



Banco di Desio e della Brianza SpA

ANNUAL REPORT ON THE REMUNERATION POLICY AND ON REMUNERATION PAID (BoD 27 February 2020)

BANCO DI DESIO E DELLA BRIANZA S.p.A.
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Member of the Interbank Deposit Protection Fund
and the National Guarantee Fund
Entered in the Bank Register with 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

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Introduction

This Report has been prepared for the purposes of the Disclosure to the public in accordance with the Supervisory Provisions of the Bank of Italy in relation to remuneration and incentive policies and practices in banks and banking groups promulgated on 23 October 2018 with the 25th update to Circular No. 285/2013 and published on the Official Gazette General Series No. 263 of 12 November 2018 (this update was mainly directed at making the Italian regulatory framework consistent with the guidelines of the European Banking Authority on sound remuneration policies).

The regulatory framework also comprises Consob resolution No. 18049 dated 23 December 2011, which amended the Implementation Regulation of Italian Legislative Decree No. 58 dated 24 February 1998 concerning the regulation of issuers, up-dated with the amendments made by Italian Legislative Decree No. 49 dated 10 May 2019 (Art. 114 *bis* and 123 *ter*), the provisions originating from the transposition of the MiFID directives aimed at ensuring compliance with rules of correctness and transparency in the conduct of investment services and the management of potential conflicts of interest, the Bank of Italy provisions relating to the marketing of bank services and products, the EBA Guidelines on sound remuneration policies, the EBA Guidelines on remuneration policies and practices concerning the retail sale and provision of banking products and the Commission Delegated Regulation (EU) No. 604/2014 to determine who the identified staff are.

The remuneration systems adopted by the Banco Desio Group (hereafter also the “Group”) are, in the interest of all stakeholders and in compliance with the indications of the Supervisory Body, aligned with the corporate strategy and objectives which are sustainable over the long-term, linked to the corporate results appropriately adjusted to take account of all risks. Those systems are consistent with the levels of capital and liquidity needed to fund the activities undertaken and are designed to avoid any incentives that may give rise to conflicts of interest and lead to excessive risk taking.

The Group’s remuneration and incentive policies are also developed for the purpose of contributing towards the achievement of the Sustainable Development Goals (SDGs) as defined by the General Assembly of the UNO within the sphere of the 2030 Agenda, in order to support the companies in the definition of strategies linked to the business priorities increasingly aimed

at the sustainability of the business activities, on a consistent basis with the “Guidelines regarding Corporate Social Responsibility (CSR)”, approved by the Board of Directors of Banco di Desio e della Brianza S.p.A. on 27 February 2018, and with the targets defined in the 2020-2022 Sustainability Plan” approved by the Board of Directors of Banco di Desio e della Brianza S.p.A. on 16 January 2020. In particular, the Group undertakes to offer a fair level of remuneration, which reflects the skills, ability and professional experience of each individual, thereby guaranteeing the application of the principle of equal opportunities and avoiding the risk of discretionary powers. In particular, in the definition of incentive mechanisms for the resources, the Group ensures objective and transparent systems which envisage possible and achievable goals and a fair distribution of the monetary bonuses without any type of discrimination.

In consideration of its dimensional characteristics, of the value of its assets and of the risks and complexities of the activity substantially aimed at the domestic retail sector and of its ownership structure, the Group is positioned among intermediate Banks. As prescribed for intermediate Groups, the Bank applies, in continuity with previous provisions, the full regulations with proportionate methods and in line with its characteristics, in particular with reference to the identified staff, as regards periods of deferral, retention and the use of instruments linked to shares.

The Group's Remuneration Policies contained in this document define the guidelines applicable to all companies falling within the scope of the Banking Group and provide detailed information for the company Banco di Desio e della Brianza SpA.

The Group's current structure is represented in the following chart.



SECTION I

1. Governance Model

1.1. The Company Officers of Banco di Desio e della Brianza SpA

On 6 April 2017, the ordinary Shareholders' Meeting of Banco di Desio e della Brianza SpA appointed, by the “list voting” procedure, the Board of Directors and the Board of Statutory Auditors. Those Directors and Auditors will remain in office until the date of the Shareholders' Meeting called to approve the financial statements at 31 December 2019.

Those bodies are made up as follows at 31 December 2019.

Director	Office held	Executive Committee	Offices held in Committees			
			Control and Risk Committee	Appointments Committee	Remuneration Committee	Committee for Transactions with Related Parties
Stefano Lado	Chairman				X	
Tommaso Cartone	Vice Chairman		X			
Agostino Gavazzi	Director	(P) X				
Egidio Gavazzi	Director	X				
Paolo Gavazzi	Director	X				
Tito Gavazzi	Director	X				
Graziella Bologna	Director	X				
Cristina Finocchi Mahne	Director (independent)		X	(P) X		
Gerolamo Pellicanò	Director (independent)		(P) X	X		
Marina Brogi	Director (independent)			X		(P) X
Nicolò Dubini	Director (independent)				(P) X	X
Valentina Maria Carla Casella	Director (independent)				X	X

Auditor	Office held
Giulia Pusterla	Chairman
Rodolfo Anghileri	Standing Auditor
Franco Fumagalli Romario	Standing Auditor
Elena Negonda	Alternate Auditor
Erminio Beretta	Alternate Auditor
Massimo Celli	Alternate Auditor

The managers with strategic responsibilities ¹of the Bank, at the closing date of the financial statements, are the following:

- the General Manager Mr. Angelo Antoniazzi;
- the Substitute Vice General Manager Mr. Mauro Walter Colombo;
- “Business” Vice General Manager Mr. Maurizio Ballabio.

1.2. Bodies and persons involved in preparing and approving the remuneration policies

1.2.1 Senior Bodies

Parent Company

In accordance with the Supervisory Provisions of the Bank of Italy, the Parent Company sets out the remuneration and incentive policies of the entire Group, ensures their overall consistency, provides the necessary guidelines for their implementation and verifies their correct application; therefore, taking into account the Parent Company’s definition and approval activities as described below, for each subsidiary the Board of Directors transposes and the Shareholders’ Meeting approves the present Report for matters under their respective competence.

¹In accordance with Annex 1 to Consob Regulation no. 17221 dated 12 March 2010.

Ordinary Shareholders' Meeting of the Parent Company

In addition to establishing the fees of the Directors and Auditors in compliance with the Articles of Association, it approves the “Annual Report on the remuneration policy and on remuneration paid of the Banco Desio Group”, any plans based upon financial instruments and the criteria for determining any compensation to be paid in the event of early conclusion of the employment relationship or early termination from the office, adopting any other resolution envisaged by current legislation (see in particular Art. 123 *ter* of the CFA as amended by Italian Legislative Decree No. 49/2019 with reference to the binding vote relating to the Remuneration Policy and the advisory vote with reference to the section on Remuneration Paid).

The Shareholders' Meeting is ensured adequate disclosure on the implementation of the remuneration policies. The Shareholders' Meeting resolutions in that regard are made at the end of a process that - depending on the powers granted on the matter - involves, in addition to the Board of Directors, the Remuneration Committee, the Control and Risk Committee, the Board of Statutory Auditors, the Chairman, the Vice Chairman and the AISCI, the General Manager, the Substitute Vice General Manager, the “Business” Vice General Manager, as well as some operational departments and internal control departments as defined below.

Board of Directors of the Parent Company

It approves, at the suggestion of the Chairman, the “Annual Report on the remuneration policy and on the remuneration paid of the Banco Desio Group” to be submitted to the Shareholders' Meeting and any updates and reviews of the Remuneration Policies.

It approves, for subsequent submission to the Shareholders' Meeting, any regulations of plans based on financial instruments and resolves upon the respective assignments and powers (subject to verifying the conditions to which the same are subject).

It approves, for subsequent submission to the Shareholders' Meeting the criteria for determining any compensation to be paid in the event of early conclusion of the employment relationship or early termination from the office.

It determines the personnel to whom the “more detailed rules” are to be applied, because they belong to the “identified staff” on the basis of the identification process carried out in

accordance with Commission Delegated Regulation (EU) No. 604/2014, including any exclusions.

It resolves upon the economic-capital and risk objectives that form the reference for the incentive system of the Group companies and the Bonus Targets for the “identified staff” expressed in percentage terms of the fixed remuneration.

It resolves upon the assessment forms relating to the achievement of the individual targets assigned to the “identified staff” of the Parent Company (as defined below).

It declares when Group target gates have been passed and determines ex-post the amount of the bonus for Identified Staff of the Parent Company.

At the proposal of the Remuneration Committee, it resolves on extraordinary entries/transactions for the purposes of computing the RORAC.

It resolves upon the guidelines for the payment of bonuses for the remaining staff of the Group Companies and the criteria for defining the maximum amounts of expenditure that may be allocated for that purpose.

It resolves in relation to any maximum amounts of expenditure possibly assigned to the General Managers of the Group companies within which to resolve upon payments to the staff referred to in section 3.3 below.

The aforesaid resolutions are passed with the opinion of the Remuneration Committee and of the Control and Risk Committee for matters under their competence.

As envisaged by Article 123 *ter*, section 3 *bis* of the CFA updated in 2019, the Board of Directors of Banco di Desio may temporarily depart from its remuneration policies, subject to compliance with legal and regulatory constraints, in the presence of exceptional circumstances, i.e. situations in which the departure from the remuneration policy is necessary in order to pursue the long-term interests and sustainability of the company as a whole or to ensure its ability to stay in the market. In this regard, in view of the start of the redefinition of long-term strategies within the sphere of the Strategic Plan currently being defined, it is highlighted that the elements of the remuneration policy from which it is possible to depart are the Profitability Objective, the Rorac Objective and the related incentive criteria described in section 3.2.4. Any departure shall be resolved by the Board of Directors, subject to the opinion of the Remuneration Committee and in accordance with the Procedure contained in the Internal Regulations for transactions with Related Parties and Associated Parties.

Director in Charge of the Internal Control and Risk Management System (AISCI) of the Parent Company

He/she intervenes in the process of upgrading and revising the Group's remuneration policies concerning, in particular, the remuneration and incentive systems of the internal control departments.

General Manager of the Parent Company

He/she is a member of the top management of the operating structure, for which he/she has management responsibility.

He/she coordinates, in relation to remuneration policies, the operations of the company departments that report to him/her in accordance with the Corporate Organisation Chart.

He/she suggests to the Board of Directors possible updates and revisions of the Group's Remuneration Policies, the economic-capital and risk objectives that constitute the reference for the incentive system of the companies and the Bonus Targets for the "identified staff" within the various Group companies, coordinating with the AISCI concerning, in particular, the internal control departments.

He/she provides to the Group companies general instructions in relation to the Remuneration Policies.

He/she suggests to the Board the adjustment criteria to apply to the Bonuses of the identified staff of the Parent Company and of the Subsidiaries, with the input - for the Parent Company - of the AISCI concerning the control departments.

He/she suggests to the Board of Directors the maximum expenditure for implementing the Remuneration Policies for the remaining staff of the Parent Company.

Substitute Vice General Manager of the Parent Company

He/she is involved in the identification of the economic and capital parameters, validates the processes and makes sure that the methods for defining the provisions are correct by coordinating the activities of the Administrative Department and of the Financial Statements and Accounting Control Office pursuant to Law 262.

“Business” Vice General Manager of the Parent Company

In collaboration with the Resources Department, he/she prepares, following the guidelines implemented for the remaining staff in the annual Report on the Remuneration Policy and on the remuneration paid and in compliance with current provisions on the matter, the incentive system for the sales network.

He/she disseminates the bonus system among the distribution network.

He/she provides to the Resources Department the quantitative elements to verify the achievement of the assigned targets.

He/she collaborates with the Departments of the Group companies and with the Resources Department to develop incentive systems for the sales network in line with the business model adopted by the Bank.

Subsidiaries

Ordinary Shareholders' Meetings of Subsidiaries

They incorporate and approve, insofar as they are responsible, the Group's Remuneration Policies (taking account of the company peculiarities, as well as the respective national/sectoral legal systems).

The Shareholders' Meetings are provided with adequate information on the implementation of the Remuneration Policies.

Boards of Directors of the Subsidiaries

They incorporate and approve, insofar as they are responsible, the resolutions of the Board of Directors of the Parent Company referred to above (taking account of the company peculiarities, as well as the respective national/sectoral legal systems).

They resolve upon the assessment forms relating to the achievement of the individual targets assigned to any “identified staff” within the Subsidiary.

They identify when Group target gates have been passed and, having verified that the individual gates have been passed, they determine ex-post the amount of the bonuses for the identified staff, applying the criteria established by the Board of Directors of the Parent Company also in regard to extraordinary entries/transactions.

1.2.2 Remuneration Committee

The Remuneration Committee comprises 3 Directors (all non-executive) of which 2 Independent including the Committee Chairman.

The AISCI participates in case of remunerations regarding the internal control departments. The Managing Director participates in case of remuneration for other persons falling within the scope defined in the Single Text on the Remuneration and Incentive System, including the Appointed Executive and the Head of the Resources Department.

That Committee is an advisory/proactive body with the following main duties:

- to provide to the Board of Directors opinions or suggestions for the remuneration of the Directors vested with particular offices (including any Directors delegated with operational powers) and of the General Management also with respect to the cases of cessation from office or termination of the employment, in accordance with the remuneration policies adopted by the Bank;
- to provide to the Board of Directors opinions or suggestions for the allocation of the overall fee established by the Shareholders' Meeting for the other Directors in line with the Articles of Association;
- at the indication of the General Manager (who provides support to the Remuneration Committee, participating in its meetings, excluding those in which the remuneration of the General Manager him/herself is discussed), to provide to the Board of Directors opinions or suggestions in relation to remuneration policies and to the compensation criteria for other persons falling within the scope defined in the Single Text on the Remuneration and Incentive System; concerning, instead, the opinions and proposals relating to the remuneration of the internal control departments, they are formulated at the indication of the AISCI;
- to provide inputs on the outcomes of the identification process of identified staff, including any exclusions;

- to assess periodically the adequacy, overall consistency and actual application of the aforementioned remuneration policies, using, in that regard, information provided by the General Manager and by the AISCI within their respective areas of competence;
- to submit suggestions or express opinions to the Board of Directors on the fixing of performance targets related to the variable component of that remuneration; to monitor the application of the decisions adopted by the Board itself, verifying, in particular, the actual achievement of the performance targets, as well as the existence of all conditions provided for the payment or accrual of the fees;
- to formulate an opinion in case of extraordinary entries or of extraordinary transactions, as provided by the Plan.
- to formulate an opinion on the departure, in the presence of exceptional circumstances, from these remuneration policies, as defined above, subject to observance of the legal and regulatory constraints and on a consistent basis with the Procedure contained in the Internal Regulations for transactions with Related Parties and Associated Parties.

The above listed issues also include any stock option plans or allocation of shares.

In compliance with the Supervisory Provisions issued in that regard, the Committee also:²

- directly oversees the correct application of the rules relating to the remuneration of the heads of the internal control departments, in close collaboration with the Board of Statutory Auditors;
- deals with preparing the documentation to be submitted to the Board for decisions relating to the Remuneration Policies;
- works with the Control and Risk Committee for remuneration aspects related to the risk policies;
- ensures the involvement of the relevant company departments in the process of preparing and controlling the remuneration policies with such procedures as to assure an effective contribution and to preserve the independent judgement of the audit functions;
- decides, also using information received from the relevant company departments, upon the achievement of the performance targets with which the incentive plans are linked and on ascertaining the other conditions in place for payment of the fees;

²Circular 285 of the Bank of Italy – 25th update.

- adequately reports on the activity performed to the Board and to the Shareholders' Meeting.

The Remuneration Committee, in addition, with assistance from the Resources Department, and, where necessary, external consultants, periodically analyses and monitors the market practices and levels of remuneration, with particular reference to executive directors and to managers with strategic responsibilities.

The Committee may also use the support of internal departments, in relation to risk management, capital and liquidity.

1.2.2.1 Rules of operation of the Remuneration Committee

The Committee meets upon convocation by the Chairman or each time a request is made by at least two members jointly between them. In the absence of convocation, the Committee meetings are valid when all members are present.

In order for the decisions of the Committee to be valid, the presence of the majority of the members in office is required and the decisions are made by absolute majority of the votes of the members present. In the case of equal votes, the vote of the person chairing the meeting will prevail. Any Directors with an interest must refrain from participating in decisions of the Committee relating to them, just as they will leave the committee meetings when the consequent proposals are being made.

The decisions of the Committee are recorded by minutes transcribed in the book, to be signed by the Chairman and by the other members present or by a Secretary, if appointed. Those decisions are communicated, even orally during the next meeting, to the Board of Directors for the decisions under the remit of the latter.

1.2.3 The Operational Departments of the Parent Company involved in the process

The process of forming the Remuneration Policies involves the following structures.

Planning, Management Control and Investments Department

It determines the “gate” targets for activation of the incentive systems of the Group companies to be submitted to the respective Boards of Directors and verifies their achievement. Having received approval, it proceeds to communicate those decisions to the Management bodies of the respective Group Companies, to the Administrative Department and to the Manager responsible of the Parent Company.

It contributes to define and assess the achievement of the individual targets assigned to identified staff for matters under its competence.

It identifies entries potentially definable as extraordinary from the managerial standpoint and it formulates a proposal to the Remuneration Committee.

General and Company Secretarial Office

It is involved in the process of preparing the Remuneration Policies with reference to aspects of corporate governance. It deals with finalising the documents to be submitted to the Board of Directors and to the Shareholders' Meeting, as well as the disclosure obligations to the public, in accordance with legal and regulatory provisions relating to those documents.

It acquires from identified staff the information about the activation of financial investments included among those that could impact, directly or indirectly, on the risk alignment mechanisms and on the opening of custody and administration accounts with other Institutions.

Administrative Department

On the instructions of the Resources Department of the Parent Company, it registers the actual provisioning to be entered in the financial statements of reference for the Group companies. It provides the economic and capital data for calculating and checking the gates.

Resources Department

It defines and governs the process of formulating proposals concerning the Remuneration Policies for the various Group companies and it manages and guarantees their correct implementation.

It deals with updating and reviewing the Remuneration Policies. It coordinates the process of defining and managing the remuneration and incentive system and, as part of this, it contributes - in concert with the Departments of the individual Companies - to defining the bonus system for the remaining staff (sales network and headquarters).

It collects, for the Parent Company, with the technical support of the competent Departments, the results achieved and the assessments made by the superiors for the purposes of determining and paying the bonuses, having verified compliance with the maximum amount payable for each beneficiary resource.

1.2.4 The Internal Control Departments

The process of forming the Remuneration Policies also involves the following Internal Control Departments.

Chief Risk Officer

It participates in the process of defining the Remuneration Policies in order to ensure their consistency with the Group's risk strategy.

It participates in the process of identifying the identified staff, providing the necessary assessments for the identification of the significant operating Units and of the professionals who can have a significant impact on risks, consistently with the Risk Appetite Framework. It also verifies the consistency of the system of targets and conditions underlying the remuneration and incentive policies with the Risk Appetite Framework, verifying their achievement *ex post*. It performs similar functions as “outsourcer” of the Subsidiaries.

It contributes, for matters under its competence, to define and assess the achievement of the individual targets assigned to identified staff.

Compliance Department

It collaborates with the other departments involved in the process of defining the Group's Remuneration Policies and verifies *ex ante* that these comply, by their contents and processes,

with the relevant regulatory context, the articles of association, along with any codes of ethics or other applicable standards of conduct. It performs similar functions as “outsourcer” of the Subsidiaries.

Chief Auditing Officer

It prepares annually a report on the controls performed in relation to the correct application of the Remuneration Policies adopted, with a special attention to checking the conditions underlying the achievement of targets and the correct recording of provisions and payments, by pointing out any anomalies so that the corrective measures can be adopted. It performs similar functions as “outsourcer” of the Subsidiaries.

It carries out periodic sampling audits on the internal custody and administration accounts of identified staff.

It communicates to the Resources Department the outcomes of its own inspections that may constitute the prerequisite to apply bonus and claw back provisions.

Appointed Executive

He/she validates the accounting process for recognising the bonuses and deals with the correct representation in the Financial Statements of the corporate events.

When necessary, it certifies the correctness of the identification and quantification from the viewpoint of accounting or of the estimation of extraordinary entries, useful for the purpose of determining the bonus proposed by the Planning, Management Control and Investments Department to the Remuneration Committee;

2. General Principles of the Remuneration Policies

In order to develop mechanisms of remuneration and incentives able to encourage the competitiveness of the Group in the medium to long-term, this year the Remuneration Policies, as they did in previous years, continue to be based upon the following principles:

- incentive measures and maintenance within the Group of persons with professionalisms and skills adequate to business requirements, in particular, of those who cover identified roles within the business organisation;

- alignment of the remuneration systems to company targets and values, to the long-term strategies and to policies of prudent risk management of companies belonging to the Group;
- incentives of short and medium to long-term aligned with the risks assumed and the capital required to cover the activities undertaken and structured in such a way as to avoid the onset of potential conflicts of interest.

Personnel are not allowed to employ personal hedging or insurance strategies on remuneration that can alter or affect the effects of alignment to risk implicit in the remuneration mechanisms regulated by the present Policy. The Internal Audit department carries out periodic sampling audits on any internal custody and administration accounts of identified staff. In accordance with the provisions introduced by the 25th update to Circular 285, Title IV, Chapter 2, Section I, Paragraph 5, Banco Desio requires identified staff to communicate any financial investments carried out that could affect risk alignment mechanisms and, more in general, on the pursuit of prudent risk management, in order to take them into account in devising the risk alignment mechanisms of the incentive systems, in addition to the existence or the opening of custody and administration accounts with other intermediaries.

Commencing from 1 May 2015, any fees received by employees of the Group for assignments accepted on behalf of the Company holding the employment relationship, at companies or entities belonging or external to the Group itself, have been entirely paid over to the company holding the employment relationship.

3. Scope

This document illustrates the Remuneration Policies with reference to the following categories of persons:

- Identified Staff;
- Remaining staff.

The process followed by the Banco Desio Group for the identification of the “identified staff” is described below.

3.1 Identification process of “identified staff”

The process for the identification of “identified staff” is outlined according to the Regulatory Technical Standards (RTS) defined by the European Banking Authority and set out in Commission Delegated Regulation (EU) No. 604, in force since 26 June 2014, and according to Decision (EU) 2015/2218 of the European Central Bank of 20 November 2015 on the procedure to exclude staff members.

The Parent Company applies the aforesaid Regulation to identify the “identified staff” for the Group, with regard to all Group companies: The Group companies have actively participated in the identification process that was carried out by the Parent Company itself.

The key criterion underlying the process consists of the assessment of the significance of each person in terms of substantial assumption of risks, on the basis of the individual position (qualitative criteria: responsibility, hierarchical levels, decision-making level, etc.) or of the remuneration (quantitative criteria), with the exception of any cases of exclusion prescribed by the regulations.

All those who are in a position identified among material risk takers for a period of at least 3 months shall be defined Material Risk Takers.

The process was coordinated by the Resources Department, which involved the Chief Risk Officer of the Parent Company for the valuations under his competence and the company units involved for the credit and finance sphere.

The “identified staff”, defined according to the RTS criteria, comprise:

1. “identified staff” who are not included in the corporate control departments;
2. “identified staff” who are included in the corporate control departments.

The outcomes of the identification process were presented to the Remuneration Committee, which expressed its positive opinion on the matter, and subsequently to the Board of Directors of the Parent Company, at the meeting on 27 February 2020, which acknowledged the process performed that led to identifying **at Group level** the following positions:

PERSONALE PIU' RILEVANTE	BDB	FIDES	OBG	TOTALE	CON REMUNERAZIONE VARIABLE
Amministratori	12	6	3	21	0
Apicali	4	2	0	6	6
Risk Takers	19	0	0	19	19
RT Assimilati a Funzioni di controllo	1	0	0	1	1
Funzioni di controllo	4	0	0	4	4
Totale	40	8	3	51	30

Note: The Substitute Vice General Manager of the Parent Company is included in the Senior Management section, although he also serves as Appointed Executive (deemed as akin to the control departments)

With specific reference to **Banco di Desio e della Brianza Spa**, the identified staff are as follows:

Role	Recipient of incentive system	Population of incentive system
BOD Chairman	NO	---
BOD Vice Chairman	NO	---
10 Directors	NO	---
General Manager	YES	Senior role
Substitute Vice Gen. Man.	YES	Senior role - Control Department Ass.
Business Vice Gen. Man.	YES	Senior role
Manager with strategic responsibilities	YES	Senior role
11 Depart. Heads	YES	Risk Takers
1 Depart. Head	YES	Risk Taker - Control Department Ass.
6 Area Managers	YES	Risk Takers
Unit Head	YES	Risk Taker
Office Manager	YES	Risk Taker
Chief Risk Officer	YES	Control Department
Chief Auditing Officer	YES	Control Department
Compliance Depart. Manager	YES	Control Department
Anti-Money Laundering Depart. Manager	YES	Control Department

The identification process of “identified staff” was tracked and documented in specific documentation.

At the Group level, it was not necessary to activate any procedure to exclude identified staff, based on the quantitative criterion per Article 4, Paragraph 1 of the RTS.

3.2 . Remuneration Policies for Identified Staff

3.2.1 Members of the Board of Directors of the Parent Company

In the current composition of the Board of Directors of Banco di Desio e della Brianza SpA, it is possible to identify the following:

- Executive Directors, as members of the Executive Committee, Messrs.: Agostino Gavazzi, Chairman of the Executive Committee, as well as Directors Egidio Gavazzi, Paolo Gavazzi, Tito Gavazzi and Graziella Bologna (taking account of the activity of that Executive Committee in terms of frequency of meetings and extent of responsibilities);
- Non-Executive Directors, the Chairman Mr. Stefano Lado, the Vice Chairman-AISCI Mr. Tommaso Cartone, the Directors, Cristina Finocchi Mahne, Gerolamo Pellicanò, Nicolò Dubini, Marina Brogi and Valentina Maria Carla Casella.

The Shareholders' Meeting established at 1,000,000 Euros the gross annual fee due to the entire Board of Directors of Banco Desio, excluding the Chairman and the Vice Chairman-AISCI, broken down as follows:

- 70,000 Euros to each Director;
- 30,000 Euros to each member of the Executive Committee (50,000 Euros to the Chairman);
- 10,000 Euros to each member of the other Committees (15,000 Euros to the Chairman) (Control and Risk Committee, Appointments Committee, Remuneration Committee, Committee for Transactions with Related Parties);
- residual 10,000 Euros unassigned.

The all-inclusive fees of the Chairman, Vice Chairman and AISCI amount respectively to:

- 660,000 Euros to the Chairman
- 350,000 Euros to the Vice Chairman and AISCI

For the Executive Directors, in view of the low remuneration received for participating in the Executive Committee (30,000 Euros per annum), there is no provision for variable fees.

For the non-Executive Directors and for the members of the Board of Statutory Auditors there is no provision for variable fees.

The members of the Board of Directors and the members of the Executive Committee are, in addition, entitled to the reimbursement of costs incurred for reasons of their office, as well as the payment of attendance fees, the amount of which is determined by the ordinary Shareholders' Meeting.

In addition, a D&O insurance policy is provided for Directors and Statutory Auditors.

The fees of the Chairman, the Vice Chairman/Chairmen, as well as any additional fees in favour of other Directors with operational delegations, are determined by the Board of Directors, having heard the opinion of the Board of Statutory Auditors.

You are reminded that the mandate of the current Board of Directors will end with the Shareholders' Meeting called for 23 April 2020, for the approval of the financial statements relating to the financial year ending 31 December 2019. The 2020 Remuneration Policy guidelines will therefore be applied by the new Board of Directors, which will be responsible for the specific determination of remuneration for the offices assigned to Directors as well as for participation in Board committees, in accordance with the applicable legislative and statutory provisions.

Chairman

The Chairman's remuneration package is determined in a unitary amount for all roles performed in the Parent Company (including special offices held in the Board of Directors).

Vice Chairman and AISCI

The Vice Chairman's and the AISCI's remuneration package consists of:

- fee determined in a unitary amount for all roles performed in the Parent Company (including special offices held in the Board of Directors and participation on Committees internal to the same);
- fees linked to offices held in subsidiary and/or associated companies

3.2.2 Members of the Board of Directors of the Subsidiaries

Members of the corporate Bodies of the subsidiaries receive fixed remuneration, differentiated according to the respective offices held within each body, plus reimbursement of out of pocket expenses and attendance fees, as resolved by the respective Shareholders' Meetings. For members of the Board of Directors and of the Board of Statutory Auditors of the subsidiaries, these fees are approved by the respective ordinary Shareholders' Meeting in accordance with the company's Articles of Association. For members of the Board of Directors (Executive Directors, in view of the low fee received, and non-executive Directors), there is no variable remuneration. In compliance with the Bank of Italy's Supervisory Provisions, the members of the Board of Statutory Auditors receive no variable remuneration.

3.2.3 Structure of the remuneration of the Directors with executive offices if they are recipients of an incentive system, the General Manager, Executives with strategic responsibilities and the other identified staff of the Group companies

Remuneration package for the identified staff made up of

- Senior Staff of the Parent Company (Chief Executive Officer, if appointed, General Manager and Substitute Vice General Manager - Business Vice General Manager)
- Senior Staff of Fides (General Manager and Vice General Manager)
- Risk Takers
- Control and similar departments

is oriented towards the sustainable achievement of medium/long-term objectives and is balanced in the following elements, depending on the category of reference:

- fixed remuneration;
- variable incentive remuneration, which rewards performances over a long-term time period;
- other retention and attraction instruments which, in relation to the type, fall within the sphere of the fixed or variable remuneration;
- the benefits, which fall within the fixed component of the remuneration;

- indemnities with a view to or at the time of early termination of the employment relationship (so-called golden parachutes).

In particular, the elements constituting the remuneration package for the identified staff are the following:

- **Fixed annual remuneration**

That component reflects and is commensurate to the technical, professional and managerial skills of the employee and/or collaborator. It is constantly monitored and verified with respect to the market context, taking into consideration the level of experience and professional skills required for each position.

Indemnities may also be assigned in connection with specific positions, functionally connected to the covered role, related to the fixed component of remuneration.

To complete the remuneration offer, employees, on the basis of a general policy defined at the Company level, are offered a package of additional benefits, such as, by way of example, a supplementary pension plan, supplementary forms of insurance and medical cover, as well as the granting of special favourable conditions as regards services provided by the Bank; a company car is allocated to the most senior management profiles.

- **Variable remuneration**

The variable remuneration consists of two elements: the Company Bonus provided by the National Collective Labour Agreement linked to the economic performance of the Company and intended for the entire company population and an individual incentive system that rewards the annual “performances” in relation to the assigned targets and the results achieved. That second component is determined based upon parameters that include the presence of risk weighting systems, the adequacy of liquidity levels and the link to actual and lasting results. The remuneration coming from the individual incentive system is paid partly in the year after that on which the “performance” is measured and partly in deferred form up until the third year, subject to the occurrence of additional conditions, in order to reward the creation of value in a medium to long-term perspective and to align the interests of management with those of the shareholders.

If new staff are hired from outside the Group, and only for the first year of employment, entry bonuses may be provided to make the company's proposal more attractive, in compliance with the terms and conditions prescribed by current regulations; if they are acknowledged at the time of recruitment they are not considered for the purpose of the definition of the maximum amount of variable remuneration with respect to the fixed remuneration.

In case of moves within the Group, the General Manager of the Parent Company may recognise one-off or exception bonuses (e.g. on the occasion of a change in duties), duly justified and paid after verifying that the access conditions have been met, and with the payment procedures of the variable remuneration system.

The Group establishes ex-ante the limits to the incidence of the variable part on the fixed element for the various categories of beneficiaries as summarised in the following table.

Directors with executive offices when they are the recipients of an incentive system, General Managers and Vice General Managers of Group companies	90%
Other Risk Takers	60%
Heads of control departments, Appointed Executive and Head of Resources Department	25%

The above maximum values refer to the corporate bonus prescribed by the National Collective Labour Agreement and to any one-off or exception bonuses on the occasion of the inter-company move described above.

In addition, the variable remuneration may not exceed the maximum limits of the incidence ceilings of the variable component on the fixed element established by existing regulations (100% for risk takers and one-third for control departments), since the Bank decided not to take the option of requesting the Shareholders' Meeting to raise the limit of the variable remuneration over the fixed remuneration.

3.2.4 The variable remuneration of identified staff: The incentive plan for the Management of the Banco Desio Group

The system, subordinate in its activation to achievement by the Group of certain consolidated goals (“gate” targets of liquidity, capital and profitability), weighs up the bonuses in line with the percentages of achievement of the targets, the ratio between the target Adjusted Net Income and Allocated Risk Capital³ (RORAC) and develops largely in a deferred manner along a medium-term timeframe. That mechanism ensures that the incentive system for identified staff is consistent with the business results, appropriately adjusted to take account of all risks assumed in a long-term perspective. The appropriate balancing of the variable remuneration between the portion paid in cash and the portion paid in financial instruments is ensured by the correlation envisaged by the system between setting the sums deferred and the performance of the ordinary share, in accordance with the provisions of the 25th update of Circular 285 which confirm the possibility of using synthetic instruments representing stock performance also for listed companies.

Correlation between risks and remuneration

The variable component of the remuneration is benchmarked to performance indicators measured net of the risks in a long-term perspective (known as ex ante risk adjustment) and it takes account of the level of capital resources and liquidity required to cover the activities undertaken. In addition, the incentive system for management of the Group involves the accrual and quantification of the bonus, along with the verification for payment of the deferred shares, being linked to the achievement of the target RORAC. The use of the mentioned parameter, consistent with the measurements used for management purposes by the risk management department, assessed at consolidated level and, for the subsidiaries, also at individual level, further strengthens the correlation between results, risks assumed and remuneration.

Gate targets

³The "allocated capital" is calculated according to the methodologies and criteria developed in the ICAAP document.

The Board of Directors of the Parent Company, on the suggestion of the General Manager, subject to the opinion/proposal of the Remuneration Committee, establishes the “gate” targets (Group gates) of liquidity, capital and profitability to access the Bonuses on a consistent basis with the RAF.

For the definition of the Capital Gates, the Planning, Management Control and Investments Department specified in its Report that the indicated limits, on the basis of the simulations made, are sufficient for the capital adequacy of the Group consolidated under Brianza Unione and for the first and second pillar risks.

- **Profitability target:** Adjusted current profit of the Group before taxes:
Adjusted consolidated profit of current operations before taxes $\geq 75\%$ Adjusted profit of current operations before taxes of the consolidated budget.

For **staff belonging to the control departments identified at the Parent Company**, in order to further separate their bonuses from the economic/financial variables, **the gate indicator of profitability** is represented by the **adjusted consolidated Profit of current operations before taxes**.

For staff belonging to the control departments identified at the subsidiaries, the opening of the profitability gate is subject to the simultaneous occurrence of the following two conditions: **adjusted consolidated profit of current operations before taxes and adjusted individual profit of current operations before taxes**.

The failure to achieve even just one of the targets precludes the activation of the incentive system for the year of accrual.

Definition of targets and incentives

The Board of Directors of the Parent Company, subject to the opinion/proposal of the Remuneration Committee, approves annually:

- the ratio between the adjusted Consolidated Net Profit and Allocated Risk Capital (consolidated RORAC) target;
- the ratio between the adjusted Individual Net Profit and Allocated Risk Capital (individual RORAC) target for the individual subsidiaries;
- the individual profitability target of the subsidiaries in terms of ratio between individual adjusted profit of current operations before taxes $\geq 75\%$ adjusted profit of current operations before taxes of the individual budget;
- the Bonus Targets expressed in percentage terms of the fixed remuneration associated to the different levels of achievement of the RORAC (consolidated and/or individual) target for each category of resources.

The bonus targets are decided formally for the various categories of identified staff, within the maximum limits of incidence of the variable component on the fixed element set out in section 3.2.3, by the Board of Directors having consulted the Remuneration Committee, and structured in relation to the percentage of achievement of the consolidated RORAC target defined for 2020;

- the assessment forms for the heads of the main company departments of the Parent Company - Risk Takers and Heads of the control departments - relating to the achievement of the targets identified on the basis of the mission and the functions attributed to each position by the corporate organisation chart;
- one or more qualitative/quantitative targets assigned to Senior staff (excluding the Substitute Vice General Manager - Appointed Executive) and the adjustment percentage of the associated bonus in the event of failure to reach the target.

The Board of Directors of the subsidiaries, subject to the opinion/proposal of the Remuneration Committee, if established, transposes and approves:

- the Group's gate targets;
- the ratio between the adjusted Consolidated Net Profit and Allocated Risk Capital (consolidated RORAC) target;
- the ratio between the adjusted Individual Net Profit and the Allocated Risk Capital (individual RORAC) target;

- the individual profitability target of the subsidiaries in terms of ratio between individual adjusted profit of current operations before taxes $\geq 75\%$ adjusted profit of current operations before taxes of the individual budget;
- the Bonus Targets expressed in percentage terms of the fixed remuneration associated with the various levels of achievement of the individual RORAC target for each category of resources;
- the assessment forms for the heads of the main company departments of the Subsidiaries - Risk Takers and Heads of the control departments - relating to the achievement of the individual targets defined on the basis of the mission and the functions attributed to each position by the corporate organisation chart;
- one or more qualitative/quantitative targets assigned to Senior staff and the adjustment percentage of the associated bonus in the event of failure to reach the target.
 - The mandate of the current Board of Directors will end with the Shareholders' Meeting called for 23 April 2020, for the approval of the financial statements relating to the financial year ending 31 December 2019. This incentive plan, therefore, will be applied by the new Board of Directors, which may avail itself of the faculties described in section 1.2.

Calculation of the Bonus value

Having achieved the Group's gate targets, the determination of the actual Bonus to be paid to the **“non-control” beneficiary Resources identified care of the Parent Company** is done by applying the bonus target provided in relation to the ratio between the consolidated final balance RORAC and the target final balance RORAC.

As regards the determination of the Bonus for **identified staff not belonging to the control departments identified at the subsidiaries**, the payment of the Bonus is subject to achieving at least 80% of the consolidated RORAC target and exceeding 75% of the individual adjusted profit of current operations before taxes of the Budget. Having passed these additional gates, the bonus is defined in connection with the achievement of the individual RORAC target.

The determination of the actual Bonus to be paid to the **heads of the control departments** is made by applying to the Bonus Target, expressed in percentage terms of the fixed remuneration

resolved by the BoD for the financial year in question, the correction (0%-125%) calculated on the basis of the score achieved from the assessment forms of the assigned individual targets.

The bonus may be reduced, down to zero (malus), in the event of disciplinary action or evidence of non-compliance due to excess risk undertaking, failure to observe legal or statutory provisions or the code of ethics, of conduct or violation of internal and/or external regulations from which a significant loss derives for the Bank or the customers (as defined by the Board of Directors), including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise risk alignment. The related decisions are made

- by the BoD, with the input of the Remuneration Committee, with reference to the General Manager, Deputy Managers and the heads of the Corporate Control Departments, Appointed Executive and Head of the Resources Department;
- by the General Manager, with the support of the Head of Resources Department, for the remaining Risk Takers;
- by the Resources Department with reference to the remaining staff.

Payment of Bonuses

The Board of Directors resolves upon the bonuses calculated in accordance with the methods described above and adjusted in line with the findings of the individual assessment forms. The payment of the bonuses occurs by the methods expressed below.

Risk Takers

System of deferral of Bonuses accrued in financial year “t”

- 40% of the Bonus in financial year “t+1” paid by the month after the date of approval of the Consolidated Financial Statements of financial year “t”;
- 30% in financial year “t+2”, having verified the liquidity and capital gates and the adjusted consolidated profit of current operations before taxes of financial year “t+1”,

- 30% in financial year “t+3”, having verified the liquidity and capital gates and the adjusted consolidated profit of current operations before taxes of financial year ”t+2”. The sums deferred to financial year “t+2” and “t+3” are adjusted for the price variation of the BDB ordinary shares between financial year “t+1” and the payment date, with a corridor of +/- 20%.

With reference to the information required by Article 114 *bis* of Italian Legislative Decree No. 58/1998, it is hereby specified that the amount of the deferred bonus may therefore increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio in the timeframe between the accrual of the bonus and the deferral time.

The price reference, for the purposes of the Incentive Plan for Banco Desio Management, is constituted, for each financial year, by the average of the Stock Exchange price of the ordinary share of Banco Desio e della Brianza Spa of the 30 days prior to the date of approval of the financial statements of the previous financial year.

T	t+1	t+2	t+3
Year of economic accrual of bonus	<p>40%</p> <p><u>Payment of bonus</u></p>	<p>30%</p> <p><u>Subject to verification of gates for financial year t+1:</u> -Capital -Liquidity Consolidated adjusted profit of current operations before taxes</p> <p><u>Payment of bonus</u> <i>adjusted for variation of the share price between t+1 and t+2 with a corridor of +/- 20%.</i></p>	<p>30%</p> <p><u>Subject to verification of gates for financial year t+2:</u> -Capital -Liquidity Consolidated adjusted profit of current operations before taxes</p> <p><u>Payment of bonus</u> <i>adjusted for variation of the share price between t+1 and t+3 with a corridor of +/- 20%</i></p>

For identified staff at the subsidiaries, the payment of the deferred portions is subject to verification of the following conditions:

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Financial Statements of financial year “t”;
- 30% in financial year “t+2”; verify the liquidity and capital gates and the adjusted profit of current operations before taxes at consolidated level and at Subsidiary level of financial year ”t+1”;
- 30% in financial year “t+3”; verify the liquidity and capital gates and the adjusted profit of current operations before taxes at consolidated level and at Subsidiary level of financial year ”t+2”.

The amount of the deferred bonus may therefore increase or reduce, up to a maximum of +/- 20%, based upon the stock exchange performance of the ordinary share of Banco Desio in the timeframe between the accrual of the bonus and the deferral time.

The bonus may be reduced, down to zero (malus), in the event of disciplinary action or evidence of non-compliance due to excess risk undertaking, failure to observe legal or statutory provisions or the code of ethics, of conduct or violation of internal and/or external regulations from which a significant loss derives for the Bank or the customers (as defined by the Board of Directors), including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise risk alignment.

The Bank proceeds through repayment (claw back) actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence within 5 years from accrual of the variable remuneration or from payment thereof, of conduct of the staff who determined or contributed to determine:

- violation of codes of ethics or of conduct, and/or internal or external regulations which led to a significant loss for the Bank or for its clients;
- violations of the obligations imposed in accordance with Article 26 or, when the person is an involved party, with Article 53, Paragraphs 4 *et seq.*, of the Consolidated Banking Law or of the remuneration and incentive obligations;
- violations of the rules of the Consolidated Finance Act pertaining to remuneration and incentive obligations;
- fraudulent or grossly negligent behaviours to the detriment of the Bank;
- as well as conduct which led to disciplinary penalties (from suspension of employment to dismissal for just cause or justified subjective reason).

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters.

Control Departments

System of deferral of Bonuses accrued in financial year “t”:

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Consolidated Financial Statements of financial year “t”;
- 30% in financial year “t+2”, having verified the liquidity and capital gates of financial year “t+1” and having verified that the adjusted consolidated profit of current operations before taxes of financial year "t+1" is positive, paid by the month after the date of approval of the Financial Statements of financial year “t+1”;
- 30% in financial year “t+3”, having verified the liquidity and capital gates of financial year “t+2” and having verified that the adjusted consolidated profit of current operations before taxes of financial year “t+2” is positive, paid by the month after the date of approval of the Financial Statements of financial year “t+2”.

t	t+1	t+2	t+3
Year of economic accrual of bonus	40% Payment of bonus	30% <u>Subject to verification of gates for financial year t+1:</u> -Capital -Liquidity -Consolidated adjusted profit of current operations before taxes for the year	30% <u>Subject to verification of gates for financial year t+2:</u> -Capital -Liquidity -Consolidated adjusted profit of current operations before taxes for the year

For staff belonging to the control departments identified at the subsidiaries, the payment of the deferred bonus is subject to the occurrence of the following conditions:

- 40% of the Bonus in financial year “t+1”, paid by the month after the date of approval of the Financial Statements of financial year “t”;
- 30% in financial year “t+2”: having verified the liquidity and capital gates of financial year “t+1”, that the adjusted individual profit of current operations before taxes of financial year “t+1” is positive,
- 30% in financial year “t+3”: having verified the liquidity and capital gates of financial year “t+2”, that the adjusted individual profit of current operations before taxes of financial year “t+2” is positive.

The bonus may be reduced, down to zero (malus), in the event of disciplinary action or evidence of non-compliance due to excess risk undertaking, failure to observe legal or statutory provisions or the code of ethics, of conduct or violation of internal and/or external regulations from which a significant loss derives for the Bank or the customers, including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise risk alignment.

The Bank proceeds through repayment (claw back) actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence within 5 years from accrual of the variable remuneration or from payment thereof, of behaviours of the staff who determined or contributed to determine:

- violation of codes of ethics or of conduct, and/or internal or external regulations which led to a significant loss for the Bank or for its clients;
- violations of the obligations imposed in accordance with Article 26 or, when the person is an involved party, with Article 53, Paragraphs 4 *et seq.*, of the Consolidated Banking Law or of the remuneration and incentive obligations;
- violations of the rules of the Consolidated Finance Act pertaining to remuneration and incentive obligations;
- fraudulent or grossly negligent behaviours to the detriment of the Bank;
- as well as conduct which led to disciplinary penalties (from suspension of employment to dismissal for just cause or justified subjective reason).

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters.

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THRESHOLD

If the bonus is less than the total amount of 30,000 Euros, to maintain the spirit of the risk alignment rule, the entire amount is paid in cash up front.

“PARTICULARLY HIGH” VARIABLE REMUNERATION

If the amount of the variable remuneration is “particularly high”, i.e. is equal to or higher than 430,000 Euros (i.e. 25% of the total average remuneration of the Italian High Earners, according to the EBA 2016 Report), the ad hoc rules defined with respect to deferral and involved parties by Bank of Italy in Circular 285/2014 are applied proportionately as an intermediate Group.

3.2.5 Remuneration of Identified Staff for the year 2019

Incentive plan for Banco Desio Group management

The verification of the final balance data expressed by the Group in the financial year 2019 has highlighted the achievement of the “gate” targets of liquidity, capital and profitability, which determined the activation of the incentive system for Banco Desio Group management not belonging to the control departments. Consequently, the bonus was accrued for the identified staff not included in the control departments identified care of the Parent Company and the Subsidiaries to the extent determined by the correct profitability for the risks of the individual companies.

Regarding the identified staff belonging to the control departments, in consideration of the positive adjusted consolidated profit from current operations before taxes and of the positive adjusted individual profit from current operations before taxes: the profitability condition

prescribed by the Plan was positively verified both for the Parent Company and for the Subsidiaries.

Moreover, the conditions laid down in the Plan for the payment of the second deferred portion of the bonus accrued in the 2017 financial year with regard to the identified staff of the Parent Company and of the Subsidiary Fides were satisfied.

The calculation of the amounts to be paid will be carried out, in accordance with the Plan for personnel not belonging to the control departments, on the basis of the comparison between the average price of the Banco Desio ordinary share in the 30 days prior to the date of approval of the Consolidated Financial Statements by the Shareholders' Meeting and the average price of the Banco Desio ordinary share in the 30 days prior to the year t+1, with a corridor of +/- 20%.

The detailed quantitative representation is set out in the tables below:

Remunerazione Personale più Rilevante Gruppo Banco Desio anno 2019					
Categoria	n. risorse	Retribuzione Fissa	retribuzione variabile maturata nell'esercizio 2019	di cui correlata all'andamento della quotazione del titolo azionario	incidenza retribuzione variabile su quella fissa
Apicali	6	1.498.846	407.062	214.987	27%
Risk Taker	16	2.307.040	490.834	164.200	21%
Funzioni di Controllo	7	777.466	139.537	-	18%
Totale	29	4.583.352	1.037.433	379.187	

Differimento remunerazione variabile			
Categoria	Retribuzione Variabile Differita maturata nell'esercizio 2019	Retribuzione variabile differita di competenza di esercizi precedenti erogata nell'anno *	Retribuzione Variabile Differita da verificare in esercizi successivi
Apicali	244.237	116.613	257.374
Risk Taker	164.200	60.678	164.200
Funzioni di Controllo	-	77.243	40.563
Totale	408.437	254.534	462.137

(*) Amounts subject to correction of performances that will be adjusted on the basis of the performance of the ordinary Banco Desio Spa stock with the exception of those referred to the control departments.

Pay mix				
Categorie	Retribuzione Fissa (cash)	Retribuzione Variabile non Differita	Retribuzione Variabile Differita	Incidenza retribuzione variabile
Apicali	78,64%	8,54%	12,81%	27,16%
Risk Taker	82,46%	11,67%	5,87%	21,28%
Funzioni di Controllo	84,78%	15,22%	0,00%	17,95%

To accompany the above “ex post” information on the implementation of the Remuneration Policies, we note the following:

i. the Remuneration Committee, during 2019, met 6 times (two meetings were held jointly with the Appointments Committee), mainly discussing issues relating to the implementation and adjustment of the Remuneration Policies described in the Report in question.

ii. The Chief Auditing Officer conducted an audit in relation to the Remuneration and Incentive Policies adopted in 2019 and in relation to the policies applied with respect to the results of the 2018 financial year.

The Remuneration and Incentive Policies adopted were correctly carried out regarding the matter of identified staff, compliance with the limits of incidence of the variable remuneration in accordance with the categories of beneficiaries, verification of the achievement of the "gate" targets. The detailed outcomes of the checks conducted have been brought to the attention of the relevant Bodies and Departments.

iii. The Compliance Department believes that this Report is consistent with the objectives of compliance with the Supervisory Provisions of the Bank of Italy in that regard and with the articles of association.

iiii. The Chief Risk Officer has participated in the process of defining the Remuneration Policies. The gate parameters of liquidity and capital were identified in line with the Group's risk strategy in accordance with the Risk appetite Policy. The *ex post* verification of compliance of the levels adopted for the year 2019 gave a positive result.

3.3 The Remuneration Policies for remaining staff

3.3.1 Structure of the remuneration for remaining staff

The remuneration package for the remaining staff is oriented towards the achievement of medium/long-term objectives and is balanced in the following elements, depending on the category of reference:

- fixed remuneration;
- the variable incentive remuneration, which rewards performances over a short-term time period;
- other retention and attraction instruments which, in relation to the type, fall within the sphere of the fixed or variable remuneration;
- the benefits, which fall within the fixed component of the remuneration;
- indemnities with a view to or at the time of early termination of the employment relationship.

In particular, the elements constituting the remuneration package for remaining staff are the following:

- Fixed annual remuneration: in line with the professional positioning and actual experience, seniority and expertise of the employee, constantly monitored and verified with respect to the market context, taking into consideration the level of experience and professional expertise required for each position.

Indemnities may also be assigned in connection with specific positions, functionally connected to the covered role, related to the fixed component of remuneration.

To complete the remuneration offer, on the basis of a general policy defined at the Company level, employees are offered a package of additional benefits, such as, by way of example, a supplementary pension plan, supplementary forms of insurance and medical cover, as well as the granting of special favourable conditions as regards services provided by the Bank.

- Variable remuneration: constituted by the Company Bonus provided by the National Collective Labour Agreement and linked to the economic performance of the Company

and by a Monetary Incentive Component, which rewards the annual “performances” in relation to the assigned targets and the results achieved.

If new staff are hired from outside the Group, and only for the first year of employment, entry bonuses may be provided to make the company’s proposal more attractive, in compliance with the terms and conditions prescribed by current regulations.

In addition, at the decision of the General Manager, within a maximum limit of 1% of the budgeted personnel cost, duly adjusted with the variable incentive components (e.g. company bonus, incentive system), specific one-off or exception bonuses (e.g. on the occasion of special projects, excellent behaviours, extraordinary events, severance incentives...), duly justified, paid after verifying that the access conditions have been met.

It is also possible to activate sales contests directed at strengthening the pursuit of the sales targets and/or of specific initiatives relating to extraordinary projects. These initiatives are part of the variable component of remuneration and are activated in line with the code of ethics and the provisions of internal regulations regarding alignment with customer needs, loyalty and related satisfaction and subject to the maintenance of capital and liquidity requirements. They are exceptional, ancillary and marginal in terms of costs, personal motivation and risk impacts and entail dedicated safeguards to ensure compliance with provisions pertaining to conflict of interest and moral hazard behaviour: these aspects are defined in the pertinent internal regulations.

The amount of the Monetary Incentive Component intended for the remaining staff may not individually exceed 20% of the fixed remuneration and, in any case, also the variable remuneration of the remaining personnel, as a whole, must adhere to the variable/fixed ratio in the limit of 1:1., without prejudice to the possible definition of non-compete agreements or the extension of the notice period, which envisage the payment of a consideration commensurate with the duration and extent of the restriction deriving from the agreement following the conclusion of the employment relationship and/or termination of the office, envisaging in this case the possibility of exceeding this limit,

without prejudice to the maximum incidence described in section 4, "indemnity in the event of resignation or termination of employment and individual pension benefits".

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3.3.2. The Variable Component of the Remuneration Package

In the Group's Remuneration Policies, the variable component of the remuneration is a performance incentive tool.

The monetary incentive system provided for specific categories of personnel (network and head office) is developed in compliance with a set of guidelines consistent with the general principles on which the Group's remuneration policies are based. In particular, that system:

1. respects the objectives and company values, the long-term strategies and the policies of prudent risk management of the bank. The variable component of the remuneration of network staff does not involve, in fact, the receipt of incentives that may prejudice the provision of investment services in compliance with the interests of customers or that place the interests of the Group above those of customers;
2. is based upon a methodology of determination of bonuses linked to the achievement of pre-determined targets, assigned through an explicit and shared process;
3. takes into consideration, as regards the remaining staff of the Parent Company, the annual performance of the Group by way of a mechanism that links the amount of maximum expenditure to target levels of adjusted consolidated Profit of current operations before taxes, fixed each year by the Board of Directors.

For the staff of the Subsidiaries, the maximum expenditure is determined for each company, in compliance with the guidelines laid down for the Group, in relation to target levels of the individual adjusted Profit of current operations before taxes. That mechanism involves the zeroing of the bonus pool in the case of unsatisfactory results and in the case of negative results;

4. subjects the payment of bonuses to the presence of two access conditions (known as "gate" targets) which reflect the level of capital resources and liquidity of the Group in order to make the monetary incentive system sustainable with respect to the Group's

financial situation. In particular, those “gate” targets reflect those provided for “identified staff”.

There is no provision for incentive systems based only on commercial targets.

3.3.3 Network Staff

For the remaining staff, the incentive systems provided for network staff meet the objective of aligning the performances of the network to the Group's strategic objectives and motivating resources to achieve and maintain excellent performance levels of the activities and aligning the interests of the staff with the satisfaction and loyalty retention of the customers.

The bonuses of the Staff who propose banking services and products and the respective Managers, to avoid incorrect commercial practices, are never linked to the offer of specific financial products or policies that condition the attainment of financing and include objectives related to the loyalty retention and satisfaction of the customers. They envisage dedicated safeguards, which may lead to the non-payment of the bonus, to ensure compliance with regulations pertaining to anti-money laundering, transparency and correctness in relationships with customers, as well as with the code of ethics and of conduct and in the presence of customer complaints assessed within the sphere of the disciplinary process.

The network staff is made up of the following professional figures:

- Area Managers;
- Branch Managers and Officers;
- Corporate Bankers;
- Private Bankers;
- Affluent Managers
- Other Network Staff.

Overall, the so-called “identified parties”, i.e. parties offering banking products and services, number 1,300 and their Managers are 278.

Area Managers

Having ensured compliance with internal and external regulatory provisions and an adequate level of credit quality, the bonus system for Area Managers involves the assignment of specific targets in order to measure the performance of the Area in relation to a score calculated on the basis of achievement of the assigned budgets for macro aggregates, of which the Income Statement target and the development of business relations are of particular importance in addition to the level of satisfaction of the customers. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Branch Managers and Officers

Having ensured compliance with internal and external regulatory provisions and an adequate level of credit quality, the bonus system for Branch Managers and Officers involves the assignment of specific targets in order to measure the performance of the Branch in relation to a score calculated on the basis of achievement of the assigned budgets for macro aggregates, of which the Income Statement target and the development of business relations are of particular importance in addition to the level of satisfaction of the customers. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Corporate Bankers

Having ensured compliance with internal and external regulatory provisions, an adequate level of credit quality and achieving a minimum commercial development target, the bonus system for Corporate Bankers involves the assignment of specific targets in order to measure the performance based on a score calculated depending on the achievement of the assigned budgets for macro aggregates and relating to the specific business segment (Corporate credit), among which the Income Statement target is of particular importance. The bonus accrued, having achieved the minimum profit level, is correlated to the score achieved.

Private Bankers

Having ensured compliance with internal and external regulatory provisions, with particular attention to specific mandatory training and the maintenance of the functional qualifications to cover the role (IVASS – ESMA), the bonus system for Private Bankers involves the assignment of specific targets in order to measure the performance implemented based upon the achievement of the assigned budgets for macro aggregates and related to the specific business segment, given the due compliance with internal and external regulations. For the specific

segment, adequate performance of the role is also considered, i.e. the technical-specialistic evaluation, the organisational capabilities and the outcome of customer satisfaction checks.

Affluent Managers

Having ensured compliance with internal and external regulatory provisions, with particular care for the specific mandatory training and the maintenance of functional authorisations to cover the role (IVASS/ESMA), of a correct management of current operating risks and of “post sale” assistance activities, the bonus system for Affluent Managers involves the assignment of specific targets in order to measure the performance based on a score calculated depending on the achievement of the assigned budgets for macro aggregates-

Other Network Staff

The attribution of the Monetary Incentive Component to Other Network Staff has as its main objective the attribution of bonuses strictly commensurate to the increase, achieved by the individual peripheral units, of activities deriving from the acquisition of new markets and/or higher market shares, consistently with the Group strategies and it is activated upon achieving the assigned targets. The amount of the bonus accrued is determined in accordance with meritocratic criteria that must respect the principle of proportionality in relation to commercial development, safeguarding of risks, observance - if required by the role - of the specific mandatory training and the maintenance of functional authorisations to cover the role (IVASS/ESMA) and adherence to the performance assessment system and that Branch Managers must propose for their own subordinates.

3.3.4 Bank Office Staff of the Group

The Office Staff is constituted by management and clerical staff of the Head Office excluding the “identified staff”. For Office Staff, the determination of the bonuses is linked to the achievement of general targets and/or function targets and is aimed at recognising individual performances. As part of the maximum expenditure established for the bonus system for remaining staff (bonus pool), a maximum amount of expenditure available to the Departments, Areas and Head Office is defined annually, for the payment of bonuses to staff of the individual

structures. The subdivision of that maximum expenditure is determined on the basis of many factors related to the achievement of individual and team results and the achievement of particular targets assigned during the year, which constitute the basis for formulating the proposals under the remit of each Office/Area/Department Manager in favour of his/her collaborators. An element for assessing the variable remuneration of the staff who deal with complaints is represented by the level of satisfaction and loyalty retention of the customers.

The bonus proposals, consistent with the outcome of the individual performance assessment process, are subsequently submitted for approval by the Resources Department.

3.3.5 Advisory Board

The creation of the Advisory Board for the Umbria area took place, by resolution of the Board of Directors, following the Merger via incorporation of Banca Popolare di Spoleto into the Bank with legal effect as from 1 July 2019.

The purpose of the Advisory Board (an advisory body not part of the Board) is to foster the development of the Bank's relationship with the Umbria area; it is mainly composed of local representatives who are able to provide the local areas with specific expertise.

The Advisory Board is currently made up of 6 members, one of which covers the office of Chairman. None of the members cover corporate offices within the Banco Desio Group.

The related fees, established by the Board of Directors of the Parent Company upon the proposal of the Remuneration Committee, are defined entirely to a fixed extent.

3.3.6 Financial Advisors

The remuneration of Financial Advisors is regulated in accordance with the provisions envisaged by the agency contract. Two different components can be recognised within this remuneration:

- a recurrent component, essentially referring to the more stable and ordinary part of the remuneration, made up of:
 - i) direct remuneration

- commission commensurate to the commission-related returns of the managed portfolio and the activities for the promotion and placement of banking products and services;
- fees acknowledged at the time of transfer of the portfolio;
- fees for indicating financial advisors to be included in the Network;
- ii) indirect remuneration
 - remuneration for tutoring activities;
 - remunerative component for the co-ordination roles;
- a non-recurring component, mainly referring to:
 - recognitions referred to specific initiatives directed at promoting the development of the activities, of the managed assets and of the banking products or loans; recognitions in view of the advisor's commitment to fulfil a predefined minimum period of collaboration with the Bank.

This second component is paid as part of a specific Bonus pool and it is subject to compliance with the liquidity and capital gate targets set annually for all the incentive systems of the Group. A bonus is paid to each resource subject to the verification of the correctness of the relations with customers, compliance with internal and external regulations, and in the absence of operational risks such as to cause reputational damage.

The Financial Consultants are included in the process for the identification of the identified staff of the Group and, in the event of identification, the non-recurring fees are subject to the same deferral and disbursement schemes and malus rules provided for the identified staff of the Group.

3.3.7 Fides Spa Staff

The variable incentive system for the remaining staff of Fides Spa envisages a methodology of determining bonuses connected to the achievement of general targets and aimed at recognising individual performances. As part of the maximum expenditure established for the incentive system for remaining staff (bonus pool) the accrual of bonuses for the individual resources is determined on the basis of a number of factors related to the achievement of individual and team results and the achievement of particular targets assigned during the year.

3.3.8 Brokers

The remuneration of Brokers is regulated in accordance with the regulations provided by the agency contract. Two different components can be recognised within this remuneration.

The recurring component, consisting essentially of the commissions indicated in the agency mandate, which represents the natural fee of the activity carried out by the agent and are not related to the achievement of specific results.

The non-recurring component, essentially referred to remuneration with an incentive value subject to achieving target volumes of turnover. This second component is paid as part of a specific Bonus pool that is activated in the presence of a positive economic result of the subsidiary Fides Spa and it is subject to the observation of the liquidity gate objectives fixed annually for all incentive systems and to the verification of the capital adequacy of the Group. Taking into account the availability of the Bonus Pool for Brokers in the presence of adequate profitability of the subsidiary, the level of capital adequacy of the Group is identified as the minimum regulatory requirement CET1 ratio of the Group $\geq 7.25\%$, corresponding to the minimum regulatory requirement of 7% plus the 2019 SREP coefficient on the CET1, equal to 0.25%, since - at present - the Supervisory Authority's 2019 SREP Analysis is not yet available. A bonus is paid subject to the verification of the correctness of the Broker's relations with customers, compliance with internal and external regulations, and in the absence of operational risks such as to cause reputational damage.

The Brokers are included in the process for the identification of the identified staff of the Group and, in the event of identification, the non-recurring fees are subject to the deferral and disbursement schemes and malus rules provided for the identified staff of the Group.

3.4 Malus and Claw back

The bonus may be reduced, down to zero (malus), in the event of disciplinary action or evidence of non-compliance due to excess risk undertaking, failure to observe the code of ethics or of conduct or violation of internal and/or external regulations from which a significant loss derives for the Bank or for the customers (as defined by the Board of Directors), including the prohibition to apply personal hedging or insurance strategies on remuneration or on other aspects that may alter or compromise risk alignment. The related decisions are made by the Head of the Resources Department.

The bank proceeds through repayment (claw back) actions, in full or in part, for the variable remuneration already paid and the interruption of the deferred components in case of evidence within 5 years from accrual of the variable remuneration or from payment thereof, of behaviours of the staff who determined or contributed to determine:

- violation of codes of ethics or of conduct, and/or internal or external regulations which led to a significant loss for the Bank or for its clients;
 - violations of the rules of the Consolidated Finance Act pertaining to remuneration and incentive obligations;
 - fraudulent or grossly negligent behaviours to the detriment of the Bank;
- as well as conduct which led to disciplinary penalties (from suspension of employment to dismissal for just cause or justified subjective reason).

These provisions are independent with respect to any compensatory or disciplinary profiles and they are activated taking also into account the contribution and tax profiles relating to these matters.

3.5 Implementation of remuneration policies for remaining personnel for the year 2019

With reference to the financial year 2019, the “gate” targets of capital adequacy and liquidity have been achieved. The bonuses for individual beneficiaries are being defined within the maximum expenditure determined on the basis of Consolidated adjusted profit of current operations before taxes and in scrupulous compliance with the individual limit to the incidence of monetary incentive Component on fixed remuneration of 20% and, in general, in compliance with the established limits.

4. Compensation in the event of resignation or termination of employment and individual pension benefits

The Banco Desio Group adopts the following criteria for determining the compensation to be paid in the case of early conclusion of the employment relationship or early termination from the office:

- **A) for all staff**
 - the limit to the compensation is established at 2 years of fixed remuneration. For staff recruited on a subordinate employment contract, any definition of compensation for termination of the employment relationship determined within the limits mentioned above is understood to supplement the indemnity in lieu of advance notice and to replace the possible additional applications regulated by the National Collective Labour Agreement;
 - the total sum paid to an individual resource may not in any case exceed the limit of 1.5 million Euros, the related amount is subject to claw back;
 - any remuneration paid is subject to the same malus and claw back rules prescribed for variable remuneration, in particular, the Bank shall seek repayment of the amounts paid in case of ascertainment, within 5 years from the payment of the immediate component or of the deferred component, of conduct on the part of the employees, directors or collaborators benefiting from such conduct during their employment, in violation of internal or external rules or regulations, which entailed for the Bank a loss considered “significant”, of violation of the conditions and of the limits for the assumption of risk activities

with respect to those who can exercise an influence on the management of the Bank and of the parties connected therewith (in accordance with Article 53 Paragraphs 4 *et seq.* of the Consolidated Banking Law), of violation of the remuneration and incentive obligations and of fraudulent conduct and of gross negligence, with reference to Executives with Strategic Responsibility, in the event of data pertaining to the Gates or vesting conditions that were subsequently revealed to be manifestly erroneous.

B) for the identified personnel, in addition to the criteria indicated in A) above

- the amount is determined taking also into account the individual results of the person and the conditions of liquidity, capital and income of the Bank;
- with reference to professionals with particularly relevant characteristics, such that termination of employment could determine risks, the Bank reserves the right to define, from time to time, non-competition agreements that provide the recognition of an amount commensurate with the duration and breadth of the constraint deriving from the agreement itself after the conclusion of the employment relationship and/or cessation of the office.

In accordance with regulatory provisions, if the related amounts are defined within the limit of one year of fixed remuneration, they are not subject to verification of the alignment with the overall results of the Bank, individual performance or duration of the employment relationship or to the rules pertaining to the specification of the payment, with particular reference to the deferral, malus and composition between cash and financial instruments.

- “Golden Parachutes” are included in the calculation of the proportion of the variable remuneration with respect to the fixed remuneration of the last year of employment or of permanence in office, with the exception of:
 - Amounts agreed and recognised by a non-competition agreement, for the portion that, for each year of duration of the agreement, does not exceed the last year of fixed remuneration;
 - Amounts agreed and recognised within the scope of an agreement between the bank and the staff, however reached, for the settlement of a current or potential dispute defined multiplying

- 2 months of pay for Risk Takers
- 6 months of pay for control departments

of total annual remuneration (gross annual remuneration of the last year with the addition of the average of the amounts recognised by way of annual incentivising system, be it up-front or deferred, in the previous two years) times the number of years of seniority

in any case within the maximum amount defined by the Shareholders' Meeting.

- the amount will be paid by the methods provided for variable remuneration of risk taker staff (deferral, correlation to performance of the stock for staff not belonging to control departments, malus, claw back).

For identified staff recruited on a subordinate employment contract, the payment methods provided for the variable remuneration of identified risk taker staff will apply for the portion of compensation that may exceed the prior notice calculated in accordance with the provisions of the National Collective Labour Agreement and for the amount of the NCA that exceeds the last year of fixed remuneration.

C) for the remaining personnel, in addition to the general criteria indicated in A) above:

- the amounts agreed in view or on the occasion of the early conclusion of the employment are included in the calculation of the proportion of the variable remuneration with respect to the fixed remuneration of the last year of employment or of permanence in office, with the exception of:

- Amounts agreed and recognised within the scope of an agreement between the bank and the staff, however reached, for the settlement of a current or potential dispute defined multiplying

- 2 months of the total annual remuneration (gross annual remuneration of the last year with the addition of the average of the amounts recognised by way of monetary incentive component in the previous two years) times the number of years of seniority

in any case within the maximum amount defined by the Shareholders' Meeting.

- With reference to professionals with particularly relevant characteristics, such that termination of employment could determine risks, the Bank reserves the right to define, from time to time, while the employment relationship exists or in view of or at the time of termination of the employment relationship, non-competition or notice period extension agreements that envisage the recognition of an amount commensurate with the duration and breadth of the constraint deriving from the agreement itself after the conclusion of the employment relationship and/or cessation of the office.

If the amounts relating to the non-competition agreements are defined within the limit of one year of fixed remuneration, they are not subject to the limit to the variable/fixed ratio, as defined by the present provisions.

If the amounts relating to non-competition agreements are defined for a total amount that exceeds the limit of one year of fixed remuneration and in any case for amounts relating to the extension of the contractual notice period, they are considered variable remuneration and the related allocation and payment is subject to verification of compliance with the Group's capital and liquidity conditions and contributes to the definition of the limit of variable remuneration with respect to fixed remuneration. In this case, on an exceptional basis, this limit can depart from the incidence of 1:1 in any event within a maximum of 2:1.

This without prejudice to the provisions of Circular 285 Paragraph 2.2.3 “Derogation” point 1 with regard to severance incentives.

At present, no resource of the Group is provided with additional indemnities to those provided by the employment contract or by the Italian Civil Code in the case of resignation or termination of the relationship. There are no agreements that involve the assignment or maintenance of non-monetary benefits in favour of persons who have ceased their office (known as post-retirement perks).

No discretionary pension benefits are provided.

During 2019 Mr. Ippolito Fabris left the office of General Manager of Banca Popolare di Spoleto. An agreement was reached with the same for the consensual termination of the employment relationship, which envisaged, in addition to the recognition of the amounts already accrued by way of fixed and variable remuneration (the latter relating to the second deferred portion for 2017 and, for the year 2019 *pro rata temporis* until 30 June 2019, still subject to deferral, correlation to the performance of the stock, malus and claw back in compliance with the conditions prescribed by the Group Remuneration Policies), maintenance of the qualification as Executive (without operating powers) and related compensation, until 31 July 2019 (date of definitive termination of the employment), as well as

- the assignment of an amount in addition to the severance indemnity of 235,000 Euros;
- the assignment of 5,000 Euros against the waiver of claims, rights and/or actions;
- the assignment of 160,000 Euros by way of non-competition agreement (from the date of termination until 31 July 2020 with payments made in two tranches no later than 31 October 2019 and no later than 31 July 2020).

At the date of the resignation, Mr. Ippolito Fabris did not hold any shareholding either in Banco Desio or in Banca Popolare di Spoleto.

Data transmission obligations

In 2019, the Parent Company assumed the obligation to transmit on an annual basis to the Bank of Italy the remuneration data, as established in the Communication of 7 October 2014 promulgated in accordance with Article 75 of CRD IV.

SECTION II

This Section of the report provides a representation of the items that make up the remuneration of the management and control bodies, as well as the general managers and Vice general managers of the Parent Company and of the Subsidiary Banca Popolare di Spoleto, (merged via incorporation with legal effectiveness as from 1 July 2019)⁵ with the aim of highlighting the consistency with the general Policy described in Section I.

Chairman of the Parent Company

The fixed compensation of Mr. Stefano Lado for the office of Chairman and member of the Remuneration Committee amounted to 664,500 Euros (of which 4,500 Euros for attendance fees).

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

Vice Chairman of the Parent Company

The fixed compensation of Mr. Tommaso Cartone for the office of Vice Chairman/AISCI and member of the Risk Control Committee amounted to 354,500 Euros (of which 4,500 Euros for attendance fees).

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

Executive Directors of the Parent Company

⁵The amounts indicated with reference to the Subsidiary are understood therefore to be subject to “pro-rata temporis” reduction.

Messrs. Agostino Gavazzi, Egidio Gavazzi, Tito Gavazzi, Paolo Gavazzi and Graziella Bologna receive, in addition to the fixed remuneration for the office of Directors, an additional fee in the capacity of members of the Executive Committee, as well as the payment of attendance fees, as provided by the Group's remuneration policy.

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

Non-Executive Directors of the Parent Company

Messrs. Gerolamo Pellicanò, Cristina Finocchi Mahne, Valentina Maria Carla Casella, Marina Brogi and Nicolò Dubini receive fixed remuneration for the office of Directors, an additional fee for participating in Committees, as well as the payment of attendance fees, as envisaged by the Group's remuneration policy.

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

General Manager of the Parent Company

Mr. Angelo Antoniazzi received total gross compensation of 500,000 Euros. The value of the non-monetary benefits package assigned to the General Manager amounted to 4,209 Euros.

With reference to the Incentive plan for management of the Group, the same accrued in the 2019 financial year variable remuneration of 152,000 Euros. The results of the 2019 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2017 of 27,437 Euros.

There is no provision for compensation at the end of the office due to resignation or termination of the relationship. Concerning the offices held by the General Manager of the Parent Company in the Subsidiary Fides in 2019, it is specified that Mr. Angelo Antoniazzi in his capacity as Director of Fides SpA, has received gross annual remuneration of 10,000 Euros which is reversed in accordance with the currency Policy.

Managers with Strategic Responsibilities of the Parent Company

The “Substitute” Vice General Manager Mr. Mauro Walter Colombo, received total gross remuneration of 260,000 Euros. The value of the non-monetary benefits package amounted to 3,794 Euros.

With reference to the Incentive plan for management of the Group, Mr. Mauro Walter Colombo, due to the office of Manager responsible for drawing up the accounting documents, is the beneficiary of the incentive system for staff belonging to the control departments. As part of the mentioned Plan, he accrued a variable remuneration of 48,750 Euros in the 2019 financial year. The results of the 2019 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2017 of 10,800 Euros and of the first deferred portion of the Bonus accrued in 2018 of 13,137 Euros.

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

The “Business” Vice General Manager, Mr. Maurizio Ballabio, received total gross remuneration of 250,000 Euros. The value of the non-monetary benefits package amounted to 3,423 Euros.

With reference to the Incentive plan for management of the Group, the same accrued in the 2019 financial year variable remuneration of 76,000 Euros. The results of the 2019 consolidated financial statements also allow the payment of the second deferred portion of the Bonus accrued in 2017 of 17,250 Euros.

There is no provision for compensation at the end of the office due to resignation or termination of the relationship.

Chairman of the Subsidiary

The fixed annual remuneration of Mr. Tommaso Cartone for the office of Chairman of the Subsidiary Banca Popolare di Spoleto⁶ amounted to 250,000 Euros (in addition to 2,400 Euros for attendance fees).

In accordance with the remuneration policies of the Group, no additional indemnities are provided in addition to those prescribed by the employment agreement or by the Italian Civil Code in the case of resignation or termination of the employment.

Vice Chairman of the Subsidiary

The fixed annual remuneration of Mr. Argante Del Monte, Vice Chairman of the Subsidiary Banca Popolare di Spoleto, non-executive Director (see below) and member of board Committees, amounted to 100,000 Euros in addition to 2,400 Euros for attendance fees.

Executive Directors of the Subsidiary

Messrs. Gerolamo Gavazzi, Claudio Broggi⁷ and Graziella Bologna received, in addition to the fixed remuneration for the office of Director, amounting to 50,000 Euros, an additional fee in the capacity of members of the Executive Committee (amounting to 40,000 Euros for the Chairman Mr. Gerolamo Gavazzi and amounting to 20,000 Euros for the other member Ms. Bologna), as well as attendance fees (amounting to 300 Euros), as envisaged by the Group's remuneration policy.

Chief Executive Officer, Member of the Board of Directors and the Executive Committee of the Banking Subsidiary

Mr. Angelo Antoniazzi appointed on 17 January 2019 as from 1 February 2019 has received, in addition to the fixed remuneration for the office of Chief Executive Officer, amounting to 30,000 Euros per annum, an additional fee in the capacity of member of the Board of Directors and of the Executive Committee amounting to 70,000 Euros per annum, as well as the payment

⁶You are hereby reminded that the merger was effective for legal purposes as from 1 July 2019 and therefore the amounts indicated are subject to a "*pro-rata temporis*" reduction

⁷ Resigned on 8 January 2019

of attendance fees amounting to 300 Euros, as envisaged by the Group's remuneration policy; the related gross annual fee will be reversed to the Parent Company.

Non-Executive Directors of the Subsidiary

Messrs. Argante Del Monte (see above), Giada Fantini, Maria Rita Mantovani, Marino Marrazza, Francesco Quadraccia, Laura Tulli and Leodino Galli have received the fixed remuneration for the office of Director amounting to 50,000 Euros, a possible additional fee for participating in each Committee, amounting to 10,000 Euros (15,000 Euros for the office of Chairman of each Committee), all of which on an annual basis, as well as the payment of attendance fees (amounting to 300 Euros), as envisaged by the Group's remuneration policy.

General Manager of the Subsidiary

Mr. Ippolito Fabris (in relation to whom reference is made to the matters already indicated in section 4) has received a fee of 175,000 Euros. The value of the non-monetary benefits package assigned to the General Manager amounted to 2,545 Euros.

Manager with strategic responsibilities of the Subsidiary

The Vice General Manager Mr. Massimo Barazzetta⁸, Manager with Strategic Responsibilities, received total annual gross remuneration of 200,000 Euros, in addition to 3,491 Euros relating to the value of the package of non-monetary benefits.

In accordance with the remuneration policies of the Group, no additional indemnities are provided in addition to those prescribed by the employment agreement or by the Italian Civil Code in the case of resignation or termination of the employment.

The Vice General Manager Mr. Valter Longini⁹, received total annual gross remuneration of 167,158 Euros, in addition to 3,374 Euros relating to the value of the package of non-monetary benefits.

⁸Transferred to the Parent Company on 17 January 2019 with effect as from 1 February 2019

⁹Appointed on 17 January 2019 with effect as from 1 February 2019

Desio, Italy, 27 February 2020

On behalf of the Board of Directors

The Chairman

(Mr. Stefano LADO)

TABLE 1: Remuneration paid to members of the management and control bodies, general managers and other managers with strategic responsibilities.

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Agostino Gavazzi	Consigliere	01/01/19 - 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				72.250	52.250					124.500		
(II) Compensi da controllate e collegate												
(III) Totale				72.250	52.250					124.500		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 2.250 euro come gettoni di presenza	I) di cui: - 50.000 euro per la carica di Presidente del Comitato Esecutivo - 2.250 euro come gettoni di presenza							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Stefano Lado	<i>Presidente</i>	01/01/19 – 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				654.500	10.000					664.500		
(II) Compensi da controllate e collegate												
(III) Totale				654.500	10.000					664.500		
<i>Note</i>				I) di cui: - 580.000 euro come compenso per la carica di Presidente - 70.000 euro come compenso per la carica di Consigliere - 4.500 euro come gettoni di presenza	I) di cui: - 10.000 euro come membro del Comitato Remunerazione							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Tommaso Cartone	Vice Presidente	01/01/19 - 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				344.500	10.000			0		354.500		
(II) Compensi da controllate e collegate				126.373						126.373		
(III) Totale				470.873	10.000			0		480.873		
<i>Note</i>				I) di cui: - 270.000 euro come compenso per la carica di Vice Presidente - 70.000 euro come compenso per la carica di Consigliere - 4.500 euro come gettoni di presenza II) di cui: - 123.973 euro come Presidente della società Banca Popolare di Spoleto oltre a 2.400 euro per gettoni di presenza.	I) 10.000 euro come membro del Comitato Controllo e Rischi							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Egidio Gavazzi	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				72.100	32.100					104.200		
(II) Compensi da controllate e collegate												
(III) Totale				72.100	32.100					104.200		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 2.100 euro come gettoni di presenza	I) di cui: - 30.000 euro come membro del Comitato Esecutivo - 2.100 euro come gettoni di presenza							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Paolo Gavazzi	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				72.250	32.250					104.500		
(II) Compensi da controllate e collegate												
(III) Totale				72.250	32.250					104.500		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 2.250 euro come gettoni di presenza	I) di cui: - 30.000 euro come membro del Comitato Esecutivo - 2.250 euro come gettone di presenza							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Cristina Finocchi Mahne	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				74.500	25.000					99.500		
(II) Compensi da controllate e collegate												
(III) Totale				74.500	25.000					99.500		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 4.500 euro come gettoni di presenza	I) di cui: - 25.000 euro come membro del Comitato Controllo e Rischi e Presidente del Comitato Nomine							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Gerolamo Pellicanò	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				74.500	25.000					99.500		
(II) Compensi da controllate e collegate												
(III) Totale				74.500	25.000					99.500		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 4.500 euro come gettoni di presenza	I) di cui: - 25.000 euro come Presidente del Comitato Controllo e Rischi e membro del Comitato Remunerazione (fino al 27 marzo) e del Comitato Nomine (dal 28 marzo)							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Gigliola Zecchi Balsamo	Consigliere	01/01/19 20/03/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				15.151	4.329					19.480		
(II) Compensi da controllate e collegate												
(III) Totale				15.151	4.329					19.480		
<i>Note</i>				I) di cui: - 15.151 euro per la carica di Consigliere	I) di cui 4.329 euro come membro del Comitato Nomine, e COPC							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Valentina Casella	Consigliere	28/03/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				56.807	15.288					72.095		
(II) Compensi da controllate e collegate												
(III) Totale				56.807	15.288					72.095		
<i>Note</i>				I) di cui: - 53.507 euro per la carica di Consigliere - 3.300 euro come gettoni di presenza	I) di cui 15.288 euro come membro del Comitato Remunerazione e del COPC							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Marina Brogi	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				73.600	25.000					98.600		
(II) Compensi da controllate e collegate												
(III) Totale				73.600	25.000					98.600		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 3.600 euro come gettoni di presenza	I) di cui - 25.000 euro come Presidente COPC e membro del Comitato Nomine							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Nicolò Dubini	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				74.200	25.000					99.200		
(II) Compensi da controllate e collegate												
(III) Totale				74.200	25.000					99.200		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 4.200 euro come gettoni di presenza	I) di cui - 25.000 euro come Presidente Comitato Remunerazione e membro del COPC							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Tito Gavazzi	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				72.250	32.250					104.500		
(II) Compensi da controllate e collegate				10.000						10.000		
(III) Totale				82.250	32.250					114.500		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 2.250 euro come gettoni di presenza II) di cui: - 10.000 euro come Consigliere della società Fides	I) - 30.000 euro come membro del Comitato Esecutivo - 2.250 euro come gettoni di presenza							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Graziella Bologna	Consigliere	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				72.250	32.250					104.500		
(II) Compensi da controllate e collegate				37.112						37.112		
(III) Totale				109.362	32.250					141.612		
<i>Note</i>				I) di cui: - 70.000 euro per la carica di Consigliere - 2.250 euro come gettoni di presenza II) di cui: - 34.712 euro per la carica di Consigliere di BPS oltre a 2.400 euro per gettoni di presenza.	I) - 30.000 euro come membro del Comitato Esecutivo - 2.250 euro come gettoni di presenza							

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Angelo Antoniazzi	Direttore Generale	1/01/19 31/12/19										
I) Compensi nella società che redige il bilancio				500.000		88.237		4.209		592.446		
(II) Compensi da controllate e collegate				53.196*						53.196		
(III) Totale				553.196		88.237		4.209		645.642		
<i>Note</i>				I) Euro 500.000 come Retribuzione Annuale Lorda maturata presso BDB II) *Euro 43.196 per la carica di AD di BPS, riversati alla Capogruppo ed Euro 10.000 per la carica di Consigliere della società Fides, riversati alla Capogruppo III) * Euro 43.196 per la carica di Amministratore Delegato della società Banca Popolare di Spoleto, dal 1.2.2019 al 30.06.2019, riversati alla Capogruppo								

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Mauro Walter Colombo	Vice Direttore Generale Vicario	1/01/19 31/12/19										
I) Compensi nella società che redige il bilancio				260.000		43.437		3.794		307.231		
(II) Compensi da controllate e collegate												
(III) Totale				260.000		43.437		3.794		307.231		
Note				I) Retribuzione Annuale Lorda								

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Maurizio Ballabio	Vice Direttore Generale "Affari"	01/01/19–31/12/19										
I) Compensi nella società che redige il bilancio				250.000		47.650		3.423		301.073		
(II) Compensi da controllate e collegate												
(III) Totale				250.000		47.650		3.423		301.073		
Note				I) Retribuzione Annua Lorda								

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Giulia Pusterla	<i>Presidente del Collegio Sindacale</i>	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				110.000						110.000		
(II) Compensi da controllate e collegate				20.877						20.877		
(III) Totale				130.877						130.877		
<i>Note</i>				I) di cui: - 100.000 euro per la carica di Presidente del Collegio Sindacale - 10.000 euro rimborso spese forfettarie II) di cui: - 20.877 euro come Sindaco effettivo della società BPS								

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Rodolfo Anghileri	<i>Sindaco</i>	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				90.000						90.000		
(II) Compensi da controllate e collegate				15.000						15.000		
(III) Totale				105.000						105.000		
<i>Note</i>				I) di cui: - 80.000 euro per la carica di Sindaco - 10.000 euro rimborso spese forfettarie II) 15.000 euro come Sindaco Effettivo della società Fides								

Nome e cognome	Carica	Periodo per cui è stata ricoperta la carica	Scadenza della carica	Compensi fissi	Compensi per la partecipazione a comitati	Compensi variabili non equity		Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity	Indennità di fine carica o di cessazione del rapporto di lavoro
						Bonus e altri incentivi	Partecipazione agli utili					
Franco Fumagalli Romario	<i>Sindaco</i>	01/01/19 31/12/19	data approvazione bilancio del 2019									
I) Compensi nella società che redige il bilancio				90.000						90.000		
(II) Compensi da controllate e collegate												
(III) Totale				90.000						90.000		
<i>Note</i>				I) di cui: - 80.000 euro per la carica di Sindaco - 10.000 euro per rimborso spese forfettarie								

TABLE 2: Stock-Options assigned to members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	Opzioni detenute all'inizio dell'esercizio			Opzioni assegnate nel corso dell'esercizio						Opzioni esercitate nel corso dell'esercizio			Opzioni scadute nell'esercizio	Opzioni detenute alla fine dell'esercizio	Opzioni di competenza dell'esercizio
			2	3	4	5	6	7	8	9	10	11	12	13			
Nome e Cognome	Carica	Piano	Numero opzioni	Prezzo di esercizio	Periodo possibile esercizio (dal-al)	Numero opzioni	Prezzo di esercizio	Periodo possibile esercizio (dal-al)	Fair Value alla data di assegnazione	Data di assegnazione	Prezzo di mercato delle azioni sottostanti all'assegnazione delle azioni	Numero opzioni	Prezzo di esercizio	Prezzo di mercato delle azioni sottostanti alla data di esercizio	Numero opzioni	Numero opzioni	Fair Value
Compensi nella società che redige il bilancio		Piano A (data relativa delibera)															
		Piano B (data relativa delibera)															
		Piano C (data relativa delibera)															
Compensi da controllate e collegate		Piano A (data relativa delibera)															

TABLE 3A: Incentive plans based upon financial instruments other than stock-options, in favour of members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	Strumenti finanziari assegnati negli esercizi precedenti non vested nel corso dell'esercizio		Strumenti finanziari assegnati nel corso dell'esercizio					Strumenti finanziari vested nel corso dell'esercizio e non attribuiti	Strumenti finanziari vested nel corso dell'esercizio ed attribuibili		Strumenti finanziari di competenza dell'esercizio
			2	3	4	5	6	7	8		9	10	
Nome e Cognome	Carica	Piano	Numero e tipologia di strumenti finanziari	Periodo di vesting	Numero e tipologia di strumenti finanziari	Fair Value alla data di assegnazione	Periodo di vesting	Data di assegnazione	Prezzo di mercato all'assegnazione	Numero e tipologia di strumenti finanziari	Numero e tipologia di strumenti finanziari	Valore alla data di maturazione	Fair Value
Compensi nella società che redige il bilancio													
Compensi da controllate e collegate													
Totale													

Note

Non sono in corso piani basati su strumenti finanziari diversi dalle stock-option

TABLE 3B: Monetary incentive plans in favour of members of the management body, general managers and other managers with strategic responsibilities.

A	B	1	2			3			4
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Angelo Antoniazzi	Direttore Generale		(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio	Piano di incent. Management del Gruppo 2019		60.800	91.200*	50% 2021 50% 2022		27.437*		
	Piano B (data relativa delibera)								
	Piano C (data relativa delibera)								
Compensi da controllate e collegate	Piano A (data relativa delibera)								
	Piano B (data relativa delibera)								
Totale			60.800	91.200*			27.437*		

(*) L'ammontare del bonus differito effettivamente erogato, secondo quanto previsto dal Piano, potrà incrementarsi o ridursi, sino ad un massimo del +/- 20%, sulla base dell'andamento di borsa del titolo ordinario del Banco Desio e della Brianza Spa nell'arco temporale intercorrente tra la maturazione del bonus e l'epoca di differimento.

Il riferimento di prezzo, è costituito, per ciascun esercizio, dalla media del prezzo di Borsa del titolo ordinario nei 30 gg antecedenti la data di approvazione del bilancio.

A	B	1	2			3			4
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Mauro Walter Colombo	Vice Direttore Generale Vicario		(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio	Piano di incent. Management del Gruppo 2019		19.500	29.250	50% 2021 50% 2022		23.937	13.137	
	Piano B (data relativa delibera)								
	Piano C (data relativa delibera)								
Compensi da controllate e collegate	Piano A (data relativa delibera)								
	Piano B (data relativa delibera)								
Totale			19.500	29.250			23.937	13.137	

A	B	1	2			3			4
Cognome e Nome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
Maurizio Ballabio	Vice Direttore Generale "Affari"		(A)	(B)	(C)	(A)	(B)	(C)	
			Erogabile / Erogato	Differito	Periodo di Differimento	Non più erogabili	Erogabile/Erogati	Ancora Differiti	
Compensi nella società che redige il bilancio	Piano di incent. Management del Gruppo 2019		30.400	45.600*	50% 2021 50% 2022		17.250*		
	Piano B (data relativa delibera)								
	Piano C (data relativa delibera)								
Compensi da controllate e collegate	Piano A (data relativa delibera)								

	Piano B (data relativa delibera)							
Totale		30.400	45.600*			17.250*		

(*) L'ammontare del bonus differito effettivamente erogato, secondo quanto previsto dal Piano, potrà incrementarsi o ridursi, sino ad un massimo del +/- 20%, sulla base dell'andamento di borsa del titolo ordinario del Banco Desio e della Brianza Spa nell'arco temporale intercorrente tra la maturazione del bonus e l'epoca di differimento.

Il riferimento di prezzo, è costituito, per ciascun esercizio, dalla media del prezzo di Borsa del titolo ordinario nei 30 gg antecedenti la data di approvazione del bilancio.

TABLE 1 - Investments in Banco Desio of members of the management and control bodies and the general manager of Banco di Desio e della Brianza SpA.

Nome e Cognome	Carica ricoperta in Banco Desio	Titolo / Modalità di possesso	azioni ordinarie (al 31.12.2018)	%	Acquisti azioni ordinarie	Vendite azioni ordinarie	Saldo azioni ordinarie (al 31.12.2019)	% post fusione	azioni risparmio (al 31.12.2018)	%	Acquisti azioni risparmio	Vendite azioni risparmio	Saldo azioni risparmio (al 31.12.2019)	%
Stefano Lado *	Presidente	Proprietà	2.180.111	1,863			2.180.111	1,776	196.000	1,485			196.000	1,485
		Intestate al coniuge	6.500	0,006			6.500	0,005	0	0,000			0	0,000
		Proprietà tramite Vega Finanziaria S.p.A.*	6.885.730	5,885			6.885.730	5,610	571.522	4,329			571.522	4,329
Tommaso Cartone	Vice Presidente					27.500	0,022	0	0,000			0	0,000	
Graziella Bologna	Consigliere		0	0,000		0	0,000	0	0,000			0	0,000	
Marina Brogi	Consigliere <i>(nominata dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000		0	0,000	0	0,000			0	0,000	
Valentina Casella	Consigliere <i>(nominata per cooptazione in data 28 marzo 2019)</i>		0	0,000		0	0,000	0	0,000			0	0,000	
Nicolò Dubini	Consigliere <i>(nominato dall'Assemblea Ordinaria in data 6 aprile 2017)</i>		0	0,000		0	0,000	0	0,000			0	0,000	
Cristina Finocchi Mahne	Consigliere		0	0,000		0	0,000	0	0,000			0	0,000	
Agostino Gavazzi	Consigliere	Proprietà	78.244	0,067			78.244	0,064	0	0,000			0	0,000
		Nuda Proprietà	5.500	0,005			5.500	0,004	0	0,000			0	0,000
		Intestate al coniuge	2.900	0,002			2.900	0,002	0	0,000			0	0,000
Egidio Gavazzi	Consigliere	Proprietà	15.000	0,013		15.000	0,012	0	0,000			0	0,000	
Paolo Gavazzi	Consigliere	Proprietà	638.453	0,546		638.453	0,520	15.004	0,114			15.004	0,114	
Tito Gavazzi	Consigliere		0	0,000		0	0,000	0	0,000			0	0,000	
Cerolamo Pellicano'	Consigliere		0	0,000		0	0,000	0	0,000			0	0,000	

Gigliola Zecchi Balsamo	Consigliere (la dott. ssa Zecchi è mancata in data 20 marzo 2019)		0	0,000			0	0,000	0	0,000			0	0,000
Angelo Antoniazzi	Direttore Generale (nominato dal Cda del 11 luglio 2017 a far data dal 19 luglio 2017)		0	0,000			0	0,000	0	0,000			0	0,000
Giulia Pusterla	Presidente del Collegio Sindacale (nominata Presidente del CS dall'Assemblea Ordinaria del 6 aprile 2017)		0	0,000			0	0,000	0	0,000			0	0,000
Rodolfo Anghileri	Sindaco Effettivo		0	0,000			0	0,000	20.000	0,151			4.000	16.000 0,121
Franco Fumagalli Romario	Sindaco Effettivo (nominato dall'Assemblea Ordinaria del 6 aprile 2017)		0	0,000			0	0,000	5.000	0,038			5.000	0,038
Erminio Beretta	Sindaco Supplente (nominato dall'Assemblea Ordinaria in data 6 aprile 2017)		0	0,000			0	0,000	0	0,000			0	0,000
Massimo Celli	Sindaco Supplente (nominato dall'Assemblea Ordinaria in data 6 aprile 2017)		0	0,000			0	0,000	0	0,000			0	0,000
Elena Negonda	Sindaco Supplente (nominato dall'Assemblea Ordinaria in data 6 aprile 2017)		0	0,000			0	0,000	0	0,000			0	0,000

* L'Avv. Stefano Lado risulta titolare di procura generale rilasciata dai figli Giulia e Pietro Lado in forza della quale detiene una percentuale pari allo 0,1379% di azioni ordinarie (169.270) del Banco nonché il controllo della Vega Finanziaria SpA; detiene inoltre una percentuale pari allo 0,1230% di azioni di risparmio (16.250) del Banco.

TABLE 2 - Investments of the other executives with strategic responsibilities.

Mauro Walter Colombo	Vice Direttore Generale Vicario		0	0,000			0	0,000	0	0,000			0	0,000
Maurizio Ballabio	Vice Direttore Generale Affari		13.000	0,011		1.000	12.000	0,010	0	0,000			0	0,000