to sustainability matters (as described in detail in Section 7 below).

3.5 Appointment

Without prejudice to the description in Sections 2.1.l) and 3.1 above, as part of the Corporate Governance Code's recommendations, Banco Desio's BoD also established, in the Internal Regulations, the following general criteria relating to the accumulation of the appointments by directors²⁷: a) establishing the number of appointments as Director or Standing Auditor held in other listed companies and/or supervised companies as 5²⁸ (excluding subsidiary, associated and investee companies directly or indirectly invested in to a significant extent by Banco Desio from this group) if exceedance and/or incompatibility situations occur, the Board of Directors examines on a case by case basis any non-compliant situations and assumes the consequent initiatives, subject to the general principle whereby Directors accept appointments solely when they expect to be able to devote the necessary time to the performance of their duties; if the Shareholders' Meeting authorises, in a general and preventive manner, waivers of the competition prohibition prescribed by the law (Article 2390 of the Italian Civil Code, Paragraph 1), without prejudice to compliance with the aforesaid current provisions pertaining to the "interlocking ban"²⁹, the Board of Directors assesses the merit of each problematic instance and reports any critical issues to the first useful Shareholders' Meeting.

For this purpose, each Director informs the Board of Directors, upon accepting the candidacy/appointment or verifying law requirements, about any activities exercised in competition with the Bank and/or with the subsidiaries and, subsequently, of any significant change.

Without prejudice to the specific related provisions (with particular reference to those envisaged by law regarding the "interlocking ban" between competing banking, financial and insurance groups) the aforementioned general principles pertaining to accumulation of duties should not be considered compulsory and should a situation of non-compliance occur, it would not, in itself, entail termination from office. In addition to performing a specific assessment at least annually with regard to the "interlocking ban", in compliance with the application criteria issued by Supervisory Authorities³⁰, the BoD reserves the right to evaluate any non-compliant situations pertaining to accumulation of duties on case-by-case basis, without prejudice to the principle, defined in the Code, according to which the

²⁷ Note that for auditors' offices, specific regulatory norms are in force with regard to the number of offices that can be held (Article 144-duodecies of the Consob Issuers' Regulations).

²⁸ in this context, "supervised companies" are understood to be: banks, insurance companies, stock brokerage companies, asset management companies and finance companies enrolled in the special register pursuant to Article 106 CBL (Italian)

²⁹ Article 36 so-called "Save Italy Decree" converted into Italian Law No. 201/2011 and supervisory application criteria of 20 April 2012.

³⁰ Lastly, of note is the joint Communication by Consob, Bank of Italy and IVASS of 21 December 2018, which revised the criteria for the application of the "interlocking ban".

assessment regarding opportunities to accept offices is put to the discretion of the interested parties, including in internal committees, exclusively “when they feel they are able to dedicate the time necessary to perform their duties”. The offices covered by Banco Desio’s Directors and Statutory Auditors in the Parent Company (Brianza Unione), in subsidiary, associated and investee companies, and in other listed and/or supervised companies, are summarised in the attached Table 3.

3.6. Self-Assessment

The Board of Directors has approved the Internal Self-Assessment of Bodies Regulations in order to regulate the relevant process in conformity with the provisions of Circular no. 285. It particularly identified the methodologies to use (mainly based on each Director filling in a special questionnaire and on holding a special complementary interview, possibly also in writing, when filling in the questionnaire) and the profiles to be analysed – on the aggregate level – regarding the composition (professional competence, independence, etc.) and functioning (operating procedures, information flows, etc.) of the Board and Committees formed within it. Said Regulations were revised on 8 February 2018, providing, inter alia, the prior involvement of the Appointments Committee in the procedure for selecting the consulting company appointed to support the self-assessment process.

The assessment methodology (whose application is appropriately differentiated during the three-year office of the Board) is based on updated models in light of the banking sector’s best practices. The use of a consultant and the carrying-out of the interview in oral form by the consultant are envisaged at least every 3 years. In the case in question, since this method was adopted last year and we are now in the first year of the Board's term of office, it was decided to adopt a method that does not envisage carrying out interviews and foresees the external support of a consulting firm (which also assists the Corporate Affairs Unit with regard to other activities) limited to the following operating activities: i) updating of the "tool" originally provided by the same firm; ii) collation of responses; iii) processing of results via population of the "tool". The other activities supporting the Board's assessment - including the finalisation of the draft Report - are then carried out by the Corporate Affairs Unit under the supervision of the Chairman and with the involvement of the Appointments Committee.

The aforementioned Self-Assessment Regulation identifies, among the parties appointed to carry out the preliminary activity to the Board of Directors’ passing of the self-assessment resolution, the Appointments Committee with an advisory role in compliance with Circular no. 285. A summary of the **results of the self-assessment process**, approved by the Board subject to consulting the Appointments Committee, is attached to this Report (**Attachment B**).

As part of the self-assessment process, consideration was given to the number of years in office (from the first appointment) of each member of the Board of Directors, as summarised below:

NAME	PRIMARY ACTIVITY	APPOINTMENT DATE INDIVIDUAL OFFICE	TERMINATI ON DATE INDIVIDUAL OFFICE	TOTAL SENIORITY IN THE OFFICES HELD AT THE COMPANY
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Agostino GAVAZZI - Director - Vice Chairman - Chairman - Chairman of the EC	Director banking sector	05/05/1983 10/04/1992 30/04/2002 06/04/2017	09/04/1992 29/04/2002 05/04/2017	38 years
Stefano LADO - Director - Vice Chairman - Chairman - Member of the AC	Director banking sector Attorney	23/04/1993 28/04/2008 06/04/2017 23/04/2020	27/04/2008 05/04/2017	28 years
Tommaso CARTONE - Managing Director - AISCI - Member of the RCSC - Vice Chairman	Director banking sector	20/06/2012 27/09/2012 06/04/2017 06/04/2017	05/04/2017 23/04/2020 15/12/2020	9 years
Alessandro DECIO - Managing Director and General Manager - Member of the EC	Director and Executive banking sector	23/04/2020		1 year
Egidio GAVAZZI - Director - Executive Director (member of the EC)	Director banking sector	28/04/2008 28/04/2011		13 years
Tito GAVAZZI - Executive Director (member of the EC) - Director (member of the RCSC)	Director banking sector	29/04/2014 19/01/2021	18/01/2021	7 years
Graziella BOLOGNA - Executive Director (member of the EC)	Director banking sector	29/04/2014		7 years
Cristina FINOCCHI MAHNE - Independent Director - Chairperson of the AC - Chairperson of the RCSC	Company Director University lecturer	30/05/2013 06/04/2017 23/04/2020		8 years
Valentina CASELLA - Independent Director - Member of the RPTC - Chairperson of the RC	Company Director Attorney	28/03/2019 23/04/2020		2 years
Ulrico DRAGONI - Independent Director - Member of the RC and RPTC	Company Director	23/04/2020		1 year
Giulia PUSTERLA - Standing Auditor - Chairperson of the Board of Auditors - Independent Director	Company Director and Statutory Auditor Chartered Accountant	29/04/2020 27/04/2017 23/04/2020	26/04/2017 22/04/2020	7 years

- Chairperson of the RPTC - Member of the RCSC				
Laura TULLI - Independent Director - Member of the AC and RC	Company Director	23/04/2020		1 year
AVERAGE SENIORITY				10.16 years

After the offices renewal in 2014, the average seniority decreased from 13 to 9 years (approximately -30%) and it subsequently rose each year to 12.66 years in 2019 exclusively as a result of the elapsing of time, since in the meantime, in the 2017 renewal, there were no cessations/appointments of Directors which would have significantly affected this number. With the 2020 renewal, the average seniority of office has decreased to 10.16 years (around -20%).

3.7 Training programmes

As part of initiatives aimed at updating professional knowledge in the sector in which the Banco Desio Group operates, in business dynamics and their evolution, in the principles of proper risk management, as well as in the reference regulatory and self-regulatory framework, 52 training sessions were carried out as a whole as from 2012 (in addition to 6 meetings for analysing in depth that will be discussed below), properly diversified by subject and speakers (among which there are also, in addition to the company units and consulting firms present in the respective project activities, external parties such as qualified managers, advisors, jurists, economists and journalists). From time to time it was decided to focus these sessions on:

- issues related to the actual banking application of Italian Legislative Decree no. 231/2001 with regard to administrative liability of companies and entities, also with reference, recently, to tax-related offences inserted as from 2019 in the scope of the same Legislative Decree and the offences associated with facilitated credit pursuant to the provisions issued in 2020 within the sphere of the "Covid-19 emergency";
- the structure and functioning of the corporate governance system of banks, also with reference to the Corporate Governance Code;
- rules regarding related parties and associates (see Section 5 below), market abuse rules (see Section 8 below) and antitrust regulations;
- profiles pertaining to the process of issuing European Community regulations of greater interest for the banking sector;
- key aspects of the internal capital adequacy assessment process ("ICAAP") and of the internal liquidity adequacy assessment process ("ILAAP"), of the Supervisory Review and Evaluation Process ("SREP") and of the internal model for the assessments of the rating-based credit risk ("AIRB"); in 2019 and 2020 the latter aspect was subject to more specific analysis in relation, chiefly, to the use by Banco Desio of the new AIRB risk parameters in the credit granting, renewal and monitoring and head office reporting processes applied to the Corporate clientele, as well as the develop of project activities in their entirety; accordingly, in 2020 a session was also held regarding ICAAP/ILAAP dedicated to Banco Desio's Board of Statutory Auditors;
- analysis of IT risk and of cyber risk and measurement of reputational risk; in 2019 this analysis was enhanced with a focus on the role, in particular, of the Board of Directors and on the use by Banco

Desio of a new method for assessing the IT risk; in 2020, an in-depth meeting was also held on remote access to information systems;

- the regulatory changes with regard to anti-money laundering, pertaining to supervisory and criminal aspects;
- different macroeconomic and regulatory issues, including international, affecting the banking system and financial markets (e.g. "Basel 3"); in 2019 this aspect was subject to a transversal updating on the main dossiers open with the European Institutions and on the activities carried out on this occasion by the Italian Banking Association, as well as on the potential strategic, operational and operative impacts for Banco Desio;
- IFRS 9 and its impact, in particular on internal credit management models; to this end, a session dedicated to Banco Desio's Board of Statutory Auditors was also held in 2020;
- the Recovery Plan and the Resolution Plan, including the minimum requirements for own funds and the eligible liabilities ("MREL"), introduced by the prudent supervisory rules (see Section 7 below), as well as on the related application to Banco Desio;
- sustainability issues also in relation to the rules on non-financial statement (see Section 7 below);
- the Product Governance in the investment services; in 2019 this aspect was extended with focus on banking services further to the enforcement of Product Oversight Governance ("POG");
- Non-Performing Exposures ("NPE");
- Farming Credit;
- General Data Protection Regulation ("GDPR");
- the implications on the banking system of digital innovation with particular reference to credit to enterprises;
- the development of financial innovation ("fintech", "blockchain", etc.) and of innovation governance with particular attention to the risks and controls; for such purposes, in 2019 a session dedicated to the Boards of Statutory Auditors of the Banco Desio Group was also held;
- the disintermediation of payment services through digital payments (e.g. mobile payment services, P2P payments, etc.);
- "data transformation" in the financial sector;
- the development of banking communication (styles, channels, etc.);
- Governance Outsourcing and Third Parties in relation to the application of the new EBA Guidelines on the subject;
- the new Crisis and Insolvency Code with an overview and focus on the protection of bank credit.

In 2020, 8 training sessions were delivered overall addressing all Group Representatives, whereas 12 were held in 2019. The reduction in the number is due not only to the "Covid-19" emergency but also to a rationalisation of the sessions. In detail, these sessions, which had a total duration of approximately 12 hours, were widely attended by all Company Representatives and by the "corporate front lines", to whom it was deemed useful to extend them, ended with a lively debate and were supported by a wealth of material that is now available to attendees in a dedicated electronic library.

In this context, also specific sessions on both governance and business topics held at ABI (Italian Bankers' Association) and SDA Bocconi venues for newly appointed representatives were attended as from 2014. The Directors and Statutory Auditors appointed in 2020 have benefited from a number of dedicated sessions, of an introductory nature, held by the company units (in particular, the Administrative and General Affairs Department and the Risk Management Department), for a total duration of around 9 hours (of which 6 dedicated to the Statutory Auditors).

In 2020, an in-depth session, dedicated to the positioning of the Group in the market of reference, was also held with a strategic planning and business model approach and attended by the members of the Bodies of the various Group Companies and some corporate functions in the light of macroeconomic

and regulatory scenarios, which was carried out by an outside banking business expert and by an outside expert in macro-economy applied to the banking sector. This initiative, which followed those held in the last five years, falls within the “good practice” that the members of the Bodies meet once or twice a year outside of board meetings in order to analyse in depth and discuss strategic questions as required by Circular No. 285 and, in the case in question, also in the in-depth process leading to the approval of the Group's 2021-2023 Business Plan.

A specific Policy was also adopted in 2019.

With regard to 2021, it is envisaged that an essentially similar training process will be carried out.

3.8 Succession plans

On 1 October 2020, the Board of Directors, after obtaining the favourable opinion of the Appointments Committee, approved the Policy for the Succession Plan and the Succession Plan, which apply to the senior management roles of the Bank's Executive (Managing Director/General Manager and Vice General Manager, if any) and which it was deemed appropriate to extend also to the Appointed Executive.

4 - SYSTEM OF POWERS AND AUTHORITY

Information in this section reflects **(unless otherwise specified) the situation as at 31 December 2020.**

4.1 General outlines

This system, regulated at senior level, by the Articles of Association and, more specifically, by Internal Regulations³¹, has been structured on the basis of criteria consistent with the principle that the main decisions are reserved for the Board of Directors (in other words, those that Circular no. 285 summarises in the policy and supervision functions of corporate management) and the periodic reporting to said BoD by executive Bodies and Parties who are primarily delegated **the function of managing**, i.e. implementing the policies resolved by the BoD as it carries out its role of strategic supervision: **Executive Committee, Managing Director and General Manager**. The latter, who - as also specified by the article of association provisions being formalised with the next General Meeting - coincides with the role of Managing Director, represents the apex of the internal structure and, as such, participates in the management function, and in the BoD and Executive Committee meetings, and also has the task of executing the resolutions adopted by the above-mentioned Bodies. The delegated Bodies and Parties, in addition to the general powers for their role, have different operating powers in various areas related to current operations, in particular, with regard to credit, commercial, legal and organisational issues, in line with their respective roles, as specified below. The layout of the powers defined in the Internal Regulations can be summarised as follows.

4.2. Chairman - Executive Committee – Managing Director and General Manager.

The Chairman, who is assigned a co-ordination and guarantee role for the purpose of the due

³¹ The system of powers and authority is currently broken down also in various special powers of attorney issued as and when to individual names for specific categories of deeds. In addition, during 2019/2020 a more comprehensive systemic Internal Regulation of the Delegated Powers was adopted/implemented.

functioning of the Board of Directors and the Shareholders' Meeting, and the Vice Chairman who replaces the former in the event of his absence or unavailability, are not assigned operating powers. They are assigned the representation of the Company in dealings with third parties and before the legal authorities on the basis of the Articles of Association, acting separately. Pursuant to the Articles of Association, the Chairman can adopt, for reasons of particular urgency, decisions which are the responsibility of the BoD or the Executive Committee (provided that they are not reserved by law or the Articles of Association for the exclusive competence of these bodies), with the obligation to promptly disclose the same to the BoD during the first available meeting³². This is a procedure of an exceptional nature that has almost never been applied. The Chairman is a high-profile representative (General Partner) of the Holding Company "Brianza Unione" (see Table 3, attached). As previously mentioned in Section 1.2, the Chairman does not have operating powers and does not individually carry out operational functions, not even de facto. The same applies to the Vice Chairman. Certain rights on cash settlements with charity purposes are reserved to the Chairman, which can be exercised within a strictly limited amount and in compliance with particularly strict business policies and procedures, especially for what concerns identification of beneficiaries and carrying out of preliminary investigations.

The Executive Committee (appointed with the same term of office as that of the Board of Directors and currently consisting of 4 Directors) is granted operations management powers, with set limits on amounts, for matters not reserved exclusively for the BoD, by virtue of legal, regulatory, statutory provisions and/or of resolutions of the Board itself, those pertaining to controls and risk remaining in any case reserved to the Board. Pursuant to the Articles of Association, for particularly urgent reasons, the Executive Committee may also adopt decisions that are the responsibility of the Board of Directors, provided that they are not reserved by law exclusively for the latter. In the event of equal votes, that the Chairman prevails. The Board itself must be informed of these decisions during the first subsequent meeting. The Chairman and the Vice Chairman of the Board of Directors may attend ad audiendum the meetings of the Executive Committee without voting rights. In 2020, the Executive Committee met 13 times in total³³.

The Managing Director and General Manager submits to the bodies within the Board projects and objectives for the growth of the Bank and the Group; within the sphere of the powers granted to the same, in compliance with the general, programmatic and strategic guidelines determined by said Bodies, (s)he co-ordinates the entire management of the Bank and Group; executes the resolutions adopted by the BoD and by the Executive Committee and is the member of the top management of the operating structure, for which (s)he has management responsibility; (s)he is thus in charge, of personnel management, of the organisation and functioning of company structures and carrying out current business affairs, according to the general policies established by the BoD and by the Executive Committee.

As a Body with management functions, the Managing Director and General Manager has autonomous powers within amount limits lower than those of the Executive Committee.

The executive Bodies and parties inform the BoD and the Board of Statutory Auditors, according to the provisions of the Information Flows Regulations for Corporate Bodies, with regard to activities carried out within the sphere of the assigned powers and the performance of Banco Desio and subsidiaries. Reports that provide a comparison between the results achieved and those scheduled are also

³² Urgent resolutions are passed by the Chairman upon the binding proposal of the Managing Director and General Manager.

³³ The average duration of the Executive Committee meetings was approximately 40 minutes. For greater details see Table 1

envisaged. Detailed indications on the amounts representative of the limits of the powers assigned are not provided, because the authorisation standards differ according to the matters dealt with.

Given the system of powers described above, in addition to the Managing Director Alessandro Decio, Directors Graziella Bologna, Agostino Gavazzi, Egidio Gavazzi and Tito Gavazzi are also considered executive directors, as they are members of the Executive Committee and in consideration of the frequency of meetings and the expansion of its responsibilities. For the sake of thoroughness, note that: no Director other than the Managing Director covers executive positions within Banco Desio nor has the appointment of overseeing specific areas of the corporate operations ensuring a steadfast presence in said company and/or acquiring information from the operating structures and/or participating in the meetings of the Committees pursuant to the subsequent Section 4.3 (except for the possible ad audiendum participation of the Chairman at the meeting of the aforesaid Committees); no Director holds directive roles in subsidiaries or the Holding Company; other Directors hold administrative offices in the Holding Company and/or subsidiaries; the Managing Director and General Manager of Banco Desio currently also serves as board member of the subsidiary Fides.

4.3 Technical-operating committees

Besides the Executive Committee and the Advisory/Proposal-making Committees discussed above, at technical-operating level the BoD set up several Committees, so-called “Management” governed by a specific document attached to the Internal Regulations of the Corporate Bodies.

As part of the strategic measures to reorganise corporate governance and operations, on 29 April 2020, the Board of Directors approved the review of the Management Committees, which envisage the involvement of the top management of the Parent Company and the subsidiaries, in the wake of a new technical-operational structure based on criteria of operational streamlining and maximum management efficiency, able to maximise the execution capacity of managerial actions in line with the development strategies and risk policies established by the Board of Directors. The new general structure and the specific nature of said Committees is presented below:

<i>Management Committee</i>	<i>Credit facilities and NPL Committee</i>	<i>ALM Committee</i>	<i>Performance Committee</i>	<i>Products Committee</i>	<i>Risks Committee</i>
<i>advisory</i>	<i>decision-making</i>	<i>decision-making</i>	<i>advisory</i>	<i>advisory</i>	<i>decision-making</i>

The Chairman of the Board of Directors of the Parent Company may take part in all Committees, without voting rights, and may also have access, on request, to the minutes of the meetings.

The Management Committee also serves as the “Sustainability Steering Committee” with the involvement of the corporate functions deemed necessary (see in detail Section 7 below).

4.4. Organisational Structure and outsourced Important Operating Functions (F.O.I.)

Organisational Structure

The Bank's organisational structure, described in the specific document “Corporate organisational chart and description of the functions (so-called Function chart)” most recently up-dated in its entirety by means of board resolution dated 27 May 2020 within the sphere of the afore-mentioned strategic

measure for streamlining and making the technical-operating structure efficient, is divided up into coordinated organisational units.

The term “Organisational Unit” means a set of mutually coordinated human and material resources for the accomplishment of specific corporate goals.

Organisational Units are ordered hierarchically and are positioned at different levels of the corporate structure according to:

- the scope and the nature of their responsibilities, attributions and activities;
- the organisational complexity and the internal articulation that characterises them.

Senior Management

Managing Director/General Manager

Central Functions

These comprise:

Board of Directors staff units,

Units on the staff or reporting in line hierarchy to the Managing Director/General Manager,

Additional information is contained in Section 7 below.

Each Organisational Unit (Department/Area/Office) has specific strategic responsibility and result responsibilities, in relation to the economic and operational goals defined for the functions and the activities under their competence.

Territorial Network

Territorial Areas

The term “Territorial Area” means a grouping of distributive networks, operating on a determined territory, coordinated at decentralised level in order to valorise territorial proximity, optimise the effectiveness of the commercial action and maximise the financial and capital results.

Branch Networks

Branches are decentralised Organisational Units tasked with carrying out operating and commercial activities with clients, according to efficiency and service quality and effectiveness criteria.

As part of the reorganisation measures mentioned above, on 29 October 2020 the Board of Directors approved a reorganisation of the Commercial Network that includes, among other things, a reduction in the number of Areas, in order to shorten the chain of governance of the Operating Units and, at the same time, achieve cost savings in the "intermediate" structures, while still ensuring a rational and effective supervision and development of customers. On a consistent basis with the service model underlying the 2021-2023 Business Plan, the organisation of the Areas envisages specific business support roles, with the aim of maximising value creation in higher-margin market segments.

The Area Manager is therefore supported by the following personnel:

- Business Manager, a professional figure with a strategically important role, entrusted with the task of developing the SME Segment and creating the necessary synergies with the Small Business Segment, and who in this context reports functionally to the Business Area, as well as hierarchically to the Area Manager
- Retail Specialist, reporting to the Area Manager
- Business Specialist, reporting to the Area Manager (this staff member is present in the Area where necessary mainly for reasons linked to the dimensions and growth opportunities in the area).

The "Business Managers" and "Personal Managers" (in line with customer segmentation and portfolios) as well as the Branches also report to the Area Manager. The "Private Bankers" continue to operate within the Wealth Management Area.

Important Operating Functions (F.O.I.) outsourced entirely or in part

- Full Outsourcing of Information System
- "Payment systems" services (e.g. document management, cheques, delegated powers, transfers, e-money)
- Electronic banking (remote banking)
- Data transmission, telephony, etc.
- Credit recovery
- Custody and Settlement Services in Italy and abroad
- Services related to bonds (management of corporate/administrative events and transfer of bonds outwards)
- Transport, escorting, custody, cash counting, delivery of valuables and private security services

5 – CONFLICTS OF INTEREST TRANSACTIONS WITH RELATED PARTIES, CONNECTED PARTIES (COLLECTIVELY REFERRED TO AS "ASSOCIATED PARTIES") AND "ARTICLE 136 CBL"

The subject of conflicts of interest with reference to the various spheres of corporate operations (disbursement of credit, investment services, etc.) is subject to a prudent approach adopted by the Bank. At present, the relevant main internal regulations for this matter are as follows:

- the Internal Regulations for Transactions with Associated Parties and Article 136 CBL; the associated risk policy is integrated in the "Risk Appetite Policy";
- the "Policy" containing the general rules for governing conflicts of Interest regarding investment services.

Internal Regulations for Transactions with Associated Parties and "Article 136 CBL"

These Internal Regulations, adopted pursuant to Article 2391-bis of the Italian Civil Code and Article 53 CBL, is primarily characterised by the existence of a Committee for Transactions with Related and Associated Parties, with regard to decision-making processes. This advisory body, which was renewed by the Shareholders' Meeting held on 23 April 2020 with a different composition, is composed of 3 Independent Directors and is entitled to receive information and/or issue opinions, which are binding in certain cases, on transactions with related parties and associated parties as set forth, based on the quantitative and qualitative criteria established by the Consob Regulation and relevant Bank of Italy Provisions, in the Internal Regulations in question, that – in addition to the Committee's methods of operating – governs the various types of total or partial exemptions in relation to small amounts or ordinary transactions, as well as the membership to the Group of the counterpart in the transaction (in the absence of significant interests of other related parties and associated parties). The expected assessment to be carried out at least every three years on the need to make reviews to the Internal Procedure revealed a negative outcome, with the exception of the reviews which will have to be made after the issuance by Consob of the amendments to its Regulations on the subject acknowledging the afore-mentioned Italian Legislative Decree concerning the rights of the shareholders.

An independent annual expenditure budget of Euro 25,000.00 was assigned to the Committee for 2020 (and reconfirmed for 2021). In 2020, no need to use this budget was noted.

The Committee meeting minutes are duly recorded in full in the specific register and the Chairman of the Committee informs the first available Board Meeting of it.

In 2020, the Committee for Transactions with Related and Associated Parties met 6 times³⁴.

During the year, the Committee - given the absence of transactions to be brought to its attention - focused on the examination of the information where, in particular, the following aspects were highlighted:

- Quarterly reporting of credit facilities to related parties (disclosure by the Loan Department);
- Register of Associated Parties - Quarterly Processing (disclosure by the Corporate Affairs Department)³⁵;
- Amendments to the Consob Regulations on Transactions with Related Parties assimilating the so-called "Shareholder Rights Directive 2" - a consultation document³⁶, as well as amendments to Bank of Italy Circular No. 63 on the subject (disclosure by the Corporate Affairs Department).

The Committee also furthered an induction session for Directors and Statutory Auditors on the above changes held on 5 November 2020 by a leading law firm.

For more information on the adopted safeguards, refer to the entire Internal Regulations published, in compliance with the Consob Regulations in question, on the website www.bancodesio.it – in the section "La Banca/Governance/Documenti societari/Parti correlate" (The Bank/Governance/Corporate Documents/Related parties". For a summary of the Transactions with Related Parties relating to 2020, reference should be made to the financial statement disclosure and especially Part H of the Notes to the Financial Statements.

The above also fulfils the obligation of shareholders' meeting information required by the aforementioned supervisory regulations.

The Policy containing the General Rules for identifying and handling Conflicts of Interest has the aim of illustrating the guidelines that the Group has adopted for handling conflicts of interest when

³⁴ The average duration of the meetings of this Committee was approximately 35 minutes. For greater details see Table 1

³⁵ Information flow introduced by the Committee set up after the renewal of offices by the Shareholders' Meeting held on 23 April 2020

³⁶ By means of Resolution No. 21624/2020 Consob subsequently issued the amendments in question, which will come into force on 1 July 2021 with a transitional period until 30 June 2021 to adapt internal procedures to the new provisions. For the sake of completeness, it should be noted that, on 24 December 2020, the Bank of Italy again intervened on the subject with a consultation document announcing the obligation for banks to comply with the provisions of Article 88.1 of CRD4 on related party transactions. The direct reference will ensure the assimilation of the new provisions of CRD5 on related party transactions, given that the wording of the European standard is sufficiently detailed. The enacting act will only specify that: (i) all loans made to representatives of a bank by any bank or financial company that is a member of the banking group should be considered; (ii) "members of the management body" means individuals performing administrative, managerial and control functions in the bank. Appropriate reconciliations with the Bank of Italy's provisions on transactions with related parties ("Risk activities and conflicts of interest vis-à-vis associated parties", Bank of Italy Circular No. 285, Part Three, Chapter 11) will be assessed when a subsequent and separate systematic update of these provisions is launched. As always, the Committee will monitor the Bank's due compliance with the regulations issued by both Authorities.

providing **investment services and activities**, related services or a combination of these services, following the endorsement in the Italian legal system of the “MiFID” Directives.

The Parent Company has established and regularly updates a register that includes - noting the types of investment and related services concerned - the situations in which a conflict of interest has arisen, or, in the case of a service or activity underway, where a conflict of interest may emerge, which risks seriously damaging the interests of one or more customers. This register is maintained and updated by the Compliance Department and other Parent Company departments according to the Consolidated Law on Conflicts of Interest.

6 – REMUNERATION AND INCENTIVE MECHANISMS - REMUNERATION COMMITTEE

Criteria adopted to compensate and incentivise Group management are in line with general principles correlating these emoluments with the economic results achieved and the consistency with strategies and risk parameterisation, so as to avoid producing incentives in conflict with the interests of the Company over the long-term, as also indicated in the aforementioned Circular No. 285³⁷.

The remuneration of Banco Desio’s Managing Director and General Manager, and the Executives with strategic responsibilities consists of a fixed portion and a variable portion, appropriately deferred in compliance with the aforementioned Circular No. 285, as better detailed in the Remuneration Report. With regard to the Parent Company’s BoD, the Articles of Association envisage that the Ordinary Shareholders’ Meeting determines the overall fee for the Directors other than the Chairman, Vice Chairmen and any Directors with operating powers or special duties; the BoD, having consulted the Board of Statutory Auditors, contributes to the determination of the fees of the latter, as well as the division between the other Directors of the overall fee established by the Shareholders’ Meeting. The division criteria also take into account appointments within the BoD and membership in the various Committees (including the offices as Secretary, if envisaged).

The Remuneration Committee, which was renewed by the shareholders' meeting held on 23 April 2020 with a different composition, is made up of 3 non-executive Directors, all of which independent (also see Table 1 attached to this Report). The Chairman of the Board of Statutory Auditors participates in the Committee’s meetings, and other Standing Auditors may also participate (as usually occurs). The Managing Director and General Manager, the Vice General Manager, if appointed, and others who are in charge of relevant business areas may be invited to participate in relation to the issues described above, as well as other employees/collaborators/consultants of the Bank and/or of its subsidiaries, depending upon the specific issues to be discussed.

The Remuneration Committee is an advisory/proposal-making body with the main task of: i) formulating opinions and/or proposals on the remuneration of Directors for the BoD in cases in which the decision is the responsibility of a Board Committee of the Parent Company and/or Shareholders’ Meeting/Board

³⁷ Among other aspects, reference is made to the 25th update of Circular 285 promulgated on 13 October 2018, which achieves, in particular, conformity with the Guidelines concerning sound remuneration policies promulgated by the EBA to implement CRD4 and with other recent legislative, regulatory and policy measures, defined internationally and nationally, on the same matter. Mention is also made of the Recommendations issued by the ECB and the Bank of Italy with regard to the “Covid-19” emergency. For further information please refer to the Report on remuneration policies and fees paid in accordance with Article 123-ter CFA (the “Remuneration Report”).

Committee of the subsidiaries, specifically, decisions concerning Directors who have been appointed to certain offices and/or granted operating powers, as well as the General Manager and Vice General Manager, if appointed, as well as: ii) formulating opinions and/or proposals for the BoD regarding general policies and specific criteria for management remuneration, including at the Group level and any stock-based incentive plans. As part of the above responsibilities, the Remuneration Committee is involved in defining, assessing and monitoring retribution and incentive systems, in compliance with Circular No. 285. In order to express its opinion on the aspects it is responsible for, in 2020 the Remuneration Committee met at total of 9 times (including some joint meetings with the Appointments Committee)³⁸.

Among the topics dealt with in detail by the Committee, the following are particularly noteworthy:

- Checks inherent to the activation of the incentive system for the purposes of the 2019 draft financial statements;
- Remuneration policies (Remuneration Report and associated resolutions);
- Appointments and remuneration within the Board of Directors;
- Personnel (proposals relating to certain positions of the Parent Company and Fides);
- Budget review and related definition of the 2020 reward system.

The Committee formally acknowledged that the safeguards regarding remuneration policies remain adequate in compliance with all the current legislation.

An independent annual expenditure budget of 25,000.00 Euros was assigned to the Committee for 2020 (and reconfirmed for 2021). In 2020 this budget was used for the services of a leading consultancy firm which carried out benchmarking and induction activities in this connection.

The Committee in fact furthered an induction session for the Directors and Statutory Auditors held on 11 June 2020 by said consultancy firm. The session explored the following topics: a summary of the regulatory framework of reference: banking sector and listed issuers³⁹; the annual calendar of the remuneration cycle; the "Covid" scenario: emerging trends regarding incentive systems for 2020; a summary of the Group's current remuneration and incentive policy; a special focus was dedicated to the role of the Committee itself also in relation to the other corporate bodies and units.

The Committee meeting minutes are duly recorded in full in the specific register and the Chairman of the Committee informs the first available Board Meeting of it.

The Articles of Association also envisage that the Ordinary Shareholders' Meeting, in addition to establishing the above fees, approves the remuneration policies, including plans based on financial instruments and the criteria/limits for any "golden parachutes" ⁴⁰as set out in Circular No. 285. The

³⁸ The average duration of the meetings of the Remuneration Committee was around 45 minutes (in addition to the joint meetings with the Appointments Committee). For greater details see Table 1

³⁹ On 31 October 2019, Consob published a consultation document outlining its proposals for revising, inter alia, the regulations already adopted on transparency of remuneration, again in implementation of the aforementioned Shareholder Rights Directive 2. Consob subsequently issued the amendments in question by means of Resolution No. 21623/2020, which will apply starting with the remuneration reports to be submitted to the vote of the ordinary shareholders' meetings to be held in 2021 for the approval of the financial statements for financial years beginning on or after 1 January 2020; in the event of the Bank, this is therefore the next shareholders' meeting.

⁴⁰ "Golden parachute" is any compensation to be paid in the event of early conclusion of the employment relationship or early termination of the office

Shareholders' Meeting is ensured adequate disclosure on the implementation of the remuneration policies.

Sustainability objectives, such as the activation of inclusive processes to support gender and age diversity, in line with the recent definition of the Bank's sustainability objectives (see also Section 7 below), were also introduced in the qualitative/quantitative objectives for 2020 for the most important personnel.

For additional information on remuneration and incentive policies, refer to the Remuneration Report.

6.bis – APPOINTMENTS COMMITTEE

The Appointments Committee, which was renewed by the shareholders' meeting held on 23 April 2020 with a different composition, is made up of 3 non-executive Directors, of which 2 independent including the Chairman (also see Table 1 attached to this Report). The Chairman of the Board of Statutory Auditors participates in the Committee's meetings, and other Standing Auditors may also participate (as usually occurs). The Managing Director and General Manager, the Vice General Manager, if appointed, and others who are in charge of relevant business areas may be invited to participate in relation to the issues described above, as well as other employees/collaborators/consultants of the Bank and/or of its subsidiaries, depending upon the specific issues to be discussed.

The Appointments Committee is an advisory/proposal-making body with the main task of:

- advising the Board of Directors in relation to the size and composition of the same and to express recommendations on the professional figures whose presence within the Board is deemed necessary, also in coherence with the Supervisory Provisions in relation to corporate governance and on the following issues:
 - indication of the maximum number of assignments as director or auditor that may be considered compatible with the effective performance of the role of Director of the company, taking account of the participation of the directors on Committees and, to that end, identification of the general criteria differentiated on the basis of the commitment related to each role (of executive, non-executive or independent director), also in relation to the nature and dimensions of the companies in which the roles are held as well as their possible membership of the Group;
 - assessment, on their merits, of any problematic circumstances for the purposes of prohibitions on competition laid down by the legal or regulatory provisions;
- supporting the Board of Directors in any co-opting resolutions of Directors and in the nomination/revocation of other Bank Representatives, as well as the designation of Representatives of subsidiaries and possibly of associated and/or invested companies of strategic relevance;
- supporting the Board of Directors in self-assessment activities so they are performed in compliance with the Supervisory Provisions on corporate governance as well as verification of the legal requirements in accordance with Article 26 CBL;
- supporting the Board of Directors in assessments relating to the definition of succession plans of the senior positions of the executive body provided by the cited Supervisory Provisions;
- supporting the Board of Directors in resolutions relating to the nomination and revocation of the heads of the internal control departments and of the Appointed Executive, for which the Board of Directors has sole competence, liaising, to that end, with the Risk Control and Sustainability Committee, with the Managing Director and General Manager and with the Board of Statutory Auditors.

In order to express its opinion on the aspects it is responsible for, in 2020 the Appointments Committee met a total of 11 times⁴¹ (of which some joint meetings with the Remuneration Committee).

Among the topics dealt with in detail by the Committee, the following are particularly noteworthy:

Self-assessment Process and theoretical profile for the renewal of the corporate offices

On 27 February 2020, the Committee examined in detail the outcome of the self-assessment process of the Board Bodies relating to 2019, expressing its opinion in favour of submission to the Board of Directors.

The documents prepared by the consultancy firm Key2People were examined, expressing comments in particular regarding the follow-up to the previous self-assessment (financial year 2018) and the areas of action identified for 2020, highlighting these aspects in the Self-Assessment Report submitted to the Board for approval, culminating in the theoretical profile for the renewal of the corporate offices.

It is noted that this self-assessment concluded with an essentially positive assessment of adequacy.

It is pointed out that, as already mentioned in this Report last year, in this context, the Committee, during the meeting on 4 February 2020, defined the theoretical profile of the Managing Director in light of the initial results of the self-assessment process.

Succession plans

The Committee carried out a thorough investigation of the succession plan adopted by the Board on 1 October 2020. See previous Section 3.8

In light of the documents examined and the clarifications received during the meetings, the Committee formally acknowledged that the safeguards regarding appointment procedures remain adequate in compliance with all the current legislation, continuing to monitor the issuance of the MEF Regulation pursuant to Article 26 CBA in progress for some time.

An independent annual expenditure budget of 25,000.00 Euros was assigned to the Appointments Committee for 2020 (and reconfirmed for 2021). In 2020, the assigned budget was used for 18,300.00 Euros for the services of the consulting firm appointed to provide external support to the Corporate Affairs Unit relating to the self-assessment of the Bodies. Also see the previous Section 3.6

The Committee meeting minutes are duly recorded in full in the specific register and the Chairman of the Committee informs the first available Board Meeting of it.

As mentioned above, the Committee continued to monitor in particular the procedure for the issuance of the implementing Regulations of Article 26 CBA also mentioned in Section 3.2 above, also reviewing the opinion issued by the Council of State to the MEF prior to the issuance of the measure on 23 November 2020. During the meeting on 23 February 2021, the Committee, with the support of the Corporate Affairs Unit, lastly reviewed the text that had already been analysed during the consultation, identifying the main changes, also in comparison with other reference measures previously issued by the EBA and the ECB. Also see the notes at the end of the previous Section 3.1

7 – INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM – RISK CONTROL AND SUSTAINABILITY COMMITTEE – EXECUTIVE APPOINTED TO DRAW UP THE ACCOUNTING DOCUMENTS AND FINANCIAL DISCLOSURE PROCESS - NON-FINANCIAL STATEMENT -

⁴¹ The average duration of the meetings of the Appointments Committee was around 1 hour and 5 minutes (in addition to the joint meetings with the Remuneration Committee). For greater details see Table 1

DIVERSITY POLICIES – CODE OF ETHICS - WHISTLEBLOWING

The information in this section was provided also in accordance with Article 123-bis, section 2, letter b CFA

Banks are subject to regulations on the **internal audit and risk management system** established, in particular, by supervisory regulations on banking activities and the provision of investment services, issued by the Bank of Italy and Consob implementing the CBL and the CFA. As “public interest entities”, banks are also subject to the regulations of Italian Legislative Decree no. 39/2010⁴² governing the external auditing of accounts. In this area, the Board of Directors defines the nature and the level of the risk compatible with the strategic objectives of the issuer, including in its assessments all the risks that may become important with a view to mid/long-term sustainability of the activities of the Banco Desio Group. The Board plays a key role in the assessment of the actual operation of the internal control and risk management system that may be relevant in the aforesaid view. In the presence of relevant circumstances, the Board acquires the required information and takes all appropriate measures to protect the Group and market disclosure.

This system features a complex structure that involves all the corporate levels, with specific duties reserved for the Board of Directors, the Board of Statutory Auditors, the Managing Director and General Manager and the individual in charge of internal auditing, represented by the pro-tempore Head of the Internal Auditing Department. This Department reports directly to the Board of Directors. The Risk Management⁴³ Department, the Compliance Unit and the Anti-money laundering Unit report to the Managing Director. Audit and reporting activities carried out by this Department are consistent with the specific recommendations of the Corporate Governance Code. The Parent Company outsources the Functions of internal audit, risk management, compliance and anti-money laundering for Fides SpA.

* * *

In this context, the BoD has set up a **Risk Control and Sustainability Committee** which, as can be gathered from Table 1, is currently made up of 3 non-executive Directors (of which 2 independent, including the Chairman). The Chairman of the Board of Statutory Auditors, or a Standing Auditor designated by the Chairman, participates in Committee meetings (as it usually occurs), and, in any event, the other Standing Auditors; in addition, the Managing Director and General Manager participates as a liaison between the BoD and the other members of the internal control and risk management⁴⁴ system. The Vice General Manager, if appointed and the heads of internal audit, risk management, compliance and anti-money laundering departments may also be invited to participate, as well as other employees/collaborators/consultants, depending upon the specific issues to be discussed. The Risk Control and Sustainability Committee, as an internal Board committee, performs advisory/proposal-making functions and assists the BoD in its activities of supervising the proper functioning of the internal audit and risk management system, as well as assessment of the proper use

⁴² The afore-mentioned Italian Legislative Decree No. 39 was amended by Italian Legislative Decree No. 135 of 17 July 2016 (Implementation of the 2014/56/EU directive that amends directive 2006/43/EC concerning the external auditing of the annual accounts and consolidated accounts) with no significant impact for the purposes of this section.

⁴³ It should be noted that the Risk Management Department includes the Internal Validation Office set up in accordance with the supervisory provisions on AIRB models.

⁴⁴ As part of the review of the Management Committees mentioned above, the Risk Management Committee was set up, which analyses, expresses opinions, validates and/or approves all risk-related documentation produced by the organisational structure in accordance with specific Regulations approved by the Board of Directors on 29 October 2020, subject to the favourable opinion of the Risk Control and Sustainability Committee. The new Committee absorbs the Risk Meeting of the internal audit functions.

of accounting standards. The Committee reports to the BoD on activities performed and the adequacy of the internal audit and risk management system through specific reports prepared every six months.

The Committee is also tasked, at the Group level, with supervising sustainability matters within the scope of its own consultative-proposal making role for the purposes of the approval by the BoD of strategies and policies on the matter (as described in detail in the final part of this Section 7).

In assisting the Board of Director, the Committee also supports, with adequate investigation activities, the assessments and the decisions of the Board on the management of risks deriving from adverse events of which the Board has become aware⁴⁵.

Decisions taken regarding issues that fall under the BoD's responsibilities are communicated, verbally or otherwise, at the first available meeting, by the Chairman of the Committee, who normally provides a summary of the assessments of the Committee based on what is illustrated by those in charge of the above-mentioned functions (who are in any case invited to attend the discussion of these topics at the meetings of the BoD to illustrate their reports and provide any detail).

Also in relation to the introduction of the Non-Financial Statement (see below), the Risk Control and Sustainability Committee has been assigned a supervisory role for issues falling within the framework of the so-called "Sustainability Report" within the scope of its own advisory/proposal-making role for the purposes of the approval by the Board of Directors of the strategies and the policies in question, and of the review of the related reporting

During 2020, the Committee met 16 times⁴⁶, in its role as advisory/proposal-making body for issues regarding the internal audit and risk management system, as well as body with supervision duties regarding sustainability matters. The participants in the meeting, other than the Committee members, included the Chairman of the Board of Statutory Auditors and the Head of the Internal Auditing Department, as well as the heads of the risk management, compliance and anti-money laundering departments. Depending on the issues to be discussed, the other Auditors, the Managing Director and General Manager, the Appointed Executive, as well as other Executives and/or employees and external consultants participated in individual meetings.

In addition to the usual topics, such as the evaluation of the periodic reporting produced by the control units, the examination of the draft financial statements and interim financial reports/disclosures, the examination of the reports on complaints and appeals to the Banking Financial Arbitrator and on lawsuits, as well as the adjustments made to the Policies/Process Rules relevant to the internal audit and risk management system - the main issues addressed by the Committee concerned, among others:

- Business Plan and Funding Plan
- Code of Ethics
- Interim non-financial disclosure ("NFS")
- Sustainability aspects (see below)
- Draft financial statements, interim Financial Report and quarterly financial disclosures
- Reports on the activities of the Appointed Executive

⁴⁵ The Corporate Governance Code also specifies that "a particularly important role within the internal audit and risk management system is normally carried out by the legal and compliance divisions, with a special reference to the supervision of the legal and non-compliance risks, including also the risk of committing criminal offences to the detriment or in the interest of the company". With regard to the legal risk, this role is carried out by the Legal Affairs Department.

⁴⁶ The average duration of the RCSC meetings was about 2 hours and 45 minutes. For greater details see Table 1

- Large exposures, own funds and coefficients
- Impairment test equity investments and goodwill
- Independent auditing firm: appointments other than the official accounts audit and related monitoring
- Control safeguards on operational and reputational risks
- Organisation set-up of the internal audit units
- Tableau de Bord (dashboard) of the internal audit functions
- Disclosure on credit and on the implementation of the NPL Operating Plan
- Proposal for factoring of impaired loans
- Action for mitigation of risks on loans portfolio
- Collective hedging of performing loan risks
- Loan Policy
- RAF Policy
- Recovery plan
- AIRB project
- Business Continuity
- IT risk
- Data processing (“data breach”)
- Complaints and passive litigation
- Transparency
- Inspections: Update on progress of corrective action

The Committee paid particular attention to issues related to the "Covid-19" emergency, receiving information and updates from the Managing Director and General Manager.

As part of its advisory/proposal-making role on "sustainability" issues, the Committee has, among other things, critically analysed the updates to the "materiality matrix" for the 2020 Non-Financial Statement (NFS), with related impacts on the company strategies in various sectors, as well as on the Policies and Regulations of the Bank.

- In this context, the discussion focused in particular on stakeholder engagement activities, where a clear convergence emerged that can be summarised in the instance of corporate sustainability, as "doing banking right", according to a business model more oriented to medium-long term objectives and therefore better able to create lasting value;
- an essential confirmation of the 2020 Action plan;
- a priority commitment with regard to the direct impact on issues such as "Quality and innovation in customer relations", "Protecting the well-being of employees", "Attracting, developing and retaining talent" and "Security and data protection"; these human resource issues are linked to that of "Diversity and equal opportunities" (see below).

Every quarter, the Committee discussed the periodic state of play concerning “Corporate Social Responsibility” as envisaged by a specific information flow.

The Committee's considerations, assessments and opinions on the issues dealt with (which indicate an overall positive opinion on the internal audit and risk management system, although obviously in need of improvement) were brought to the attention of the Board of Directors on a timely basis, also with the support of a suitable summary by the Committee's Chairman, when it examined the information and/or adopted resolutions on each of the above issues.

The Committee has also linked its activities with those of the Board of Statutory Auditors - in line with the "Coordination Regulation for Group Controls and Information Flows" - also by virtue of the constant

and active participation in the above-mentioned meetings of the Board of Statutory Auditors, as well as with the Independent Auditors by virtue of the Committee's participation in joint meetings between the Board of Statutory Auditors and the Independent Auditors at Group level, also for the purposes of assessing the correct use of the accounting standards, as well as the criteria applicable to the Sustainability Report.

The Committee has an independent budget for expenses of 50,000.00 Euros for 2020 (also reconfirmed for 2021). In 2020, no need to use this budget was noted, since the amounts allocated by the corporate top management in support of the different initiatives carried out with reference to issues also under the Committee's competence were deemed amply sufficient.

The Committee meeting minutes are duly recorded in full in the specific register and the Chairman of the Committee informs the first available Board of Directors of it.

* * *

The **Organisational Model pursuant to Italian Legislative Decree No. 231/2001 ("MOG")**, subject to periodic maintenance measures, is published on the website www.bancodesio.it in the section "La Banca/Governance/Documenti Societari" (The Bank/Governance/Corporate Documents).

The attribution and the operation of the Board of Statutory Auditors in terms of **SB 231** are set out in detail in the specific Regulations and consist inter alia of:

- constantly monitoring the effectiveness of the MOG, with particular reference to its actual ability to prevent the commission of relevant offences;
- analysing the reports coming from personnel or from other parties, relating to the commission, or to the attempted commission, of predicate offences, and proposing to the competent corporate functions the adoption of penalties in accordance with the law and with the employment agreement, informing the Board of Directors;
- analysing the reports received by the Chairman of the SB 231 originating from the Whistleblowing System (see below) relating to the commission of violations as described in the Whistleblowing Regulations adopted by the Bank and proposing, informing the Board of Directors, the adoption of disciplinary or penalising measures in accordance with the law;
- coordinating with the competent corporate functions for the definition of personnel training programmes in relation to the 231 regulations, also with regard to training on the Whistleblowing System;
- coordinating with the competent corporate Units (Internal Auditing, Compliance, General and Corporate Secretarial Office) to assess the adequacy of the Model and the need for its revision.

The SB 231 has independent powers of initiative and control, it also relies on the support in particular of the Internal Auditing Department in the supervisory activity and reports to the Board of Directors every six months on the activities it carries out.

The SB 231 has received from all involved units the required reports, which indicated compliance and the adequacy of the Model, and no reports of violations of the Model have emerged. The Chairman of the SB has not received any reports from the Whistleblowing System (see below).

The SB 231 is currently assigned an independent expenditure budget, which has been set at 50,000.00 Euros for 2020 (increased for 2021 to 100,000.00 Euros in anticipation of an overall restructuring of the Model). 25,000 Euros is for mixed use with the Board of Statutory Auditors for common requirements. During the year there was a total mixed use of the budget for the entire amount for the evaluation of the internal control system carried out with the support of a qualified consulting firm using a specific IT "tool", as well as other activities carried out by the same firm to support the Board of Statutory Auditors.

For additional information, please refer to the Report of the Board of Statutory Auditors to the Shareholders' Meeting.

* * *

The Group has an **internal system for reporting violations**, pursuant to Article 52-bis CBA, which acknowledges into the Italian legal system the provisions of Directive "CRD IV" on the so-called "**Whistleblowing**".

The internal system for reporting infringements envisaged by the Group uses specific, autonomous and independent communication channels, separate from the normal reporting lines.

As stated, in 2018 it became necessary to revise the Regulations of the Internal System for Reporting Violations so-called "Whistleblowing".

In this regard, mention is made of the promulgation of Law No. 179 dated 30 November 2017 pertaining to provisions for the protection of the authors of reports of offences or irregularities of which they became aware in the course of a public or private employment relationship. Said Law introduced, in particular, the obligation - prescribed by Article 6, paragraph 2-bis, letters a and b, of Italian Legislative Decree no. 231/01 - to provide adequate information channels that allow whistleblowers to "submit, to protection of the entities' integrity, detailed reports of unlawful conducts, significant in accordance with the present Decree 231 and based on precise and consistent facts". In addition to the aforesaid regulatory intervention of a general nature, the lawmakers had already implemented the whistleblowing regulations in some specific contexts, mostly by promulgating laws transposing European regulations. Insofar as it is relevant in the banking field, the following laws are referred to:

- Italian Legislative Decree no. 90 of 25 May 2017 transposing the Fourth Anti-money laundering Directive (Directive 2015/849/EU), whose provisions, for the first time in anti-money laundering laws, include whistleblowing systems;
- Italian Legislative Decree no. 129 of 3 August 2017 transposing Directive 2016/1034 (EU) (MiFID II) on markets in financial instruments, which requires, inter alia, financial intermediaries to adopt specific procedures for the reporting of violations occurred in the course of the activities carried out, and of "market abuses".

All this entailed a reorganisation and a further segmentation of the internal reporting channels. In addition to an existing generic channel, known as general whistleblowing regarding banking activities⁴⁷, a specific anti-money laundering channel was introduced, i.e. the anti-money laundering whistleblowing channel, and one for "231" reports, so-called whistleblowing "SB" channel; these latter reports refer exclusively to violations of the MOG and do not replace existing procedures and channels for the transmission of the usual mandatory reports and disclosures to the SB. The Chief Auditing Officer, as the Head of the internal violation reporting System, receives and assesses all general whistleblowing reports, except those referring to him/herself and to the Corporate Bodies (Board of Directors and Board

⁴⁷ Banking activities also include the "intermediaries" and "issuers" fields, regulated by the Consob regulations (MiFID, MAR).

of Statutory Auditors, as well as SB). The Chief Auditing Officer also receives and assesses anti-money laundering reports, involving the Anti-money laundering officer, equally excepting those referred to him/herself and to the Corporate Bodies listed above. At the end of the assessment phase, the Head of the System immediately transmits in any case an information flow relating to the report and to the outcome of its assessment to the Chairman of the Board of Directors. The Chairman of the SB of the Parent Company receives SB whistleblowing reports and assesses them collectively with the members of the Body.

This without prejudice, in case of reports relating to the Subsidiaries, of the activities pertaining to the Parent Company's Bodies, which involve the Bodies of the Subsidiaries for matters under their competence or for any collaboration.

The process for managing reports comprises reporting procedures and specific channels that ensure that the persons tasked with receiving, reviewing and assessing the reports are not hierarchically or functionally subordinated to the reported person, are not themselves the alleged perpetrators of the violations and do not have a potential interest related to the report which would compromise their impartiality and independence of judgment. The channels have been defined in such a way as to allow to avoid reports to persons who could be in conflict of interest situations with respect to the whistleblower, to the subject of the report or to any persons involved in the report. The internal system for reporting violations guarantees in any case the confidentiality and the protection of personal data of the person who submits the report and of any reported person.

At the same time, the Bank of Italy and Consob activated specific channels dedicated to receiving Whistleblowing reports. The specific information about the reporting procedures are described on the respective websites.

After the aforesaid revision, specific training initiatives were carried out for all Group Personnel.

2 whistleblowing reports were received in 2020 by the System Manager. On conclusion of the investigations carried out, in one case, given the unfounded nature of the report, no action was taken. In the second case, the internal control unit in charge of monitoring the specific matter has carried out the relevant assessments with respect to the parties and the operations carried out on the dealings reported. In this connection, the pertinent units adopted the measures deemed appropriate.

It should be recalled that in compliance with Directive 2014/59/EU - Bank Recovery and Resolution Directive and with the two Italian Legislative Decrees (Legislative Decree No. 180 and Legislative Decree No. 181) that transpose the aforesaid Directive in Italy, in 2017 the Bank prepared a "**Recovery Plan**" (hereafter also "Plan") - as updated most recently on 17 December 2020 - to address crisis situations, organically framed in the corporate risk governance logic, consistent with the Risk Appetite Framework (RAF) and based on monitoring indicators contained in the EBA Guidelines on the matter and on the selection of recovery options and procedures. The Plan is consistent with the indicated regulatory context and, in particular, it is prepared in compliance with Bank of Italy provisions, notified by the same via specific notes. The Plan was prepared considering the prudential scope of consolidation.

Decisions pertaining to the approval and management of the Recovery Plan are made by the BoD as the Body with strategic supervision function.

The logical/operational process followed in the preparation of the Plan, on the basis of the indicated regulatory provisions, is structured in the following main steps:

- identifying the organisational parties involved in the preparation, approval, revision and management of the Plan in a crisis situation;
- analysing the strategic profiles, assuming as quantitative reference parameters the indicators contained in the RAF, selecting the relevant legal entities and business lines and the essential functions;
- selecting - in accordance with the RAF and in compliance with the regulatory indications - the recovery indicators;
- identifying the stress scenarios and measuring the related effects on the indicators, also for the purposes of verifying their calibration;
- identifying the recovery options and assessing the effects of their activation;
- regulating the communication forms prescribed by regulations.

* * *

In relation to existing risk management and internal audit systems in the **financial disclosure process, consolidated or otherwise**, a series of disclosure, audit and intervention powers have been assigned to the Appointed Executive, which essentially involve:

- the possibility of receiving data/information from specific corporate departments; the right to carry out audits autonomously and through the Internal Auditing Department, as well as the right to request organisational changes in administrative-accounting activities;
- the possibility of participating in Board meetings that deal with administrative-accounting aspects and proposing policy and co-ordination actions vis-à-vis Group Companies (such as the appointment of their own Contact Persons in these Companies);
- the recognition of the financial autonomy of said Appointed Executive through the management of a specific annual expenditure budget.

The Articles of Association state that the BoD appoints the Appointed Executive, subject to the favourable opinion of the Board of Statutory Auditors and mandate the integrity and professional standing requirements, consistent with the current legislation for bank representatives. In particular, this party must possess specific expertise with regard to administrative-accounting matters gained, in a period of no less than three years, in positions of operating responsibility in the Company, the Group or other comparable companies or entities in terms of activities and organisational structure.

The Appointed Executive currently reports directly to the Managing Director and the General Manager, while in particular the Budget and Sustainability Area and the Administration Area report directly to said Executive; the Executive also avails him/herself of the direct support of the other areas of the Administration and General Affairs Departments which he/she is the Head of (Tax Area, Legal Affairs Area and Corporate Affairs Area), maintaining constant supervision over the financial reporting process, to ensure the reliability and integrity of the accounting and operating information, consolidated or otherwise, with particular reference to the so-called “key accounts”.

With regard to the risk management and internal audit system in relation to the financial disclosure process, the BoD defined a specific risk control model relating to financial disclosure (“Financial Disclosure Control Model”), which is an integral part of the internal audit system at Group level. As indicated below, the main responsibilities of this model are assigned to the Appointed Executive.

The Control Model allows for the fulfilment of regulatory obligations relating to the adoption of a risk management and internal audit system for the financial disclosure process.

In this regard, the set of tasks aimed at identifying and assessing risks and controls on financial disclosure are part of the more general management process of the Control Model, which is broken down into the following phases:

- implementation;
- assessment;
- reporting.

Based on the Model’s scope, which applies to the entire Group, the tasks listed above are carried out for both the Parent Company and, as far as compatible, for the Group Companies included in the scope of consolidation.

Phases in the Risk Management and Internal Audit System for the financial disclosure process

Within operations, Banco Desio has identified and defined the following types of financial disclosure risk, in line with its risk mapping:

- “risk of unintentional errors”: the risk of material errors in the financial statements from actions unintentionally committed or omitted, resulting from the inadequacy or malfunctioning of procedures, human resources and internal systems, or from external events;
- “risk of fraud”: the risk of material errors in the financial statements resulting from an intentional act, committed in order to gain unjust or illegal advantages through false financial disclosure.

In addition, criteria have been established for identifying the specific significant company components, items and accounting schedules on which to focus the activities of planning, development and maintenance of administrative-accounting processes (including processes for reporting to the Parent Company by the subsidiaries for the purpose of drawing up the consolidated financial statements) as well as the phase of risk and control assessment. In particular, with regard to this phase, the assessment of risks and the effectiveness of controls are conducted in accordance with the methods defined by the Appointed Executive, shared with the Internal Auditing Department, and with support as necessary from the Parent Company’s Risk Management and Compliance Department. In order to identify the approaches to assess financial disclosure risks, the Appointed Executive may avail himself of the Parent Company’s operating risks management division. For the other Group Companies, the Internal Contacts of the Appointed Executive avail themselves of each Company’s operating risk management division, where existing. For the specific purpose of assessing risks and controls in the disclosure system, the Appointed Executive is supported by the Operations and Systems Department as well as, where needed, the Parent Company’s Internal Auditing Department. For the other Group Companies, the Internal Contacts of the Appointed Executive avail of the support of the Operating Department as well as, where needed, the Controller.

In terms of the methods used to inform top management on the Financial Disclosure Control Model, the Appointed Executive reports to the Corporate Bodies on the adequacy and effective application of this Model. In this regard, taking into account the provisions of Italian Legislative Decree No. 39/2010 on external auditing of accounts, the Appointed Executive:

- supports the Board of Statutory Auditors and the Independent Auditing Firm in assessing the correct use and homogeneity of accounting standards for the purpose of preparing the individual and consolidated financial statements;
- provides the Supervisory Body pursuant to Italian Legislative Decree 231/01 with the related certification pursuant to Article 154-bis, paragraph 5 CFA as well as indications when specific critical situations are detected relating to the adequacy or operation of the financial disclosure control model;
- draws up an annual report to submit to the Managing Director and General Manager (according to their respective powers established by the Internal Regulations), subsequently transmitted to the Board of Statutory Auditors, as well as the Risk Control and Sustainability Committee and the Board of Directors. This report contains:
 - an explanation of activities carried out as well as any key critical situations found in the operation of the financial disclosure control model;
 - an assessment of the significance of the risk, by proposing Group Companies considered “significant” and financial statement accounts classified as “critical”, to be analysed the following year;
 - planning of activities to be carried out for the following year, also in consideration of the above points.

Roles and functions

The responsibilities relating to the implementation and operational phases of the “Financial Disclosure Control Model”, taking into account the applicable regulatory context, which assigns specific responsibilities to the Appointed Executive, are assigned to Corporate Bodies and mainly to the Appointed Executive. For the purpose of carrying out his duties relating to preparing company accounting documents (mainly annual Financial Statements and Interim Financial Reports), the Executive is aided by the competent company officers of Banco Desio and the other Group Companies. Operationally, the Appointed Executive avails him/herself of the afore-mentioned structures directly reporting to the same and in particular with the aid of the Budget and Sustainability Area coordinates with other departments of Banco Desio and the Group Companies in order to receive information on the performance of activities which influence the economic, equity or financial position of Banco Desio and the other Group Companies. Specifically, the Appointed Executive:

- interfaces with the Operations and Systems Department in order to verify that the administrative-accounting processes are formalised in specific organisational procedures, requesting specific supporting documentation from the Division;
- has the right to request specific certifications from the Operations and Systems Department regarding:
 - o the correct operation of company infrastructures and applications used to acquire, process and represent administrative-accounting information;
 - o the existence of adequate procedures to guarantee the protection of company informational assets, also with regard to outsourced IT processes;
- promptly acquires information on planned activities and the subsequent results of activities carried out by the Internal Auditing Department, and may avail himself of the support of this Department in carrying out his controls;
- has the right to request the Risk Management Department to carry out additional analysis and assessment of risks in administrative-accounting processes he identifies periodically when selecting “key accounts”;
- may request the Compliance Department to provide consulting for the assessment and management of non-compliance risk as well as for any corrective actions to be implemented;

- for the purpose of transmitting the certifications/declarations to the market (with specific regard to the annual, half-year and quarterly financial statements), requests that the “Parent Company’s Process Managers” issue specific internal certifications, or may assign said internal structures to carry out specific audit activities for the purpose of verifying the correct performance of administrative-accounting processes. As proof to support the certification and audit activities, the Appointed Executive may acquire specific internal documentation and/or reports from the business structures involved.

With regard to the Group companies, the Appointed Executive liaises with his/her own contacts, identified separately for each company (the so-called Internal Contacts of the Appointed Executive) on the reporting flows to acquire in order to ensure the regular preparation of the (annual, half-yearly and quarterly) Consolidated Financial Report, as well as of the non-financial statement (see below). Operationally, he receives specific certifications from his Contacts containing, at a minimum, the following information:

- assessment of the adequacy and effective application of administrative-accounting procedures, with specific reference to controls implemented to mitigate the main risks;
- assessment of the adequacy of controls and, more generally, of the organisational safeguards on financial disclosure established at company level;
- correspondence of the equity, economic and financial data and additional information provided for preparing the annual and half-year financial report with the accounting books and records;
- compliance of the accounting documents with the applicable international accounting standards;
- any critical situations, risks and uncertainties arising from the audits performed, as well as the related action plan.

Non-Financial Statement (Sustainability Report)

We reference the provisions of Italian Legislative Decree No. 254 of 30 December 2016 (the “Decree”) implementing Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups. From the financial years starting from 1 January 2017, the Decree introduced new transparency obligations in line with the aforementioned EU provisions, both specifying the scope of these obligations (scope of the new obligations, content and procedures for publishing the non-financial statement, responsibilities of corporate bodies and of the independent auditor in the process of drafting and checking the statement) and implementing the specific regulatory options left to the member States.

Scope

The new transparency regime introduced by the Decree entails the obligation for companies or groups to prepare and publish, for each year, a “non-financial statement” (“NFS”) that covers, “to the extent necessary to ensure understanding of the enterprise activity, of its performance, of its results and of the impact caused thereby, ... the environmental and social matters and issues related to personnel, human rights, combating active and passive bribery, which are significant taking into account the activities and characteristics of the company...” (Article 3, Paragraph 1). Parties obliged to publish the NFS are public interest entities: “relevant public interest entities” (or “RPIE”).

In this regard, it should be remembered that, in accordance with Article 16 of Italian Legislative Decree no. 39/2010, the banks are included in the definition of “public interest entity”.

Content of the NFS

To fulfil the general obligation set out above, Article 3, Paragraph 1, of the Decree (as amended by Italian Law no. 145/2018) provides some additional indications that allow the necessary content of the NFS to be identified. In the first place, the information elements are indicated through which it is possible to assure that the enterprise activity is understood, which consist “at least” of the description: i) of the main risks, including the procedures for their management generated or incurred, in connection with socio-environmental issues and deriving from the enterprise activity or from products and services provided by it; ii) of the organisational and management model of the company, including the corporate models for preventing offences adopted in accordance with Italian Legislative Decree No. 231/2001, which are relevant in the management of the socio-environmental issues indicated by the decree; iii) of the policies applied by the enterprise for the management of the impacts of the entrepreneurial activity within the non-financial areas referenced above and the results achieved by the implementation of these policies (Article 3, Paragraph 1, Letters from a) to c). In the second place, a significant - or “materiality” - criterion is expressly provided, for the selection of the information to be provided in the NFS with regard to all the profiles referenced above.

Consolidated non-financial statement

RPIEs that are “parent companies” of a large group shall publish a consolidated non-financial statement (Article 4). Mirroring the obligation for parent companies to publish the consolidated NFS is the provision that exonerates a RPIE from the obligation to prepare the individual or consolidated NFS when such entity is included in the consolidated NFS prepared by another parent company that prepares the statement in any case (Article 6).

Procedure for the publication of the non-financial statement

With regard to the publication procedure, Article 5 of the decree provides that the NFS may:

- i) be included in a specific section of the report on operations; this section shall be expressly “marked” in this sense;
- ii) be contained in a distinct report, subject to the obligation to mark it in any case as a non-financial statement.

Banco Desio adopted the option of producing a separate Group document, consistently with the prevailing indication pertaining to the publication of sustainability reports by listed companies and more in particular by the main Italian banking groups.

Tasks of the party appointed to audit the financial statements

Article 3, Paragraph 10, of the Decree establishes that the party appointed to audit the financial statements shall verify the preparation by the management body of the non-financial statement, disclosing it in a separate section of the audit report (issued under Article 14 of Legislative Decree No. 39/2010).

The same party is appointed to express with a dedicated report, distinct from that of the auditor, a certification of the compliance of the information provided with respect to the requirements of Legislative Decree no. 254/2016 and with respect to the principles, methodologies and procedures prescribed in Paragraph 3 of Article 3 of the same Legislative Decree.

Sustainability governance structure

Banco Desio has adopted the sustainability governance structure which, taking into account the affinity/synergy with the current powers of the Risk Control and Sustainability Committee related to the supervision of the internal audit and risk management system as well as on the correct utilisation of the accounting standards, entails, inter alia, assigning to the same Committee the supervision of sustainability issues:

Level	Body/Function	Duties/Activities
Strategic Governance	Board of Directors	Approval of strategies, policies and reporting relating to sustainability matters (environmental, social, etc.)
	Risk Control and Sustainability Committee	Supervision of the aforesaid sustainability matters within the scope of its own advisory/proposal-making role for the purposes of the approval by the BoD of strategies and policies on the matter, and of the review of the related reporting
Management Level	"Sustainability <i>Steering Committee</i> " identified in the Management Committee with the involvement, depending on the reported matters, of the specific Departments/Functions	<ul style="list-style-type: none"> ▪ Definition and proposal of the strategic lines and of the sustainability targets ▪ Approval of sustainability activities ▪ Sharing sustainability reports
Operational / tactical level	All the corporate functions of the parent company and of the subsidiaries	<ul style="list-style-type: none"> ▪ Based on the plan defined by the <i>Steering Committee</i>, development of the concrete and operating activities to be planned during the year within the Banco Desio Group ▪ At different levels, responsible for the collection, validation and transmission of the information to be included in the sustainability reports
Communication	Internal and external communication (Resources Department and External Relations Department)	Definition of communication activities/initiatives (in addition to the sustainability report) informing both internal and external interlocutors about the results of the activities
Coordination	Appointed Executive / Financial Statements and Accounting Control Office	Sustainability coordination function

Diversity policies

Article 10 of the Decree introduced the obligation to add in the present Report "a description of the diversity policies applied in relation to the membership of the administration, management and control bodies with regard to aspects such as age, gender and education and professional experience, as well as a description of the objectives, of the implementation procedures and of the results of such policies."

In this regard, the practices adopted by the Banco Desio Group are consistent both with the aforementioned law provisions with regard to gender quotas, and with the Supervisory Provisions on the composition of the Corporate Bodies which require “an adequate degree of diversification in terms, inter alia, of competencies, experience, age, gender, international projection”. This aspect, pertaining specifically to the areas of competence of the Appointments Committee, is analysed in the self-assessment process per Section 3.6 above, taking into account the operational and dimensional complexity of the company. The aforesaid practices were formalised in a dedicated policy which, also consistently with the indications of the Italian Corporate Governance Committee⁴⁸, was adopted with the board resolution of 28 February 2019, taking into account the aforementioned EBA/ESMA Guidelines in force since 30 June 2018. The matter is treated in connection with the broader project activities started within the scope of “Corporate Social Responsibility” (“CSR”) in relation to the aforesaid NFS⁴⁹. In this sphere, a “People, Diversity and Inclusion” Policy was also adopted on 16 January 2020, which applies to all the companies of the Banco Desio Group and addresses all the employees of the same with the aim of:

- creating a working environment free from any form of discrimination, be it direct or indirect, associative or individual, as well as any form of violence or harassment;
- ensuring and promoting an inclusive culture, based on mutual respect, which makes it possible to develop the talent of each individual, allowing the expression of the potential of all, free from stereotypes and prejudices, so as to fully appreciate the diversity and uniqueness of each one;
- pursuing a policy of personnel selection aimed at recognition of merit, with respect for equal opportunities;
- ensuring access to a professional and career development path based on respect for equal opportunities and non-discrimination;
- ensuring that all employees adopt conduct that reflects inclusion and supports the Group's values.

During 2019, Banco Desio complied with the ABI Charter on equal opportunities entitled “Donne in Banca” (Women in Banking).

Code of Ethics

As provided in the project pertaining to sustainability issues, developed in the context of the introduction of the NFS, the path towards systematising the Code of Ethics continued during 2018 with the inclusion of the provisions of the Guidelines for Corporate Social Responsibility (CRS) approved with the Board resolution of 27 February 2018 concerning in particular:

- relations with local communities;
- human rights and personnel matter, as well as diversity and equal opportunity;
- culture of legality;
- environmental responsibility;
- sustainable investments;
- relations with public institutions.

⁴⁸ Annual report on the implementation of the Corporate Governance Code – December 2017 (page 25-26)

⁴⁹ It is specified that the diversity policy is applied starting from the time of renewal of the corporate Bodies of the Group companies whose mandates expired with the approval of the financial statements for the year ended on 31 December 2019 (therefore, the renewal of the Board of Statutory Auditors of Fides SpA whose mandate expired with the approval of the financial statements for the year ended on 31 December 2018 was outside the scope of the policy).

Since these issues are developed at Group level, and the NFS is prepared at Group level as well, it was deemed consistent for the Code of Ethics to be for all intents and purposes a Group document, based on values expressed by Banco Desio in its leading role as Parent Company and shared by the other legal entities through the approval/transposition of the document by the respective Boards of Directors.

With respect to the formulation followed so far the ethical-social and environmental aspects achieved a weight equal at least to the juridical-economic aspects in the structure of the document.

It was deemed useful to dedicate a specific section to the issue of "sexual harassment".

The last review of the Code of Ethics was approved with a board resolution dated 17 December 2020 (again subject to the involvement of the Risk Control and Sustainability Committee and the Board of Statutory Auditors) and in particular:

- the topics concerning relations with shareholders have been developed by inserting a new section dedicated to them;
- references to so-called "parties involved in unlawful activities" have been rationalised;
- the Code of Business Conduct (which was a separate document approved as part of ESG projects) has been incorporated;
- with regard to the reporting of violations, it was considered appropriate to channel reports of violations of the Code into the Whistleblowing system (see above), albeit keeping them separate from reports of violations of banking regulations or violations of the MOG.

8 - CORPORATE INFORMATION

Governance of corporate information is formalised in the Corporate Information Regulation, containing, inter alia, the procedures for calling the Board of Directors and the Committees, for the provision of documentation on items on the agenda and the related confidentiality restrictions (also see previous Section 1), and discipline of the register of parties who, within the Group, have access to the privileged information before its circulation.

The Regulation was updated on 23 June 2016 as part of the measures to adapt it to the new European rules on market abuse which came into force on 3 July 2016 (in particular, to EU Regulation No. 596/2014 or "MAR"), on 21 December 2017 in order to implement the Guidelines issued by Consob on the matter and on 27 February 2020 to make further procedural improvements supported also by the acquisition, during the year, of a special IT platform for the integrated management of insider information in all stages of the process (mapping of information and parties, registration of parties with access to relevant information, registration of parties with access to insider information, possible delay of disclosure of information). The minor amendments introduced by EU Regulation 2019/2115 have also been implemented.⁵⁰

The afore-mentioned provisions significantly changed important aspects of the previously existing regulatory framework by widening the obligations of issuers for that which concerns among other things:

- the disclosure to the public of the privileged information and the possible delay of the communication itself, in the presence of well-defined conditions, resulting in the activation of a process that also includes a notification to Consob;

⁵⁰ EU Regulation 2019/2115 envisages that, as from 1 January 2021, issuers shall disclose to the market transactions on financial instruments, carried out by parties exercising administrative, control or management functions and those closely associated with them, within two business days from the date of notification of such transactions (the current provision is three business days from the date of execution of the transaction). This is without prejudice to the obligation of obliged parties to notify the issuer promptly and no later than three business days from the date of execution, of the transactions carried out (Article 19.1 of the MAR).

- the keeping of the so-called “Insider Register” with more stringent timing/methods;
- the disclosure to the public of transactions on financial instruments issued by company representatives and by persons closely related to them (known as “internal dealing”), likewise with more stringent timing/methods;
- the prohibition for such entities to carry out transactions within 30 days prior to the publication of annual and half-yearly accounting data (known as “closed period”);
- the identification of the Inside Information Management Function (“FGIP”);
- the establishment of the “Relevant Information List” (“RIL”).

The FGIP has been identified as the Head of the Administration and General Affairs Department, who has the operational support of the Corporate Affairs Department.

It should be noted that in 2020, a number of internal dealing transactions (purchases and sales) on shares and bonds were reported and published for an absolute value of approximately 92 thousand Euros and 192 thousand Euros respectively.

Banco Desio makes available all the corporate documentation which must be made public by law/regulations on its own website in full.

For the purposes of completeness, note that on 29 January 2013, pursuant to Article 3 of Consob Resolution No. 18079 of 20 January 2012, the Board of Directors resolved to adhere to the “opt-out” regime envisaged by Articles 70, paragraph 8, and 71 paragraph 1-bis of Consob Regulation no. 11971/99, taking advantage of the right to deviate from publishing obligations for disclosure documents described in Attachment 3B of the above-mentioned Consob Regulation, in the event of significant transactions involving mergers, spin-offs, share capital increases through in-kind contribution of assets, acquisitions and disposals.

9 - BOARD OF STATUTORY AUDITORS

The information in this section has been provided in accordance with Article 123-bis, section 2, letter d of the CFA and articles 144-octies and 144-novies of the Issuers’ Regulation and reflects (unless otherwise specified) the situation as at 31 December 2020.

Banco Desio’s Board of Statutory Auditors in office was also appointed by the Shareholders’ Meeting held on 23 April 2020 with the list voting mechanism illustrated in the previous Section 2.1.I), with the term expiring as of the approval date for the financial statements as at 31 December 2022. Its composition is illustrated in the attached Table 2. The Chairman of the Board of Statutory Auditors and one Statutory Auditor were elected from a list presented by a minority shareholder (Foundation Carit - Cassa di Risparmio di Terni e Narni).

In addition to the integrity and independence requirements and the causes of ineligibility envisaged by special legislation and by the Corporate Governance Code for listed banks, the Statutory Auditors must meet – on penalty of forfeiture – the following professional standing requirements: at least one Standing Auditor and one Alternate Auditor (and, in any event, the Chairman) must be enrolled in the register of chartered accountants; those who do not meet this requisite must have gained specific experience in the activities and the sectors indicated in the Articles of Association. The satisfaction of requirements is verified by means of the “supervisory” procedure described by the BoD and, in implementation of a specific recommendation of the Corporate Governance Code, the Board carries out a specific check on the observance of the aforementioned requirements.

All the Statutory Auditors have been chosen from among those enrolled in the register of chartered accountants and are independent on the basis of both the CFA and the Corporate Governance Code (with the exception of the criteria of “nine years” permanence on the Board of Statutory Auditors which, due to the reasons already mentioned for the Directors in compliance with the resolution adopting the Code adopted on 22 February 2007, is not, however considered in itself an indication of non-compliance with the independence requirement, save that the cases exceeding the 9 years are subject to specific analysis according to the recommendations formulated by the Italian Committee for Corporate Governance). The case of a member of the Board of Statutory Auditors in office since 2002 was analysed at the same time as this Report for last year was approved and the comments made in this sphere are confirmed also in this Report.

The lists of the other offices held by the Statutory Auditors, pursuant to Article 2400 of the Italian Civil Code and Article 148-bis CFA, are published in the prescribed methods and timeframes, together with the information on the personal and professional characteristics of the Statutory Auditors as well as the information on possession of the above-mentioned requirements (published upon submission of the lists for the renewal of Corporate offices, in compliance with governing Consob provisions). Their “curricula” are also available on the website www.bancodesio.it in the section “La Banca/Governance/Corporate Governance/Collegio Sindacale” (The Bank/Governance/Corporate Governance/Board of Statutory Auditors). The Internal Regulations of the Italian Subsidiary Banks include a general limit on the accumulation of the offices of statutory auditor, by virtue of which these Statutory Auditors cannot undertake this office when they already cover the office of member of the audit body in five listed or supervised companies, in cases where the “interlocking ban” does not apply pursuant to Article 36 of Italian Law no. 214/2011; it is also established that the Statutory Auditors cannot undertake offices in bodies other than the Board of Statutory Auditors within other Group Companies, as well as within companies in which Banco Desio directly or indirectly holds a strategic investment⁵¹.

The Board of Statutory Auditors acts as an “internal control and audit committee” and, pursuant to Article 19 of the aforementioned Italian Legislative Decree No. 39/2010, is responsible for:

- a) informing the management body of the audited entity of the outcome of the official audit and transmitting to this body the additional report of the official auditor pursuant to Article 11 of Regulation EU No. 537/2014, together with any comments;
- b) monitoring the financial reporting process and making recommendations or proposals to ensure its integrity;
- c) checking the effectiveness of the internal quality control and business risk management systems and, where applicable, the internal audit, in relation to the audited entity's financial reporting, without breaching its independence;
- d) monitoring the official audit of the annual financial statements and the consolidated financial statements, also taking into account the results and conclusions of the quality controls carried out by Consob, where available;
- e) checking and monitoring the independence of official auditors or audit firms, in particular with regard to the appropriateness of the provision of non-audit services to the audited entity;
- f) being responsible for the procedure for the selection of official auditors or audit firms and recommending the official auditors or audit firms to be appointed.

⁵¹ As indicated by the aforementioned Circular No. 285, “strategic” for such purposes is understood to mean the equity investment that is equal to at least 10% of the share capital or the voting rights during ordinary Shareholders’ Meetings of the investee company and 5% of the consolidated regulatory capital of the Banking Group.

In 2020, the Board of Statutory Auditors of Banco Desio, as well as that of Fides SpA, continued to carry out these duties paying particular attention to the profile of independence of the Independent Auditing Firm as per section 12 below. In this context, the Board examined the non-audit engagements granted to these Companies and monitored them with the support of the Budget and Sustainability Area in accordance with the "Internal Rules for the selection of the official auditor and for the conferral of non-audit engagements to the same and its network" adopted in 2019. The same Regulation was applied to the selection procedure, by said Board, for the Independent Auditing Firm as per section 12 below.

As previously stated, the Board of Statutory Auditors of Banco Desio, like that of Fides SpA, performs the functions of SB 231. During 2020, Banco Desio's Statutory Auditors held a total of 52 collective meetings (of which 19 as SB 231), in some cases jointly with other Bodies of the Group, and inspections at the head offices or the branches. In the presence of restrictions due to the "Covid-19" emergency, the branch inspections were carried out remotely. The activities of the Statutory Auditors with reference to participation in the meetings of the Corporate Bodies are likewise summarised in Table 2 containing, among other things, information on the average duration of the meetings; the other appointments covered by the statutory auditors in subsidiary, associated and investee companies or in listed and/or supervised companies are shown in Table 3.

The remuneration of the Auditors is commensurate with the commitment required, the importance of the position held as well as the dimensional and sectoral characteristics of the Banco Desio Group companies.

The Board of Statutory Auditors performed its self-assessment process using the same method already adopted by the Board of Directors (see Section 3.6 above), from which a positive judgment emerged.

For the diversity policies of the members of the Control Body, please refer to Section 7 where such policies are understood to refer to all Corporate Bodies.

10 – RELATIONS WITH SHAREHOLDERS – FUNCTIONING OF THE GENERAL SHAREHOLDERS' MEETING

The information in this section has been provided in accordance with Article 123-bis, section 2, letter c CFA

As indicated in Section 8, Banco Desio publishes the documentation of interest to its shareholders on its website, with particular reference to that pertaining to the exercise of their rights (attendance and voting, dividends, etc.), via the Corporate Affairs Area, which reports to the Administration and General Affairs Department, which in turn reports to the Managing Director and the General Manager. Specifically, the notice of call for Banco Desio's Shareholders' Meeting is published, within the legal deadlines differentiated according to the issues on the agenda, on the website www.bancodesio.it – in the section "La Banca/Governance/Corporate Governance/Assemblea" (The Bank/Governance/Corporate Governance/Shareholders' meeting), and concurrently in the national press.

The notice of call contains indications on methods for exercising the right to attend and vote, as summarised below.

Pursuant to Article 83-sexies of Italian Legislative Decree No. 58/98 (CFA) and Article 10 of the Articles of Association, parties holding the right to vote who have sent the Company a notification issued by an authorised intermediary based on the evidence in its accounting records at the end of the seventh trading day prior to the date set for the Shareholders' Meeting on first call may participate in the Shareholders' Meeting, or be represented according to the methods set forth by law. Those who are shown to hold shares only following this date shall not have the right to participate or vote in the Shareholders' Meeting.

Each party entitled to participate in the Shareholders' Meeting may be represented according to the methods set forth by law, without Articles of Association exceptions or limitations, by way of written proxy, as explained in detail in the notice of call for the Shareholders' Meeting.

The Board of Directors is entitled to establish, as and when, whether the proxy may be granted to a Designated Representative of the Company as defined by Article 135-undecies of Italian Legislative Decree No. 58/98, without cost to the shareholder, with voting instructions for all or some of the proposed agenda items. This mode was adopted as the exclusive mode for the purposes of the shareholders' meeting held on 23 April 2020 by virtue of the specific provisions for the holding of corporate meetings in the presence of the "Covid-19" emergency.

Pursuant to Article 127-ter of Italian Legislative Decree no. 58/98, shareholders may ask questions about the agenda items, including prior to the Shareholders' Meeting, as explained in detail in the notice of call for the Shareholders' Meeting.

Pursuant to Article 126-bis of Italian Legislative Decree No. 58/98, shareholders who, including jointly, represent at least one-fortieth of the share capital with voting rights may request items be added to the agenda, indicating the additional issues proposed in their request, as explained in detail in the notice of call for the Shareholders' Meeting.

The General Shareholders' Meeting Regulations, which discipline the business of the meetings, including to the extent applicable the Special Savings' Shareholders' Meeting, aim to ensure the orderly participation of those entitled to attend, in line with the indications that emerged from the work carried out originally care of the pertinent Trade Associations. The underlying criteria that inspired the drafting of the Regulations was to guarantee a certain discretion in the powers of the Chair, albeit in observance of legal and Articles of Association provisions, aimed at permitting appropriate flexibility in handling the general meeting business and ensuring the exercise of the rights of the shareholders, in particular the right to take part in the discussion, also with the faculty to reply. The provisions strictly pertaining to the undertaking of the Chair of the Meeting, the right to attend, personally or via proxy, the right to vote and the resolutions adopted by the meeting, remain disciplined by the Articles of Association, which furthermore do not envisage departures from legal regulations.

The minutes of the Banco Desio Shareholders' Meetings are taken by a Notary, including for Ordinary Shareholders' Meetings. In 2020, a single shareholders' meeting session (ordinary and extraordinary) of the holders of Banco Desio Ordinary Shares was held on the occasion of the approval of the financial statements for the year ended 31 December 2019, and the renewal of the company officers and the appointment of the Auditing Firm as described in Section 12 below (23 April 2020).

As regards the Special Savings Shareholders' Meeting, refer to Section 11 below.

A specific section of the Code of Ethics referred to in Section 7 above is devoted to relations with

shareholders. In particular, the following is envisaged:

- The Group develops dialogue with the market through the adoption of engagement policies that are complementary to those of institutional investors and asset managers. A fundamental role of liaison is assigned to the Chairman, who submits a policy for the management of dialogue with shareholders in general ("Engagement Policy") to the Board of Directors for approval, in agreement with the Managing Director and General Manager. The Chairman ensures that the Board is adequately informed on the development and significant contents of the dialogue with all shareholders.
- The Group pursues fair treatment of shareholders by facilitating the exercise of voting rights and the right to participate in shareholders' meetings.
- The Group furthers completeness, transparency and equality of information in order to protect the interests of its shareholders, bondholders and other creditors, including potential ones, in such a way as to ensure that the decisions made by them are informed and disseminated.
- To this end, the Group adequately discloses relevant financial and sustainability information to the market, in an appropriate manner that favours accessibility.
- Whomever is involved in preparing documents that represent, also for tax purposes, the economic, equity or financial situation of the Group or that, in any case, concern facts relevant to the above-mentioned decisions, must comply with the regulatory principles and internal procedural rules concerning the communication and use of the information in question (as well as the very preparation of documents according to criteria of truthfulness and correctness). The Group acts in accordance with the provisions laid down by legal and regulatory provisions for the protection of savings with reference also to the activities of the Appointed Executive.
- The Group requires Significant Shareholders (natural and legal persons whose shareholding in a Group Company exceeds 5% of voting rights) to make the following commitments, providing adequate disclosure:
 - to behave in compliance with the principles set out in the Code of Ethics, as well as to comply with the rules and recommendations set out:
 - in the MOG;
 - in the Corporate Social Responsibility Guidelines approved by the Company's Board of Directors,

and, in the event that the Shareholder submits nominations for members of the Board of Directors and the Board of Statutory Auditors to be submitted to the Shareholders' Meeting of the Company,

- to confirm that the aforementioned principles, rules and recommendations are taken into account, in particular, in the selection of candidates, where the Shareholder directs the choice towards individuals who in their personal and professional career have adopted behaviour consistent with the same principles, rules and recommendations.

The latter commitment is also required of Shareholders whose shareholding is less than 5% but who are nevertheless entitled to submit candidates.

The Shareholders exercise, in accordance with the law, an influence on the Company related to the voting rights to which they are entitled, providing adequate disclosure of any shareholders' agreement or other agreement that determines a different influence, as well as of any conflict of interest.

Shareholders who are aware of significant information or, a fortiori, of privileged information relating to the Group Companies must maintain the utmost confidentiality in handling such information. In

the case of legal persons, this obligation extends to all members of their Bodies.

11 – SAVINGS SHARES – SPECIAL GENERAL MEETINGS – COMMON REPRESENTATIVE

The information in this section has been provided in accordance with Article 123-bis, section 2, letter d CFA

The characteristics of Banco Desio savings shares are indicated in the previous Section 2 to which reference should be made. With regard to the organisational aspects of this category, the Articles of Association discipline the procedures for the disclosure to the Common Representative of potentially price sensitive transactions for savings shares, establishing that the Common Representative's fee may be paid by the Company through an Ordinary Shareholders' Meeting resolution and assigns the Common Representative management of the expense account to protect the category's interests, with the obligation to report to the Special Shareholders' Meeting. With regard to the Special Shareholders' Meeting, in addition to the appointment and activity requirements for the Common Representative, the Articles of Association refer to the law. The Special Shareholders' Meeting held on 23 April 2020, resolved:

- subject to reporting on the activities carried out, the confirmation of Mr. Francesco Foti as Common Representative for three accounting periods, with allocation of an annual fee of 10,000 Euros, inclusive of the lump-sum reimbursement of costs for fulfilling his duties and net of VAT and welfare contributions;
- establishment of a fund for the expenses necessary to protect the common interest for an amount equivalent to the fee due to the Common Representative, formally acknowledging that the recourse on the profits due to the savings shareholders exceeding the minimum guaranteed by the Articles of Association as envisaged by law, does not take place if the Ordinary Shareholders' Meeting resolves to assume the fee due to the Common Representative, to be paid by Banco Desio (resolution that was then adopted by the Ordinary Shareholders' Meeting held on the same date);
- to establish that the Common Representative must provide account of the use of the fund and, in any event, any costs incurred, as well as, in general, activities carried out, during the first Special Shareholders' Meeting called to resolve on the appointment to the office.

As envisaged in the Articles of Association, Banco Desio, as a rule via the Corporate Affairs Area, promptly informs the Common Representative of price sensitive corporate transactions, usually via the forwarding of press releases and any other documentation made public by law. Thus far, no resolutions that are detrimental to the rights of the category, such that they would require the approval of the Special Shareholders' Meeting have been adopted by Banco Desio's Bodies.

12 - INDEPENDENT AUDITING FIRM

Independent Auditing Firm in office until 31 December 2020

The company appointed to audit the accounts in accordance with the law is Deloitte & Touche S.p.A. with registered office in Milan. Upon the proposal of the Board of Statutory Auditors, the assignment was granted by the Shareholders' Meeting of 26 April 2012, with the total duration until the approval of the 2020 financial statements as at 31 December 2020. The agreed compensation is stated in dedicated comment notes contained in the Notes to the Consolidated Financial Statements and to the separate Financial Statements. The individual responsible for the audit assignment is Mr. Maurizio Ferrero. The same company is appointed to audit, in accordance with the law, all Italian subsidiaries and the parent company, as well as to express with a dedicated report, distinct from that of the auditor, a certification

of the compliance of the information provided in the Group's sustainability statement with respect to the requirements of Italian Legislative Decree no. 254/2016 and with respect to the principles, methodologies and procedures prescribed in Paragraph 3 of Article 3 of the same Legislative Decree.

Independent Auditing Firm in office as from 1 January 2021

The company appointed to audit the accounts in accordance with the law for the next nine years is KPMG S.p.A. with registered office in Milan. Upon the proposal of the Board of Statutory Auditors, the assignment was granted by the Shareholders' Meeting of 23 April 2020, with the total duration until the approval of the financial statements as at 31 December 2029. The agreed remuneration is indicated in the shareholders' meeting documentation published in accordance with the law (see also Section 10 above) as well as any other information required by the applicable provisions. In this context, the proposal of the Board of Statutory Auditors contains all the relevant information also on the selection procedure implemented. The individual responsible for the audit assignment is Mr. Alessandro Nespoli. The scope of the appointment is similar to that of the outgoing company.

13 - CHANGES AFTER THE END OF THE ACCOUNTING PERIOD

Between the date of the end of the last accounting period (31 December 2020) and the below-indicated date of approval of this Report, no significant changes took place with respect to those illustrated in the previous sections.

14 - COMMENTS ON THE LETTER OF THE CHAIRMAN OF THE CORPORATE GOVERNANCE COMMITTEE addressed to the issuers⁵²

By means of letter dated 22 December 2020 addressed to the Issuers, brought to the attention of the Chairman of the Board of Directors and of the Managing Directors and the Chairman of the Board of Statutory Auditors and analysed by the Independent Directors on the occasion of the preparation of this Report, the Corporate Governance Committee, in light of the results for the 2020 Report and of the analysis of the Issuers' conduct on the issues set forth in the 2019 letter, this year identified six main areas (two more than in the previous year) on which to press not only the administrative body, but also, for matters under its competence, the auditing body, for a better and more substantial application of the best practice recommended by the Code. The topics highlighted are the following:

- sustainability
- preliminary board disclosure
- criteria of independence
- self-assessment
- appointment and succession
- remuneration policies

⁵² The Corporate Governance Committee, established by Associations of businesses and of professional investors, as well as by Borsa Italiana, approves, in accordance with the Corporate Governance Code for Listed Companies, an annual Report on the application of the Code itself. The purpose of the aforementioned letter and of the Report attached therewith is to highlight the monitoring carried out by the Committee and stress the main critical issues noted, to promote ever more aware enforcement of the Code by the Issuers that have adopted it and, more in general, to promote the evolution of the corporate governance by all Italian listed companies according to the principles of the Code, regardless of their formal adoption thereof.

For the related examination in relation to the position of Banco Desio, refer in full to the attached table **(ATTACHMENT C)**.

Desio, Italy, 25 February 2021

On behalf of the Board of Directors
The Chairman
(Mr. Stefano Lado)

VALUTAZIONI DEGLI AMMINISTRATORI INDIPENDENTI

Il giorno 23 febbraio 2021 si sono riuniti gli Amministratori Indipendenti del Banco di Desio e della Brianza SpA, nelle persone dei Signori:

- Valentina CASELLA
- Ulrico DRAGONI
- Cristina FINOCCHI MAHNE
- Giulia PUSTERLA
- Laura TULLI

La riunione è stata indetta dagli Amministratori Indipendenti per esprimere una propria valutazione sugli aspetti di loro competenza della Relazione Annuale sul Governo Societario, tenuto conto del ruolo che il Codice di Corporate Governance delle Società Quotate attribuisce, nel novero dei componenti non esecutivi, soprattutto a tali Amministratori.

In sede di esame della Relazione Annuale sul Governo Societario, gli Amministratori Indipendenti hanno analizzato le raccomandazioni da ultimo formulate agli Emittenti dal Comitato Italiano per la Corporate Governance nelle seguenti aree: sostenibilità, informativa pre-consiliare, criteri d'indipendenza, autovalutazione, nomina e successione, politiche di remunerazione, in considerazione anche di quanto analizzato in sede di processo di autovalutazione degli Organi consiliari (il cui esito è sintetizzato all'Allegato B). Tali aree sono rappresentate nell'Allegato C in raccordo con il testo della Relazione Annuale sul Governo Societario.

Nell'ambito di tale analisi, gli Amministratori Indipendenti hanno avuto modo di apprezzare:

- *il proseguimento del percorso di evoluzione progressiva sui fattori "ESG" (Environmental, Social, Governance) avviato in precedenza dal Gruppo, che è stato ulteriormente sviluppato anche attraverso l'inserimento nel sistema incentivante di obiettivi ESG; e*
- *il funzionamento dei meccanismi di governo societario del Banco, auspicando che*
 - *per quanto riguarda la documentazione consiliare si riprenda in considerazione l'opportunità di rendere disponibili sull'apposita piattaforma, con la tempistica prevista per tale documentazione in generale, anche i documenti che, essendo soggetti ad un regime di particolare riservatezza, sono attualmente consultabili solo presso la Sede nei giorni precedenti alle sedute;*
 - *per quanto riguarda la documentazione dei Comitati vi sia un migliore allineamento dei tempi di messa a disposizione.*

Nel corso della riunione gli Amministratori Indipendenti hanno inoltre espresso una valutazione positiva sull'evoluzione manageriale e organizzativa del Banco che, in linea con gli auspici formulati lo scorso anno, ha impresso una spinta allo sviluppo di una riflessione strategica confluita nel Piano Industriale di recente approvazione, al fine di sostenere in modo strutturale la redditività nonostante il contesto pandemico, e la sostenibilità di lungo termine, supportata anche dallo sviluppo di iniziative volte ad accelerare l'innovazione tecnologica della Banca in termini di processo e di prodotto.

Esaminata dettagliatamente la Relazione Annuale sul Governo Societario viene espressa una valutazione parimenti positiva sul testo della stessa.

Valentina CASELLA

Ulrico DRAGONI

Cristina FINOCCHI MAHNE

Giulia PUSTERLA

Laura TULLI

ESITO DEL PROCESSO DI AUTOVALUTAZIONE DEGLI ORGANI CONSILIARI

Oggetto dell'autovalutazione è il Consiglio di Amministrazione e viene preso in esame, fra l'altro, il funzionamento dei seguenti Comitati endoconsiliari:

- Comitato Esecutivo
- Comitato Controllo Rischi e Sostenibilità
- Comitato per le Nomine
- Comitato per la Remunerazione
- Comitato per le Operazioni con Parti Correlate e Soggetti Collegati

In conclusione, il Consiglio di Amministrazione ritiene che, per tutti gli aspetti oggetto di analisi con riferimento all'Organo amministrativo e ai Comitati costituiti al suo interno, l'autovalutazione si concluda con un giudizio di adeguatezza, seppur con alcune aree di miglioramento (peraltro oggetto di interventi già in buona parte indirizzati). Gli Amministratori sono messi in grado di raggiungere decisioni informate, in ottica di sana e prudente gestione.

Quanto sopra, fermo restando che tutti gli aspetti considerati nell'autovalutazione continueranno ad essere oggetto di monitoraggio, anche in ottica di raggiungimento della piena adeguatezza, in relazione all'evolversi del contesto normativo del settore finanziario e/o del perimetro operativo del Gruppo Banco Desio.

RACCOMANDAZIONE	Commenti	Relazione di Corporate Governance per l'esercizio 2019	Relazione di Corporate Governance per l'esercizio 2020
<p>RACCOMANDAZIONE 1 Il Comitato invita i consigli di amministrazione a integrare la sostenibilità dell'attività d'impresa nella definizione delle strategie, del sistema di controllo interno e di gestione dei rischi e della politica di remunerazione, anche sulla base di un'analisi di rilevanza dei fattori che possono incidere sulla generazione di valore nel lungo periodo.</p>	<p>La prima area di miglioramento riguarda dunque la gestione dei temi di sostenibilità dell'attività di impresa. Tra i principi più innovativi della nuova edizione del Codice emergono, in particolare, un più marcato orientamento alla sostenibilità dell'attività d'impresa e l'adozione diffusa di un criterio di flessibilità proporzionalità applicativa delle <i>raccomandazioni</i> del Codice, nel quadro di una valorizzazione dell'autonomia anche statutaria delle singole società nel delineare gli assetti e le prassi di governance più funzionali alle loro caratteristiche.</p> <p>Sotto il profilo della sostenibilità, un ruolo fondamentale è assunto dal successo sostenibile, quale obiettivo prioritario che dovrebbe guidare l'organo di amministrazione, definito quale <i>"obiettivo (...) che si sostanzia nella creazione di valore nel lungo termine a beneficio degli azionisti, tenendo conto degli interessi degli altri stakeholder rilevanti per la società"</i> (Codice di Corporate Governance 2020, <i>Definizioni</i>).</p> <p>L'individuazione dell'obiettivo del 'successo sostenibile' poggia, dunque, sul rapporto che la società instaura con i propri <i>stakeholder</i>: categoria ampia di portatori di interesse che il Codice non definisce, lasciando alle società l'opportuna flessibilità nell'individuazione di coloro che intende rilevanti per il perseguimento del successo sostenibile dell'impresa.</p> <p>L'integrazione degli obiettivi di sostenibilità dell'impresa nel lungo termine dovrebbe influire, nell'ottica di una buona <i>governance</i>, anche sugli obiettivi cui è parametrata almeno in parte la remunerazione variabile degli esecutivi.</p> <p>Tra i parametri di <i>performance</i> non finanziaria, parte dell'analisi riguarda l'utilizzo di parametri non finanziari legati agli obiettivi ambientali e sociali dell'attività di impresa o comunque agli obiettivi della sua responsabilità sociale (ESG).</p>	<p>6 Meccanismi di remunerazione e incentivazione Comitato Remunerazione</p> <p>I criteri seguiti per la remunerazione e l'incentivazione del management del Gruppo sono in linea con i principi generali della correlazione di tali emolumenti ai risultati economici, della coerenza con le strategie e della parametrizzazione al rischio, in modo da evitare il prodursi di incentivi in conflitto con l'interesse della società in un'ottica di lungo periodo, come indicato anche nella citata Circolare n. 285.</p> <p>La remunerazione del Direttore Generale e dei Dirigenti con responsabilità strategiche del Banco Desio è rappresentata da una parte fissa ed una parte variabile, opportunamente differita in conformità con la citata Circolare n. 285, come meglio dettagliato nella citata Relazione sulla Remunerazione. Per quanto concerne il C.d.A. della Capogruppo, lo Statuto prevede che l'Assemblea Ordinaria determini il compenso globale per gli Amministratori diversi dal Presidente, dai Vice Presidenti e da eventuali Amministratori con deleghe operative o incarichi particolari; al C.d.A., sentito il parere del Collegio Sindacale, compete la determinazione del compenso di questi ultimi, nonché il riparto tra gli altri consiglieri del compenso globale stabilito dall'Assemblea; i criteri di riparto tengono conto anche degli incarichi interni al C.d.A. e ai diversi Comitati da ciascuno ricoperti (inclusi ove previsti gli incarichi di Segretario).</p> <p>Per maggiori informazioni sulle politiche di remunerazione e incentivazione, si rimanda alla Relazione sulla Remunerazione</p>	<p>6 Meccanismi di remunerazione e incentivazione Comitato Remunerazione</p> <p>I criteri seguiti per la remunerazione e l'incentivazione del management del Gruppo sono in linea con i principi generali della correlazione di tali emolumenti ai risultati economici, della coerenza con le strategie e della parametrizzazione al rischio, in modo da evitare il prodursi di incentivi in conflitto con l'interesse della società in un'ottica di lungo periodo, come indicato anche nella citata Circolare n. 285.</p> <p>La remunerazione del Direttore Generale e dei Dirigenti con responsabilità strategiche del Banco Desio è rappresentata da una parte fissa ed una parte variabile, opportunamente differita in conformità con la citata Circolare n. 285, come meglio dettagliato nella citata Relazione sulla Remunerazione. Per quanto concerne il C.d.A. della Capogruppo, lo Statuto prevede che l'Assemblea Ordinaria determini il compenso globale per gli Amministratori diversi dal Presidente, dai Vice Presidenti e da eventuali Amministratori con deleghe operative o incarichi particolari; al C.d.A., sentito il parere del Collegio Sindacale, compete la determinazione del compenso di questi ultimi, nonché il riparto tra gli altri consiglieri del compenso globale stabilito dall'Assemblea; i criteri di riparto tengono conto anche degli incarichi interni al C.d.A. e ai diversi Comitati da ciascuno ricoperti (inclusi ove previsti gli incarichi di Segretario).</p> <p>Nelle schede di attribuzione degli obiettivi quali/quantitativi per l'anno 2020 destinati al Personale più rilevante, sono stati introdotti anche obiettivi di sostenibilità, quali l'attivazione di percorsi inclusivi per sostenere la diversità di genere ed età, in linea con la recente definizione degli obiettivi di sostenibilità del Banco.</p> <p>Per maggiori informazioni sulle politiche di remunerazione e incentivazione, si rimanda alla Relazione sulla Remunerazione.</p> <p>7 Sistema di controllo interno e di gestione dei rischi Comitato Controllo Rischi e Sostenibilità' - Dirigente Preposto alla redazione dei documenti contabili e processo di informativa finanziaria - Dichiarazione non finanziaria - Politiche di diversità' - Codice etico - Whistleblowing</p> <p>Il Consiglio di Amministrazione definisce la natura e il livello di rischio compatibile con gli obiettivi strategici dell'emittente, includendo nelle proprie valutazioni tutti i rischi che possono assumere rilievo nell'ottica della sostenibilità nel medio-lungo periodo dell'attività del Gruppo Banco Desio. Il Consiglio svolge un ruolo</p>

			<p>fondamentale nella valutazione dell'effettivo funzionamento del sistema di controllo interno e gestione dei rischi che possono assumere rilievo nell'ottica anzidetta. In presenza di circostanze rilevanti, il Consiglio acquisisce le informazioni necessarie e adotta ogni opportuno provvedimento per la tutela del Gruppo e dell'informativa al mercato.</p> <p>Anche in relazione all'introduzione della Dichiarazione Non Finanziaria, è stato assegnato al Comitato Controllo Rischi e Sostenibilità un ruolo di supervisione per le tematiche rientranti nel quadro progettuale del c.d. "Bilancio di Sostenibilità", nell'ambito del proprio ruolo consultivo-propositivo ai fini dell'approvazione da parte del Consiglio di Amministrazione delle strategie e delle politiche in argomento, nonché dell'esame del relativo reporting.</p> <p>Nell'ambito del ruolo di natura consultiva/propositiva circa i temi di sostenibilità, il Comitato ha, tra l'altro, analizzato criticamente gli aggiornamenti della "matrice di materialità" per la Dichiarazione Non Finanziaria (DNF) 2020, con i relativi impatti sulle politiche del credito e degli investimenti, strategie aziendali in diversi comparti, nonché sulle Policy e sui Regolamenti della Banca. In tale ambito, la discussione si è focalizzata in particolare sull'attività di "stakeholders engagement", laddove è emersa: i) una chiara convergenza che può essere sintetizzata nell'istanza di sostenibilità aziendale, come "far bene la banca", secondo un modello di business maggiormente orientato agli obiettivi di medio-lungo termine e quindi meglio in grado di creare valore in modo duraturo; ii) una sostanziale conferma di adeguatezza dell'Action plan 2020; iii) un impegno prioritario circa gli impatti diretti riferiti a temi quali "Qualità e innovazione nella relazione con la clientela", "Tutela del benessere dei dipendenti", "Attrazione, sviluppo e retention dei talenti" e "Sicurezza e protezione dei dati"; ai predetti temi attinenti le risorse umane è connesso quello della "Diversity e pari opportunità".</p> <p>L'ultima revisione del Codice Etico è stata approvata con delibera consiliare del 28 giugno 2018/17 dicembre 2020 (sempre previo coinvolgimento del Comitato Controllo Rischi e Sostenibilità e del Collegio Sindacale) e in particolare: i) sono stati sviluppati i temi inerenti i rapporti con gli azionisti inserendo un nuovo paragrafo ad essi dedicato; ii) sono stati razionalizzati i riferimenti ai c.d. "soggetti implicati in attività illecite"; iii) è stato incorporato il Codice di Condotta Commerciale (che costituiva un documento separato approvato nell'ambito delle progettualità in materia ESG); iv) per quanto riguarda la segnalazione di violazioni si è ritenuto appropriato canalizzare le segnalazioni di violazioni del Codice nel sistema di Whistleblowing, sia pure tenendole distinte dalle segnalazioni di violazioni di norme che disciplinano l'attività bancaria o di violazioni del MOG.</p>
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ANALISI RACCOMANDAZIONI DEL COMITATO DELLA CORPORATE GOVERNANCE PER L'ESERCIZIO 2021 - ALLEGATO "C" RELAZIONE DI CORPORATE GOVERNANCE

RACCOMANDAZIONE	Commenti	Relazione di Corporate Governance per l'esercizio 2019	Relazione di Corporate Governance per l'esercizio 2020
<p>RACCOMANDAZIONE 2 Il Comitato raccomanda ai consigli di amministrazione di curare l'informativa pre-consiliare, invitandoli a: i) determinare esplicitamente i termini ritenuti congrui per l'invio della documentazione; ii) fornire nella relazione sul governo societario una chiara indicazione dei termini individuati e sul loro effettivo rispetto; iii) non prevedere che tali termini siano derogabili per mere esigenze di riservatezza.</p>	<p>La seconda area di miglioramento continua a riguardare la qualità dell'informativa pre-consiliare. Le criticità individuate riguardano la mancata indicazione dei termini per l'invio della documentazione pre-consiliare e/o la mancata indicazione se tali termini sono stati normalmente rispettati e/o la previsione che a tali termini è possibile derogare per ragioni di riservatezza.</p>	<p>Secondo quanto stabilito dallo Statuto e dal Regolamento Informazione Societaria, le riunioni del C.d.A. sono convocate dal Presidente con avviso trasmesso almeno 5 giorni prima e contenente l'elenco delle materie da trattare; la documentazione relativa agli argomenti all'ordine del giorno viene messa a disposizione dei consiglieri e dei sindaci, previa trasmissione, a mezzo di un'apposita piattaforma informatica, con un anticipo di norma di almeno 3 giorni (elevato a 7 giorni per il verbale della precedente seduta). I documenti non trasmessi entro le 48 ore prima della seduta (tipicamente quelli "price sensitive" al fine di massimizzare la protezione delle informazioni privilegiate in una logica di particolare cautela verso ogni possibile forma di violazione informatica da parte di terzi) vengono messi a disposizione per la consultazione presso l'Ufficio Segreteria Generale e Societaria a partire almeno dalla mattina del giorno lavorativo antecedente la seduta stessa. Tale anticipo è ritenuto generalmente congruo dal Consiglio di Amministrazione e risulta rispettato. Specialmente per documenti particolarmente complessi, la messa a disposizione avviene anche prima dei termini minimi sopra indicati e talvolta della stessa trasmissione dell'avviso di convocazione. In ogni caso, fatti salvi eventuali casi di "price sensitivity", laddove non sia stato possibile, per la necessità di assicurarne la riservatezza ovvero per altre motivate ragioni anche di opportunità/urgenza, fornire con congruo anticipo i documenti in questione, vengono effettuati adeguati approfondimenti nel corso delle riunioni. I vincoli di riservatezza della documentazione e delle informazioni oggetto di delibere consiliari sono statuiti - in coerenza con la citata regolamentazione sul "market abuse" - anche dal Regolamento Informazione Societaria, per gli amministratori, i sindaci, i revisori esterni e per tutti i dipendenti che entrino in possesso di documentazione e informazioni potenzialmente "price sensitive".</p>	<p>Secondo quanto stabilito dallo Statuto e dal Regolamento Informazione Societaria, le riunioni del C.d.A. sono convocate dal Presidente con avviso trasmesso almeno 5 giorni prima e contenente l'elenco delle materie da trattare; la documentazione relativa agli argomenti all'ordine del giorno viene messa a disposizione dei consiglieri e dei sindaci, previa trasmissione, a mezzo di un'apposita piattaforma informatica, con un anticipo di norma di almeno 3 giorni (elevato a 7 giorni per il verbale della precedente seduta). I documenti non trasmessi entro le 48 ore prima della seduta (tipicamente quelli "price sensitive" al fine di massimizzare la protezione delle informazioni privilegiate in una logica di particolare cautela verso ogni possibile forma di violazione informatica da parte di terzi) vengono messi a disposizione per la consultazione presso l'Area Affari Societari a partire almeno dalla mattina del giorno lavorativo antecedente la seduta stessa. Tale anticipo è ritenuto generalmente congruo dal Consiglio di Amministrazione e risulta rispettato. Specialmente per documenti particolarmente complessi, la messa a disposizione avviene anche prima dei termini minimi sopra indicati e talvolta della stessa trasmissione dell'avviso di convocazione. In ogni caso, fatti salvi eventuali casi di "price sensitivity", laddove non sia stato possibile, per la necessità di assicurarne la riservatezza ovvero per altre motivate ragioni anche di opportunità/urgenza, fornire con congruo anticipo i documenti in questione, vengono effettuati adeguati approfondimenti nel corso delle riunioni. I vincoli di riservatezza della documentazione e delle informazioni oggetto di delibere consiliari sono statuiti - in coerenza con la citata regolamentazione sul "market abuse" - anche dal Regolamento Informazione Societaria, per gli amministratori, i sindaci, i revisori esterni e per tutti i dipendenti che entrino in possesso di documentazione e informazioni potenzialmente "price sensitive".</p>

ANALISI RACCOMANDAZIONI DEL COMITATO DELLA CORPORATE GOVERNANCE PER L'ESERCIZIO 2021 - ALLEGATO "C" RELAZIONE DI CORPORATE GOVERNANCE

RACCOMANDAZIONE	Commenti	Relazione di Corporate Governance per l'esercizio 2019	Relazione di Corporate Governance per l'esercizio 2020
<p>RACCOMANDAZIONE 3 Sul tema dell'applicazione dei criteri d'indipendenza, il Comitato invita i consigli di amministrazione a: i) giustificare sempre su base individuale l'eventuale disapplicazione di uno o più criteri di indipendenza; ii) definire ex ante i criteri quantitativi e/o qualitativi da utilizzare per la valutazione della significatività dei rapporti oggetto di esame.</p>	<p>La terza area di miglioramento riguarda, anch'essa, un tema già oggetto di passate raccomandazioni del Comitato, relativo alla concreta e integrale applicazione dei criteri di indipendenza raccomandati dal Codice. Quanto all'applicazione dei criteri di indipendenza indicati dal Codice, i dati 2020 delineano una situazione in graduale miglioramento, confermando l'evoluzione positiva già registrata nel 2019. Se stabile è la deroga in via generale a uno o più criteri di indipendenza raccomandati dal Codice, risultano in lieve diminuzione le società che disapplicano i criteri di indipendenza con riferimento a singoli amministratori, anche se spesso le motivazioni che giustificano la qualificazione di un amministratore come indipendente, nonostante non risultino rispettati tutti i criteri del Codice, sono generiche. Più accentuata è la riduzione delle società in cui sono presenti amministratori qualificati come indipendenti che non sembrano rispettare tutti i criteri del Codice (soprattutto in relazione al superamento del limite dei nove anni di mandato e alla percezione di remunerazioni aggiuntive di importo significativo rispetto al compenso per la carica e per la partecipazione ai comitati), senza che vengano fornite motivazioni. Si conferma, infine, molto rara, seppure in lieve crescita, la <i>disclosure</i> di informazioni in merito ai criteri quantitativi e/o qualitativi utilizzati per la valutazione della significatività dei rapporti, il cui utilizzo è funzionale ad una corretta applicazione dei criteri di indipendenza.</p>	<p>Gli Amministratori che, in virtù di tali valutazioni e verifiche, effettuate nel corso del 2019 e confermate anche in occasione dell'approvazione della presente Relazione, risultano attualmente in possesso dei requisiti d'indipendenza (tutti ai sensi sia del TUF, sia del Codice di Autodisciplina ad eccezione del suddetto criterio dei "nove anni", fatto salvo che i casi di supero sono oggetto di analisi specifica secondo le raccomandazioni formulate Comitato Italiano per la Corporate Governance) sono di seguito elencati:</p> <ul style="list-style-type: none"> - Avv. Gerolamo Pellicanò (data di prima nomina 30.04.2002) - Prof.ssa Cristina Finocchi Mahne (data di prima nomina 30.05.2013) - Prof.ssa Marina Brogi (data di nomina 06.04.2017) - Dott. Nicolò Dubini (data di nomina 06.04.2017) - Avv. Valentina Casella (data di nomina 28.03.2019) 	<p>Gli Amministratori che, in virtù di tali valutazioni e verifiche, effettuate nel corso del 2020 con il rinnovo delle cariche e confermate anche in occasione dell'approvazione della presente Relazione, risultano attualmente in possesso dei requisiti d'indipendenza (tutti ai sensi sia del TUF, sia del Codice di Autodisciplina) sono di seguito elencati:</p> <ul style="list-style-type: none"> - Avv. Valentina Casella (data di prima nomina 28.03.2019) - Dott. Ulrico Dragoni (data di nomina 23.04.2020) - Prof.ssa Cristina Finocchi Mahne (data di prima nomina 30.05.2013) - Dott.ssa Giulia Pusterla (data di nomina 23.04.2020 come Amministratore e in precedenza 29.04.2014 come Sindaco) - Dott.ssa Laura Tulli (data di nomina 23.04.2020) <p>In occasione dell'adozione della Policy di Fit&Proper nel corso del 2021 si provvederà anche a definire ex ante i criteri quantitativi e/o qualitativi da utilizzare per la valutazione della significatività dei rapporti oggetto di esame.</p>

ANALISI RACCOMANDAZIONI DEL COMITATO DELLA CORPORATE GOVERNANCE PER L'ESERCIZIO 2021 - ALLEGATO "C" RELAZIONE DI CORPORATE GOVERNANCE

RACCOMANDAZIONE	Commenti	Relazione di Corporate Governance per l'esercizio 2019	Relazione di Corporate Governance per l'esercizio 2020
<p>RACCOMANDAZIONE 4 Sul tema dell'autovalutazione dell'organo di amministrazione, il Comitato invita a: i) valutare il contributo del board alla definizione dei piani strategici; ii) sovrintendere al processo di board review.</p>	<p>Il Codice di autodisciplina raccomanda ai consigli di amministrazione di effettuare, almeno annualmente, l'autovalutazione del consiglio e dei propri comitati ed esprimere all'esito della stessa, in vista del rinnovo del consiglio, gli orientamenti sulle figure professionali la cui presenza in consiglio sia ritenuta opportuna.</p> <p>Il Codice raccomanda, in caso di coinvolgimento di un consulente esterno, che siano fornite le informazioni relative alla sua identificazione e, soprattutto, sugli altri servizi prestati dallo stesso.</p> <p>Nel 2017 il Comitato aveva auspicato che l'autovalutazione fosse estesa all'esame dell'efficace funzionamento del <i>board</i>, comprendendo, a tal fine, sia l'approvazione di piani strategici sia il monitoraggio sull'andamento della gestione e sull'adeguatezza del sistema di controllo interno e di gestione dei rischi. Dagli esiti di alcune autovalutazioni, la cui pubblicazione non è comunque raccomandata dal Codice, si osserva come alcuni consigli abbiano proposto tra le aree di miglioramento proprio l'opportunità di dedicare maggiore e migliore approfondimento ai temi strategici rispetto a quelli di <i>compliance</i> e regolamentari.</p>	<p>Non riportata in quanto l'anno scorso questa raccomandazione non era presente</p>	<p>Il Consiglio di Amministrazione ha a suo tempo approvato il Regolamento Interno di Autovalutazione degli Organi, al fine di disciplinare il relativo processo in conformità a quanto previsto dalla citata Circolare n. 285, individuando in particolare le metodologie da utilizzare (basate principalmente sulla compilazione di un apposito questionario da parte di ciascun Consigliere, nonché sullo svolgimento di un'apposita intervista, eventualmente anche in forma scritta, complementare alla compilazione del questionario) e i profili oggetto di analisi - a livello aggregato - riguardo alla composizione (professionalità, indipendenza, ecc.) nonché al funzionamento (prassi operative, flussi informativi, ecc.) del Consiglio e dei Comitati costituiti al suo interno. Detto Regolamento è stato oggetto di revisione in data 8 febbraio 2018, prevedendo, tra l'altro, il coinvolgimento preventivo del Comitato Nomine nella procedura di selezione della società di consulenza incaricata di supportare il processo di autovalutazione.</p> <p>La metodologia di valutazione (la cui applicazione viene opportunamente differenziata nel corso del mandato triennale del Consiglio) è basata su modelli aggiornati alla luce delle "best practices" del settore bancario. Il ricorso ad un consulente e lo svolgimento dell'intervista in forma orale a cura dello stesso sono previsti almeno ogni 3 anni. Nel caso di specie, essendosi adottata tale modalità lo scorso anno ed essendosi ora al primo anno del mandato consiliare, si è ritenuto di adottare una modalità che non prevede lo svolgimento di interviste e che prevede il supporto esterno di una società di consulenza (che assiste l'Area Affari Societari anche per altre attività [ad es. "Fit&Proper Assessment"]) limitatamente alle seguenti attività operative: i) l'aggiornamento del "tool" a suo tempo fornito dalla medesima società; ii) la raccolta delle risposte [alcune delle quali riguardano in particolare i piani strategici]; iii) l'elaborazione delle risultanze attraverso l'alimentazione del "tool". Le altre attività a supporto della valutazione del Consiglio - tra cui la finalizzazione della bozza di Relazione - sono quindi effettuate dall'Area Affari Societari sotto la supervisione del Presidente e con il coinvolgimento del Comitato Nomine.</p>

ANALISI RACCOMANDAZIONI DEL COMITATO DELLA CORPORATE GOVERNANCE PER L'ESERCIZIO 2021 - ALLEGATO "C" RELAZIONE DI CORPORATE GOVERNANCE

RACCOMANDAZIONE	Commenti	Relazione di Corporate Governance per l'esercizio 2019	Relazione di Corporate Governance per l'esercizio 2020
<p>RACCOMANDAZIONE 5 Sul tema della nomina e successione degli amministratori, il Comitato invita i consigli di amministrazione a: i) rendere conto puntualmente delle attività svolte dal comitato nomine nel caso in cui sia unificato con il comitato remunerazioni o le sue funzioni siano attribuite al plenum consiliare; ii) assicurare la completezza e la tempestività delle proposte di delibera funzionali al processo di nomina degli organi sociali ed esprimere, almeno nelle società a proprietà non concentrata, un orientamento sulla sua composizione ottimale; iii) prevedere, almeno nelle società grandi, un piano di successione per gli amministratori esecutivi che individui almeno le procedure da seguire in caso di cessazione anticipata dall'incarico.</p>	<p>La quinta area di miglioramento riguarda la nomina e la successione degli amministratori. L'assenza di piani di successione è stata riscontrata nel 70% delle società, la cui istituzione, benché non richiesta espressamente dal Codice, è stata ripetutamente raccomandata dal Comitato.</p>	<p>Non riportata in quanto l'anno scorso questa raccomandazione non era presente</p>	<p>3.8 Piani di successione In data 1 ottobre 2020 il Consiglio di Amministrazione, previo parere favorevole del Comitato Nomine, ha approvato la Policy per il Piano di successione e il Piano di successione, che si applicano ai ruoli di vertice dell'Esecutivo della Banca (Amministratore Delegato/Direttore Generale ed eventuale Vice Direttore Generale) e che si è ritenuto opportuno estendere anche al Dirigente Preposto ai documenti contabili.</p>
<p>RACCOMANDAZIONE 6 Il Comitato raccomanda agli organi di amministrazione, con riferimento alle politiche di remunerazione, di: i) fornire chiare indicazioni in merito all'individuazione del peso della componente variabile, distinguendo tra componenti legate a orizzonti temporali annuali e pluriennali; ii) rafforzare il collegamento della remunerazione variabile ad obiettivi di performance di lungo termine, includendo, ove rilevanti, anche parametri non finanziari; iii) limitare a casi eccezionali, previa adeguata spiegazione, la possibilità di erogare somme non legate a parametri predeterminati (i.e. bonus ad hoc); iv) definire criteri e procedure per l'assegnazione di indennità di fine carica; v) verificare che la misura dei compensi riconosciuti agli amministratori non esecutivi e ai componenti dell'organo di controllo sia adeguata alla competenza, alla professionalità e all'impegno richiesti dal loro incarico.</p>	<p>La sesta area di miglioramento riguarda le politiche di remunerazione. Nell'area delle politiche di remunerazione un grado di applicazione molto elevato è rilevabile nella previsione di una remunerazione variabile per gli amministratori esecutivi nella previsione di un tetto a questa componente e nel legare la remunerazione variabile a obiettivi di medi-lungo periodo. Elevata e in crescita rispetto al 2019 è anche la previsione di clausole di <i>claw-back</i> e di obiettivi di performance per la remunerazione variabile legati a obiettivi legati alle strategie delle società, ulteriori rispetto a quelli di profittabilità La remunerazione degli amministratori non esecutivi e dei componenti dell'organo di controllo mostra una graduale tendenza verso una maggiore valorizzazione della competenza, della professionalità e dell'impegno richiesti dal loro incarico.</p>	<p>Si rinvia al primo "box" e alla Relazione sulla Remunerazione e i Compensi (che fornisce in merito ampia ad approfondita illustrazione)</p>	<p>Si rinvia al primo "box" e alla Relazione sulla Remunerazione e i Compensi (che fornisce in merito ampia ad approfondita illustrazione)</p>

TABELLA 1 - STRUTTURA E FUNZIONAMENTO DEL CONSIGLIO DI AMMINISTRAZIONE E DEI COMITATI AL 31.12.2020

CONSIGLIO DI AMMINISTRAZIONE (Nominato dall'assemblea del 23 aprile 2020 e in scadenza con l'approvazione del bilancio al 31 dicembre 2022)									Comitato Esecutivo (nominato il 23 aprile 2020)		Comitato Nomine (nominato il 23 aprile 2020)		Comitato Remunerazione (nominato il 23 aprile 2020)		Comitato Controllo Rischi e Sostenibilità (nominato il 23 aprile 2020)		Assemblee Ord./Straord./Risp.	Comitato Operazioni con Parti Correlate e Soggetti Collegati (nominato il 23 aprile 2020)	
Carica	Nome e Cognome	Data di nascita	Data di prima nomina	Lista	Indipendente	Esecutivo	N. altri incarichi (esterni al Gruppo)	N. presenze su tot. riunioni 2020 (16)	Membro del Comitato	N. presenze su tot. riunioni 2020 (13)	Membro del Comitato	N. presenze su tot. riunioni 2020 (11)	Membro del Comitato	N. presenze su tot. riunioni 2020 (9)	Membro del Comitato	N. presenze su tot. riunioni 2020 (16)	N. presenze su tot. riunioni 2020 (1)	Membro del Comitato	N. presenze su tot. riunioni 2020 (6)
Presidente	Stefano Lado	17.04.1960	23.04.1993	M	No	No	2	16	No	-	No	2 su invito SI dal 23 aprile	SI fino al 23 aprile	4 2 su invito	No		1	No	
Amministratore	Agostino Gavazzi	05.04.1945	05.05.1983	M	No	SI (*)	-	16	SI	13	No		No		No		1	No	
Vice Presidente e AISCI fino al 23 aprile	Tommaso Cartone	15.01.1942	19.06.2012	M	No	No	-	15	No	-	No		No		SI fino al 15 dicembre	16	1	No	
Amministratore	Egidio Gavazzi	14.08.1937	28.04.2008	M	No	SI (*)	-	16	SI	13	No		No		No		1	No	
Amministratore fino al 23 aprile	Paolo Gavazzi	29.05.1947	28.04.1997	M	No	SI (*)	-	5	SI	2	No		No		No		1	No	
Amministratore	Tito Gavazzi (**)	20.10.1976	29.04.2014	M	No	SI (*)	-	16	SI	13	No		No		No		1	No	
Amministratore	Graziella Bologna	08.12.1954	29.04.2014	M	No	SI (*)	-	16	SI	13	No		No		No		1	No	
Amministratore	Cristina Finocchi Mahne	01.07.1965	30.05.2013	M	SI	No	3	16	No	-	SI	11	No		SI	15	1	No	
Amministratore fino al 23 aprile	Gerolamo Pellicano'	14.09.1949	30.04.2002	M	SI	No	-	5	No	-	SI fino al 23 aprile	4	No		SI fino al 23 aprile	5	1	No	
Amministratore	Valentina Maria Carla Casella	19.10.1979	28.03.2019	M	SI	No	-	16	No	-	No		SI	9	No		1	SI	6
Amministratore fino al 23 aprile	Marina Brogi	15.07.1967	06.04.2017	M	SI	No	2	5	No	-	SI fino al 23 aprile	4	No		No		-	SI fino al 23 aprile	2
Amministratore fino al 23 aprile	Nicolò Dubini	28.05.1948	06.04.2017	M	SI	No	3	5	No	-	No		SI fino al 23 aprile	4	No		1	SI fino al 23 aprile	2
Amministratore dal 23 aprile	Ulrico Dragoni	21.07.1947	23.04.2020	m	SI	No	-	6	No	-	No		SI dal 23 aprile	5	No		-	SI dal 23 aprile	2
Amministratore dal 23 aprile	Giulia Pusterla	12.02.1960	23.04.2020	M	SI	No	4	10	No	-	No		No		SI dal 23 aprile	11	-	SI dal 23 aprile	4
Amministratore dal 23 aprile	Laura Tulli	08.08.1980	23.04.2020	M	SI	No	-	11	No	-	SI dal 23 aprile	7	SI dal 23 aprile	5	No		-	No	
Amministratore Delegato e Direttore Generale dal 23 aprile	Alessandro Decio	10.01.1966	23.04.2020	-	No	SI	1	11	SI	11	No	4 su invito	No	1 su invito		10 su invito	-		
Direttore Generale fino al 23 aprile Vice Direttore Generale dal 23 aprile fino al 15 settembre	Angelo Antoniazzi	14.01.1962	11.07.2017(**)	-	No	No	-	5 per statuto		2 per statuto	No	1 su invito	No	3 su invito	No	5 su invito	1	No	
Vice Direttore Generale Vicario fino al 23 aprile	Mauro Walter Colombo	18.04.1960	02.05.2016	-	No	No	-	5 per statuto			No		No		No	5 su invito	-	No	
Vice Direttore Generale Affari fino al 23 aprile	Maurizio Ballabio	24.08.1960	18.07.2016	-	No	No	-	5 per statuto		1 per statuto	No		No		No		-	No	

M = Lista di Maggioranza

m = Lista di Minoranza

DURATA MEDIA RIUNIONI CDA E COMITATI 2020

2 h e 55 minuti circa

40 minuti circa

1 h e 5 minuti circa

45 minuti circa

2 h e 45 minuti circa

35 minuti circa

Quorum richiesto per la presentazione delle liste da parte delle minoranze per l'elezione di uno o più membri (ex art. 147-ter TUF): 2,5%

(*) tale Amministratore viene considerato esecutivo in relazione all'appartenenza al Comitato Esecutivo, tenuto conto dell'attività dello stesso in termini di frequenza delle riunioni ed estensione delle competenze di detto Comitato.

(**) con decorrenza 19.07.2017

(***) con decorrenza 19.01.2021 è stato nominato membro del CCRS e cessato dalla carica nel Comitato Esecutivo

TABELLA 2 - STRUTTURA E FUNZIONAMENTO DEL COLLEGIO SINDACALE
(Nominato dall'Assemblea del 23 aprile 2020 e in scadenza con l'approvazione del bilancio al 31 dicembre 2022)
(Composizione fino al 22 aprile 2020: Nominato dall'Assemblea del 6 aprile 2017 e in scadenza con l'approvazione del bilancio al 31 dicembre 2019)

Carica	Nome e Cognome	data di nascita	data di prima nomina	lista	Indipendenza da Codice di Autodisciplina	N. altri incarichi **	N. presenze alle attività del Collegio Sindacale (tot. 52)* (di cui n. 19 in funzione di ODV 231)	N. presenze alle Assemblee (tot. 1)	N. presenze alle riunioni del CdA (tot. 16)	N. presenze alle riunioni del CE (tot. 13)	N. presenze alle riunioni del CCRS (tot. 16)	N. presenze alle riunioni del CR (tot. 9)	N. presenze alle riunioni del CN (tot. 11)	N. presenze alle riunioni del COPC (tot. 6)
Sindaco Effettivo	Rodolfo Anghileri	28/02/1948	30/04/2002	maggioranza	SI	6	52 (di cui n. 19 in funzione di ODV 231)	1	16	13	16	9	11	6
Sindaco Effettivo (*)	Stefania Chiaruttini	11/08/1962	23/04/2020	maggioranza	SI	4	33 (di cui n. 12 in funzione di ODV 231)	1	11	11	10	5	7	4
Presidente (*)	Emiliano Barcaroli	19/01/1972	23/04/2020	minoranza	SI	15	33 (di cui n. 12 in funzione di ODV 231)	1	11	11	11	5	7	4
Sindaco Supplente (*)	Antonini Stefano	21/01/1960	23/04/2020	minoranza	SI	N/A	=	=	=	=	=	=	=	=
Sindaco Supplente (*)	Celli Massimo	04/01/1965	23/04/2020	maggioranza	SI	N/A	=	=	=	=	=	=	=	=
Sindaco Supplente (*)	Re Silvia	01/01/1962	23/04/2020	maggioranza	SI	N/A	=	=	=	=	=	=	=	=
Presidente (**)	Giulia Pusterla	12/02/1960	29/04/2014	maggioranza	SI	N/A	19 (+2 come invitata) (di cui n. 7 in funzione di ODV 231)	1	5	2	5	4	4	2
Sindaco Effettivo (**)	Franco Fumagalli Romario	17/08/1962	06/04/2017	maggioranza	SI	N/A	18 (di cui n. 7 in funzione di ODV 231)	1	5	2	5	4	4	2
Sindaco Supplente (**)	Negonda Elena	08/06/1977	29/04/2014	maggioranza	SI	N/A	=	=	=	=	=	=	=	=
Sindaco Supplente (**)	Giovanni Cucchiani	04/08/1933	14/04/1978	maggioranza	SI	N/A	=	=	=	=	=	=	=	=
Sindaco Supplente (**)	Paolo Pasqui	15/07/1956	29/04/2014	maggioranza	SI	N/A	=	=	=	=	=	=	=	=

(*) dal 23 aprile 2020
(**) fino al 22 aprile 2020

Durata media riunioni collegiali del Collegio	1 ora 30 min. circa
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Quorum richiesto per la presentazione delle liste da parte delle minoranze per l'elezione di uno o più membri (ex art. 148 TUF): 2,5%

* Inclusi gli accertamenti ispettivi (individuali o collettivi) presso la Sede o le Filiali del Banco.
CdA: Consiglio di Amministrazione CE: Comitato Esecutivo CCRS: Comitato Controllo Rischi e Sostenibilità
CN: Comitato Nomine CR: Comitato Remunerazione COPC: Comitato per le Operazioni con Parti Correlate e Soggetti Collegati

**In questa colonna è indicato il numero di incarichi di amministratore o sindaco (esterni al Gruppo) ricoperti dal soggetto interessato.

TABELLA 3 - PRINCIPALI CARICHE RICOPERTE DAGLI ESPONENTI DI BANCO DI DESIO E DELLA BRIANZA SPA AL 31 DICEMBRE 2020

Nome e Cognome	Cariche ricoperte nella Capogruppo Banco di Desio e della Brianza SpA	Cariche ricoperte nella controllante Brianza Unione di Luigi Gavazzi e Stefano Lado Sapa (Accomandatario)	Cariche ricoperte in società controllate - collegate - partecipate - altre società quotate - altre società vigilate (Banche, SIM, SGR, finanziarie, ecc.) italiane					
			Controllate		Collegate/Partecipate		Altre	
			Società	Cariche	Società	Cariche	Società	Cariche
Stefano Lado	Presidente CdA Membro CN	Amministratore (Accomandatario)			Cedacri SpA	Consigliere	Fondo Interbancario di Tutela dei Depositi	Consigliere e Membro del Comitato di Gestione.
Tommaso Cartone	Vice Presidente							
Alessandro Decio	Amministratore Delegato e Direttore Generale Membro CE		Fides SpA	Consigliere			Telepass SpA* (Gruppo Atlantia)	Consigliere e Presidente CCRS
Graziella Bologna	Consigliere Membro CE							
Valentina Casella	Consigliere Presidente CR Membro COPC							
Ulrico Dragoni	Consigliere Membro CR Membro COPC							
Cristina Finocchi Mahne	Consigliere Presidente CCRS Presidente CN						Trevi-Finanziaria Industriale SpA (Trevi Group) Elica Group Fondo UrbeRetail, Generali Real Estate Sgr	Consigliere, membro del CCRS e del CNR Consigliere e Presidente del CCRS Presidente Comitato Consultivo
Agostino Gavazzi	Consigliere Presidente CE	Presidente (Accomandatario)						
Egidio Gavazzi	Consigliere Membro CE							
Tito Gavazzi	Consigliere Membro CCRS**	Amministratore (Accomandatario)	Fides SpA	Consigliere				
Giulia Pusterla	Consigliere Presidente COPC Membro CCRS						Tod's SpA Risanamento SpA Gepafin SpA MTS SpA	Presidente CS. Consigliere, Presidente del CCR, membro del CR e del Comitato per le Operazioni con Parti Correlate. Presidente CS Sindaco Effettivo

Laura Tulli	Consigliere Membro CR Membro CN							
Emiliano Barcaroli	Presidente CS							
Rodolfo Anghileri	Sindaco Effettivo	Presidente Collegio Sindacale	Fides SpA	Sindaco Effettivo				
Stefania Chiaruttini	Sindaco Effettivo						United Ventures SGR, United Ventures One Sicaf Euveca Fiera Milano SpA Illimity SGR	Presidente CS Consigliere Indipendente Consigliere
Stefano Antonini	Sindaco Supplente							
Massimo Celli	Sindaco Supplente							
Silvia Re	Sindaco Supplente							

Note: CDA: Consiglio di Amministrazione CE: Comitato Esecutivo CCRS: Comitato Controllo Rischi e Sostenibilità COPC: Comitato Operazioni Parti Correlate e Soggetti Collegati CS: Collegio Sindacale CN: Comitato Nomine e CR: Comitato Remunerazione

* Società non quotata controllata da Atlantia SpA (quotata)

** Nominato dal CdA del 19 gennaio 2021, a seguito delle dimissioni rassegnate dal dottor Tommaso Cartone con decorrenza 15 dicembre 2020.

TABELLA 4 - SINTESI SULL'ADESIONE ALLE SINGOLE DISPOSIZIONI DEL CODICE DI AUTODISCIPLINA DELLE SOCIETA' QUOTATE

Lo schema riepiloga lo stato di adesione alle disposizioni del Codice in vigore fino al 31 dicembre 2020, in coerenza con il Format di Relazione indicato da Borsa Italiana e adottato dal Banco Desio
Le informazioni sono fornite anche ai sensi dell'art. 123-bis del TUF

Argomento	SI/NO	Sintesi delle motivazioni dell'eventuale scostamento dalle raccomandazioni del Codice (o rinvio alla Relazione nonché altre annotazioni)
CONFORMITA' / COMPLIANCE		
Indicare se è stato adottato il Codice di Autodisciplina (Aggiornamento 2018 - vigente fino al 31 dicembre 2020)	SI	<p>I criteri relativi ai requisiti d'indipendenza degli amministratori e dei sindaci sono stati recepiti, con la seguente eccezione tuttora applicabile agli Organi Sociali rinnovati in occasione dell'assemblea del 23 aprile 2020:</p> <p>NON si ritiene di applicare il requisito d'indipendenza consistente in un'anzianità di carica non superiore a 9 anni, in quanto tale parametro non è ritenuto significativo specie in una realtà come quella del Banco, laddove - viceversa - la durata anche lunga dell'esperienza maturata da un amministratore/sindaco che abbia sempre operato in posizione d'indipendenza, può essere motivo non già d'indebolimento, bensì di rafforzamento di tale caratteristica (laddove non intervengano altri fattori di segno contrario) e ciò a tutto vantaggio della società in termini di contributo dell'amministratore/sindaco al corretto svolgimento dei processi decisionali. Ciò, fatto salvo che i casi di supero dei 9 anni sono oggetto di analisi specifica secondo le raccomandazioni formulate dal Comitato Italiano per la Corporate Governance.</p> <p>In data 19 novembre 2020 il Consiglio di Amministrazione ha peraltro deliberato l'adozione integrale del nuovo Codice vigente dal 1° gennaio 2021: i) nel perimetro delle raccomandazioni applicabili alle società "non grandi" e "a proprietà concentrata"; ii) nel rispetto delle Disposizioni di Vigilanza applicabili alle banche quotate in quanto equiparate alle "banche di maggiori dimensioni" ai sensi della Circolare n. 285, a far data dal 1° gennaio 2021, fatto salvo che le raccomandazioni relative ai criteri d'indipendenza saranno applicate contestualmente ai requisiti d'indipendenza di cui al Regolamento del MEF ex art. 26 TUB al fine di assicurare la coerenza dell'impianto. Dell'applicazione del nuovo Codice si darà conto come previsto nella prossima Relazione.</p>
Indicare se il Banco o sue controllate aventi rilevanza strategica sono soggetti a disposizioni di legge non italiane che influenzano la struttura di governance del Banco	NO	Vedasi anche paragrafo 2 della Relazione
CONSIGLIO DI AMMINISTRAZIONE		Vedasi anche paragrafo 3 della Relazione
Indicare se il CdA ha definito criteri generali sul numero massimo di incarichi in altre società compatibile con la carica di amministratore del Banco	SI	
Indicare se al CdA sono riservati l'esame e l'approvazione:		
. dei piani strategici del Banco Desio e del Gruppo	SI	
. del sistema di governo societario del Banco Desio	SI	
. della struttura del gruppo	SI	
Indicare se il CdA ha valutato l'adeguatezza dell'assetto organizzativo, amministrativo e contabile, del Banco e delle società controllate, con particolare riferimento al sistema di controllo interno e alla gestione dei conflitti di interesse	SI	<p>Vedansi anche paragrafi 5 e 7 della Relazione</p> <p>Si evidenzia che il ruolo di AISCI è assorbito da quello dell'Amministratore Delegato a far data dal rinnovo degli Organi Sociali del 23 aprile 2020.</p> <p>La figura dell'Amministratore Delegato coincide con quella del Direttore Generale (come precisato anche da disposizione statutaria in corso di formalizzazione).</p>
Indicare se il CdA ha determinato, esaminate le proposte/pareri del Comitato Remunerazione e sentito il Collegio Sindacale, la remunerazione dell'Amministratore Delegato [se nominato], del Presidente e del Vice Presidente, nonché la suddivisione del compenso globale stabilito dall'Assemblea	SI	Vedasi anche paragrafo 6 della Relazione
Indicare se il CdA ha valutato il generale andamento della gestione, tenendo conto dell'informativa periodica degli Organi/Soggetti delegati, nonché confrontando i risultati conseguiti con quelli programmati	SI	Vedasi anche paragrafo 4 della Relazione

Indicare se al CdA sono riservati l'esame e l'approvazione preventiva delle operazioni del Banco Desio e delle controllate, che abbiano un significativo rilievo strategico, economico, patrimoniale, o finanziario	SI	Vedasi anche paragrafo 3 della Relazione
Indicare se al CdA sono riservati l'esame e l'approvazione preventiva delle operazioni con parti correlate e/o in cui uno o più amministratori siano portatori di interesse per conto proprio o di terzi	SI	Alcune tipologie di operazioni con parti correlate (operazioni ordinarie diverse da quelle disciplinate dall'art. 136 TUB) possono essere delegate nei limiti previsti dall'apposita Procedura
Indicare se il CdA ha stabilito criteri generali per individuare le operazioni (anche con parti correlate) che abbiano un significativo rilievo strategico, economico, finanziario e patrimoniale	SI	Si tratta principalmente delle operazioni straordinarie (aumenti di capitale, conferimenti/cessioni di rami d'azienda, fusioni/scissioni) nonché di operazioni su partecipazioni, immobili e dipendenze
Indicare se il CdA ha effettuato una valutazione sulla dimensione, composizione e funzionamento del CdA stesso e dei suoi Comitati	SI	Tale valutazione viene effettuata annualmente (a conclusione di un processo di autovalutazione condotto con una metodologia basata principalmente sull'elaborazione delle risposte dei Consiglieri ad un apposito questionario) in concomitanza anche con l'approvazione della Relazione.
Indicare se l'Assemblea ha autorizzato deroghe al divieto di concorrenza ex art. 2390 c.c	NO	
ORGANI DELEGATI		Vedasi anche paragrafo 4 della Relazione
Indicare se uno o più consiglieri hanno ricevuto deleghe gestionali	SI	In data 23 aprile 2020, in occasione del rinnovo degli Organi Sociali, è stato nominato un nuovo Amministratore Delegato e Direttore Generale (Organo con funzione di gestione ai sensi delle Disposizioni di Vigilanza)
Indicare se il Presidente del CdA: . ha ricevuto deleghe operative . riveste un ruolo specifico nell'elaborazione delle strategie aziendali . è il principale responsabile della gestione . è l'azionista di controllo del Banco Desio	NO NO NO NO	Il Presidente è esponente della società che controlla il Banco Desio
Indicare se è stato costituito un Comitato Esecutivo al quale il CdA ha delegato poteri	SI	Si precisa che quale Organo con funzioni di gestione, l'Amministratore Delegato e Direttore Generale ha poteri di autonomia entro limiti di importo inferiori a quelli del Comitato Esecutivo.
Indicare se gli Organi/Soggetti delegati hanno riferito al CdA circa l'attività svolta nell'esercizio delle deleghe conferite	SI	La rendicontazione sull'esercizio delle deleghe avviene nell'ambito di quanto previsto dal Regolamento dei Flussi informativi per gli Organi sociali
ALTRI AMMINISTRATORI ESECUTIVI		Vedasi anche paragrafo 4 della Relazione
Indicare se in CdA vi sono amministratori da considerarsi esecutivi perché: . ricoprono la carica di Amministratore Delegato o di Presidente Esecutivo in società controllate dall'Emittente aventi rilevanza strategica . ricoprono incarichi direttivi nel Banco Desio o in una società controllata avente rilevanza strategica, ovvero nella controllante e l'incarico riguarda il Banco Desio . sono membri del Comitato Esecutivo e per frequenza delle riunioni e oggetto delle materie trattate, sono sistematicamente coinvolti nella gestione corrente del Banco Desio	NO NO SI	
AMMINISTRATORI INDIPENDENTI		Vedasi anche paragrafo 3 della Relazione
Indicare se il CdA: . ha valutato nella prima occasione utile dopo la loro nomina i requisiti di indipendenza in capo agli amministratori non esecutivi . ha valutato nell'esercizio la permanenza dei requisiti di indipendenza . nelle valutazioni ha applicato tutti i criteri di indipendenza previsti dal Codice	SI SI SI	Vedasi nota primo "box"
Indicare se il Collegio Sindacale ha verificato la corretta applicazione dei criteri e delle procedure di accertamento adottate dal CdA per valutare i requisiti di indipendenza	SI	

Indicare se gli amministratori indipendenti si sono riuniti nel corso dell'esercizio in assenza degli altri Amministratori	SI	N. 1 riunione nel corso del 2020 dedicata all'esame della Relazione e delle questioni connesse. La previsione che gli Amministratori Indipendenti si riuniscano almeno una volta l'anno in assenza degli altri Amministratori è stata per ora mantenuta, sebbene non più contemplata nel caso del Banco Desio dal nuovo Codice di Autodisciplina, in quanto la Banca d'Italia ha posto in consultazione in data 24 dicembre 2020 modifiche alla Circolare n. 285 che introducono la stessa previsione per tutte le banche
INFORMAZIONE SOCIETARIA		Vedasi anche paragrafo 8 della Relazione
Indicare se il CdA ha approvato una procedura per la gestione interna e la comunicazione all'esterno di documenti ed informazioni societari, con particolare riferimento alle informazioni privilegiate	SI	La procedura in argomento è stata aggiornata nel corso del 2017 al fine di recepire le Linee Guida della Consob in materia di informazioni privilegiate di nuova emanazione e nel corso del 2020 per apportare ulteriori miglioramenti procedurali.
Indicare se sono state intraprese iniziative per accrescere la conoscenza da parte degli amministratori circa la realtà e le dinamiche aziendali	SI	
COMITATI INTERNI AL CDA		Vedasi anche paragrafi 6 e 4 della Relazione
Indicare se è stato costituito un Comitato che svolge le funzioni di due o più comitati previsti dal Codice	NO	
Indicare se sono stati costituiti Comitati diversi da quelli previsti dal Codice	SI	Comitato Esecutivo - Comitato Operazioni Parti Correlate e Soggetti Collegati (comitato consultivo previsto dalla normativa Consob/Banca d'Italia e costituito da 3 Amministratori Indipendenti) oltre ad alcuni comitati tecnico-operativi esterni al C.d.A.
COMITATO NOMINE		Vedasi anche paragrafo 6 della Relazione
Indicare se il CdA ha valutato se istituire al proprio interno un Comitato Nomine	SI	
Indicare se il Comitato è composto da almeno 3 amministratori, tutti non esecutivi e in maggioranza indipendenti	SI	Il CN, rinnovato con l'Assemblea del 23 aprile 2020, è composto da n. 2 amministratori indipendenti, tra cui il Presidente, nonché da n. 1 Amministratore non esecutivo
Indicare se le riunioni del Comitato sono state verbalizzate	SI	
Indicare se al Comitato è stato assegnato un budget di spesa per la propria attività	SI	Euro 25.000 annui
Indicare se al Comitato Nomine sono attribuite le seguenti funzioni:		L'attività consultiva del Comitato si svolge di prassi con il rilascio di pareri preventivi alla sottoposizione al Consiglio delle proposte di delibera/informativa
. formulare pareri al CdA in merito alla dimensione e alla composizione dello stesso e in merito alle figure professionali la cui presenza all'interno del Consiglio sia ritenuta opportuna, nonché in merito all'applicazione dei limiti al cumulo degli incarichi e del divieto di concorrenza/"interlocking"	SI	Il Comitato Nomine è coinvolto anche nell'iter di autovalutazione del C.d.A. e di definizione del "profilo teorico" anche ai fini del rinnovo delle cariche
. proporre al CdA i candidati nei casi di cooptazione, ove occorra sostituire amministratori indipendenti	SI	
. indicare i candidati alla carica di amministratore indipendente da sottoporre all'assemblea	NA	Non applicabile in quanto tale adempimento è assorbito dalle disposizioni statutarie sul voto di lista
. supportare il CdA nella nomina/revoca degli altri esponenti, nonché nella designazione degli esponenti nelle società controllate ed eventualmente collegate e/o partecipate di rilevanza strategica	SI	
COMITATO REMUNERAZIONE		Vedasi anche paragrafo 6 della Relazione
Indicare se il CdA ha istituito al proprio interno un Comitato Remunerazione	SI	
Indicare se il Comitato è composto da almeno 3 amministratori, tutti non esecutivi e in maggioranza indipendenti	SI	Il CR, rinnovato con l'Assemblea del 23 aprile 2020, è composto interamente da amministratori indipendenti
Indicare se gli amministratori si devono astenere dal partecipare alle riunioni in cui vengono formulate le propste relative alla propria remunerazione	SI	

Indicare se al Comitato Remunerazione sono attribuite le seguenti ulteriori funzioni:		L'attività consultiva del Comitato si svolge di prassi con il rilascio di pareri preventivi alla sottoposizione al Consiglio delle proposte di delibera/informativa
. presentare al CdA proposte per la definizione delle politiche per la remunerazione degli Amministratori esecutivi, degli altri Amministratori investiti di particolari cariche e dei Dirigenti con responsabilità strategiche	SI	
. valutare periodicamente l'adeguatezza, la coerenza complessiva e la concreta applicazione della suddetta politica, avvalendosi al riguardo delle informazioni fornite dall'Amministratore Delegato [se nominato], e formulare al Consiglio proposte in materia	SI	
. formulare al CdA proposte per il riparto del compenso globale stabilito dall'Assemblea, nonché sulla remunerazione degli Amministratori esecutivi e degli altri Amministratori che ricoprono particolari cariche, nonché sulla fissazione degli obiettivi di performance correlati alla componente variabile di tale remunerazione; monitorare l'applicazione delle decisioni adottate dal CdA stesso verificando in particolare l'effettivo raggiungimento degli obiettivi di performance	SI	
Indicare se le riunioni del Comitato sono state verbalizzate	SI	
Indicare se nello svolgimento dei propri compiti il Comitato ha la possibilità di accedere ad informazioni e funzioni aziendali, nonché di avvalersi di consulenti esterni (verificando preventivamente che il consulente non si trovi in situazioni che ne compromettano l'indipendenza di giudizio)	SI	
Indicare se al Comitato è stato assegnato un budget di spesa per la propria attività	SI	Euro 25.000 annui
REMUNERAZIONE DEGLI AMMINISTRATORI		Vedasi anche paragrafo 6 della presente Relazione, nonché "Relazione sulle Politiche di Remunerazione del Gruppo" redatta anche ai sensi dell'art. 123-ter t.u.f.
Indicare se una parte significativa della remunerazione dell'Amministratore Delegato [se nominato], del Direttore Generale e dei Dirigenti con responsabilità strategiche è legata a specifici risultati/obiettivi	SI	La figura dell'Amministratore Delegato coincide con quella del Direttore Generale (vedasi sopra)
Indicare se a favore dei soggetti sopra indicati sono previsti piani di incentivazione a base azionaria	NO	
Indicare se la remunerazione degli amministratori non esecutivi è legata in misura significativa ai risultati economici del Banco Desio	NO	
Indicare se a favore degli amministratori non esecutivi sono previsti piani di incentivazione a base azionaria	NO	
Indicare se sono stati stipulati accordi tra il Banco e gli amministratori, che prevedono indennità in caso di dimissioni, revoca senza giusta causa o cessazione del rapporto a seguito di OPA	NO	
COMITATO CONTROLLO E RISCHI		Vedasi anche paragrafo 7 della Relazione
Indicare se il CdA ha istituito al proprio interno un Comitato Controllo e Rischi	SI	Dal 26 marzo 2020 il CdA ha approvato la ridenominazione di tale Comitato in Comitato Controllo Rischi e Sostenibilità
Indicare se il Comitato è composto da almeno 3 Amministratori, tutti non esecutivi e in maggioranza indipendenti	SI	Il CCRS, rinnovato con l'Assemblea del 23 aprile 2020, è composto da n. 2 Amministratori indipendenti (tra cui il Presidente) e n. 1 Amministratore non esecutivo

Indicare se almeno un componente il Comitato possiede un'esperienza specifica in materia contabile e finanziaria, valutata adeguata dal CdA	SI	
Indicare se al Comitato sono attribuite le seguenti ulteriori funzioni:		
. fornire al Consiglio un parere preventivo per l'espletamento dei compiti a quest'ultimo affidati dalla normativa di vigilanza in materia di controllo interno e di gestione dei rischi	SI	
. valutare, unitamente al Dirigente preposto alla redazione dei documenti contabili, sentiti il revisore legale e il Collegio Sindacale, il corretto utilizzo dei principi contabili e la loro omogeneità ai fini della redazione del bilancio consolidato	SI	Le attività consultive del Comitato inerenti il processo di revisione contabile si svolgono di prassi nell'ambito di riunioni congiunte con la società di revisione promosse nell'esercizio delle proprie funzioni dal Collegio Sindacale (con il quale nelle società con modello di governance tradizionale si identifica il c.d. "comitato per il controllo interno e la revisione contabile" ai sensi del D.Lgs. n. 39/2010 in materia di revisione legale dei conti.
. esprimere, anche su richiesta dell'Amministratore incaricato del sistema dei controlli interni e di gestione dei rischi (AISCI), pareri su specifici aspetti inerenti l'identificazione dei principali rischi aziendali	SI	Il ruolo di AISCI è assorbito come detto da quello dell'Amministratore Delegato a far data dal 23 aprile 2020.
. esaminare le relazioni periodiche, aventi per oggetto la valutazione del sistema di controllo interno e di gestione dei rischi, e quelle di particolare rilevanza predisposte dalla funzione di internal audit	SI	
. chiedere alla funzione di internal audit - ove se ne ravvisi l'esigenza - lo svolgimento di verifiche su specifiche aree operative, dandone contestuale comunicazione al Presidente del Collegio Sindacale	SI	
. monitorare l'autonomia, l'adeguatezza l'efficacia e l'efficienza della funzione di internal audit	SI	
. riferire al CdA, almeno semestralmente in occasione dell'approvazione della relazione finanziaria annuale e semestrale, sull'attività svolta nonché sull'adeguatezza del sistema di controllo interno e di gestione dei rischi	SI	
Indicare se alle riunioni del Comitato ha partecipato il Presidente del Collegio Sindacale o un sindaco effettivo	SI	
Indicare se le riunioni del Comitato sono state verbalizzate	SI	
Indicare se nello svolgimento dei propri compiti il Comitato ha avuto la possibilità di accedere ad informazioni e funzioni aziendali, nonché avvalersi di consulenti esterni	SI	
Indicare se al Comitato è stato assegnato un budget di spesa per la propria attività	SI	Euro 50.000 annui
SISTEMA DEI CONTROLLI INTERNI		Vedasi anche paragrafo 7 della Relazione
Indicare se il CdA ha definito le linee di indirizzo del sistema dei controlli interni, in modo che i principali rischi afferenti il Banco Desio e il Gruppo siano identificati, misurati, gestiti e monitorati, ai fini della sana e prudente gestione	SI	
Indicare se il CdA ha valutato l'adeguatezza, l'efficacia ed il funzionamento del sistema dei controlli interni	SI	Tale valutazione viene di norma effettuata in occasione dell'approvazione della reportistica periodica del CCRS e delle funzioni di revisione interna, compliance e risk management
Indicare se il CdA ha individuato un Amministratore incaricato del sistema dei controlli interni e di gestione dei rischi (AISCI)	SI	Il ruolo di AISCI è assorbito come detto da quello dell'Amministratore Delegato a far data dal 23 aprile 2020.
Indicare se l'AISCI:		Idem
. ha curato l'identificazione dei principali rischi aziendali della Banca e del Gruppo e li ha sottoposti all'esame del CdA	SI	
. ha eseguito le linee guida del CdA, provvedendo alla progettazione, realizzazione e gestione del sistema dei controlli interni, verificandone costantemente l'adeguatezza, l'efficacia e l'efficienza	SI	
. si è occupato dell'adattamento di tale sistema alla dinamica delle condizioni operative e del panorama legislativo e regolamentare	SI	
. ha proposto al CdA la nomina, la revoca e la remunerazione del preposto al controllo interno	SI	

Indicare se il CdA ha nominato uno o più soggetti incaricati di verificare che il sistema dei controlli interni sia sempre adeguato, pienamente operativo e funzionante	SI	Si tratta principalmente del responsabile della funzione di revisione interna, che riporta direttamente al CdA
Indicare se il preposto ai controlli interni è gerarchicamente svincolato da responsabilità di qualsiasi area operativa	SI	
Indicare se il preposto ai controlli interni ha:		
. avuto accesso diretto a tutte le informazioni utili per lo svolgimento del proprio incarico	SI	
. riferito del proprio operato al Comitato Controllo e Rischi, al Collegio Sindacale e all'Amministratore Delegato [se nominato] ovvero all'AISCI	SI	
Indicare se il Banco Desio ha istituito una funzione di <i>Internal Auditing</i> e se il preposto si identifica con il responsabile della funzione	SI	
Indicare se il Banco Desio e le società controllate hanno adottato il Modello Organizzativo ai sensi D.Lgs. N. 231/2001	SI	
Indicare se esistono sistemi di gestione dei rischi e di controllo interno in relazione al processo di informativa finanziaria, anche consolidata	SI	Tali sistemi sono ora estesi anche all'informativa non finanziaria ex D.Lgs. 254/2016
CONFLITTI D'INTERESSE - OBBLIGAZIONI DEGLI ESPONENTI - OPERAZIONI CON PARTI CORRELATE		Vedasi anche paragrafo 5 della Relazione
Indicare se il CdA ha stabilito una procedura per l'approvazione e l'esecuzione delle operazioni con parti correlate	SI	Il COPC, rinnovato con l'Assemblea del 23 aprile 2020, è composto interamente da amministratori indipendenti
Indicare se il CdA ha definito operazioni o criteri per individuare operazioni che devono essere approvate dal CdA previo parere del Comitato Controllo e Rischi e/o esperti indipendenti	SI	E' previsto il parere del Comitato Controllo e Rischi e Sostenibilità in caso di "Operazioni di Maggior Rilievo" (c.d. "O.M.R.") ex Circ. 263 Banca d'Italia
Indicare se il CdA ha adottato soluzioni operative idonee ad agevolare l'individuazione e una adeguata gestione delle situazioni in cui un Esponente sia portatore di un interesse per conto proprio o di terzi	SI	
COLLEGIO SINDACALE		Vedasi anche paragrafo 9 della Relazione
Indicare se il Collegio Sindacale		
. ha valutato nella prima occasione utile dopo la loro nomina i requisiti di indipendenza in capo agli amministratori	SI	
. ha valutato nell'esercizio la permanenza dei requisiti di indipendenza	SI	
. nelle valutazioni ha applicato tutti i criteri di indipendenza previsti dal Codice	SI	Vedasi nota primo "box"
Indicare se ai sindaci vengono applicate le medesime disposizioni applicate agli amministratori per le operazioni sulle quali abbiano un interesse diretto o indiretto	SI	
Indicare se il Collegio Sindacale ha vigilato sull'indipendenza della società di revisione, verificando la natura e l'entità di eventuali servizi extra resi dalla stessa (o dalla sua rete)	SI	
Indicare se il Collegio Sindacale nella propria attività si è coordinato con la Direzione Revisione Interna e con il Comitato Controllo e Rischi e Sostenibilità	SI	
RAPPORTI CON GLI AZIONISTI		
Indicare se il Banco Desio ha istituito un'apposita sezione del sito internet dedicata alle informazioni di rilievo per gli azionisti	SI	
Indicare se è stato nominato un <i>investor relator</i>	SI	Giorgio Federico Rossin - Tel. 0362/613469 - e.mail: G.Rossin@bancodesio.it
Indicare se è stata valutata la costituzione di una struttura aziendale incaricata di gestire i rapporti con gli azionisti	SI	Le diverse attività inerenti tali rapporti fanno capo all'Investor Relator e all'Area Affari Societari (che fa parte della Direzione Amministrazione e Affari Generali, in staff all'Amministratore Delegato e Direttore Generale)
ASSEMBLEE		Vedasi anche paragrafo 10 della Relazione
Indicare se ai fini dell'intervento in Assemblea lo statuto prevede la comunicazione preventiva ai sensi dell'art. 2370 comma 2 c.c.	NO	
Indicare se le azioni per quali sia richiesta la comunicazione per l'intervento in assemblea restano vincolate sino a quando l'assemblea non si è tenuta	NO	

Indicare se sono state intraprese iniziative per agevolare l'intervento in assemblea e il diritto di voto (Es. voto per corrispondenza, voto telematico, vidoconferenze)	NO	L'esercizio del diritto di voto in sala assemblee avviene comunque con modalità elettroniche tramite un sistema c.d. di "televoter"
Indicare se è stato adottato un Regolamento Assembleare	SI	Il Regolamento Assembleare, così come lo Statuto, sono oggetto di pubblicazione nel sito internet www.bancodesio.it alla pagina dedicata al "governo societario"
Indicare se il CdA ha riferito all'Assemblea sull'attività svolta e programmata e si è adoperato per assicurare agli azionisti adeguata informativa perché possano assumere con cognizione di causa le decisioni di competenza assembleare	SI	Tale informativa avviene nei modi di legge
Indicare se nel corso dell'esercizio si sono verificate variazioni significative nella capitalizzazione di mercato del Banco Desio o nella compagine sociale	NO	
Indicare se il CdA ha valutato l'opportunità di proporre modifiche statutarie sui quorum per l'esercizio delle azioni e dei diritti a tutela delle minoranze	NO	La compagine sociale ed il flottante sono tali da non giustificare quorum più bassi di quelli di legge
ULTERIORI PRATICHE DI GOVERNO SOCIETARIO		
Indicare se il Banco Desio applica ulteriori pratiche di governo societario al di là degli obblighi di legge o regolamentari	SI	Il Banco Desio adotta un Modello Organizzativo ai sensi del D.Lgs. 231/2001 e le funzioni di Organismo di Vigilanza in materia sono svolte dal Collegio Sindacale (vedasi Paragrafo 7 della Relazione)
CAMBIAMENTI DALLA CHIUSURA DELL'ESERCIZIO DI RIFERIMENTO		
Indicare se si sono verificati cambiamenti nella struttura di corporate governance a far data dalla chiusura dell'esercizio 2020	NO	