

DoBank S.p.A. Remuneration and Incentive Policy



Prepared pursuant to:

- Bank of Italy provisions - Circular No. 285 dated 17 December 2013, XXV Update dated 26 October 2018 "Remuneration and Incentive Policies and Practices" and Art. 450 of the CRR (EU Regulation No. 575/2013);
- Art. 123-ter of the Consolidated Finance Law, Art. 84-quater and Schedules 7, 7-bis and 7-ter of Annex 3A of the Regulation adopted with CONSOB Resolution No. 11971 dated 14 May 1999 as amended and supplemented, implementing Italian Legislative Decree No. 58 dated 24 February 1998

Rome, 22 March 2019

Table of contents

Letter from the Chairman of the Remuneration Committee to the Shareholders	3
Executive Summary.....	4
Section I: Remuneration and Incentive Policies of the doBank S.p.A Group.....	7
1	Regulatory framework 8
1.1	Characteristics of the doBank Group and the Proportionality Principle 8
2	Governance Process 9
3.1	Shareholders' Meeting 10
3.2	Board of Directors..... 11
3.3	Remuneration Committee..... 11
3.4	Boards of Directors of the Subsidiaries 13
3.5	Chief Executive Officer 13
3.6	Risk and Transactions with Connected Persons Committee..... 13
3.7	Compliance Function 14
3.8	Risk Management Function..... 14
3.9	Internal Audit Function..... 14
3.10	Human Resources Function 14
3.11	Administration, Treasury, Planning and Control Area..... 15
3.12	Legal and Corporate Affairs Function 15
4	Identification of Material Risk Takers..... 15
5	Breakdown of the remuneration of Corporate Bodies, employees and collaborators... 18
5.1	Remuneration of Corporate Bodies 18
5.1.1	Remuneration of Board of Directors 18
5.1.2	Remuneration of the Board of Auditors 19
5.2	Remuneration of the Chief Executive Officer..... 19
5.3	Remuneration of Personnel and collaborators 23
5.3.1	Fixed remuneration..... 24
5.3.2	Variable remuneration 25
5.3.3	Determination and verification of the Bonus Pool..... 26
5.3.4	Conditions for accessing the variable component 27
5.4	Incentive system for Key Resources for pursuing strategic objectives identified among the Risk Takers 27
5.5	Remuneration of other Risk Takers..... 29
5.6	Remuneration of other MBO recipients (not relating to the perimeter of Material Risk Takers) 31
5.7	Remuneration of Managers 32
5.8	Remuneration of Remaining Personnel..... 33

5.9	<i>Remuneration of financial agents</i>	33
6	<i>Sustainability of Remuneration Policies</i>	33
7	<i>Hedging Ban</i>	35
8	<i>Transformation of banking parent company into a servicing company</i>	35
8.1	<i>Focus on the Chief Executive Officer;</i>	35
8.2	<i>Focus on Key Resources and other Selected Resources</i>	37
8.3	<i>Focus on remaining Material Risk Takers</i>	37
9	<i>Severance Pay Policies</i>	38
GLOSSARY		39
Section II: Implementation of 2018 Remuneration Policies		42
	<i>Introduction</i>	43
1.1	<i>Salient events during the 2018 financial year</i>	43
1.2	<i>2018 Main results</i>	44
1.3	<i>Focus on the remuneration package of the Chief Executive Officer</i>	48
1.4	<i>Focus on remuneration paid to Managers with Strategic Responsibility</i>	49
1.5	<i>CONSOB Quantitative Tables</i>	51
	<i>Report on checks conducted on the compliance of the remuneration and incentive practices with the policies approved by the Bank and the relevant regulatory framework</i>	56

Letter from the Chairman of the Remuneration Committee to the Shareholders

Dear Shareholders, I am pleased to present the Remuneration Report which will be submitted to the Shareholders' Meeting.

The Remuneration Policy is an important tool for discussion with investors and with the public in general, aimed at highlighting the methods by which the Group's management and all its collaborators are incentivised to pursue the business objectives and to achieve the desired results.

The presentation of the 2018-20 business plan, on 19 June 2018, represented a major turning point in the development of doBank, which has confirmed itself as the largest group in Europe specialising in credit servicing.

The new plan is based upon an internationalisation process, consolidated also through the acquisition of Altamira Asset Management, which sees doBank's transformation, planned in the first half of 2019, into a servicing company equipped with the licence pursuant to Art. 115 TULPS (Consolidated Law on Public Safety) and the cessation of the banking group, consequently freeing up significant resources.

In view of the continued status as a Banking Group at the date on which this Report will be submitted for the approval of the Shareholders' Meeting, the Board of Directors has decided to submit for the binding opinion of the Shareholders' Meeting a remuneration policy for 2019 coherent with the Bank of Italy regulations which incorporates the changes introduced with the evolution of the regulatory framework in the banking sector, in substantial continuity with 2018. However, in order to be able to adjust to industry best practices as early as during 2019, this Policy envisages the possibility of introducing additional simplifications and flexibilities compared to the past, in view of the end of the applicability of the prudential supervisory requirements after the transformation in the first half of 2019, despite maintaining among the fundamental principles sustainability with respect to a long-term timeframe.

I take this opportunity to thank you, the shareholders, for being open to a constructive debate and for your confidence granted, with a view to understanding and addressing our mutual requirements.

I would also like to thank the other members of the Remuneration Committee for their collaboration and proactive contribution.

This Remuneration Report was approved by the Board of Directors on 22 March 2019 and is submitted to the Shareholders' Meeting for approval, in accordance with the Supervisory Provisions of the Bank of Italy and Article 123-ter of the Consolidated Finance Law.

The Chairman of the Remuneration Committee

Executive Summary

The doBank Group is a leader in the management of primarily non-performing loans for banks and public and private investors. The Group has also developed a range of ancillary products related to servicing activity which include gathering, developing and providing property-related and legal information on borrowers and providing property services that are also related to recovery activities (e.g. participation in auctions, REOCO, etc.) and support activities for the judicial recovery of loans.

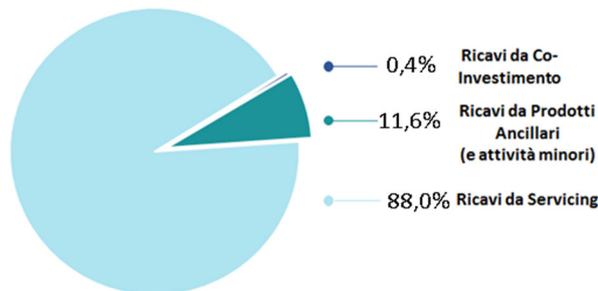
The doBank Group intends to continue to strengthen its leading role in the credit servicing sector in Europe, also by increasing its international presence, in Greece, and, with the acquisition of 85% of Altamira Asset Management, present in Spain, Portugal, Greece and Cyprus, continuing to:

Increase the turnover for GBV

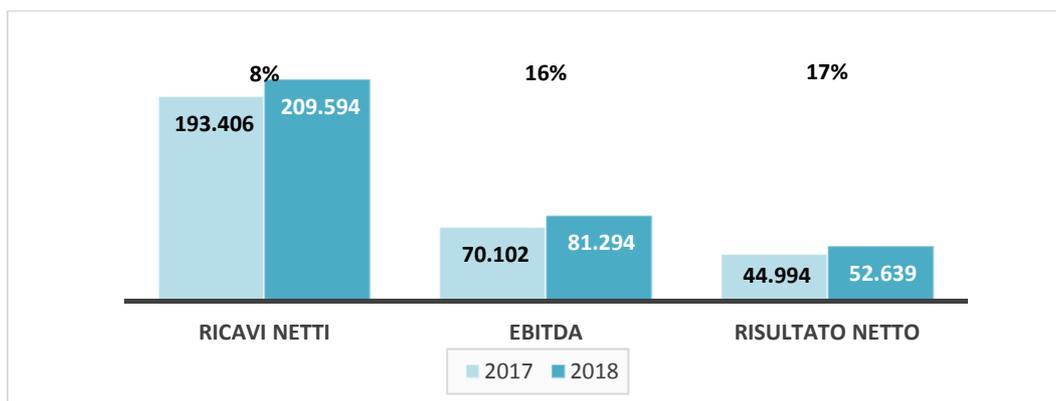
Increase the efficiency of the group

Optimise the generation of cash flows and maximise debt capacity

doBank S.p.A. Gross Revenues Breakdown (2018 financial year)



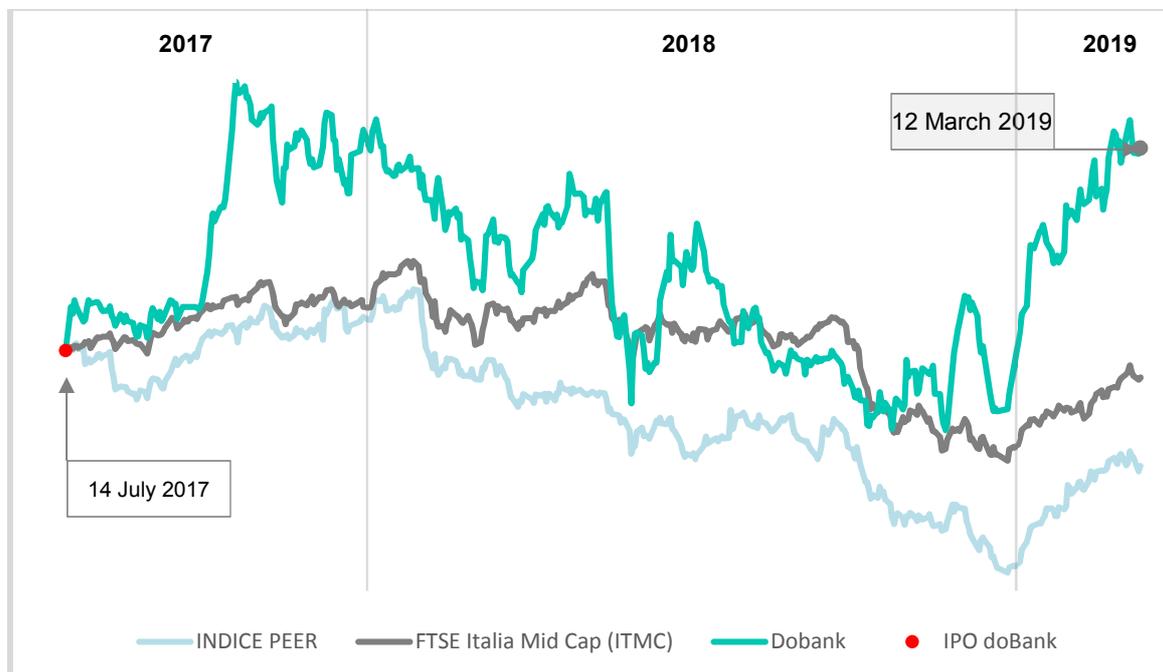
Key Economic Indicators (2018 vs. 2017, values in thousands)



“In 2018 major steps forward were taken in achieving our Business Plan both at organic level, with an EBITDA up by 20% and a generation of free cash flow for over 65 million, and by way of M&A. In light of these results and the agreement for the acquisition of Altamira, we look to the European credit servicing market with optimism and we continue to see opportunities for growth in the markets and product segments in which we are leaders.” Andrea Mangoni, doBank Chief Executive Officer.

In keeping with the business priorities, the 2019 remuneration strategy is developed in continuity with the actions begun in view of the corporate transformation expressed in the 2018-2020 plan presented to the financial community on 19 June 2018, in support of clear and transparent

governance and the creation of value over time for shareholders, investors and, in general, the economic system in which doBank operates.



Peer Group: Arrow Global; B2Holding; Banca Farmafactoring; Banca IFIS; Banca Sistema; Cerved; Encore Capital Group; Hoist Finance; Intrum Justitia; Kruk; PRA Group

This remuneration policy is coherent with the business objectives and is aimed at further focusing management to achieve the Group's expected results, taking account of the major transformation underway. The remuneration policy is developed in keeping with applicable regulatory provisions and criteria of sound and prudent risk management, in line with the long-term interests of investors.

The goals pursued with the remuneration strategy are the following:

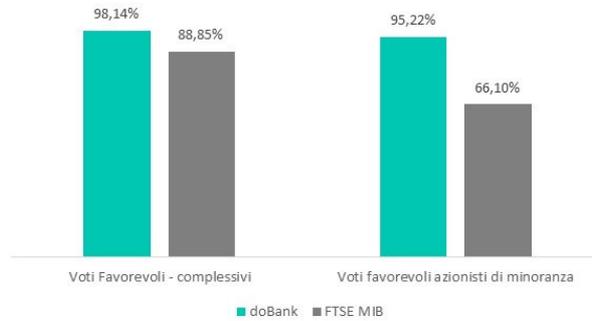
- To align the interests of management and the Group with those of investors;
- To create value over time for all stakeholders;
- To incentivise the achievement of the expected results in view of opportunities arising from the relevant regulatory framework in Europe, and bearing in mind the increasingly challenging competitive environment;
- To attract, retain and motivate employees with a focus on resources having distinctive skills to pursue the company's growth and business objectives.

The principles of the remuneration policy that guide the establishment of remuneration and incentive systems to pursue the indicated objectives are:

- Compliance with regulatory requirements and principles of good professional conduct;
- Clear and transparent governance;
- Sustainable pay for sustainable performance;

- Fair internal treatment and external competitiveness.

In confirming the principles at the basis of the remuneration policy, we have considered the consensus of investors, primarily of the minority shareholders, as highlighted below, with reference to the Shareholders' Meeting of 19 April 2018, with regard to the remuneration and incentive policy submitted for their resolution:



As shown by the graph, the level of consensus achieved by doBank is considerably higher, particularly with reference to the minority shareholders, than the level achieved by the companies relating to the FTSE MIB index.

The 2019 Remuneration and Incentive Policy is therefore prepared in continuity with the 2018 remuneration and incentive systems, subject to the regulatory adjustments deriving from the XXV update of Circular 285 dated 7 December 2013.

In addition, paragraph 8 describes the specific aspects relating to the 2019 remuneration and incentive system which the Board of Directors, having heard the opinion of the Remuneration Committee, may introduce following the transformation of doBank into 115 Tulps specialising in servicing, as part of the guidelines expressed in this policy.

Section I: Remuneration and Incentive Policies of the doBank S.p.A Group.



1 Regulatory framework

The 2019 Remuneration Report of the doBank S.p.A. Group is prepared based upon the regulatory framework on remuneration and incentive systems represented by the following sources:

- at EU level:
 - Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV);
 - Regulation 575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the CRR);
 - Commission Delegated Regulation 604 of 4 March 2014, supplementing CRD IV with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on the institution's risk profile (so-called Risk Takers);
Commission Delegated Regulation 527 of 12 March 2014, supplementing CRD IV with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration;
- at domestic level:
 - Article 123-ter and 114-bis of the Consolidated Law on Finance, respectively “Remuneration Report” and “Market Disclosure Concerning the Allocation of Financial Instruments to Company Representatives, Employees and Collaborators”;
 - Consob Regulation no. 11971/1999 (Issuers' Regulation);
 - XXV update of Circular 285 dated 7 December 2013 issued on 23 October 2018 by the Bank of Italy with the addition of a new chapter on remuneration and incentive policies and practices;

The following documents complete these sources:

- Compensation Principles and Standards Assessment Methodology, issued by the Basel Committee for Bank Supervision in January 2010;
- Guidelines on Remuneration Policies and Practices, issued by the EBA in December 2015;
- the "ECB" Guidelines on management of non-performing loans (known as “NPL”) published on 20 March 2017;
- “Recommendations on compensation data reporting to address potential misconduct risk” published by the Financial Stability Board on 23 November 2018 and aimed at national supervisors.

The aim of the Policies is to implement, in the interest of all stakeholders, remuneration systems that - as well as being aligned with the business objectives and values, long-term strategies and prudent risk management policies - are characterised by incentive systems consistent with the framework of reference for determining risk propensity (the risk appetite framework, a crucial tool which defines the maximum risk levels that the Group is willing to accept and, consequently, on which the remuneration can be based), the governance and risk management policies, as well as the capital and liquidity necessary to deal with the activities undertaken.

The reference to the principles illustrated in the regulatory framework of banking governance, for the applicable aspects, is maintained even after the transformation into a servicing company, as described in paragraph 8.

1.1 Characteristics of the doBank Group and the Proportionality Principle

The Supervisory Provisions require, in application of the proportionality principle, banks to define their remuneration and incentive policies taking account of their characteristics and dimensions as

well as the risks and complexities of the activity performed so as to achieve the regulation's objectives. For the purposes of modulating the regulatory provisions, the rules divide banking groups into three categories: banks of larger dimensions or operational complexity, banks of smaller dimensions or operational complexity and intermediate banks.

Based on the characteristics of its investments and the structure of the Bank Group, doBank is considered an intermediary with smaller dimensions or operational complexity, considering, inter alia, that its assets still amount to less than 3.5 billion in accordance with the provisions on the prudential control process (ICAAP). For those banks, the Provisions state that the rules concerning the payment of the variable component of remuneration (balancing with financial instruments and deferment mechanisms) are not applied even with reference to Material Risk Takers, subject to respecting the principles at the basis of those rules.

In view of the listing on the regulated market, doBank intends to maintain in 2019 stricter rules and criteria for payment of the variable component of remuneration to Material Risk Takers than those laid down by the regulations for banks of smaller dimensions so as to be aligned with the business objectives and values, long-term strategies and prudent risk management policies in keeping with the principles established by the regulations, both in terms of balancing with financial instruments and application of deferment mechanisms.

2 Governance Process

The main activities related to the remuneration cycle



In accordance with the contents of the Supervisory Provisions¹, the Parent Company develops the remuneration and incentive policies for the whole Group, ensures their overall consistency, provides the necessary instructions for their implementation and verifies their correct application.

The work process relating to the formation, application and control of the implementation of the policies is illustrated in detail in internal operating documents that define at Group level the activities,

¹ See Bank of Italy, Circ. 285/2013, Title IV, Chapter 2, Section I, par. 8.

functions of reference and controls involved at the various levels, in accordance with the principles of segregating functions, authorities and powers and the traceability of the operations performed.

When preparing the policies for 2019, doBank obtained support from Willis Towers Watson.

The Policies are reviewed, at least on an annual basis, by the Parent Company's Board of Directors, at the proposal of the Remuneration Committee. They are subsequently submitted for approval by the Shareholders' Meeting in compliance with the contents of the existing Supervisory Provisions.

All Subsidiaries, having received the document approved by the Parent Company, guarantee that it is incorporated and implemented by their competent decision-making Bodies and consequently adjust the responsibilities, processes and internal regulations in line with their characteristics and dimensions.

The individual Group companies in any case remain responsible for respecting the regulations directly applicable to them and for the correct implementation of the instructions provided by the Parent Company.

The Human Resources Function examines the Policies at least annually and makes a proposal to revise this document. In making the proposal, the Function considers, in particular, the evolution of the market and the Group's strategies and risk appetite, liaising to that end with the competent Functions and Company Bodies, which provide their contribution to the process according to their respective remits as described in more detail below.

The doBank Board of Directors, at the recommendation of the Human Resources Function and with the favourable opinion of the Remuneration Committee, having also heard from the Risks and Transactions with Connected Persons Committee for consistency checks with the risk appetite framework, defines the Policies to be submitted to the Shareholders' Meeting for approval, in line with the Supervisory Provisions.

Once approved by the Parent Company's Shareholders' Meeting, the Policies are incorporated by the competent Bodies of the Subsidiaries and applied in conformity with the relevant legal and regulatory requirements.

The Company Control Functions are involved in that process *ex ante* and they work together to ensure the adequacy and compliance of the Policies and practices adopted with the relevant regulations, as well as monitoring *ex post* their correct functioning and application within the Group.

The role of the Corporate Bodies and the Company Functions of the Parent Company in relation to remuneration and incentive policies and practices is indicated below.

3.1 Shareholders' Meeting

The Shareholders' Meeting of the Parent Company:

- determines the fees due to the Bodies appointed by the same;
- approves the remuneration and incentive policies for Directors, employees and collaborators, along with any remuneration plans based upon financial instruments (e.g. *stock options*, *LTIP*, *treasury shares*);
- approves the criteria for determining the remuneration to be granted in the case of early termination of the employment relationship or early cessation of the role, therein including the limits fixed to that remuneration and the maximum amount deriving from their application;
- resolves on any proposal by the Board of Directors to establish a ratio limit between the variable and fixed component of individual remuneration higher than 1:1 (but not greater than 200%), in accordance with the contents of the Supervisory Provisions in that regard. That proposal is approved by the Shareholders' Meeting:
 - with the favourable vote of at least 2/3 of the share capital represented in the Shareholders'

Meeting, when this is made up of at least half of the share capital;

- with the favourable vote of at least 3/4 of the capital represented in the Shareholders' Meeting, whatever the amount of capital with which the Shareholders' Meeting is constituted.
- examines and approves the disclosures on remuneration and incentive policies and practices, containing at least the information to be provided to the public in compliance with the contents of the Supervisory Provisions²

3.2 Board of Directors

In the capacity of the Parent Company's Body with strategic supervision function, the Board of Directors:

- develops and submits these Policies to the Shareholders' Meeting, re-examining them at least annually, and is responsible for their correct implementation;
- guarantees that the Policies are adequately documented and accessible within the company structure and the Group;
- defines, also at Group level, the remuneration and incentive systems at least for the following figures: Executive Directors, General Managers, Deputy General Managers and similar persons, responsible for the main business lines, Company Functions, those reporting directly to the Bodies with strategic supervision, management and control functions; managers and personnel at the highest level of the Company Control Functions;
- guarantees that the remuneration and incentive systems are coherent with the Group's overall decisions in terms of risk assumption, strategies, long-term objectives, corporate governance structure and internal controls;
- participates in and has the final responsibility for developing the self-assessment conducted in order to identify the Group's Material Risk Takers and approves/supervises any exclusion of personnel who, despite falling within the quantitative requirements, do not satisfy the qualitative criteria defined by the regulations in that regard³.

3.3 Remuneration Committee

The Remuneration Committee, made up of a minimum of three and a maximum of five members chosen from the non-executive doBank Directors, most of whom meet the requirements of independence, supports the Parent Company's Board of Directors with consulting, advisory and investigative functions in relation to the remuneration and incentive systems. For the current year, the Committee is made up of three members, one of whom serves as Chairman.

In particular, the Remuneration Committee:

- proposes the remuneration of Personnel whose remuneration and incentive systems are under the remit of the Parent Company's Board of Directors in accordance with the contents of this document;
- assesses, in collaboration with the Risks and Transactions with Connected Persons Committee, the adequacy and correctness of the self-assessment process in order to guide the activities to be implemented, guaranteeing the independent review recommended by the EBA Guidelines;
- has advisory duties in relation to determining the criteria for the remuneration of all Material Risk

²See Bank of Italy, Circ. 285/2013, Title IV, Chapter 2, Section VI.

³Delegated Regulation (EU) No. 604/2014, Art. 4, par. 2 and EBA Guidelines of 27 June 2016, paragraph 99.

Takers of the Group;

- directly oversees the correct application of the rules on the remuneration of the heads of the Company Control Functions, in close liaison with the Board of Auditors;
- deals with preparing the documentation to be submitted to the Board of Directors for the respective decisions;
- contributes to defining these Policies and their periodic assessment;
- ensures the involvement of the competent Company Functions in the process of developing and checking the Policies;
- expresses, also using information received from the competent Company Functions, an opinion on the achievement of the performance targets to which the incentive plans are linked and on the assessment of the other conditions imposed for the payment of remuneration;
- provides adequate feedback on its activity to the Company Bodies and to the Shareholders' Meeting.

The Remuneration Committee meets, when convened by its chairman, whenever necessary to perform the activities required by law and by the internal regulations that govern its operating procedures.

The functioning of the Remuneration Committee is governed by a special regulation.

3.4 Boards of Directors of the Subsidiaries

At the date of preparing this document, the doBank Group is structured as follows:



The Boards of Directors of the Subsidiaries:

- incorporate from the Parent Company's competent Bodies and approve these Policies - aside from the incentive component based upon financial instruments, which is approved by the doBank Shareholders' Meeting – as well as the implementing instruments of those Policies;
- guarantee, through the functions in charge in accordance with the existing service contract, the consequent adjustment of responsibilities, processes and internal regulations, in line with their characteristics and dimensions.

By press release dated 31 December 2018, doBank informed the financial community of the finalisation, subject to clearance from the supervisory authorities, of the agreement for the acquisition of xx% of Altamira Asset Management. That agreement, as anticipated, represents an important result as part of the Group's internationalisation strategy.

3.5 Chief Executive Officer

In the capacity of the Parent Company's Body with management functions, the Chief Executive Officer:

- decides upon and approves the operational process of defining the criteria at the basis of the remuneration and incentive system, in respect of the contents of the Policies;
- submits proposals for applying remuneration policies to Corporate Bodies by establishing the objectives and the proposals of the Bonus Pool and incentives in keeping with the provisions of these Policies.

3.6 Risk and Transactions with Connected Persons Committee

Without prejudice to the remit of the Remuneration Committee, the Risks and Transactions with Connected Persons Committee:

- assesses, in collaboration with the Remuneration Committee, the adequacy and correctness of the self-assessment process aimed at identifying Material Risk Takers in order to guide the activities to be implemented, guaranteeing the independent review recommended by the EBA Guidelines;
- ensures that the incentives underlying the remuneration system are consistent with the risk appetite framework, particularly given that the remuneration system considers the capital and liquidity risks.

3.7 Compliance Function

The Group's Compliance Function:

- guarantees, in collaboration with the other Company Control Functions, the adequacy and compliance of these Policies with the regulations and their correct functioning;
- verifies, with support from the Human Resources Function, that the company bonus system is coherent with the rules, internal policies, articles of association, code of ethics and conduct, as well as with the culture of risk by the Group; ascertaining that the legal and reputational risks are appropriately cited, with particular regard to the relationships held with customers;
- verifies the consistency of the process followed for identifying Material Risk Takers with existing regulations.

3.8 Risk Management Function

The Group's Risk Management Function:

- supports the Human Resources Function in guaranteeing the consistency of Policies with the risk propensity manifested in the *risk appetite framework* and in identifying any objectives aimed at mitigating significant risks;
- works with the Administration, Finance and Management Control Area in establishing the Bonus Pool in advance, and the gates providing access to variable remuneration;
- guarantees the adequacy of the qualitative-quantitative assessments to be adopted for determining Material Risk Takers with respect to the Group's risk profile, in keeping with the indications contained in the risk appetite framework.

3.9 Internal Audit Function

The Group's Internal Audit Function:

- verifies, at least on an annual basis, the compliance of the remuneration practices with the Policies and with the Supervisory Provisions of reference. The results of the checks and any anomalies are brought to the attention of the Company Functions involved and the Company Bodies for the purposes of adopting any corrective measures and, where necessary, for prompt reporting to the Supervisory Authority. The outcomes of the check conducted by the Internal Audit Function are brought to the attention of the Shareholders' Meeting on an annual basis.

3.10 Human Resources Function

The Parent Company's Human Resources Function collaborates with the Chief Executive Officer and the competent company functions to provide all necessary and opportune information for the proper functioning of the Policies and concretely implements the Board of Directors' resolutions on remuneration and incentives, through the following activities:

- it develops and submits to the Remuneration Committee the revision of the remuneration and incentive policy;
- it provides support to the Remuneration Committee and to the competent Bodies in developing and reviewing this Policy, in concert with the other competent Company Functions;
- it guarantees, in collaboration with the other Company Control Functions, the adequacy of these Policies and their compliance with the regulations, together with their correct functioning;

- it coordinates the process of identifying and defining the Material Risk Takers, contributing to defining the methods of identifying the objectives and rules of functioning;
- it suggests the performance assessment system, the bonus system and the career plans system in coherence with the Policies; in that regard, it also participates in defining and assigning the performance objectives to Personnel involved in structured incentive systems;
- it checks, with the support of the Administration, Finance and Management Control Area and the Risk Management Function, the achievement of the objectives and verifies that the conditions have been met to access forms of variable remuneration;
- it performs monitoring activity of the trends and practices of the relevant labour market in order to:
 - make proposals of revisions of the Policies;
 - suggest revision solutions of the remuneration and incentive system in terms of tools, methods, operating mechanisms and parameters adopted by the Group.

3.11 Administration, Treasury, Planning and Control Area

The Parent Company's Administration, Treasury, Planning and Control Area:

- supports the process of establishing the objectives assigned to personnel in order to achieve the planned results and, after the fact, for verifying the performance achieved;
- defines *ex ante*, in collaboration with the Risk Management Function, the Bonus Pool and the access gates to variable remuneration, to be submitted for approval by the competent Bodies;
- verifies, with the support of the Risk Management Function, the achievement of the gates and determines the amount of the final Bonus Pool based upon the rules indicated in these Policies;
- prepares, with the support of the Risk Management Function, the Human Resources Function and the Legal and Corporate Affairs Function, the information to the public on the Group's remuneration and incentive systems, as well as dealing with the respective reporting fulfilments;
- provides support, as part of the process of identifying Material Risk Takers, in identifying the Group's main business areas and in analyses of quantitative nature.

3.12 Legal and Corporate Affairs Function

The Parent Company's Legal and Corporate Affairs Function:

- participates in defining and reviewing the Policies, with particular reference to remuneration for members of the Group's Company Bodies, guaranteeing the consistency of the Policies with the corporate governance structures adopted by the Parent Company and by the Subsidiaries;
- supports the Administration, Finance and Management Control Area in preparing the information to the public on the Group's remuneration and incentive systems, in concert with the other competent Company Functions;
- is involved in the process of identifying Material Risk Takers in order to guarantee consistency with the corporate governance structures at consolidated level.

4 Identification of Material Risk Takers

The self-assessment process for identifying Material Risk Takers ("Self-Assessment Process") takes account of the Group's governance, organisational and operational model, and it is performed at

least on an annual basis at consolidated level, in respect of the indications provided by the Supervisory Provisions.

In particular, in coherence with the provisions of the XXV update of Circular 285 of the Bank of Italy, doBank has formalised a process of identifying the Material Risk Takers, based upon qualitative and quantitative criteria indicated in Delegated Regulation (EU) no. 604/2014, which defines:

- qualitative criteria linked, inter alia, to the role, position and autonomy level of Personnel;
- quantitative criteria based upon the assessment of the overall remuneration attributed to Personnel in the previous financial year.

The self-assessment process aimed at identifying material risk takers involves the different functions of the doBank Group, as summarily illustrated below:

- the Parent Company's Board of Directors approves the policy for the identification process as part of the remuneration policy; it examines at least annually the list of risk takers; it approves any proposals for exclusion of personnel who meet the quantitative criteria but who do not have a substantial impact on the Group's risk profile.
- the Parent Company's Remuneration Committee and Risks and Transactions with Connected Persons Committee, each for the areas under its remit, are asked to assess, continuously, the adequacy and correctness of the self-assessment process in order to guide the activities to be implemented, guaranteeing the independent review recommended by the EBA Guidelines;
- the Human Resources Function
 - prepares and presents to the Remuneration Committee and to the BoD the formalisation document of the process of identifying the MRT;
 - verifies annually or during the year the alignment of the rationale adopted (also in light of organisational changes) for the purposes of identifying material risk takers with respect to the criteria provided by the relevant regulations;
 - manages relationships with the Supervisory Authorities - in concert with the Compliance Function - in relation to any requests for analyses/clarifications with reference to the identification of risk takers.
 - collects all necessary information, also relating to Personnel of the Subsidiaries, to perform the merit analyses.
- the Parent Company's Legal and Corporate Affairs Function is involved in order to guarantee consistency with the corporate governance structures at consolidated level.
- the Parent Company's Administration, Treasury, Planning and Control Function provides support in identifying the Group's main business areas and in the quantitative analyses;
- the Parent Company's Compliance Function verifies the coherence with existing regulations;
- the Parent Company's Risk Management Function guarantees the adequacy of the qualitative-quantitative assessments to be adopted for determining material risk takers with respect to the Group's risk profile, in coherence with the indications contained in the risk appetite framework.

The Parent Company's Internal Audit Function ensures – as part of the overall ex post verification of the application of the remuneration policies and compliance with the regulations - the correct implementation of the process for identifying material risk takers and the coherence with the approved procedure.

The self-assessment takes into account the Group's organisational characteristics, the management and control function carried out by doBank with respect to the subsidiaries and the Group's specific businesses (core business consisting of NPL servicing agreements for banking principals and the

essential absence of any commercial, investment or private banking activities). In particular, through the recognition and assessment of the individual positions (e.g. responsibilities, hierarchical levels, activities performed, operational delegations, etc.), the positions are identified that may have a substantial impact on the Group's risk profile.

For 2019, 24 individuals were identified falling within the category of Material Risk Takers at Group level, as illustrated below:

- Chairman of the Board of Directors of doBank S.p.A.
- 7 non-executive directors of doBank S.p.A.
- MD of doBank S.p.A.
- Chief Servicing Officer
- Chief UTP & Banking
- Chief Operating Officer
- Chief Credit Management Officer doBank and MD ITF
- Chief Data Quality & Governance Officer
- Chief ICT Governance & Innovation and Business Continuity Manager
- MD doSolutions
- Chief Risk Management Officer
- Chief Compliance Officer
- Chief Internal Audit Officer
- Chief AML Officer and STR Delegate
- Chief Resources & Transformation Officer
- General Counsel
- Chief Financial Officer
- Manager in Charge

The 24 employees identified represent 1.9% of the Group's total employees at 31/12/2018. The perimeter identified involves the increase of 3 resources compared to the Material Risk Takers identified in 2018 (21 resources), by virtue of organisational changes occurring during the year.

The check of quantitative criteria did not lead to the identification of other resources who may have a substantial impact on the Group's risk profile. In particular, there is no individual within the Group, not already previously identified among the qualitative criteria, with overall remuneration above the criteria identified by the EBA technical standards.

The managers with strategic responsibilities identified by the doBank Group are, in addition to the members of the Board of Auditors and the Board of Directors of the parent company doBank, the following:

- MD of doBank S.p.A.
- Chief Servicing Officer
- Chief UTP & Banking
- Chief Operating Officer

- Chief Credit Management Officer
- Chief Internal Audit Officer
- General Counsel
- Chief Financial Officer
- Manager in Charge

In keeping with regulatory provisions, the group of Material Risk Takers is monitored on an ongoing basis and may be subject to modifications during the year that will be formalised and submitted to the Remuneration Committee and to the Board of Directors as soon as possible, and brought to the attention of the Shareholders' Meeting at the time of the annual disclosure concerning the application of the Policies.

5 Breakdown of the remuneration of Corporate Bodies, employees and collaborators

The remuneration systems are differentiated for the following categories of Personnel and collaborators:

- members of corporate bodies and subsidiaries (see Art. 5.1);
- Chief Executive Officer (see Art. 5.2);
- Key Resources for pursuing business strategies (see Art. 5.4);
- Managers with strategic responsibilities, other Material Risk Takers and recipients of the MBO system (see Art. 5.5);
- Members of Company Control Functions (see Art. 5.5);
- Managers (see Art. 5.6);
- remaining personnel (see Art. 5.7);
- Financial agents (see Art. 5.8);

5.1 Remuneration of Corporate Bodies

5.1.1 Remuneration of Board of Directors

The ordinary Shareholders' Meeting establishes the remuneration to be paid to the bodies it appoints, and in particular, to the members of the Board of Directors. The Shareholders' Meeting may set a maximum amount for the remuneration of all Directors, including the Directors holding specific roles, to be distributed among the individual members as decided by the Board of Directors.

The allocation methods of the remuneration of the Board of Directors among its members are established by resolution of the Board itself. If not resolved by the Shareholders' Meeting, after consulting with the Board of Auditors and Remuneration Committee, the Board of Directors establishes the remuneration of the Directors filling specific roles in accordance with Art. 2389, third paragraph of the Italian Civil Code (including the Directors forming part of the Board committees). The Chairman of the Board of Directors, more specifically, receives remuneration, the level of which is consistent with his central role and is determined ex ante in an amount in any case not exceeding

the fixed remuneration received by the senior members of the Body with management functions (i.e. Chief Executive Officer).

The Shareholders' Meeting of 19/4/2018 has established for the members of the Board of Directors overall gross annual remuneration of Euro 850,000.00, of which:

- Euro 400,000.00 in favour of the Chairman of the Board of Directors;
- Euro 240,000.00 allocated equally to the remuneration of the members of the Board other than the Chairman;
- Euro 210,000.00 allocated to the Members of the Board Committees, including the roles of chairman of the same.

In light of what is established by the Shareholders' Meeting and taking account of the remuneration already assigned by the Shareholders' Meeting itself to the Chairman of the Board of Directors, the Board of Directors, coherently with the provisions of the Articles of Association in that regard and having consulted with the Remuneration Committee, has established:

- Euro 30,000.00 as the fee due to each member of the Board of Directors, other than the Chairman;
- Euro 17,500.00 as the fee due to each member of the Committees, other than the Chairmen of those committees.

The Chief Executive Officer has waived the fee due to him in the capacity of Director.

The Directors are also entitled to the reimbursement of expenses incurred in the exercise of their functions.

After consulting with the Remuneration Committee, the Parent Company's Board of Directors also proposes remuneration for members of the subsidiaries' boards of directors. Members of the subsidiaries' boards of directors who are also Group employees do not receive fees for the position of Board Director unless they are assigned specific roles.

The non-executive Directors and the Chairman of the Board of Directors do not receive variable remuneration systems.

All directors of the Parent Company and subsidiaries are also entitled to a D&O (Directors & Officers) insurance policy.

5.1.2 Remuneration of the Board of Auditors

The ordinary Shareholders' Meeting resolves upon the annual fee due to each auditor in accordance with the law. That sum is fixed and invariable for the entire duration of the assignment. In no case may the Auditors receive forms of variable remuneration.

The Shareholders' Meeting of 19 April 2018 defined the following fees on an annual basis:

- for the Chairman of the Board of Auditors, a special fee for the role, including the fee as auditor, amounting to Euro 45,000 in addition to Euro 10,000 as Chairman of the Supervisory Body.
- for each member of the Board of Auditors a fee amounting to Euro 35,000 and Euro 5,000 as member of the Supervisory Body.

The Auditors are also entitled to the reimbursement of expenses incurred in the exercise of their functions

The Auditors are also entitled to a D&O (Directors & Officers) insurance policy.

5.2 Remuneration of the Chief Executive Officer

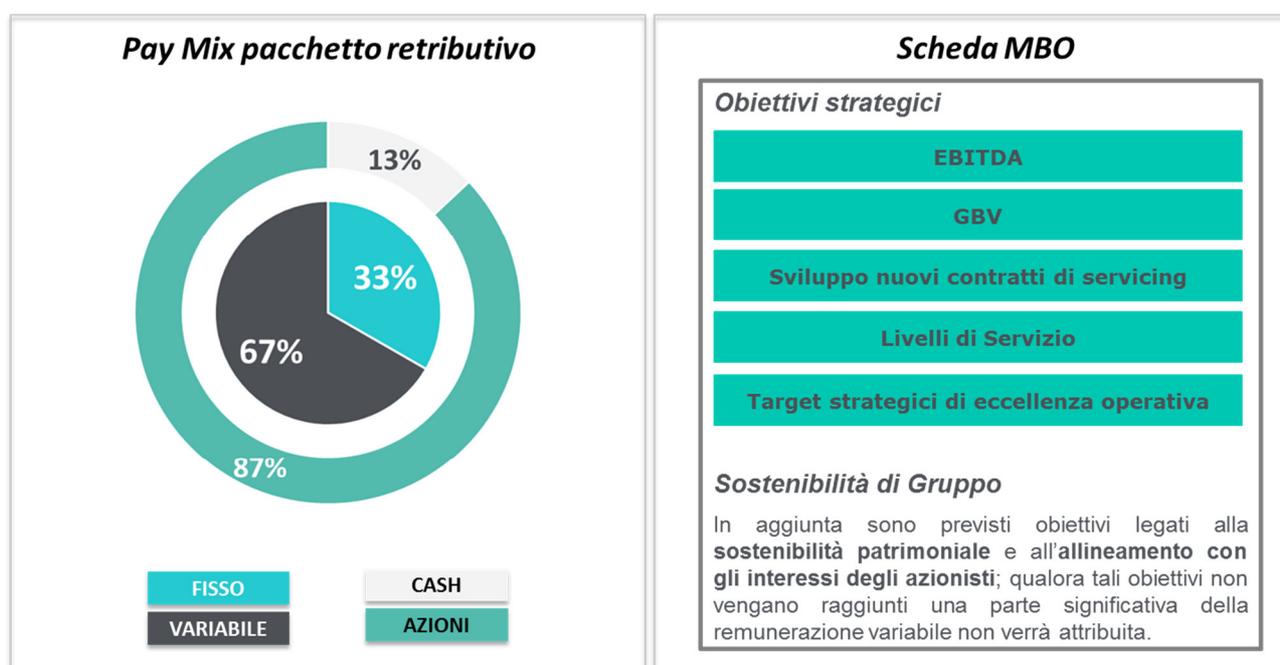
The remuneration structure of the Group's Chief Executive Officer is established in such a way to align the incentives with the Group's long-term interests, and in general, those of shareholders and investors, and to ensure the long-term sustainability of remuneration and incentive systems while taking into account changes in risks assumed by the Group over time. The structure of the Chief Executive Officer's remuneration has fixed and variable components established so as to maximise the alignment with the interests of the leading shareholder and investors.

The remuneration package of the Chief Executive Officer of doBank S.p.A., in line with the provisions of the 2018 remuneration policy, is broken down as follows:

- fixed remuneration paid 40% in cash and 60% in shares;
- variable remuneration: paid up to a maximum of a 2:1 ratio between variable and fixed remuneration, 100% of which is paid in shares and tied to the achievement of assigned objectives.

Benefits are also assigned that are in line with the relevant policies, in addition to D&O (Directors and Officers) insurance coverage, of stable and pre-determined nature.

Remuneration Package Pay Mix and MBO Chart for the Chief Executive Officer



Variable remuneration is paid based on the level of achievement of the assigned objectives.

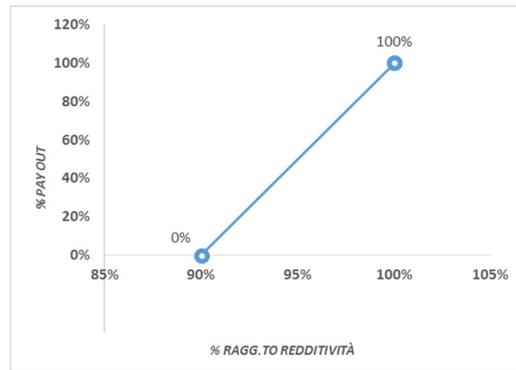
The maximum opportunity is recognised upon achieving all assigned objectives.

The assigned variable remuneration is gradually reduced for performances not in line with the assigned objectives.

The same is zeroed if the activation gates are not exceeded in terms of profitability and capital and liquidity requirements.

The graph depicts changes in the performance of the payout compared to the profitability target, zeroing the variable component if the performance is below the threshold value, and paying 100% if the target value is achieved.

Payout Vs Target



The payment of variable remuneration is subject to the preliminary and joint satisfaction of the requirements of the activation gates which also ensure compliance with capital and liquidity stability indexes established as a part of the procedures to assess the Group's risk appetite.

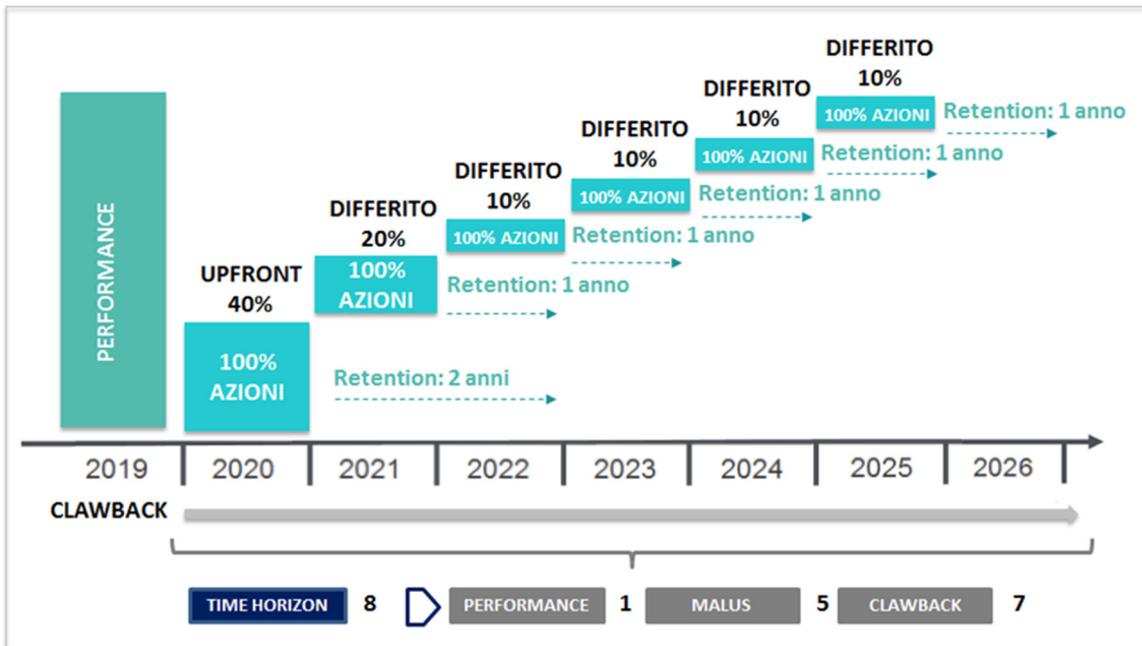
Specifically, no variable remuneration is paid in the event that the activation gates identified for the purposes of activating the Group's incentive systems are not exceeded as specified in paragraph 5.3.4, ("Group Gates"):

1. Consolidated EBITDA at least equal to 90% of the lesser between what was defined during the planning (strategic and operational) and 64 million Euros;
2. CET1 *Ratio* not less than the tolerance threshold defined in the *risk appetite framework*;
3. LCR *Ratio* not less than the tolerance threshold defined in the *risk appetite framework*.

The values of these indicators are checked at 31 December of the relevant year.

In that regard, it is noted that the economic parameters are linked to consolidated EBITDA, correlated to the level of capital adequacy and the liquidity profile, as indicators of the risk generated by the Group's activity.

In order to align the incentives with the long-term interests of the Group, and in general, those of shareholders and investors, and to ensure the long-term sustainability of the remuneration and incentive systems, and taking into account the performance over time of the risks assumed by the Group, any variable remuneration assigned is paid over a timeframe of several years as indicated in the diagram below:



- an Up-Front Share of 40% is paid after the approval, by the Shareholders' Meeting, of the financial statements relating to the Accrual Period, within 30 days of that approval, and in any case, by the end of July;
- a 60% share is deferred over the next five financial years after the year of attribution of the up-front variable portion, and is paid within 30 days of the Shareholders' Meeting approving the financial statements, and in any case, by the end of July of each year: the first deferred share amounts to 20% of the variable remuneration, and the remaining four are 10% of variable remuneration.
- 100% of variable remuneration is paid in doBank shares and is subject to retention periods. For the shares attributed up-front, there is a two-year retention period, while for the remaining deferred shares there is a one-year retention period which commences from their vesting.

The payment of deferred shares is also subject to the verification of the following **malus conditions**:

- 20% reduction if the adjusted EBITDA or Core Tier 1 Capital Ratio estimated for ICAAP purposes is 25% lower than the values established at the end of the performance period. If the reduction is higher than 50%, the deferred shares will be reduced by 50%.
- 20% reduction for failure to respect the service levels;
- 100% reduction (zeroing of the deferred shares) if one of the clawback clauses (see below) occurs during the deferral period.

The values of these indicators are checked at 31 December of the year before the deferred share is vested.

Once the achievement of the above conditions has been checked, the payment of the deferred shares is also subject to verifying the condition that the **average market value of shares over the 3 months preceding the vesting date is at least equal to the price of shares on the listing date less 5%** (Minimum Vesting Value). If, on the vesting date, the Minimum Vesting Value has not been achieved, the vesting will be deferred by 12 months, after which the condition will again be verified, and if again it has not been met, vesting will be deferred a further 12 months; if at this point (24 months after the original vesting date) the Minimum Vesting Value has not been achieved, the corresponding deferred share will be cancelled.

In addition, after consulting with the Remuneration Committee, the Board of Directors may request the return of the variable remuneration assigned to the Chief Executive Officer within 7 years from the payment of the individual shares due to:

- behaviours resulting in a significant loss for doBank;
- violations of laws, regulations and internal procedures especially with regard to risk-related procedures;
- significant violations in the area of risk management processes;
- violations of the obligations in accordance with Article 26, or when the individual is an interested party, of Article 53, paragraph 4 et seq. of the Consolidated Banking Law, or obligations in relation to remuneration and incentives in performing his role as Chief Executive Officer;
- in the case of data relating to activation gates, objectives or vesting conditions that are later found to be manifestly incorrect;
- fraudulent behaviour characterised by wilful misconduct or gross negligence to the detriment of doBank.

5.3 Remuneration of Personnel and collaborators

The remuneration structure is broken down into a fixed and variable component.

In keeping with the shareholders' meeting resolution of 21 June 2017 and applicable regulatory provisions, with regard to Material Risk Takers, the maximum limit of variable to fixed remuneration is set at 2:1 as well as for the Chief Executive Officer and Key Resources. The determination of the percentage for each beneficiary, within the maximum indicated, is proposed by the Human Resources Department after consulting with the Chief Executive Officer, and approved by the Board of Directors, subject to the favourable opinion of the Remuneration Committee. The number of employees included in Material Risk Takers and recipients of potential variable remuneration up to 2:1 is consistent with the provisions of the above shareholders' meeting resolution.

For the remaining Material Risk Takers, the maximum limit of variable to fixed remuneration is set at 1:1 with the exception of heads of Company Control Functions and other equivalent positions with reference to the independence of the variable remuneration systems from the overall profit⁴, for which the limit is reduced to 33% of fixed remuneration.

With regard to the remaining categories of personnel, who are not risk takers, the limit is usually set at a maximum ratio of 1:1 compared to fixed remuneration. For certain select employees, up to 2 individuals, who have responsibility for project-related initiatives and planning under way ("Selected Resources"), the maximum limit of variable remuneration is raised to 2:1 compared to fixed remuneration, in all cases adhering to sound and prudent risk management practices.

For Managers receiving variable opportunities in shares, the maximum limit of the variable remuneration is raised to 1.5:1, only in the situations in which 1:1 is exceeded by virtue of the share plan, in any case adhering to sound and prudent risk management and considering a long-term timeframe. These employees are identified by the Chief Executive Officer with the support of the Human Resources Function, and the related remuneration structure is approved by the Board of Directors subject to the favourable opinion of the Remuneration Committee.

⁴ In conformity with the regulations in force on the matter, the Company Control Functions include: the Risk Management Function; the Compliance and Internal Audit Function; for the sole purposes of these policies, the Head of Human Resources and the Manager in Charge of preparing the Accounting Documents are equivalent.

In the case of resources identified during the Accrual Period as part of the Material Risk Takers falling within that category for a period of over 3 months, the procedures for paying overall Variable Remuneration will be aligned to provisions in terms of the conditions for access (paragraph 5.3.4) and procedures for payment (paragraph 5.5) for Material Risk Takers participating in the MBO system. For periods less than 3 months, the procedures for paying the Variable Remuneration component applicable to Risk Takers will only be applied for the vested portion for this category of personnel.

Below is the maximum percentage (for determining possible variable remuneration) for the various categories of Material Risk Takers:

Maximum percentage of Variable Remuneration on Fixed Remuneration	
Chief Executive Officer	Up to 200%
Identified Risk Takers and Selected Resources	Up to 200%
Heads of Company Control Functions and similar positions	Up to 33%
Other Risk Takers	Up to 100%

The adoption of any variable remuneration higher than fixed remuneration must not have repercussions on the Group's ability to continue to respect prudential rules and particularly capital requirements.

Moreover, this approach makes it possible to ensure a stronger connection between remuneration and performance; to stay competitive on the market, especially in relation to those operators who have different rules with no ceiling on variable remuneration; to maintain a flexible cost structure and to ensure alignment with the long-term performance by deferring a component of variable remuneration.

5.3.1 Fixed remuneration

In line with what is indicated in the relevant regulation, the overall remuneration includes a fixed component which is characterised as stable and irrevocable, determined on the basis of non-discretionary criteria, relating to the professionalism and responsibility of the role and not related to the bank's performance so as not to create incentives to assume risks.

The fixed component includes the Gross Annual Salary, which is made up of the portion dictated by the National Collective Labour Agreement, by the Company Supplementary Contract, by any "ad personam"⁵pay (personal pay increase), by indemnities for roles within the company organisation as well as benefits, when granted to all employees or by category or bracket of employees or by company role covered.

In particular, "benefits" - not related to performance - are forms of remuneration in kind, and also the result of policies concerning categories of employees or second-level contracts, aimed at increasing the motivation and loyalty of employees. The main benefits that can currently be granted to

⁵The ad personam pay is a remuneration element that may be granted to the individual Personnel member in addition to the contractual minimum sum, so as to provide him/her with more favourable economic treatment than that required by the collective agreement for the category to which the employee belongs.

Personnel, in addition to what is already provided by the National Collective Labour Agreement (where applicable) in coherence with the internal regulations applicable each time, are:

- assignment of mixed use company car;
- assignment of accommodation on sub-lease or free loan or through salary contribution;
- additional contribution to supplementary Pension Fund;
- health insurance policy;
- non-professional insurance policy.
- life insurance policy.

As regards the Company Bodies, the fixed component is established in compliance with applicable civil and statutory regulations.

The remuneration policy measures having an impact on the structural part of remuneration, as well as any assignment of benefits, are usually implemented on an annual basis.

5.3.2 Variable remuneration

The overall remuneration includes a variable component related to the measured performance or other agreed parameters, discretionary pension benefits, sums agreed to be paid in the case of early termination of the employment relationship.

The Parent Company, to that end, has identified the following instruments of variable remuneration:

- **“Management by Objectives” incentive system (“MBO”)**: structured incentive system using “individual” objectives forms consistent with strategic and operational plans and with the organisational position of the respective personnel member. The system, intended for the Group's Material Risk Takers - excluding members of the Company Bodies other than the senior members of the management body – and other Personnel members identified by the internal regulations, is based upon aspects of differentiation and merit of employees, through a structured process of determining incentives and objectives so as to personalise the objectives forms in relation to the role and expectations of the individual employee;
- **Incentive system for Managers**: structured incentive system for Group Managers dedicated to loan recovery activities on the basis of pre-established objectives (set at individual, team and/or unit level) as described in paragraph 5.6 below with the exception of the heads of structures who participate in the MBO system;
- **Productivity company bonus (“Per Capita Value Added”)**: variable component paid to an employee to recognise productivity/commitment during the relevant period, in line with the conditions defined by the National Collective Labour Agreement and established annually within the company supplementary contract;
- **Merit bonus**: variable component paid on the basis of performance and merit achieved by employees (excluding those participating in the MBO System and Incentive System for Managers) and recognised by the employee's supervisor. That variable component may be paid up to a pre-defined maximum limit per employee - in respect of the Bonus Pool limits – and it is subject to achieving the gates (see **Art. 5.3**).
- **Outstanding bonus**: variable component of exceptional nature aimed at rewarding the achievement of particularly worthy performances, which can be paid to employees, with the exception of Material Risk Takers, even when the gates are not achieved. The payment of the outstanding bonus is assessed on the basis of criteria defined by the Parent Company which include the individual beneficiary's contribution to the Company and Group's overall results, the criticality of the professional profile for the sustainability of future results and the analysis of the

benchmarks and competitive environment. It must be approved by the Parent Company's Board of Directors, at the recommendation of the Chief Executive Officer and with the favourable opinion of the Remuneration Committee. Given the characteristics of the bonus and its insignificant amount, the same is paid in monetary form and is not deferred over time;

- **Bonuses related to specific contexts:** possible variable component aimed at guiding the Manager network (excluding Material Risk Takers) toward objectives for the period. The bonuses may be paid in cash or in kind. The granting of context-related bonuses will be subject to ongoing behaviour that complies with external and internal regulations.

Additional forms of extraordinary variable remuneration may be provided (i.e. entry bonuses, non-disclosure agreements, buy-outs or selective retention measures). This remuneration is, however, assigned in keeping with the controls laid down by the Supervisory Provisions (for example, effect on the variable/fixed remuneration ratio, verification of capital solidity in the attribution phase, methods of payment of variable remuneration, where applicable). It is monitored periodically and reported to the competent bodies and functions; it is also subject to malus and claw-back conditions compatible with the regulatory provisions in force from time to time with particular reference to the category of personnel in question.

If this compensation is assigned to the Group's Key Personnel, it is subject to the approval of the Board of Directors, after consulting with the Remuneration Committee, and 40% of it is deferred for one year, in the case of total variable remuneration assigned within the ratio of 1:1, and 40% is deferred over 3 years, with a component in financial instruments in keeping with provisions for variable remuneration, in the case of total variable remuneration assigned above the 1:1 ratio.

The sums paid by way of entry bonus are not calculated in the maximum ratio of variable on fixed remuneration, provided that they are paid to new recruits only for the first year of employment.

Any further forms of remuneration not included in those described in this paragraph are to be considered variable remuneration if they do not reflect the precise characteristics of fixed remuneration described in paragraph 5.3.1.

The total variable remuneration assigned may not be higher than the limit for the ratio of the variable to fixed component applicable to the personnel category in accordance with the Policies.

5.3.3 Determination and verification of the Bonus Pool

In keeping with the Supervisory Provisions, the total amount of variable remuneration that can be paid at Group level (Bonus Pool) is determined using objective criteria, which take account of the expected profitability, the number and type of personnel, the respective theoretical bonus levels, the type of business and, in any case, the capacity of each company to provide a return on capital.

The size of the Bonus Pool is defined during the budgeting process, considering the capitalisation and liquidity targets of the Parent Company and of each individual Company. Therefore, the maximum amount of the variable remuneration component that can be paid is determined *ex ante* by the Parent Company, including in accordance with established qualitative objectives. The same constitutes one of the parameters for defining the actual economic provisioning as part of operational planning at consolidated level and at the level of each individual Group company.

At the start of the following year, once the individual and overall performance has been verified, the Human Resources Function determines the total Bonus Pool resulting from assigning variable remuneration related to all systems described, and it asks the Risk Management Function and Administration, Finance and Management Control Area to verify its sustainability with respect to the overall income results and the risk management strategy.

The actual assignment is subject to meeting the conditions for accessing incentive systems.

Once the achievement of overall Group-level, Company-level and individual objectives has been verified, the Bonus Pool that is actually available is calibrated at individual level to make the variable remuneration paid consistent with the Group's overall performance.

5.3.4 Conditions for accessing the variable component

The Group's incentive system dictates that access to the variable component, with the sole exclusion of the outstanding bonus, context bonus and business productivity bonus, is subject to the preliminary and joint satisfaction of activation gates that also guarantee compliance with capital and liquidity stability indicators defined as part of the procedures for assessing the Group's risk appetite.

In particular, the indicators identified for the purposes of determining the minimum thresholds for accessing the variable component ("Group Gates") are:

1. *Consolidated EBITDA at least equal to 90% of the lesser between what was defined during the planning (strategic and operational) and 64 million Euros;*
2. *CET1 Ratio not less than the tolerance threshold defined in the risk appetite framework;*
3. *LCR Ratio not less than the tolerance threshold defined in the risk appetite framework.*

The values of these indicators are checked at 31 December of the relevant year.

In that regard, it is noted that the economic parameters are linked to consolidated EBITDA, correlated to the level of capital adequacy and the liquidity profile, as indicators of the risk generated by the Group's activity.

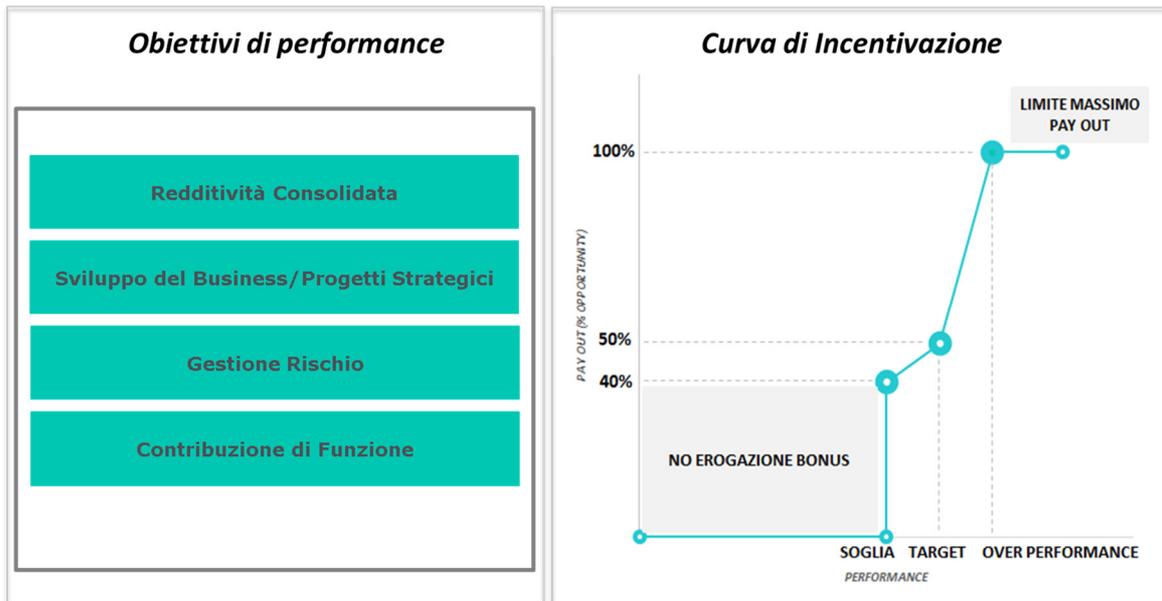
The following exceptions are noted:

- for Personnel belonging to the Company Control Functions and equivalent functions, given that the variable component must be independent from the results achieved by the areas subject to their control, access to that component of Remuneration is subject exclusively to achieving the gates indicated in points 2) and 3) above;
- for the Group Managers, access to the part of the variable component paid at the end of the financial year is subject exclusively to achieving the gates indicated in points 2) and 3) described above.

5.4 Incentive system for Key Resources for pursuing strategic objectives identified among the Risk Takers

The Key Employees identified as a part of Material Risk Takers participate in an MBO incentive system whose maximum limit for the variable component for achieving objectives is equal to 200% of the fixed remuneration component.

The objectives assigned are aimed at motivating Key Resources to achieve the Group's profitability objectives as a part of the development strategy pursued as well as sound and prudent risk management. The relevant objectives are provided below:

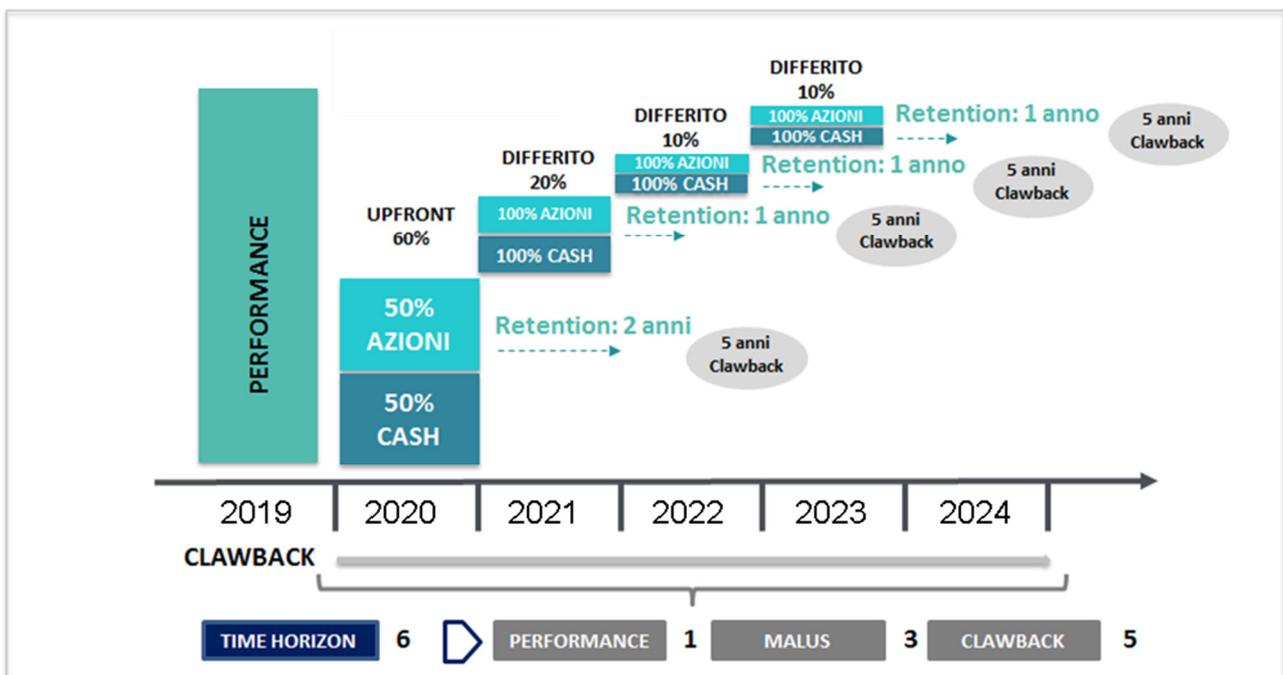


The assignment of variable remuneration is subject to achieving the objectives assigned and verifying the access conditions described in paragraph 5.3.4, in addition to assessing overall compliance with internal and external rules and rules concerning good professional conduct.

Fifty percent of possible variable remuneration is provided in cash, and the remaining 50% in doBank shares; the latter are subject to a retention period, as represented below.

The actual assignment of the variable component and the respective amount, within the maximum limits established in paragraph 5.3, are determined at the end of a process assessing the achievement of the specified objectives managed by the Parent Company's Human Resources Function.

Any variable remuneration assigned is paid over several years based on the arrangement indicated below:



- an Up-Front Share of 60% is paid after approval, by the Shareholders' Meeting, of the financial statements relating to the *Accrual Period*, *within 30 days of the approval date*, and *in any case by the end of July*;
- a share of 40% is deferred on a pro rata basis over the three financial years after the year of assignment of the variable part paid *up-front* and is paid by the end of July of each year;

The retention periods that start at the time of vesting and regarding variable remuneration assigned in the form of financial instruments were set at:

- 2 years for the upfront share, more stringently compared to regulatory provisions;
- 1 year for deferred shares.

The deferment schedule shown is already aligned to the most stringent requirements defined in the case of particularly high variable remuneration, in line with the provisions of the XXV update of Circular 285 for intermediaries of even higher complexities than doBank. To that end, variable remuneration at least equal to 25% of the overall average remuneration of Italian high earners identified by EBA at 31/12/2017, amounting to €424,809, is considered.

In order to ensure capital and liquidity stability over time (which is associated with the ability to generate profitability appropriate to the risk), and in keeping with the Group's long-term strategic objectives, the deferred shares are paid on the condition that the following gates are achieved relating to capital strength and liquidity (already described in paragraph **5.3.4**), measured with reference to the year preceding their vesting period.

- CET1 *Ratio* not less than the tolerance threshold defined in the *risk appetite framework*;
- LCR *Ratio* not less than the tolerance threshold defined in the *risk appetite framework*.

The risk tolerance thresholds relating to CET1 and LCR are determined in a manner to incorporate sufficient profitability.

The deferred shares are paid within 30 days of the Shareholders' Meeting approving the financial statements, and in any case, by the end of July of each year of deferral.

The methods for paying the variable component described are applied if the variable sum accrued individually is higher than 40,000 Euros (known as the "threshold of relevance"). For vested amounts of Variable Remuneration lower than that threshold, the variable component is paid in cash and in a lump sum - by the end of July in the year following the *Accrual Period* - as the shares resulting from the application of the deferment mechanisms (payment in shares and retention) would be very insignificant, both in absolute and relative terms compared to the overall remuneration received, to the point of invalidating the underlying principle of the mechanism (correlation between the amount of the bonus and the assumption of risks).

5.5 Remuneration of other Risk Takers

The other Risk Takers of the Group are attributed an MBO incentive system whose maximum limit of the variable component based upon the achievement of the objectives is 100% of the fixed component of remuneration, except for the Heads of the Company Control Functions and similar figures, for whom a maximum incidence of 33% is defined.

The objectives assigned are aimed at incentivising management to achieve the Group's profitability objectives as a part of the development strategy pursued as well as sound and prudent risk management. The economic-financial objectives are balanced with qualitative objectives correlated to the management and professional quality expressed and the customer service levels, alongside the verification of the absence of behaviours not compliant with the code of ethics and the internal and external regulations.

The assignment of variable remuneration is subject to achieving the objectives assigned and verifying the access conditions described in paragraph 5.3.4, in addition to assessing overall compliance with internal and external rules and rules concerning good professional conduct.

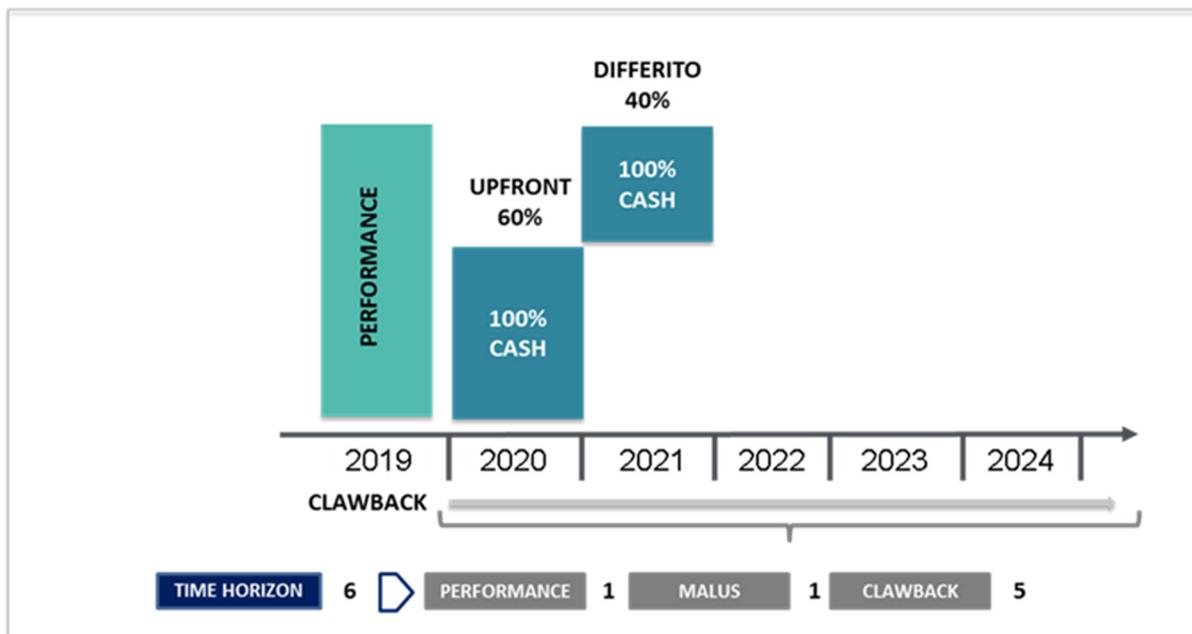
More specifically, the actual payment of the variable component for MBO Personnel is subject to the joint achievement of the following objectives:

- Group gates, as defined in paragraph 5.3.4;
- Group and individual objectives, measured using the tool of the individual objectives sheet.

The attribution of the variable component to Personnel belonging to the Company Control Functions and similar figures is subject to the achievement of specific gates (i.e. CET1 and LCR as indicated in paragraph 5.3.4) and to achieving individual objectives, and the latter are not linked to profit parameters but defined in keeping with duties assigned to them (for example, completion percentage of quantitative objectives assigned, or linked to organisational behaviours connected to the specific activities performed) and the respective responsibilities. Thus, the individual objectives form does not include the Group profitability component or other economic-financial objectives.

The actual assignment of the variable component and the respective amount, within the maximum limits established in paragraph 5.3, are determined at the outcome of a process to assess the achievement of the specified objectives managed by the Parent Company's Human Resources Function.

Any variable remuneration assigned is paid based on the arrangement indicated below:



- a 60% share of the vested bonus paid at the end of the performance period (up-front);

- a 40% share is deferred for a period of 1 year.

Both the up-front and deferred shares are paid in cash, and thus, they are not restricted by a retention period.

In order to ensure capital and liquidity stability over time (which is associated with the ability to generate appropriate profit for the risk), and in keeping with the Group's long-term strategic objectives, the deferred shares are paid on the condition that the following gates are achieved relating to financial and capital solidity and to liquidity (described in paragraph 5.3.4 above), measured with reference to the year preceding their vesting period.

- CET1 Ratio at least equal to the tolerance defined in the risk appetite framework;
- LCR Ratio at least equal to the tolerance defined in the risk appetite framework.

The risk tolerance thresholds relating to CET1 and LCR are determined in a manner to incorporate sufficient profitability.

In the case of variable remuneration higher than 25% of the average overall remuneration of Italian high earners identified by EBA at 31/12/2017, amounting to €424,809, the MBO and deferment scheme is applied with payment in cash and shares, retention, malus and claw back clauses described in paragraph 5.4.

The methods for paying the variable component described are applied if the variable sum accrued individually is higher than 40,000 Euros (known as the "threshold of relevance"). For values lower than that threshold, the variable component is paid in cash and in a lump sum - by the end of July of the year after the *Accrual Period* - as the shares resulting from the application of the deferment mechanisms, both in absolute and relative terms compared to the overall remuneration received would be very insignificant, to the point of actually invalidating the underlying principle of the mechanism (correlation between amount of bonus and assumption of risks).

5.6 Remuneration of other MBO recipients (not relating to the perimeter of Material Risk Takers)

Other Group managerial employees are attributed an MBO incentive system whose maximum limit for the variable component for achieving objectives is equal to 100% of the fixed remuneration component.

There is the possibility of having a different incidence, up to a maximum of 200% of the fixed remuneration, for some selected resources (up to a maximum of 2).

With reference to the MBO incentive system attributed to the heads of structure relating to the perimeter of Managers, it may be integrated with a plan developed over a long-term timeframe, with objectives coherent with the provisions of strategic development, aimed at strengthening the incentive to achieve the results in view of the evolution of the competitive context and to gain the long-term loyalty of resources. That plan, based upon doBank ordinary shares, is structured in line with regulatory provisions, considering the principles of sound and prudent risk management and alignment with principles of transparency and correctness. For the heads of structure relating to the perimeter of Managers and recipients of variable opportunities in Shares, the maximum limit of variable remuneration is raised to 1.5:1, only in situations where 1:1 is exceeded by virtue of the share plan, in any case in respect of the alignment with sound and prudent risk management and taking account of a long-term timeframe.

The assigned objectives are aimed at motivating management to achieve the Group's profitability objectives as part of the development strategy pursued as well as sound and prudent risk

management. The economic-financial objectives are balanced with qualitative objectives correlated to the management and professional quality expressed and the customer service levels, alongside the verification of the absence of behaviours not compliant with the code of ethics and the internal and external regulations.

The assignment of variable remuneration is subject to achieving the objectives assigned and verifying the access conditions described in paragraph **5.3.4**, in addition to assessing overall compliance with internal and external rules and rules concerning good professional conduct.

More specifically, the actual payment of the variable component for MBO Personnel is subject to the joint achievement of the following objectives:

- Group gates, as defined in paragraph **5.3.4**;
- Group and individual objectives, measured using the tool of the individual objectives form;

The actual assignment of the variable component and the respective amount, within the maximum limits established in paragraph 5.3, are determined at the outcome of a process to assess the achievement of the specified objectives managed by the Parent Company's Human Resources Function.

Any variable remuneration attributed is paid in full in monetary form and up-front.

The MBO recipients earning variable remuneration higher than 100%, even if they do not belong to the categories of Material Risk Takers, receive, in coherence with a prudential logic, the MBO and deferment scheme and payment in cash and shares, retention, malus and claw back clauses described in paragraph **5.4**.

The variable component based upon shares of the heads of structure relating to the perimeter of Managers may involve a deferment system, coherently with the objectives of loyalty and long-term incentives of that system.

5.7 Remuneration of Managers

The Managers, excluding the heads of structure participating in the MBO system, receive an incentive system developed by way of a balanced combination of objectives.

The objectives assigned to that category of Personnel - also on an interim basis (the "Reference Period"), according to what is defined during their assignment based upon the business strategies and company targets – may be articulated into team and/or structure objectives with the possibility of integrating individual objectives (linked, for example, to "collection targets"), balanced with qualitative objectives aimed at aligning the individual conduct with the code of ethics and principles of fairness.

The Parent Company has provided maximum ceilings, separate for each professional figure, to the sums of individual bonuses that may be paid within the year in order to guarantee a fair system and respect of financial sustainability.

The incentive system for Managers may be integrated with a plan developed over a long-term timeframe, with objectives coherent with the provisions of strategic development, aimed at strengthening the incentive to achieve results in view of the evolution of the competitive context and to gain the long-term loyalty of resources. That plan, based upon doBank ordinary shares, is structured in line with regulatory provisions, considering the principles of sound and prudent risk management and alignment with principles of transparency and correctness. The respective beneficiaries are identified within the perimeter of the Managers. For recipients of the variable opportunities in Shares, the maximum limit of the variable remuneration is raised to 1.5:1, only in situations where 1:1 is exceeded by virtue of the share plan, in any case in respect of the alignment

with sound and prudent risk management and taking account of a long-term timeframe. In that regard, the variable component based upon shares of Managers may involve a deferment system, coherently with the objectives of loyalty and long-term incentives of that system.

5.8 Remuneration of Remaining Personnel

The remuneration of the Group's Personnel not falling within the aforementioned classifications mainly consists of the fixed component.

Despite not being recipients of structured incentive systems (i.e. MBO), any variable component paid to that category of Personnel (i.e. merit or outstanding bonuses), within the limits established in the Bonus Pool approved ex ante and indicated in paragraph **5.3.2**, is subject to achieving a positive assessment from the respective supervisors, validated by the Human Resources Function.

5.9 Remuneration of financial agents

The Supervisory Provisions define specific rules to be applied to the remuneration systems of financial agents, insurance agents and financial advisors, other than employees of the bank, in addition to general principles related to the external distribution networks in their entirety.

In that regard, it is noted that the Parent Company's external network is made up of external professionals⁶ that deal with the extra-judicial recovery activity of credits claimed by doBank and/or managed by it on behalf of third parties, and that do not perform distribution activities (as they do not deal with the promotion or conclusion of contracts relating to the granting of loans).

Thus, the Supervisory Provisions related to financial agents are not applicable to doBank's external network.

6 Sustainability of Remuneration Policies

In order to reflect the performance and risk levels actually assumed, as well as to take account of individual behaviours, the Group applies ex post correction mechanisms (malus and claw-back) defined in accordance with the provisions of the relevant National Collective Labour Agreements, where applicable, or any individual contracts/mandates.

In particular, in addition to being subject to meeting the Group Gates with regard to profitability thresholds and capital and liquidity requirements as described in paragraph **5.3.4** and, where applicable, the achievement of the individual objectives/positive assessment by the respective supervisor, the variable component of remuneration may not be paid if one of the following conditions (*malus*) is met:

- the Personnel member has caused or contributed to causing serious violations of the internal or
- ascertainment, in the case of Personnel belonging to the category of company representatives, of violations of the obligations in accordance with Article 26 or, when the person is an interested party, of Article 53, paragraphs 4 et seq. of the Consolidated Banking Law or the obligations on remuneration and incentives, in addition to the provisions on market abuse and internal dealing;
- ascertainment of fraudulent behaviours, wilful misconduct or gross negligence in detriment to

⁶Lawyers, Barristers, Business Consultants, Employment Consultants, Licence Holders, pursuant to Art. 115 of the T.U.L.P.S. or financial agents.

doBank or to Group companies.

In addition, for deferred shares, the risk tolerance thresholds identified in the risk appetite framework approved by the Parent Company on capital and liquidity metrics must be exceeded.

Upon the occurrence of one of the above conditions, the Group companies are also entitled to assess the return of any sums, in full or for a share, already paid (claw-back clause).

Each year, and in any case in advance of payment of the variable component, the Human Resources Function - with support from the Parent Company's competent Company Functions - verifies whether any conditions have been met that are likely to result in non-payment (malus) or the return of bonuses already assigned (claw-back) and assesses the cases to be submitted for a potential resolution to be passed by the competent Company Bodies.

Claw-back clauses apply to all variable remuneration assigned for any purpose.

Summarising the above paragraphs, the malus conditions vary on the basis of the cluster concerned.

For the Chief Executive Officer, the payment of deferred shares is subject to:

- compliance with malus provisions related to exceeding risk tolerance thresholds on profitability, capital and liquidity metrics;
- occurrence of a condition related to maintaining a certain price level of doBank shares (Minimum Vesting Value);
- the performance of certain specific indicators on the objectives form;
- whether or not one of the clawback provisions occurs.

For "Key Resources" and the "Selected Resources" the payment of deferred shares is subject to:

- compliance with certain malus provisions related to exceeding risk tolerance thresholds on capital and liquidity metrics;
- whether or not one of the clawback provisions occurs.

For the remaining Material Risk Takers, the payment of deferred shares in cash is subject to the same malus conditions specified for "Key Resources" and "Selected Resources".

In addition, after consulting with the Remuneration Committee, the Board of Directors may ask for the return (claw-back) of the variable remuneration assigned in relation to the specific performance year, if, in reference to that year, the following are found within 7 years for the Chief Executive Officer, 5 years for Material Risk Takers, or within 2 years for remaining personnel from the payment date of the deferred shares:

- behaviours resulting in a significant loss for doBank;
- violations of laws, regulations and internal procedures especially with regard to risk-related procedures;
- significant violations in the area of risk management processes;
- violations of the obligations in accordance with Article 26, or when the individual is an interested party, of Article 53, paragraph 4 et seq. of the Consolidated Banking Law, or obligations in relation to remuneration and incentives in performing his role as Chief Executive Officer;
- fraudulent behaviour characterised by wilful misconduct or gross negligence to the detriment of doBank.

- with reference to the Executive Directors and to Managers with Strategic Responsibility, in the case of data relating to the activation gates, objectives or vesting conditions that are later found to be manifestly incorrect.

7 Hedging Ban

Logics such as the application of personal hedging strategies or insurance on remuneration or on other aspects, aimed at altering, if not even eliminating, the logics of risk weighting inherent in remuneration and incentive mechanisms are prohibited.

The employees of the Parent Company and the Subsidiaries may not use, through specific agreements, personal hedging strategies or insurance on remuneration or on other aspects that may alter or invalidate the effects of alignment to the risk inherent in the remuneration mechanisms indicated in the Policy.

Coherently with the provisions laid down by the XXV update of Circular 285, title IV Chapter 2, Section 1, paragraph 5, the Material Risk Takers are asked to communicate the existence and opening of custody and administration accounts at other intermediaries, as well as any financial investments made in relation to instruments related to the doBank Shares, so that doBank can consider them in the phase of alignment to the risk of the remuneration and incentive policies and systems.

8 Transformation of banking parent company into a servicing company

Coherently with the resolution of the Extraordinary Shareholders' Meeting of 5 March 2019, upon achieving the clearance from the Supervisory Authorities expected by the first half of 2019, doBank will acquire the nature of pure servicing company equipped with a licence in accordance with Art. 115 of TULPS and its qualification as a "banking group" will therefore cease.

The Parent Company, in the new structure, maintains, with reference to the regulatory context, the regulation of companies issuing securities traded on the regulated markets, while it will no longer be subject to the prudential supervision rules for banks and banking groups.

doBank has chosen to maintain, even after the transformation, with reference to the variable remuneration systems of 2019, some specific aspects of the banking sector, insofar as they are applicable, in line with the principle of alignment to the effective results and durations that take account of the risks assumed.

Below is a description of the possible areas of implementation of the incentive system payment schemes upon the occurrence of the transformation, provided that transformation occurs before 30 June 2019. If it occurs after the 30 June, the same rules described in paragraphs 5.2, 5.3, 5.4, 5.5, 5.6 and 5.7 will be maintained for 2019. In that case, the conditions of capitalisation and liquidity will be verified with reference to the last available data identified.

8.1 Focus on the Chief Executive Officer;

In that context, with reference to the remuneration of the Managing Director during 2019 the Remuneration Committee will define a revision proposal of the remuneration structure, coherently with the applicable regulatory framework and taking account of the area of European operations that

characterises the new strategic path, to be submitted for the approval of the Board of Directors and, then, to the next Shareholders' Meeting.

In the meantime, the remuneration structure described in paragraph 5.2 will be maintained, as described below:

- fixed remuneration paid 40% in cash and 60% in shares;
- variable remuneration: paid up to a maximum of a 2:1 ratio between variable and fixed remuneration, 100% of which is paid in shares and tied to the achievement of assigned objectives, structured as follows.
 - o an Up-Front Share of 40% is paid after the approval, by the Shareholders' Meeting, of the financial statements relating to the Accrual Period , within 30 days of that approval, and in any case, by the end of July;
 - o a 60% share is deferred over the five financial years after the year of attribution of the up-front variable portion, and is paid within 30 days of the Shareholders' Meeting approving the financial statements, and in any case, by the end of July each year: the first deferred share amounts to 20% of the variable remuneration, and the remaining four are 10% of the variable remuneration.
 - o 100% of variable remuneration is paid in doBank shares and is subject to retention periods. For the shares attributed up-front , there is a two-year retention period, while for the remaining deferred shares there is a one-year retention period which commences from their vesting.

The variable remuneration is attributed based upon the level of achievement of the assigned objectives and, with reference to the overall sustainability, the verification of the profitability gate is maintained (the variable remuneration is paid in the presence of consolidated EBITDA at least equal to 90% of the lesser between what is defined during the strategic and operational planning and 64 million Euros), while the capital and liquidity gates are no longer applicable, as they are closely related to the prudential supervision provisions.

Also with reference to the payment of the deferred shares, the check of the capital gates no longer takes place while the following malus conditions are maintained:

- 20% reduction in the case of an adjusted EBITDA less by 25% than the values ascertained at the end of the performance period. If this reduction is higher than 50%, the deferred shares will be reduced by 50%.
- 20% reduction for failure to respect the service levels;
- 100% reduction (zeroing of deferred shares) if one of the claw-back clauses occurs during the deferral period.

The values of these indicators are checked at 31 December of the year before the deferred share is vested.

Once the achievement of the above conditions has been checked, the payment of deferred shares is also subject to verifying the condition that the average market value of shares over the 3 months preceding vesting is at least equal to the price of shares on the listing date less 5% (Minimum Vesting Value). If on the vesting date, the minimum vesting value has not been reached, vesting will be deferred by 12 months, after which, the condition will again be verified and, if again it has not been met, vesting will be deferred a further 12 months; if at this point (24 months after the original vesting date) the Minimum Vesting Value has not been reached, the corresponding deferred share will be cancelled.

In addition, the claw-back clauses relating to manifestly incorrect data or the occurrence of wilful misconduct or gross negligence are also maintained.

8.2 Focus on Key Resources and other Selected Resources

With reference to the Key Resources and Selected Resources with the opportunity of variable remuneration higher than fixed remuneration, upon the cessation of the qualification of “banking group” before 30 June 2019, the variable remuneration structure will have the following characteristics:

- Deferment of not less than 30% of the variable remuneration for a period of at least 2 years (15% and 15%);
- Payment of the variable in an amount not less than 40% in shares (mix maintained both in the upfront component and in the deferred component);
- Payment in shares subject to an unavailability period of at least 1 year of both the upfront component and the deferred component.

Any modification of the structure of variable remuneration described in paragraph 5.4 in order to introduce, in whole or in part, greater flexibility in the limits provided above may be activated in favour of the recipients, subject to resolution by the Board of Directors, having heard from the Remuneration Committee.

The variable remuneration is paid upon achieving the assigned objectives and in the presence of a consolidated EBITDA at least equal to 90% of the lower between what was defined during the strategic and operational planning and 64 million Euros, while the capital and liquidity gates are no longer applicable, as they are closely linked to the prudential supervision provisions. Similarly, the deferred shares are paid in the presence of a consolidated EBITDA at least equal to 90% of the lesser between what was defined during the strategic and operational planning and 64 million Euros;

As regards the deferred payments relating to the years preceding 2019 the deferment period provided by the Remuneration Policy in force at the time of the final calculation of the variable will be maintained, subject to the actual payment being conditional upon the continuance of the employment relationship.

8.3 Focus on remaining Material Risk Takers

With reference to the other Risk Takers, with maximum variable remuneration equal to the fixed remuneration, paid in full in monetary form, upon the cessation of the qualification as “banking group” before 30 June 2019, the method of payment of variable remuneration, scheduled in paragraph 5.5 will have a deferment no less than 30% for a period of 1 year, subject to the resolution by the Board of Directors, having heard the opinion of the Remuneration Committee.

The variable remuneration is paid upon achieving the assigned objectives and in the presence of consolidated EBITDA at least equal to 90% of the lower between what is defined during the strategic and operational planning and 64 million Euros, while the capital and liquidity gates are no longer applicable, as they are closely linked to the prudential supervision provisions.

As regards deferred payments relating to years preceding 2019 the deferment period provided by the Remuneration Policy in force at the time of final calculation of the variable will be maintained, subject to the actual payment being conditional upon the continuance of the employment relationship.

9 Severance Pay Policies

Severance pay policies are subject to the approval of the Shareholders' Meeting in keeping with applicable regulatory provisions, especially with regard to criteria for determining remuneration to be paid in the event of the early termination of the employment relationship or early cessation of the role, including the limits set for that remuneration in terms of years of fixed remuneration and the maximum amount resulting from their application.

In view of the new provisions introduced with the XXV update of Circular 285 of the Bank of Italy, the Shareholders' Meeting of 17 April 2019 is submitted, for approval, the updated document, including the formula defined on the basis of the definition of any remuneration aimed at limiting the risks connected to any disputes during the early termination of the employment relationship and/or early cessation of the role (the maximum limits remain unchanged).

GLOSSARY

Accrual Period	Means the time period at the end of which there will be an assessment of the performance objectives on which the attribution of any variable component of Remuneration is based.
Adjusted EBITDA	EBITDA value adjusted by losses, even expected, through the determination of financial statements adjustments and risk components quantified in the calculation of the overall internal capital at the ICAAP.
Shares	doBank S.p.A. shares.
Discretionary Pension Benefit	Means the benefit granted to Personnel or to limited groups of Personnel, on an individual and discretionary basis, excluding the rights accrued in accordance with the pension system adopted for all employees.
Bonus Pool	Means the total amount of variable remuneration.
Parent Company or doBank	Means doBank S.p.A.
Subsidiaries	Means the financial and/or instrumental companies included in the doBank Group.
Supervisory Provisions	Means Circular no. 285 of the Bank of Italy dated 17 December 2013 as amended and/or supplemented.
Managers with Strategic Responsibilities	The Manager with Strategic Responsibilities is a company figure with high profile organisational positioning, reporting directly/indirectly to the senior company bodies (Chief Executive Officer and Board of Directors) and with organisational responsibilities suitable to orient, guide and control the objectives of strategic nature of the Group as a whole.
Company Function	The first or second level structure, which reports to the Bodies with strategic supervision and/or management function, in charge of overseeing and coordinating the company activities. They are split into the Corporate, Control and Business Functions.
Company Control Functions	Means the set constituted by the following Company Functions: Compliance Function, Anti-Money Laundering Function, Risk Management Function and Internal Audit Function. For the purposes of this Policy - as indicated in the Supervisory Provisions (First Part, Title IV, Chapter 2, Section 1).
Managers	Means the set constituted by Personnel of the Parent Company and the Subsidiaries who perform credit recovery activities, including the heads of the recovery structures.
doBank Group or Group	Means the doBank banking group, defined in conformity with Art. 60 of the Consolidated Banking Law and Circ. 285/2013, Part I, Title IV, Chap. 2, Sect. II.
Management	Means figures within the Group Personnel having managerial roles or responsibilities for specific initiatives and activities.

Company Bodies	Means the set constituted by: Body with strategic supervision function, Body with management function and Body with control function.
Corporate Bodies	Means the set constituted by: Shareholders' Meeting and Company Bodies.
Body with control function	Means the Company Body in charge of supervising compliance with the rules of law, regulations and articles of association, correct management and the adequacy of the company's organisational and accounting structures. In the Parent Company that body is constituted by the Board of Auditors.
Body with management function	Means the Company Body or its members who hold or are delegated management duties, i.e. implementation of the guidelines resolved in the exercise of the strategic supervision function. In the Parent Company that body is constituted by the Chief Executive Officer who exercises his management duties within the limits of the powers delegated by the Board of Directors.
Body with strategic supervision function	Means the Company Body holding functions of guidance and/or supervision of company management. In the Parent Company that body is constituted by the Board of Directors.
Personnel	Means the members of the Bodies with strategic supervision, management and control function, the employees and collaborators of the Group, except for persons who belong to the external network.
Material Risk Takers	Means the categories of persons whose professional activity has or may have a significant impact on the Group's risk profile, identified in these Policies.
Policies	Means the Group's remuneration and incentive Policies, or Section I of this document. The remuneration and incentive policies approved by the doBank Board of Directors on 22 March 2019 and by the Shareholders' Meeting on 17 April 2019.
Severance Pay Policies	Means the policies that regulate any fees in view of or on the occasion of the early conclusion of the employment relationship or early cessation of the role. They were submitted for the approval of the Shareholders' Meeting on 17 April 2019 with a separate document.
Up-Front Share	Means payments that are made immediately after the assessment period and that are not deferred.
Issuers' Regulation	Means CONSOB Regulation adopted with resolution no. 11971 dated 14 May 1999 as updated.
Remuneration	Means any form of payment or benefit paid, directly or indirectly, in cash, financial instruments or in kind (fringe benefits), in exchange for work performances or professional services rendered by Personnel to doBank or to other Group companies. Marginal payments or benefits, granted to Personnel on a non-discretionary basis, that fall within a general Group policy and that do not produce effects on the level of incentives to recruitment or control of risks may not be included (see Art. 5.3).
Retention	Means the period after the accrual of the instruments granted by way of variable remuneration during which they may not be sold and may not be disposed of.

Key Resources	They are resources, identified by the Chief Executive Officer from among the Material Risk Takers, with the support of the Human Resources Department, who have key roles in pursuing the business lines. The Board of Directors, subject to the opinion of the Remuneration Committee, is informed of the respective remuneration structure. They may be recipients of an opportunity of variable remuneration higher than 1:1 on fixed remuneration and, in any case, less than 2:1, in line with the approval of the Shareholders' Meeting on 21 June 2017.
Consolidated Banking Law	Means Italian Legislative Decree dated 24 February 1998, no. 58 as updated.
Vesting	Means the time the member of Personnel becomes the legitimate owner of the variable remuneration paid, irrespective of the instrument used for payment or whether or not the payment is subject to retention or to ex post correction mechanisms.

Section II: Implementation of 2018 Remuneration Policies



Introduction

Section II of the Remuneration Report was prepared in accordance with:

- Article 123(3) of the Consolidated Finance Law, entitled “Remuneration Report”;
- Article 114(2) of the Consolidated Finance Law, entitled “Market information on the attribution of financial instruments to company representatives, employees or collaborators”;
- CONSOB Regulation no. 11971/1999 (known as Issuers' Regulation), with particular reference to Articles 84(4), entitled “Remuneration Report”, and 84(2) entitled “Information on the attribution of financial instruments to company representatives, employees or collaborators”, as well as Annex 3A, Schedule no. 7(2) “Remuneration Report” of the Issuers' Regulation and Schedule no. 7 “Information Document which forms the subject of the illustrative report of the Management Body for the shareholders' meeting convened to resolve upon remuneration plans based upon financial instruments”.
- the Provisions on “Remuneration and Incentive Policies and Practices” issued by the Bank of Italy and contained in Circular no. 285 dated 17 December 2013 as amended, in implementation of Community Directive 2013/36/EU (known as CRD IV).

1.1 Salient events during the 2018 financial year

The 2018 remuneration and incentive policies of the doBank Group (hereafter, the “Policy”), were approved on 19 March 2018 by the Parent Company's Board of Directors and by the Shareholders' Meeting on 19 April 2018.

The Remuneration Committee, established in July 2017, at 31 December 2018 consisted of:

COMITATO PER LA REMUNERAZIONE	
PRESIDENTE	NUNZIO GUGLIELMINO
MEMBRO	GIOVANNI LO STORTO
MEMBRO	FRANCESCO COLASANTI

During 2018, 5 meetings of that Committee were held with reference to Remuneration. Below are details of the meetings and the subjects discussed during those Committees:

Meetings and matters discussed on remuneration in sessions of the Remuneration Committee

Session	Matters discussed
08 March 2018	<ul style="list-style-type: none">- Modification of organisational structure reporting to Chief Executive Officer – Termination of employment relationship with resource in the perimeter of Material Risk Takers;- Corporate Governance Report; area of pertinence to the Committee.
19 March 2018	<ul style="list-style-type: none">- 2018 remuneration policy (2018 policy and 2017 implementation/review);- Group incentive plan based upon financial instruments - Consob information table;- Severance Pay Policies- Definition of 2018 Perimeter of Material Risk Takers;

16 April 2018	- - Update of Regulations on remuneration based upon stock instruments intended for the Chief Executive Officer and the Key Resources (Stock Granting Plan);
25 May 2018	- - Remuneration of the manager of the NewCo set-up and future manager of the bank, scheduled as part of the Reorganisation process;
17 October 2018	- Proposal of Additional Selected Resources to whom to attribute a variable component higher than 100%: 2018 incentive system; - Regulation on remuneration based upon stock instruments intended for Key Resources and Additional Selected Resources (2018 Stock Based Incentive Plan).

1.2 2018 Main results

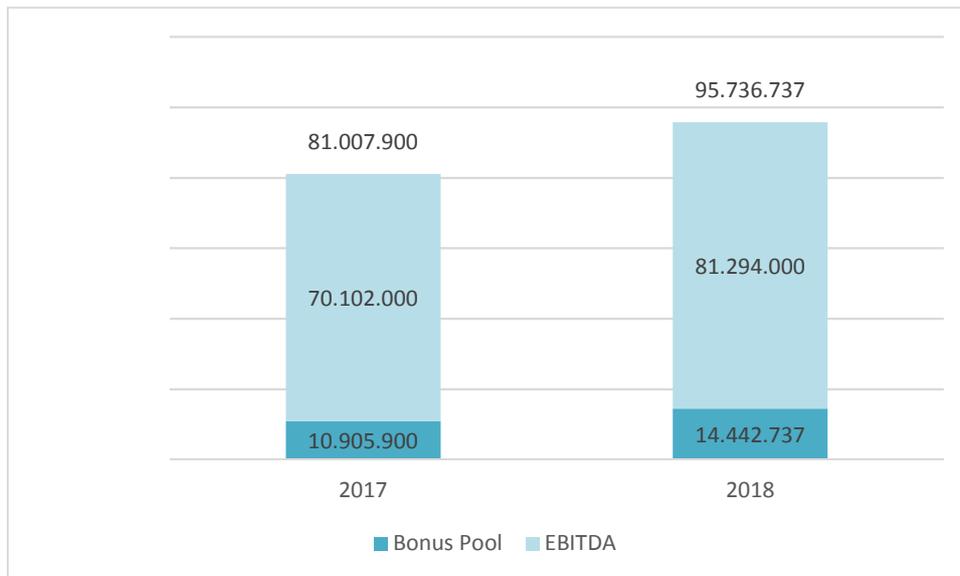
➤ Economic results and alignment with Risk Appetite Framework

With reference to the performance of doBank S.p.A. in the 2018 financial year, following the final analysis of the results achieved at 31 December 2018, the achievement of the minimum level provided for the "Group Gates" and the consequent activation of the related incentive systems is highlighted. Below are details for each "gate indicator".

INDICATOR	GATE VALUE	FINAL BALANCE	RESULT
<i>EBITDA</i>	64 m/€	81.3 m/€	✓
<i>CET 1 RATIO</i>	11.75%	26.1%	✓
<i>LCR</i>	110%	616%	✓

The "Group Gates" described above allow for the activation of all variable components described in the above paragraphs.

The overall Bonus Pool accrued amounts to €12,911,372, corresponding to 15.09% of the pre-bonus pool EBITDA. The amount indicated does not prejudice the capital and liquidity requirements, broadly conservative with respect to the risk tolerance thresholds outlined in the RAF, as highlighted by the Risk Management function. Coherently with the Supervisory Provisions and with what is defined in the 2018 Group Policy, in no case does the sum of the different incentive components determine an overall bonus higher than 200% of the fixed remuneration for Material Risk Takers, for whom the raising of the limit of the ratio between the variable and fixed component has been requested, and 100% of the fixed remuneration for the remaining personnel.



EBITDA Pre-Bonus Pool 2017 Vs 2018

The final calculation of the “individual” objectives forms of the MBO system led to a total amount of €3,653,089 (excluding the Chief Executive Officer), of which €2,068,381 relates to the Material Risk Takers; the incidence of the bonuses paid to the Material Risk Takers with an incidence higher than 1:1 on the fixed remuneration - and, therefore, recipients of more stringent provisions with reference to the articulation of the deferment and the share component - amounts to €1,746,141.

The average level of achievement of the “individual” objectives forms for all recipient personnel of the 2018 MBO System stands at 96.16% (and for Material Risk Takers at 107.69%).

Unlike the articulation of the objectives described in the remuneration policy approved by the Shareholders' Meeting on 19 April 2018, in view of the important transformation phase begun during 2018, both in terms of corporate structure and organisational and strategic structure, and the need to maintain strong cohesion and focus with respect to the overall results in a phase of strong discontinuity, the objectives assigned in the MBO 2018 forms were cross-sectional with a prevalent incidence of economic-financial Group objectives, assessing the individual contribution to achieving the strategy through mainly qualitative indicators.

During 2018, for the Managers, at the end of each incentive period, the bonuses due were liquidated subject to achieving the scheduled objectives. The overall final calculation of the variable share of the Management incentive system ended with the assignment of bonuses to 73% of Managers for a total amount of €2,404,480.

It is noted that the 2018 Incentive Plan for Managers based upon doBank shares was not activated.

Productivity company bonus (“Per-Capita Value Added” or “PVA”)

The company productivity bonus (“Per-Capita Value Added” or “PVA”) will be paid to entitled employees, positioned in the Professional Areas and Senior Managers (about 1,200 individuals), under the terms and conditions provided by the National Collective Agreement for Credit and the second level contracts with the Trade Union Organisations, by way of attribution of a bonus within the company welfare system or in monetary form, as chosen by the employee.

Merit Bonus

Given the achievement of the Group gates, the total amount for the merit bonus is €1,214,703 to be paid to worthy Resources identified, within a perimeter of about 550 people, with the involvement of the managers.

Outstanding Bonus

During 2018, no outstanding bonuses were paid.

Sustainability of the total amount of variable remuneration.

The total amount of variable remuneration for 2018 for the purposes of prudential supervision, including the bonus pool accrued in 2018 and the deferred shares from previous years, was subject to an economic-financial sustainability opinion of the Risk Management Function which did not highlight any criticalities from the perspective of overall sustainability and coherence with the Risk Capital Framework (economic, capital and liquidity profile).

It is noted that the 2018 bonus pool, determined according to the Supervisory parameters, was not submitted for approval by the Board of Directors as provided in the remuneration policy approved by the Shareholders' Meeting on 19 April 2018.

The amount of Group variable remuneration, approved by the Board of Directors as part of the presentation of the budget on 12/02/2018, is €12,132,173 compared to a maximum exposure of €18,505,421 and the total variable remuneration calculated of €12,911,372.

Staff severance pay

During 2018 the contract of one Resource with subordinate employment relationship and belonging to the perimeter of the Material Risk Takers was terminated early, for whom, in respect of the 2018 remuneration policy and the Supervisory Provisions in that regard, a sum was paid of €366,000, corresponding to the upfront share of the overall agreed incentive; an amount of €246,000 was deferred by one year, as the malus clause had occurred. The entire amount is subject to the claw-back rules. Against a commitment not to suggest or encourage the resignation and/or recruitment of doBank employees for a period of 12 months from the termination date, in February 2019 a sum of €55,000 was paid.

In addition, €1,497,000 was paid by way of staff severance pay to 16 resources from other Personnel. It is noted that for one resource, not belonging to the perimeter of Material Risk Takers, with the purpose of mitigating in advance the reputational risks and higher costs linked to the settlement of the dispute, a fee was paid against the early termination of the employment relationship amounting to 40 months of fixed remuneration, above the limit of 24 months of overall remuneration approved by the Shareholders' Meeting within the severance pay policies.

Remuneration paid to corporate bodies

The amount of fees incurred for the directors amounts to €686,355, while for the auditors and members of the Supervisory Body the sum is €272,006, making an overall cost item of €958,361.

Board of Directors

With reference to the period between 1 January and 18 April 2018 the fees resolved by the Shareholders' Meeting of 7 November 2016 were paid, which established in the maximum value of Euro 645,000 the overall gross annual fee due to the members of the Board of Directors. The annual fee granted for specific roles covered is broken down as follows:

- up to a maximum of €350,000 in favour of the Chairman of the Board of Directors;
- Euro 75,000 for each of the 3 independent directors (for a total of Euro 225,000) - also including the payments for any participation in board committees;
- Euro 10,000 for each of the 5 non-independent Directors, plus Euro 10,000 in favour of 2 Directors for participation on committees (for a total of Euro 70,000).

With reference to the period between 19 April 2018 and 31 December 2018 the fees resolved by the Shareholders' Meeting of 19 April 2018 were paid, which established for the members of the Board of Directors a total annual gross fee of Euro 850,000, of which:

- Euro 400,000 in favour of the Chairman of the Board of Directors;
- Euro 240,000 allocated equally to the remuneration of the members of the Board other than the Chairman;
- Euro 210,000 allocated to the Members of the Board Committees, including the roles of chairman of the same.

In light of what was established by the Shareholders' Meeting and taking account of the remuneration already assigned by the Shareholders' Meeting itself to the Chairman of the Board of Directors, the Board of Directors, having heard the opinion of the Remuneration Committee, has suggested establishing at:

- Euro 30,000 as the fee due to each member of the Board of Directors, other than the Chairman;
- Euro 17,500 the fee due to each member of the Committees, other than the Chairmen of those Committees;
- Euro 35,000 the fee due to each Chairman of the Committees.

Board of Auditors and Supervisory Body:

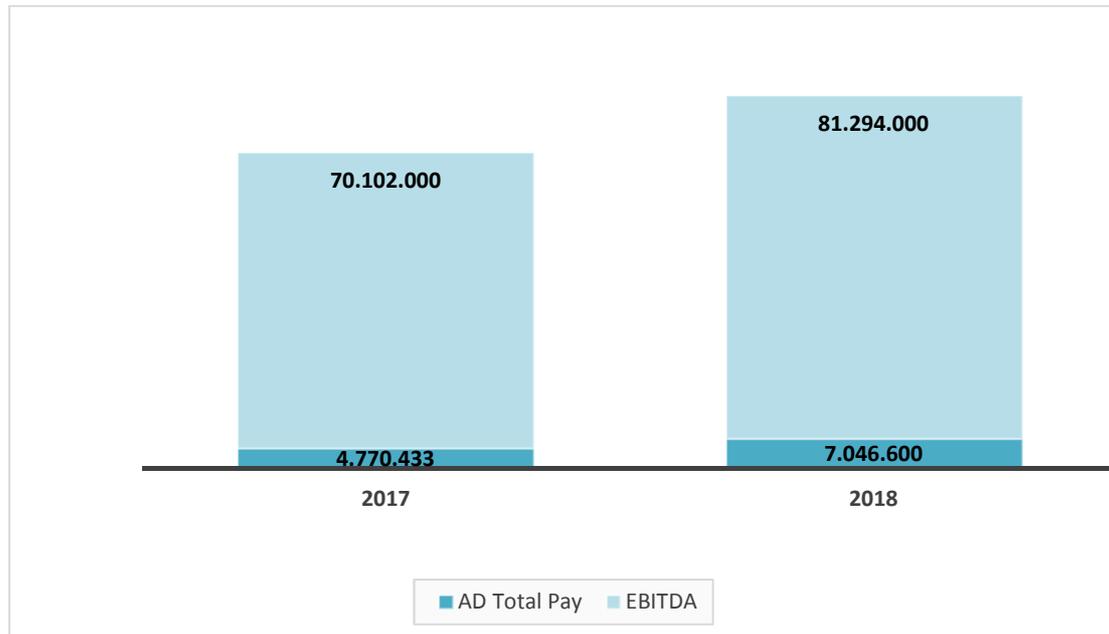
With reference to the period between 1 January and 18 April 2018 the fees resolved by the Shareholders' Meeting held on 15 July 2016 were paid, structured on an annual basis as follows:

- for the Chairman of the Board of Auditors a special fee for the role, including the fee as auditor, of Euro 25,000 in addition to Euro 14,000 for the role of Chairman of the Supervisory Body;
- for each member of the Board of Auditors a fee equal to Euro 20,000 and Euro 10,000 as member of the Supervisory Body.

With reference to the period between 19 April 2018 and 31 December 2018 the fees resolved by the Shareholders' Meeting held on 19 April 2018 were paid, structured on an annual basis as follows:

- for the Chairman of the Board of Auditors a special fee for the role, including the fee as auditor, of Euro 45,000 in addition to Euro 10,000 as Chairman of the Supervisory Body;
- for each member of the Board of Auditors a fee equal to Euro 35,000 and Euro 5,000 as member of the Supervisory Body.

1.3 Focus on the remuneration package of the Chief Executive Officer



MD Total Pay Vs EBITDA 2017 Vs 2018

The Chief Executive Officer received, based upon what was established in his individual contract, signed with the Company on 5 April 2016, a fixed fee for the 2018 financial year of €2,503,000, of which €3,000 by way of remuneration in the capacity of director until 18 April 2018, having waived, commencing from 19 April 2018, the fee as director provided by the Shareholders' Meeting on 19 April 2018 amounting to €30,000.

The 2018 fixed remuneration is paid by the following methods: €1,500,000 in shares and €1,003,000 in monetary form.

As regards the variable component, the payment of the same, having verified the achievement of the assigned objectives, occurs, in full in shares, according to the following methods:

- an Up-Front Share of 40% is paid after approval, by the Shareholders' Meeting, of the financial statements relating to the *Accrual Period* and by the end of July;
- a share of 60% is deferred on a pro rata basis in the five financial years after the year of attribution of the variable part paid *up-front* and is paid by the end of July of each year;
- both the upfront share and the deferred share are paid in doBank shares. For the shares attributed *up-front* there is a two year retention period, while for the remaining deferred shares there is a one year retention period which commences from their vesting.

Below is the performance achieved by the Chief Executive Officer with reference to the 2018 objectives:

	Indicator	Performance	Performance (%)
Sustainability Objectives	Adjusted Ebitda	✓	100%
	Managed GBV NPL	✓	93%
	Contracts signed different from UC	✓	100%
	KPI SLA	✓	100%
Strategic Objectives	Annual collections	✗	96%
	Data quality	✓	100%
	Optimisation legal networks/external cons.	✗	-
	Revenues from banking activity	✗	16%
	Stock price	✓	100%
	Tier Capital 1 Ratio	✓	115%

Based upon the performances achieved, the variable component, attributed in full in shares, amounts to €4,543,600. The respective attribution is distributed over time, subject for 60% to a 5 year deferment, after checking the malus clauses. Both the upfront and deferred component are also subject to a retention period, respectively of 2 years and 1 year.

The individual employment contract that links the Chief Executive Officer to doBank S.p.A. also regulates cases relating to resignation, dismissal/revocation or early termination of the relationship, providing a fee in the case of early termination of the role or non-renewal, within the limits and taking account of the regulatory provisions in that regard, regulated in the severance policy.

1.4 Focus on remuneration paid to Managers with Strategic Responsibility

In view of the results achieved, the variable remuneration accrued for the Managers with Strategic Responsibility amounts to €2,047,939. The respective information is contained in the quantitative tables, in line with the relevant regulations.

For those resources, beneficiaries of a variable remuneration higher than fixed remuneration, the payment occurs, in line with the policy provisions, for 60% *up-front* and 40% deferred by 3 years and is paid after the check of the absence of malus clauses. The component in shares is subject to retention periods defined by the Policy: 2 years for the upfront part and 1 year for the deferred shares.

With reference to the other Managers with Strategic Responsibility, excluding the Heads of the Company Control Functions and the other figures for whom the maximum limit has been fixed at 33%, the overall variable remuneration accrued was: €1,811,599.

With reference to the Heads of the Company Control Functions and the other equivalent figures for the purposes of the remuneration policies, falling within the perimeter of Managers with Strategic Responsibility, the total variable remuneration accrued amounts to €236,340.

Aggregate quantitative information on remuneration, broken down by lines of activity - art. 450 para. 1, g), broken down for senior management and members of personnel whose actions have a significant impact on the risk profile of the Bank - Art. 450 para.1, h)

From letter a) to letter j

Categoria	Organi Sociali													
	N. Beneficiari	Fisso	Incentivi all'esodo	Altri bonus	Variabile cash 2018			Variabile cash anni precedenti		Piano azionario 2018			Piani azionari precedenti	
					TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti	TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti
CdA	12	€ 3.186.355								€ 4.543.600,00	€ 1.817.440,00	€ 2.726.160,00	€ 581.412,00	€ 1.162.824,00
MRT														
Alti dirigenti														
Totale	12	€ 3.186.355,32	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 4.543.600,00	€ 1.817.440,00	€ 2.726.160,00	€ 581.412,00	€ 1.162.824,00

* I dati sul variabile sono relativi all'Amministratore Delegato, differito in 5 anni

Categoria	Gestione e Recupero crediti, Banking, Sviluppo comm.le													
	N. Beneficiari	Fisso	Incentivi all'esodo	Altri bonus	Variabile cash 2018			Variabile cash anni precedenti		Piano azionario 2018			Piani azionari precedenti	
					TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti	TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti
CdA														
MRT														
Alti dirigenti	4	€ 735.578,17	€ 667.000,00		€ 473.208	€ 283.925	€ 189.283	€ 59.583	€ 119.167	€ 473.208	€ 283.925	€ 189.283	€ 118.000,00	€ 118.000,00
Totale	4	€ 735.578,17	€ 667.000,00	€ 0,00	€ 473.208	€ 283.925	€ 189.283	€ 59.583	€ 119.167	€ 473.208	€ 283.925	€ 189.283	€ 118.000,00	€ 118.000,00

Categoria	Funzioni aziendali di controllo													
	N. Beneficiari	Fisso	Incentivi all'esodo	Altri bonus	Variabile cash 2018			Variabile cash anni precedenti		Piano azionario 2018			Piani azionari precedenti	
					TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti	TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti
CdA														
MRT	4	€ 465.249			€ 144.407	€ 105.810	€ 38.597	€ 35.019,60						
Alti dirigenti	2	€ 413.282			€ 112.375	€ 67.425	€ 44.950	€ 42.583,20						
Totale	6	€ 878.531	€ 0,00	€ 0,00	€ 256.782	€ 173.235	€ 83.547	€ 77.602,80	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Categoria	Altro													
	N. Beneficiari	Fisso	Incentivi all'esodo	Altri bonus	Variabile cash 2018			Variabile cash anni precedenti		Piano azionario 2018			Piani azionari precedenti	
					TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti	TOTALE	Up front	Differito	Erogabile nell'esercizio	Ancora differiti
CdA														
MRT	1	€ 161.027,76			€ 65.457,91	€ 39.274,75	€ 26.183,17							
Alti dirigenti	3	€ 618.539,97			€ 399.861,97	€ 239.917,18	€ 159.944,79	€ 43.973,33	€ 87.946,67	€ 399.861,97	€ 239.917,18	€ 159.944,79	€ 68.000,00	€ 68.000,00
Totale	4	€ 779.567,73	€ 0,00	€ 0,00	€ 465.319,88	€ 279.191,93	€ 186.127,95	€ 43.973,33	€ 87.946,67	€ 399.861,97	€ 239.917,18	€ 159.944,79	€ 68.000,00	€ 68.000,00

In the Group there is one position with remuneration higher than or equal to 1 million Euro referring to the doBank Chief Executive Officer.

1.5 CONSOB Quantitative Tables

Fees paid to members of the Management and Control Bodies, to the General Manager, to other Managers with Strategic Responsibilities

MEMBRI DEL CONSIGLIO DI AMMINISTRAZIONE (nome e cognome)	CDA	Comitato Nomine	Comitato Rischi e Operazioni con Soggetti Collegati	Comitato Remunerazione	Compensi Fissi*	Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity**
Giovanni Castellaneta	P	M ¹							
(I) Compensi nella società che redige il bilancio					397.250			397.250	
(II) Compensi da controllate e collegate									
(III) Totale					397.250			397.250	
Andrea Mangoni AD²	M								
(I) Compensi nella società che redige il bilancio					2.503.000			2.503.000	2.398.852
(II) Compensi da controllate e collegate									
(III) Totale					2.503.000			2.503.000	2.398.852
Giovanni Lo Storto³	M	P		M					
(I) Compensi nella società che redige il bilancio					80.250			80.250	
(II) Compensi da controllate e collegate									
(III) Totale					80.250			80.250	
Nunzio Guglielmino	M		M	P					
(I) Compensi nella società che redige il bilancio					80.250			80.250	
(II) Compensi da controllate e collegate									
(III) Totale					80.250			80.250	
Emanuela Da Rin	M ⁴								
(I) Compensi nella società che redige il bilancio					21.000			21.000	
(II) Compensi da controllate e collegate									
(III) Totale					21.000			21.000	
Giovanni B. Dagnino⁵	M	M	P						
(I) Compensi nella società che redige il bilancio					57.750			57.750	
(II) Compensi da controllate e collegate									
(III) Totale					57.750			57.750	
Giuseppe Ranieri⁶	M								
(I) Compensi nella società che redige il bilancio									
(II) Compensi da controllate e collegate									
(III) Totale									
Francesco Colasanti⁷	M			M					
(I) Compensi nella società che redige il bilancio									
(II) Compensi da controllate e collegate									
(III) Totale									

P: PRESIDENTE M: MEMBRO

* Includi compensi per la partecipazione ai Comitati endoconsiliari. Non sono previsti gettoni di presenza.

** Il fair value dei compensi azionari non rappresenta un valore effettivamente pagato/ottenuto dai beneficiari dei Piani azionari, essendo invece il costo che la Società contabilizza secondo un criterio di competenza e durante il periodo di maturazione - in considerazione dell'offerta di incentivi basati su strumenti finanziari.

Note:

1_ In carica dal 19/4/2018

2_ Remunerazione fissa: € 2.500.000 è disciplinata dall'accordo di collaborazione sottoscritto con la Società in data 5 aprile 2016, (di cui il 60% erogato in azioni e soggetto al verificarsi di alcune condizioni), € 3.000 - percepiti sino al 18/4/2018 - come amministratore deliberati dall'Assemblea dei Soci. Successivamente, l'AD rinuncia ai compensi come amministratore deliberati dall'Assemblea, del 19/4/2018 pari a € 30.000.

Andrea Mangoni rinuncia al compenso come Consigliere.

3 Sino al 18/4/2018 membro del Comitato Rischi

4 in carica dal 19/4/2018.

5 in carica dal 19/4/2018.

6 Rinuncia ai compensi sia come consigliere che come membro del Comitato. Membro del Comitato Rischi sino al 18/4/2018.

7_ Rinuncia ai compensi sia come consigliere che come membro del Comitato Remunerazione. Membro del Comitato Nomine sino al 18/4/2018

COMPONENTI DEL CONSIGLIO DI AMMINISTRAZIONE CESSATI DURANTE L'ESERCIZIO DI RIFERIMENTO (nome e cognome)	CDA	Comitato Nomine	Comitato Rischi e Operazioni con Soggetti Collegati	Comitato Remunerazione	Compensi Fissi*	Benefici non monetari	Altri compensi	Totale	Fair Value dei compensi equity**
Fabio Balbinot/ Chief Servicing Officer¹	M								
(I) Compensi nella società che redige il bilancio									
(II) Compensi da controllate e collegate									
(III) Totale									
Edovige Catitti²	M								
(I) Compensi nella società che redige il bilancio					22.500			22.500	
(II) Compensi da controllate e collegate									
(III) Totale					22.500			22.500	
Charles Robert Spetka³	M								
(I) Compensi nella società che redige il bilancio									
(II) Compensi da controllate e collegate									
(III) Totale									
Paola Bruno⁴	M								
(I) Compensi nella società che redige il bilancio					24.356			24.356	
(II) Compensi da controllate e collegate									
(III) Totale					24.356			24.356	

* Inclusi compensi per la partecipazione ai Comitati endoconsiglieri. Non sono previsti gettoni di presenza.

** Il fair value dei compensi azionari non rappresenta un valore effettivamente pagato/ottenuto dai beneficiari dei Piani azionari, essendo invece il costo che la Società contabilizza secondo un criterio di competenza e durante il periodo di maturazione - in considerazione dell'offerta di incentivi basati su strumenti finanziari.

Note:

1 In carica sino al 18/4/2018; per tale periodo rinuncia al compenso come amministratore. Ha quindi percepito solo la remunerazione come Dirigente con Responsabilità Strategica, con il ruolo di Chief Servicing Officer. La Ral ed il variabile percepito come Dirigente sono inserite nella sezione DIRS

2 In carica sino al 18/4/2018, quando ricopriva anche la carica di membro del Comitato per le Nomine, per il quale ha rinunciato ai compensi

3 In carica sino al 18/4/2018. Rinuncia ai compensi

4 In carica dal 19/4/2018 al 17/10/2018, quando ricopriva anche la carica di membro del Comitato Rischi

Membri del Collegio Sindacale (nome e cognome)	Carica	Compensi Fissi*	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
Chiara Molon¹	Presidente							
(I) Compensi nella società che redige il bilancio		43.480				43.480		
(II) Compensi da controllate e collegate								
(III) Totale		43.480				43.480		
Francesco Marino Bonifacio²	Sindaco Effettivo							
(I) Compensi nella società che redige il bilancio		44.096				44.096		
(II) Compensi da controllate e collegate		61.752				61.752		
(III) Totale		105.848				105.848		
Nicola Lorito	Sindaco Effettivo							
(I) Compensi nella società che redige il bilancio		40.846				40.846		
(II) Compensi da controllate e collegate		62.151				62.151		
(III) Totale		102.997				102.997		
Componenti cessati durante l'Esercizio di riferimento								
Massimo Fulvio Campanelli³	Sindaco Effettivo							
(I) Compensi nella società che redige il bilancio		10.000				10.000		
(II) Compensi da controllate e collegate		9.681				9.681		
(III) Totale		19.681				19.681		

Note:

1: Carica ricoperta dal 19/4/2018

2: Carica ricoperta dal 19/4/2018. Sino al 18/4/2018 ha ricoperto la carica di Presidente del Collegio

3 Carica ricoperta sino al 18/4/201, ma ha continuato a ricoprire la carica di sindaco effettivo in una società del Gruppo (doRealEstate)

Dirigenti con responsabilità strategiche	Compensi Fissi	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					
13								
(HC) ¹								
(I) Compensi nella società che redige il bilancio	618.539,97			41.564,35		660.104,32	779.186,20	667.000,00
<i>(II) Compensi da controllate e collegate</i>								
<i>(III) Totale</i>	618.539,97			41.564,35		660.104,32	779.186,20	667.000,00

* Il fair value dei compensi azionari non rappresenta un valore effettivamente pagato/ottenuto dai beneficiari dei Piani azionari, essendo invece il costo che la Società contabilizza -secondo un criterio di competenza e durante il periodo di maturazione - in considerazione dell'offerta di incentivi basati su strumenti finanziari.

NOTE

I valori inseriti nelle tabelle illustrate sono stati calcolati pro-rata temporis per quanto riguarda i compensi fissi e il sistema di incentivazione a breve termine ("MBO").

1 Nei Dirigenti con Responsabilità Strategica sono ricompresi Fabio Balbinot, membro del CdA sino al 18/4/2018, e altro Dirigente cessato nel corso del 2018.

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

Note:

*Nei Dirigenti con Responsabilità Strategica non è ricompreso il Dott. Fabio Balbinot in quanto già ricompreso nei consiglieri;

** il prezzo delle azioni è registrato sull'MTA di Borsa Italiana nei 3 mesi precedenti la data di attribuzione , pari a € 12.53. calcolato alla data del CdA del 16/3/2018

ID	A Nome e Cognome	B Carica	1 Piano	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 attribuibili	Strumenti finanziari vested nel corso dell'esercizio e attribuibili	Strumenti finanziari di competenza dell'esercizio		
				2 Numero e tipologia di strumenti finanziari	3 Periodo di Vesting	4 Numero e tipologia di strumenti finanziari	5 Fair value alla data di assegnazione	6 Periodo di Vesting	7 Data di assegnazione	8 Prezzo di mercato all'assegnazione *	9 Numero e tipologia di strumenti finanziari	10 Numero e tipologia di strumenti finanziari	11 Valore alla data di maturazione	12 Fair Value	
	Andrea Mangoni	Amministratore Delegato													
(I)	Compensi nella società che redige il bilancio			Piano azionario 2018 (Assemblea dei soci del 19/4/2018)			396.129	€ 4.543.600	5	12/03/2019	11,47		158.452	€ 11,47	€ 1.817.440
				IPO BONUS Piano approvato dal CdA del 09/06/2017									46.402	€ 12,53	€ 581.412
(II)	Compensi da controllate e collegate														
(III)	Totale												204.853		€ 2.398.852
		Dirigenti con Responsabilità strategica													
	13 HC*														
(I)	Compensi nella società che redige il bilancio			Piano azionario 2018 approvato il 19/4/2018			86.194	€ 988.647	3	12/03/2019	11,47		51.717	11,47	593.188
				IPO BONUS relativo al Piano approvato il 09/06/2017									14.844	€ 12,53	€ 185.998
(II)	Compensi da controllate e collegate														
(III)	Totale												66.561		779.186

Note:

* il prezzo delle azioni è registrato sull'MTA di Borsa Italiana nei 3 mesi precedenti la data di attribuzione . Per il Piano 2018, il periodo di rilevazione va dal 12 dicembre 2018 all'11 marzo 2019; il Piano incentivante 2017, dal 19 dicembre 2017 al 16 marzo 2018.

** del 13 Dirigenti con Responsabilità Strategica, 5 sono destinatari di azioni.

Table 3b -Monetary incentive plans in favour of members of the management body, general managers and other managers with strategic responsibilities

Nome e Cognome	Carica	Piano	Bonus dell'anno			Bonus di anni precedenti			Altri Bonus
			(A) Erogabile/ erogato	(B) Differito	C Periodo di differimento *	(A) Non più erogabili	(B) Erogabile/ erogato	C Ancora differiti	
Andrea Mangoni ¹	Amministratore Delegato								
(I) Compensi nella società che redige il bilancio									
(II) Compensi da controllate e collegate									
(III) Totale									
13 HC	Dirigenti con Responsabilità Strategica ²								
(I) Compensi nella società che redige il bilancio	Sistema Premiante 2018		€ 715.910,15	€ 458.958,43	3				
	Sistema Premiante 2017				3	€ 181.159,47	€ 207.113,33		
(II) Compensi da controllate e collegate									
(III) Totale			€ 715.910,15	€ 458.958,43		€ 181.159,47	€ 207.113,33		

Note:

1 La remunerazione variabile ruolo dell'Amministratore Delegato viene erogata in azioni di cui il 40% erogato al termine dell'anno di accrual e entro 30 giorni dalla data di approvazione del bilancio del precedente esercizio da parte dell'Assemblea; il restante 60% sarà differito per un periodo di 5 anni;

2 La remunerazione variabile cash dei Dirigenti con Responsabilità Strategica viene erogata per il 60% up front al termine dell'anno di accrual dopo l'approvazione del bilancio del precedente esercizio da parte dell'Assemblea; il restante 40% differito in 3 anni per il personale con una remunerazione del 2:1, le Funzioni di Controllo invece hanno un periodo di differimento inferiore pari a un'anno.

*Il periodo di differimento indicato è quello massimo previsto per il personale con una remunerazione del 2:1, le Funzioni di Controllo invece hanno un periodo di differimento inferiore, pari a un'anno;

SCHEDULE NO. 7(3) - Outline relating to the information on investments of members of the management and control bodies, general managers and other managers with strategic responsibilities

Tab. 1 : Partecipazioni dei componenti degli organi di amministrazione e di controllo e dei direttori generali

Nome e Cognome	Carica	Società partecipata	N. azioni possedute al 31/12/2017	N. di azioni acquistate nel 2018*	N. di azioni vendute nel 2018	N. azioni possedute al 31/12/2018
Andre Mangoni	Amministratore Delegato	doBank		151.115,00	64.113,00	87.002,00
						-
*Azioni attribuite sulla base di piani incentivanti						

Tab. 2 : Partecipazioni degli altri dirigenti con responsabilità strategica

Nome e Cognome	Carica	Società partecipata	N. azioni possedute al 31/12/2017	N. di azioni acquistate nel 2018*	N. di azioni vendute nel 2018	N. azioni possedute al 31/12/2018
n.5	Dirigenti con responsabilità Strategica	doBank		44.532,00	20.837,00	23.695,00
*Azioni attribuite sulla base di piani incentivanti						

Report on checks conducted on the compliance of the remuneration and incentive practices with the policies approved by the Bank and the relevant regulatory framework

The audit activity, in line with the requirements of the supervisory regulations in that regard, was aimed at assessing the compliance of the Group's remuneration practices with the 2018 Remuneration and Incentive Policies, by carrying out the following checks:

- conformity of the remuneration and incentive policies with external regulations (i.e. definition of *gates*, *bonus pool*, perimeter of MRTs, methods of payment in shares, deferment and retention mechanisms, *malus* and *claw-back*);
- correct application of criteria for determining the 2018 redundancy incentives, as established by the severance pay policies;
- conformity of the internal rules with the 2018 remuneration policies;
- final calculation of the Group gates at 31 December 2018 and opening of incentive system;
- approval of bonus pool by the Bodies and its respect in the final calculation phase;
- correctness of final calculation data (through sample checks), with respect to the maximum ratio between the variable and fixed component, payment method and deferment rules;
- limitations/exclusions of fixed/variable remuneration for the Bodies;
- respect of reporting obligations to the public and the Shareholders' Meeting pursuant to Art. 450 CRR, therein including the reporting obligation of high earners to Bank of Italy at 31/12/2017.

The checks conducted based upon the final calculation figures provided by the Resources & Transformation Function have highlighted in particular respect of the regulatory requirements in relation to structuring of the incentive system with particular reference to the proportion between the fixed and variable component, payment methods and deferment rules provided in the policies.

In this context, areas for improvement of the internal controls system for the implementation of the remuneration policies were identified in relation to the definition and formalisation of the *bonus pool*, the structuring of the “MBO Bonus” incentive system and the management of the incentive system for the network of managers.

Those results are partially attributable to the extraordinary nature assumed during the year 2018 based upon the scenario of continuous strategic evolution affecting the Group and making more complex the prompt and effective implementation of the Remuneration Policies. This scenario in fact also limited the capacity to define the individual objectives differentiated by resource, role covered and operating levers, thus not guaranteeing the full correlation between bonuses and measurement of individual performances. Coherently with what was communicated to the company bodies on 17 October 2018, in fact, all key resources were assigned unique and cross-sectional objectives with a prevalent incidence of Group economic-financial objectives.

The main areas for improvement identified are summarily indicated below:

- The 2018 bonus pool, seen according to the Supervisory parameters and accompanied by the assessment of economic-financial sustainability, including the deferred shares of previous years, by the Risk Management Function, was not submitted for approval of the Board of Directors. The sum of variable remuneration for the Group, determined according to a logic of economic accrual which does not reflect precisely the aforementioned parameters (e.g. it does not include fully the deferments in future years referring to the relevant accrual period, while it includes deferments relating to previous years) was, on the other hand, subject to approval by that Body, within the presentation of the budget; that amount, reviewed applying the Supervisory parameters, was found to be coherent with the overall final calculation data produced by the Resources & Transformation Function.
- With reference to the MBO System, the process of definition, assignment and acceptance of the

objectives was not fully coherent with what is established in the existing MBO Policies and Regulations, not having precisely reflected the structure of objectives defined in those Policies, as well as not entirely prompt in order to guarantee the congruity between the *Accrual Period* and the timeframe for achieving the objectives and the final calculation.

- The management of the 2018 incentive system for the internal network was not regulated entirely comprehensively, in terms of defining the roles and responsibilities of the different structures involved in the process, prompt in its definition and dissemination to recipients and uniform between doBank and Italfondario in the application of homogeneous periods of measurement of the objectives in the first part of the year.

In relation to the areas of attention identified, Management has defined a coherent plan of corrective interventions partly already begun as part of the preparation of this report on the implementation of the remuneration policies for 2018 as well as its submission for approval to the company bodies and to the Shareholders' Meeting.