

**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON ITEM FOUR ON THE  
AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

**(convened for 2 April 2020 in single call)**

*Engagement of the external statutory auditors for the years 2021-2029 and determination of the  
consideration. Related resolutions.*

Dear Shareholders,

the Board of Directors of Banca Farmafactoring S.p.A. (the "**Bank**" or the "**Company**") has convened you in ordinary session at the Company's registered office, in single call (the "**Shareholders' Meeting**") to discuss and resolve, among other things, on the assignment of the audit engagement for the Group's accounts for the years 2021-2029 and on the determination of the related fee, upon the motivated recommendation of the Board of Statutory Auditors, in their capacity as the Internal Control and Audit Committee (also "**CCIRC**").

In this regard, with the approval of the financial statements for the year 2020 by the Shareholders' Meeting of the Bank which will be called in 2021, the audit engagement for the nine-year period 2012-2020 entrusted to the auditing firm PricewaterhouseCoopers SpA ("PwC SpA") by the Shareholders' Meeting on 3 May 2012 will expire.

According to the current regulations applicable to Italian banks and companies issuing securities admitted to trading on Italian and European Union regulatory markets and, in particular, pursuant to European Regulation no. 537/2014 and Legislative Decree no. 39/2010 (as amended by Legislative Decree no. 135/2016): (i) the engagement of the independent statutory auditors PwC SpA shall not be renewable or reappointed unless at least four financial years have elapsed since the termination of the current engagement; (ii) the new statutory audit engagement must be assigned through a specific selection procedure, to be carried out according to the criteria and methods set out in art.16 (iii) the Ordinary Shareholders' Meeting, on the basis of a detailed proposal by the control body, formulated in accordance with Article 13 of Legislative Decree no. 39/2010, also containing the recommendation as per Article 16 of European Regulation no. 527/2014, shall appoint the independent auditors for a period of 9 financial years, as well as determine the fees due to the independent auditors for the entire duration of the appointment and any criteria for adjusting such fees during the term of the appointment.

In order to ensure a period of rotation between the current and future independent statutory auditors (so-called handover) appropriate to the size and complexity of BFF Banking Group (hereinafter the "**Group**"), the Internal Control and Audit Committee, pursuant to art. 19, paragraph 1), letter f) of Legislative Decree no. 39/2010, agreed with the proposal of the competent corporate functions and, in agreement with the Company's management and the Board of Directors, deemed it appropriate to bring forward the selection procedure for the appointment of the audit engagement for the 2021-2029 nine-year period, starting it already during 2019, so as to allow the Shareholders' Meeting of April 2, 2020 to resolve on the assignment of the relevant engagement. This advance, permitted by the relevant regulations, is also consistent with the applicable regulations on incompatibility and independence, which establish, in order to prevent possible causes of incompatibility, the presence of prohibited services as defined in Article 5, paragraph 1 of the Regulations, some of which, defined by letter e) of the aforementioned Article 5, must be subject to assessment by the CCIRC as early as the year immediately preceding the first year of audit.

Having said this, in September 2019 the Bank began preparatory activities for the selection of the new statutory auditors, in accordance with current regulations, and shared the proposed path with the CCIRC. In this preliminary phase, the CCIRC addressed and explored in depth a number of aspects, including the identification of the services to be tendered for and the option of appointing a Group

Sole Auditor, in accordance with the regulations applicable to each of the foreign entities included in the scope of consolidation.

The selection procedure and the call for tenders have been prepared in accordance with the regulations in force, identifying from within them: (i) the mandatory contents of the proposal; (ii) the selection criteria and (iii) the evaluation methodology. This selection procedure was aimed at seeking a high quality audit service proportionate to the size and complexity of the Bank and the Group through the identification of clear and measurable selection criteria - shared with the CCIRC - in order to ensure transparency and traceability of the activities carried out and decisions taken, in compliance with the provisions of Article 16, paragraph 3, letter f) of the European Regulation. In defining these criteria, the aim was to enhance both qualitative elements (such as the characteristics of the auditing firm and its network, knowledge of the Group, independence, the characteristics of the bid in terms of professionalism offered, the methodological approach) and quantitative elements (such as the expected commitment, the economic conditions of the bid). With regard to the evaluation methodology, each item identified was assigned a scoring system with weighting of the evaluation in percentage terms.

Subsequently, the Bank shared with the CCIRC the functional evaluation of the identification of the audit firms to which to send the "Request for an offer for the assignment of statutory audit engagements" (the "**Request**"), following the principles dictated by the regulations, according to which the selection process of the auditor must be conducted on the basis of transparency, non-discrimination and openness to a plurality of bids, in the best interests of the companies involved, without the influence of any third party and without the application of any of the clauses mentioned in art. 16, paragraph 6 of the European Regulation.

Based on the characteristics identified, the following independent auditors have been identified: BDO Italia S.p.A., Deloitte & Touche S.p.A., Ernst & Young S.p.A. and KPMG S.p.A.<sup>1</sup>

In addition, a selection committee (the "**Committee**") was set up to examine the applications consisting of: the Chief Financial Officer, the Chief Reporting Officer, the Head of the Internal Audit Function. This Committee was assigned the task of supporting the CCIRC in the preparatory stages for the assignment of the position to the Group's Sole Auditor, including the analysis and evaluation of the offers received. At the end of its term of office, on 14 February 2020, the Commission submitted to the CCIRC its own "Report on the conclusions of the selection procedure" (the "**Report**"), which, validated by the CCIRC, was one of the prerequisites for preparing the following detailed recommendation.

The CCIRC:

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<sup>1</sup> Without prejudice to the initial designation of the recipients of the Request, it should be noted that participation in the selection procedure by companies that received, in the previous calendar year, less than 15% of their total audit fees from public interest entities was not precluded in any way.

It should also be noted that the company Ernst & Young SpA, initially invited to participate in the tender, did not submit its bid due to elements of incompatibility within the meaning of Article 5(e) of the European Regulation.

- on the basis of the procedure prepared, the bids received, the evaluations carried out and the results thereof, and having taken note of the above mentioned Report submitted by the Committee,
- taking into account that art. 16 paragraph 2 of the European Regulation provides that the motivated recommendation of the CCIRC must contain at least two possible alternatives for conferral in order to allow for a choice,
- considering that the above mentioned art. 16 paragraph 2 of the European Regulation requires the CCIRC to express a duly justified preference,

has prepared a specific motivated recommendation, in accordance with the purposes provided for by the regulations in force.

Specifically, the CCIRC recommends that this Shareholders' Meeting should propose that KPMG S.p.A. be appointed as independent auditors for the financial years 2021-2029, or Deloitte & Touche S.p.A. as a secondary party.

Dear Shareholders,

the Shareholders' Meeting is therefore invited:

- a) to approve the proposal formulated by the CCIRC, according to the terms and procedures indicated in the " Motivated recommendation of the Internal Control and Audit Committee for the assignment of the audit engagement for the 2021-2029 financial years" and which, on the basis of the motivated preference expressed, provides for:
  - primarily, KPMG S.p.A., whose offer, following the competitive procedure carried out by the Bank and the Committee and validated by the CCIRC, obtained the highest score and was considered most suitable for the performance of the assignment, as well as being more in line with the requirements of the Bank and the Group;
  - secondly, Deloitte & Touche S.p.A.
- b) to empower the Chairman of the Board of Directors and the Chief Executive Officer, separately from each other, to carry out, also through proxies, whatever is deemed necessary or useful for the execution of the resolutions passed, as well as to fulfil the relevant and necessary formalities with the competent bodies and/or offices, with the power to introduce any non-substantial amendments that may be required for the purpose, and in general everything necessary for their complete execution, with any and all necessary and appropriate powers, in compliance with the provisions of current regulations.

Milan, 25 February 2020

For the Board of Directors  
Salvatore Messina  
Chairman

**BANCA FARMAFACTURING S.p.A.**MOTIVATED RECOMMENDATION OF THE INTERNAL CONTROL AND AUDIT COMMITTEE  
FOR THE AWARD OF THE STATUTORY AUDIT ENGAGEMENT FOR THE PERIOD 2021-2029**Introductory remarks and reference framework**

With the approval of the Financial Statements for the year ended December 31, 2020, the audit engagement of Banca Farmafactoring S.p.A. will expire. [the "**Bank**" or the "**Company**" or "**BFF**"] for the 2012-2020 nine-year period conferred to PricewaterhouseCoopers S.p.A. (hereinafter "**PwC**") by the Shareholders' Meeting of the Bank on 3 May 2012.

According to the current legislation, as last amended by Regulation (EU) no. 537 of 16 April 2014 (the "European Regulation") and by Legislative Decree no. 135/2016, this engagement, by virtue of the cooling-off obligation provided for by art. 17, paragraph 1, of Legislative Decree no. 39/2010 [the "**Decree**"], may not be reassigned to the same company and the new audit engagement must be assigned through a special selection procedure to be carried out in accordance with the criteria provided for by art. 16 of the European Regulation. In this regard, the Board of Statutory Auditors, in its capacity as Internal Control and Audit Committee [also "**CCIRC**"], pursuant to art.19 paragraph 1), letter f), of Legislative Decree 39/2010, supported the proposal made by the Bank's competent corporate structures to anticipate the selection procedure for the assignment of the statutory audit engagement for the 2021-2029 nine-year period, in order both to guarantee a period of rotation between the current and future external statutory auditors, and to allow the Shareholders' Meeting to resolve in good time on the assignment of the relevant engagement. This advance, permitted by the reference regulations, is also consistent with the applicable regulations on incompatibility and independence, which establish, in order to prevent possible causes of incompatibility, the presence of prohibited services as defined in Article 5, paragraph 1 of the European Regulation, some of which, defined by letter e) of the aforementioned Article 5, must be subject to assessment by the CCIRC as early as the financial year immediately preceding the first year of review.

In the light of the above, it was therefore deemed appropriate to provide that the Shareholders' Meeting, called to approve the financial statements of Banca Farmafactoring S.p.A. as at 31 December 2019, is also called to resolve on the appointment of the new statutory auditor of the Bank, as well as to approve their remuneration, upon the motivated recommendation of the CCIRC.

In line with the provisions of the aforementioned Article 16 of the European Regulation, since the assignment of the statutory audit engagement for a Public Interest Entity ("PIE"), as defined by the same Regulation, the recommendation made by the CCIRC that is submitted to you provides for two possible alternatives with regard to the audit firms that could be awarded the engagement, indicating the motivated preference for one of the two.

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In September 2019, the Bank therefore began the preparatory activities for the selection of the new independent auditors, in accordance with current regulations and detailed below, sharing the proposed process with the CCIRC. In this preliminary phase, the CCIRC addressed and investigated in detail some aspects, including the identification of the services to be tendered and the option of appointing a

Group Sole Auditor, in accordance with the regulations applicable to each of the foreign entities included in the scope of consolidation.

The selection procedure and the invitation to tender have been prepared in accordance with the regulations in force, identifying from within them: (i) the mandatory content of the proposal; (ii) the selection criteria and (iii) the evaluation methodology. Subsequently, again under the supervision of the CCIRC, the companies to which the "Invitation to tender for the assignment of audit engagements" (the "**Invitation**") should be sent were identified.

A selection board (the "**Committee**") was then set up to review the applications: Chief Financial Officer, Chief Reporting Officer, Head of Internal Audit, who was assigned the task of supporting the CCIRC in the preparatory stages for the award of the position to the Group's Sole Auditor, including the analysis and evaluation of the proposals received.

At the end of its term of office, on February 14, 2020, the Committee submitted to the CCIRC, which, as already mentioned, is identified within the Board of Statutory Auditors, its own "Report on the conclusions of the selection process" (the "Report") which, validated by the CCIRC, was one of the prerequisites for the preparation of the following motivated recommendation.

### **The selection procedure and the services covered by the invitation to tender**

As stated above, during the selection procedure, the Bank, in agreement with the CCIRC, prepared the tender documents determining the mandatory contents of the proposal, the selection criteria and the evaluation methodology, selecting the auditing firms to which an invitation to tender should be sent. Subsequently, the Committee: (i) collected the various bids received; (ii) met, in the presence of the CCIRC, with the different audit firms; (iii) reviewed and assessed in detail the proposals received, under the supervision of the CCIRC; (iv) prepared the Report and submitted it to the CCIRC.

First of all, it is considered useful to summarize the audit services for the years 2021-2029, which were the subject of the call for bids to the companies surveyed, with regard to the entire BFF Group and, compatibly with applicable regulations, to each of the foreign entities included in the scope of consolidation.

#### **Statutory audit services**

- Statutory audit, pursuant to art. 14 of the Decree, of the financial statements of Banca Farmafactoring S.p.A. and the consolidated financial statements of BFF Banking Group;
- Limited audit of the interim abridged half yearly consolidated financial statements of BFF Banking Group;
- Auditing the regular keeping of accounts and the correct recording of operating events in the accounting records of Banca Farmafactoring S.p.A. pursuant to art. 14 paragraph 1, letter b) of the Decree;
- Audit of the individual financial statements of the Spanish Branch of the Bank in accordance with the regulatory framework of financial reporting of the entities in Spain;

- Audit of the individual financial statements of the Polish Branch of the Bank in accordance with the regulatory framework for financial reporting of Entities in Poland;
- Audit of the individual financial statements of the subsidiary BFF Finance Iberia S.A.;
- Audit of the individual financial statements of the subsidiary BFF Polska S.A.;
- Audit of the consolidated financial statements of BFF Polska S.A.;
- Audit of the individual financial statements of the subsidiary BFF Central Europe S.A.;
- Audit of the individual financial statements of the subsidiary BFF MedFinance S.A..

### **Voluntary audit services**

- Limited audit of the half-yearly financial statements as at 30 June, prepared to review the half-yearly results to be included in capital for individual and consolidated supervisory purposes;
- Limited audit of the individual and consolidated financial statements prepared to verify the results to be included in capital for individual and consolidated supervisory purposes as at 31 March;
- Limited audit of the individual and consolidated financial statements prepared for the purpose of verifying the results to be included in capital for the purposes of individual and consolidated supervisory purposes as at 30 September;
- Review of the financial statements (reporting packages) of directly or indirectly controlled and fully consolidated subsidiaries provided to the Bank for the preparation of the annual, abridged half-yearly and consolidated quarterly reports;
- Review of the reporting packages of foreign branches prepared for the reporting periods.

### **Other services closely related to the audit engagement**

- Limited assurance engagement of the "Consolidated Declaration of a non-financial nature" pursuant to Legislative Decree 254/2016;
- checks connected with the signing of the Bank's tax returns.

In order to regulate also the supply of services not expressly provided for in the invitation to tender, since they are of a different nature, provided they are permitted by law, or since they are addressed to entities that are not currently part of the Group's corporate structure, the bidders have been asked to include in the proposal a possible Framework Agreement comprising the standard characteristics and related fees.

The selection procedure adopted by the Bank, conducted in compliance with Article 16 of the European Regulation, was based on the search for a high quality audit service proportionate to the size and complexity of the Bank and the Group.

Before starting the selection process, the Bank shared with the CCIRC the identification of clear and measurable selection criteria in order to ensure transparency and traceability of the activities carried out and the decisions taken, in compliance with the provisions of Article 16, paragraph 3, letter f) of the European Regulation. In defining these criteria, the aim was to enhance both qualitative elements (such as the characteristics of the audit firm and its network, knowledge of the Group, independence, tender characteristics in terms of professionalism offered, the proposed methodological approach) and quantitative elements (such as the planned commitment, the financial terms of the tender). Each element, as identified above, has been assigned a score determined through a scoring system with weighting of the evaluation in percentage terms.

In particular, the elements used as a basis for the evaluations are as follows:

- Bid's characteristics: aimed at assessing, among other things, information on the structure of the audit firm and its network in the countries where the Group is present, including in terms of size; the main audit engagements existing or terminated in the 2016-2018 three-year period in companies comparable to the Bank in terms of reference sector, international markets of establishment, listed company status; the level of computerization of the audit process; personnel training and quality control policies; the presence of representatives in institutional or associative bodies in Italy and in the countries in which the Group operates; the elements qualifying the bidder's organization with regard to services relating to the Non-Financial Declaration; the sanctions received from the supervisory authorities.
- Knowledge of BFF Banking Group and independence: aimed at assessing the risks to the auditor's independence arising from the substantial impact of the bid on 2018 turnover, as well as on reasonably foreseeable turnover over the term of the mandate, in all countries in which the Group operates; the potential risks arising from the provision of non-audit services to the Bank and the Group, as well as the degree of previous knowledge of the Bank and the Group gained in previous assignments, consistent with an effective independence policy at both national and international level.
- Professional level: concerns the personnel employed by the offeror in the countries of interest and in the banking sector, the composition of the teams in charge of the Bank and the Group, with the identification of the main figures (partners, managers, specialists) and their respective professional qualifications.
- Technical aspects: related to the audit approach and plan, with particular focus on the audit strategy, risk identification, materiality calculation, technical support tools, how to manage the transition process from the outgoing auditor.
- Planned commitment: with the aim of assessing the estimated effort and professional mix, also in terms of the consistent impact of the commitment of key professional figures across the various entities of the Group and including the hours invested in the acquisition of the assignment, as well as the hours dedicated to the handover from the outgoing auditor.
- Financial conditions: relating to the total cost of the audit, including the manner in which costs are determined, the actual gross hourly rate, the management of subsequent contract amendments.



As mentioned above, the Bank has shared with the CCIRC the functional assessment for identifying the audit firms to which the Invitation should be sent, in accordance with the principles dictated by the regulations, according to which the selection process of the auditor must be conducted according to transparent, non-discriminatory and open to a plurality of offers, in the best interests of the companies concerned, without the influence of third parties and without applying any of the clauses mentioned in art. 16, paragraph 6 of the European Regulation.

Based on the specific characteristics identified, the following independent auditors have been selected: Deloitte & Touche S.p.A., KPMG S.p.A., Ernst & Young S.p.A., BDO Italia S.p.A..

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On 26 November 2019, the Bank sent the Invitation to these companies, which was prepared with specific indication of: i) the details necessary to understand the operations of the Bank and the Group, as well as the type of activity requested; ii) the selection criteria for the evaluation of the bids, based on criteria of transparency and non-discrimination as required by Article 16, paragraph 3, letter b) of the European Regulation; iii) the further provisions and terms of the selection procedure.

Without prejudice to the initial choice of the recipients of the Invitation, it should be noted that participation in the selection procedure by companies that received, in the previous calendar year, less than 15% of their total audit fees from public interest entities was not precluded in any way.

On 2 December 2019, each of the tendering audit firms submitted to the Bank a statement of the tenderer's preliminary commitments, as indicated in the documentation sent together with the Invitation.

By 20 December 2019, bids were received from: Deloitte & Touche S.p.A., KPMG S.p.A., BDO Italia S.p.A..

Ernst & Young S.p.A., initially invited to participate in the tender, did not submit their bids due to incompatibility within the meaning of Article 5, letter e) of the European Regulation.

Subsequently, the Committee, with the active participation of the CCIRC, carried out a preliminary evaluation and comparison of the bids received, in compliance with the established selection criteria, and held specific in-depth meetings with the individual bidding audit firms, during which the individual proposals were examined in detail.

The Committee, again together with the CCIRC, therefore met to evaluate the outcome of the offers and the meetings held, agreeing on the advisability of requesting additional information and/or further clarifications from the companies responding to the Invitation.

On 21 January 2020, the Committee therefore sent each of the bidding companies the additional information deemed appropriate and requested the missing information to complete its assessment.

On the basis of the documentation received and on the basis of the evaluation criteria, the Committee, in subsequent meetings, in the light of in-depth analyses shared collectively also with the CCIRC, evaluated in detail the bids received, also taking into account the forecasts and indications of the Supervisory Authority regarding the external audit.

All the various elements (qualitative and quantitative) were then evaluated on the basis of the aforementioned selection criteria, applying the following weighting parameters:

Quality aspects: 70%, broken down as follows:

- Tenderer characteristics (10%);
- Knowledge of BFF Banking Group and independence (20%);
- Professional section (30%);
- Technical section (10%).

Quantity aspects:: 30%, broken down as follows:

- Section relating to the planned commitment (10%);
- Section on financial conditions (20%).

### **Tender evaluation and the recommendation of the CCIRC**

In the light of the above and taking into account, in particular, the weighting of the qualitative and quantitative aspects represented above, the Commission, together with the CCIRC, has examined in detail the outcome of the evaluations carried out on the proposals made by the bidders.

On the basis of the activities carried out and described above, the Commission has awarded the following scores, summarized in its Report, which the CCIRC has validated.

<b>AUDIT FIRM</b>	<b>QUALITATIVE ASPECTS (Weighting 70%)</b>	<b>QUANTITATIVE ASPECTS (Weighting 30%)</b>	<b>TOTAL</b>
KPMG S.P.A.	66.4	28.2	94.6
DELOITTE & TOUCHE S.P.A.	62.02	24.95	86.97
BDO ITALIA S.P.A	44.13	21.75	65.88

The scores summarized above, awarded at the end of the selection process carried out in the terms outlined above and taking into account, in particular, the outcome of the weighting procedure for qualitative and quantitative aspects, as described in the Commission Report, pursuant to Article 16, paragraph 3 of the European Regulation, delivered to the CCIRC on 14 February 2020, identify KPMG S.p.A. as the bidder with the best score. Deloitte & Touche S.p.A. and BDO S.p.A. follow.

In this respect the CCIR noted, in particular, how KPMG S.p.A.'s bid was preferred based on the following distinctive elements: *i)* the procedures for supervision and coordination between the Bank's auditors and the auditors of the subsidiaries; *ii)* the experience gained in important Italian and international banking groups; *iii)* the key professional figures of the dedicated teams; *iv)* the presence of a professional mix that provides for a constant percentage of participation, between the Bank and the subsidiaries, of the most experienced professional figures; *v)* the estimate of an overall commitment that although lower than that indicated by Deloitte&Touche S.p.A., is in any case such as to guarantee an adequate performance of all the various audit services and other services closely related to the engagement, also taking into account the fact that what is represented is in line with what the outgoing auditor has stated; *vi)* the estimate of average hourly rates that are more favorable, at the same professional level, as well as the most convenient way to quantify expenses.

The CCIRC, once verified that the selection process was carried out in compliance with the provisions of art. 16 paragraph 3 of the European Regulation, has validated the Report.

That being said, the CCIRC:

- in the light of the procedure prepared, the bids received, the evaluations carried out and their results,
- taking into account that art. 16 paragraph 2 of the European Regulation provides that the motivated recommendation of the CCIRC must contain at least two viable award options in order to allow for choice,
- considering that the above mentioned art. 16 paragraph 2 of the European Regulation requires the CCIRC to express a duly justified preference,

### **RECOMMENDED**

the Board of Directors to propose to the Shareholders' Meeting of Banca Farmafactoring S.p.A. pursuant to art. 16, paragraph 2 of the European Regulation as well as art. 13, paragraph 1 and art. 17, paragraph 1 of the Decree, the appointment of KPMG S.p.A. as a preferential auditor for the years 2021-2019, or Deloitte & Touche S.p.A., as a second option.

The financial conditions, in terms of effort and cost for each individual service are summarized in the Annex to this Recommendation.

In particular, the CCIRC expresses its preference for KPMG S.p.A. whose offer, following the competitive procedure carried out by the Bank and the Committee and validated by the CCIRC, obtained the highest score and was considered more suitable for carrying out the assignment, as well as more in line with the requirements of the Bank and the Group.

The CCIRC hereby represents that this recommendation has not been influenced by third parties and that none of the clauses referred to in Article 16 paragraph 6 of the European Regulation have been applied.

Milan, 25 February 2020

For the CCIRC  
Paola Carrara  
Chairwoman

**ANNEX TO THE RECOMMENDATION**
**SUMMARY OF THE PROPOSAL SUBMITTED BY KPMG S.p.A.**

Type of service	Fees	Hours
Statutory audit of the financial statements of BFF S.p.A.	75,200	1,070
Audit of the individual financial statements of the Spanish and Polish Branches	40,000	600
Audit of the consolidated financial statements	24,800	360
Audit of the reporting packages of the foreign branches responsible for reporting on a quarterly basis for the reporting period	36,000	529
Limited audit of the abridged interim consolidated financial statements	29	405
Limited audit of the financial statements at 31/3 and 30/9 for inclusion of the result for the period in CET 1	19,000	270
Audit of the financial statements of the Bank's foreign subsidiaries	126,000	1,870
Audit of reporting packages prepared by foreign subsidiaries at 31/3, 30/6, 30/9, 31/12 for the purpose of preparing the quarterly reports, the half-yearly abridged consolidated financial statements and the consolidated financial statements of the Bank	73,000	1,121
Limited review of the Consolidated Non-Financial Declaration pursuant to Legislative Decree 254/2016	27,000	360
<b>Total hours and fees</b>	<b>450,000</b>	<b>6,585</b>

**SUMMARY OF THE PROPOSAL SUBMITTED BY DELOITTE&TOUCHE S.p.A.**

Type of service	Fees	Hours
Statutory audit of the financial statements of BFF S.p.A.	101,000	1,260
Audit of the individual financial statements of the Spanish and Polish Branches	58,000	825
Audit of the consolidated financial statements	29,000	350
Audit of the reporting packages of the foreign branches responsible for reporting on a quarterly basis for the reporting period	64,000	775
Limited audit of the abridged interim consolidated financial statements	36,000	451
Limited audit of the financial statements at 31/3 and 30/9 for inclusion of the result for the period in CET 1	31,000	392
Audit of the financial statements of the Bank's foreign subsidiaries	197,000	2,741
Audit of reporting packages prepared by foreign subsidiaries at 31/3, 30/6, 30/9, 31/12 for the purpose of preparing the quarterly reports, the half-yearly abridged consolidated financial statements and the consolidated financial statements of the Bank	96,000	1,313
Limited review of the Consolidated Non-Financial Declaration pursuant to Legislative Decree 254/2016	28,000	340
<b>Total hours and fees</b>	<b>640,000</b>	<b>8,447</b>