

Risk & Audit Committee

The Risk & Audit Committee fulfils a support function for the Board of Directors in the matter of risk and the system for internal control and assessment of the correct implementation of principles of accounting for drawing up financial and consolidated statements.

In particular, it is responsible for all instrumental activity required for the Board of Directors to achieve a correct and effective determination of the Risk Appetite Framework (“RAF”) and risk management policies.

Specifically, the Risk & Audit Committee:

- identifies and proposes for consideration to the Board of Directors the managers of the corporate control functions to be appointed;
- examines the programmes of activity for the second-level control functions, the audit plan and the periodic reports of the corporate control functions to the Board of Directors in advance;
- ensures supervision of the checking activities performed by the Company’s corporate control functions and the method of managing the checking plans;
- expresses assessments and formulates opinions for the Board of Directors regarding compliance with the principles with which the internal control system and company organisation must comply and with the requirements that must be met by the corporate control functions, bringing to the attention of the Board of Directors any points of weakness and the resulting corrective actions to be promoted; to this end it assesses the proposals of the CEO and General Manager;
- checks that the internal structures undertake rational and timely corrective action, in the event of inadequate vigilance indicated by the Group Internal Risk Committee, by the Internal Control Committee or by the Internal Audit function;
- examines the findings of the audits carried out by the shareholders for the Board of Directors in advance;

- contributes, through assessment and opinion, to defining the corporate policy regarding the external character of corporate control functions;
- formulates, for the Board of Directors, a justified preliminary and non-binding opinion regarding the interests of the Company at the conclusion of operations with related parties, as well as on the expediency and substantive fairness of the corresponding conditions as regarding the most important operations. As for the other operations with related parties, excepting those of most importance, the Risk & Audit Committee is periodically informed, normally on an annual basis, concerning all agreements concluded;
- checks that the corporate control functions comply correctly with the indications and guidelines of the Board of Directors;
- to ensure correct interaction between all the functions and bodies with control tasks, avoiding overlaps and omissions, the Risk & Audit Committee assists the Board of Directors in defining the methods of coordination and collaboration for the control functions;
- checks the qualitative/quantitative adequacy of the corporate risk oversight functions, of the internal control procedures and of the information flows required to ensure correct and comprehensive information for the Board of Directors and Top Management;
- assesses the correct implementation of principles of accounting for drawing up financial and consolidated statements, and to this end works jointly with CFO (who draws up financial documents), with the Board of Auditors and with the appointed legal auditor;
- examines the work plan, report and any letter of suggestions provided by the Auditing Company.

With particular reference to tasks relating to risk management and control, the Committee carries out support functions for the Board of Directors:

- in defining and approving strategic direction and risk management policies; with regard to the RAF, the Committee carries out the assessment and proposal activity required for the Board of Directors to define and approve the risk targets (“Risk Appetite”) and the tolerance threshold (“Risk tolerance”);

- in checking that the risk management policy and RAF strategies are being implemented correctly;
- in defining the policies and processes for assessing corporate activities.

The Risk & Audit Committee verifies that the incentives implied by the Company's remuneration and incentivisation system are coherent with the RAF.

Nomination Committee

The Nomination Committee performs the duties stipulated by the regulations in force, supporting the Board of Directors in the process of appointing Directors, and in the processes of Board of Directors evaluation and succession planning for the Chief Executive Officer & General Manager.

The Committee provides recommendations and advice to the Board of Directors, more specifically with regard to the following matters:

- assists the Board of Directors in formulating any criteria for the appointment of the Directors of the Board and other Board Committees of the Company and for the subsidiaries where local regulations require a nomination committee or where internal regulations require the appointment of independent directors;
- advises the Board of Directors (and when the case the shareholders) in evaluating candidates to be appointed Directors of the Board and other Board Committees of the Company and for the subsidiaries where local regulations require a nominations committee or where internal regulations require the appointment of independent directors, under the profile of fitting the criteria defined under item a) for the qualitative composition of the Board;
- advises the Board of Directors in the appointment or co-optation of directors. In particular plays an advisory role and then gives its prior opinion about compliance with art. 26 TUB regarding the requirements and criteria for the suitability of the office (honorability, professionalism, independence, competence and correctness) for each director candidate, being understood that where the verification concerns

the single member of the Nomination Committee, the same will be asked to abstain from its assessment, and compliance with art 36 D. L. 201/11 (no interlocking rules);

- examines and evaluates the criteria governing the succession plan for the Chief Executive Officer & General Manager;
- ensures that it is implemented a policy (Talent Review) on the appointment and succession plan for key functions holders (the Key function holders could include: senior managers, heads of internal control functions or the head of a significant European Economic Area branch or third country subsidiary);
- undertakes research to help the Board of Directors in preparing the pipeline for non-executive independent directors, maintaining a repository of independent directors associations and individuals;
- sets targets for the least-well represented gender, and prepares a plan to increase this proportion up to a set target;
- oversees the annual self-assessment program on the performance of the Board of Directors and its board Committees, in compliance with Supervisory Regulations. Furthermore, on the basis of the results of the self-assessment, provides its opinions to the Board of Directors regarding the size and composition of the Board or its Committees, as well as, the skills and professional qualifications it feels should be represented on the same. So that the Board itself can give its opinion to the shareholders prior to the appointment of the new Board;
- supports the Risk & Audit Committee in the identification and proposal of heads of the controls function to be appointed.

Remuneration Committee

The Committee has advisory and consulting duties for the Board of Directors regarding remuneration and incentives practices and policies for CA Auto Bank Group.

In detail, the Committee proposes – having heard the CEO & General Manager - to the Board of Directors the incentives, remuneration policies document, and the report about their application (ex- post disclosure), annually written and submitted to the Shareholders Meeting approval.

The Committee, according to the remuneration and incentives policies approved by the Shareholders:

- proposes the compensation of the Chief Executive Officer & General Manager (upon proposal of the Chairman of the Board of Directors, after consultation of both Shareholders); proposes (upon proposal of the CEO & General Manager) the compensations of all the Heads of Functions reporting directly to the CEO & General Manager, having heard the Risk & Audit Committee for the Heads of Control Functions directly reporting to him; proposes the compensation of the Head of Internal Audit, having heard the Risk & Audit Committee;
- proposes the compensation of directors with specific offices (Chairman, Deputy Chairman, members of Board Committees);
- has advisory duties regarding the determination of the compensation criteria of all material risk takers;
- directly supervises the proper application of the rules on the remuneration of heads of control functions, in close collaboration with the Board of Statutory Auditors;
- ensures the involvement of control functions, in line with their duties, in the process of elaboration and control of remuneration and incentives policies;

- expresses its opinion, making use of the information received by the involved functions, on the achievement of company performance targets for activating the incentive systems and on the assessment of all criteria (ex-post risk adjustment) for the pay out of compensations;
- cooperates with the other Board Committees, in particular with the Risk & Audit Committee regarding the compliance of incentives system to the Risk Appetite Framework in order to examine if the incentives defined in the remuneration system take into account the risks and the capital and liquidity requirements.

The Remuneration Committee annually, in the ex-post information documentation (disclosure report), provides adequate information to the Board of Directors and to the Shareholders about the activities performed.

The Committee prepares, with support of the internal Functions involved, the documentation to be submitted to the Board of Directors and Shareholders Meeting for their own decisions.

Board Executive Credit Committee

The Board of Directors has delegated to the Board Executive Credit Committee (BECC) the credit approval decisions with which it is concerned, which, according to the current delegation of powers model, are not entrusted to the corporate bodies. This delegation is given by exception in all cases where the date of the first scheduled Board meeting is not compatible with the urgency of the credit decisions to be made.