

Courtesy translation

**INFORMATION DOCUMENT ON THE ONE-OFF ALLOTMENT OF SHARES TO
EMPLOYEES FREE OF CHARGE**

*(drawn up pursuant to Article 84-bis of Consob Regulation adopted by resolution n. 11971 of
May 14th, 1999, as amended)*

INTRODUCTION

This information document (the “**Information Document**”), prepared pursuant to Article 84-*bis* and Schedule 7 of Annex 3A of CONSOB Regulation adopted by resolution n. 11971 of May 14th, 1999, as amended (the “**Issuers’ Regulation**”), concerns the proposal to allot shares of the Bank, on a free-of-charge one-off basis (the “**Shares**” and the “**One-off Allotment**”), to all the employees of Banca Farmafactoring S.p.A. (the “**Company**” or “**Bank**”) and its subsidiaries (the “**Group**”).

The approval of the one-off allotment, pursuant to art. 114-*bis* of Italian Legislative Decree n. 58 of February 24th, 1998, as amended (the “**TUF**”), shall be put up for vote at the Shareholders' Meeting convened for March 28th, 2019. For more information, please refer to the explanatory report on the related item on the agenda which can be found on the Company's website www.bffgroup.com, “Governance/Shareholders’ meeting documentation” section.

Accordingly:

- (i) the Information Document has been prepared solely on the basis of the content of the proposal to adopt the One-off Allotment approved by the Company's Board of Directors on February 19th, 2019; and
- (ii) any reference to the One-off Allotment contained in the Information Document must be understood as referring to the proposed One-off Allotment to be submitted to the Shareholders' Meeting for approval.

It should be noted that the One-off Allotment is to be considered of “*special relevance*” pursuant to Article 114-*bis*, paragraph 3, of the TUF and Article 84-*bis*, paragraph 2, of the Issuers’ Regulation, as it is addressed, *inter alia*, to executives with strategic responsibilities of the Company and of the Group.

DEFINITIONS

The terms listed below will have the following meaning in the Information Document:

Free Capital Increase:	the increase in share capital free of charge pursuant to art. 2349 of the Italian Civil Code, delegated to the Board of Directors pursuant to article 2443 of the Italian Civil Code, which is submitted for approval to the Shareholders' Meeting.
One-off Allotment:	The <i>one-off</i> free-of-charge allotment of Shares to the Beneficiaries, to be implemented subject to approval by the Shareholders' Meeting.
Shareholders' Meeting:	The Shareholders' Meeting of the Bank convened for March 28 th , 2019 to pass resolution, inter alia, on the approval of the One-off Allotment.
Shares:	The ordinary shares of the Company.
Bank or Company:	Banca Farmafactoring S.p.A.
Beneficiaries:	The natural persons (white-collars, middle managers or executives) who, on the Allotment Date, are employee of Company and/or the Group by virtue of a permanent employment contract, and who meet the Subjective Requirements.
Allotment Date:	The date between April 2 nd , 2019 (<i>record date</i> pursuant to Article 83- <i>terdecies</i> of the TUF) and December 31 st , 2019, which will be set by the Board of Directors for the allotment of the Shares pursuant to the One-off Allotment.
Group:	The Bank and its subsidiaries.
Issuers' Regulation:	The regulation adopted by Consob with resolution n. 11971 of May 14 th , 1999, as amended.
Subjective requirements:	The following requirements that must be satisfied by the Beneficiaries on the Allotment Date, in addition to being an employee of the Company: (i) not being

recipient of a notice of dismissal or withdrawal from the Company or the Group companies or of revocation of the employment; (ii) not having agreed on a consensual termination of the employment; (iii) not being subject to disciplinary proceedings which result in termination of the employment; (iv) not being on a trial period or “notice period” following resignation; (v) not having been convicted at first instance in judicial proceedings: (a) related to the work activity, which results in termination of the employment, or (b) connected with facts that infringe the principles of the Group's Code of Ethics.

TUF (Italian Consolidated Finance Law): Italian Legislative Decree n. 58 of February 24th, 1998, as amended.

1. RECIPIENTS

The One-off Allotment is indiscriminately addressed to all natural persons (white-collars, middle managers or executives) who, on the Allotment Date, are employees of the Company and/or of the Group by a subordinate by virtue of a permanent employment contract - including those with a *part-time* contract - and who (i) are not recipient of a notice of dismissal or withdrawal from the Company or the Group companies or of revocation of the employment; (ii) have not agreed on a consensual termination of the employment; or (iii) are not subject to disciplinary proceedings which result in termination of the employment; (iv) are not on a trial period or “notice period” following resignation; (v) have not been convicted at first instance in judicial proceedings: (a) related to the work activity, which results in termination of the employment, or (b) connected with facts that infringe the principles of the Group's Code of Ethics.

1.1 Name of recipients who are members of the board of directors or the management board of the issuer of financial instruments, of the issuer's parent companies and of the direct or indirect subsidiaries of the issuer.

Not applicable.

1.2 Categories of employees or collaborators of the issuer of financial instruments and of the issuer's parent companies and subsidiaries

The One-off Allotment is addressed without distinction to all natural persons (white-collars, middle managers or executives) who, on the Allotment Date, are employee of Company and/or the Group by virtue of a permanent employment contract - including those on a part-time contract - and who meet the Subjective Requirements.

1.3 Names of the plan beneficiaries belonging to the following groups specified in point 1.3, (a), (b) and (c) of Annex 3A, Schedule 7 of the Issuers' Regulation

(a) *General managers of the Company;*

Not applicable, as there are no general managers appointed by the Company.

(b) *Other executives with strategic responsibilities of the Company which is not a "small size" company, pursuant to article 3 , paragraph 1 (f) of the Related Party Regulation, if they received during the financial year total fees (obtained by adding monetary remuneration and remuneration based on financial instruments) higher than the highest overall remuneration from among the remunerations attributed to members of the board of directors, or management board, and the general managers of the Company;*

Not applicable.

(c) *Individuals who control, are employees of or collaborate with the Company.*

Not applicable.

1.4 Description and numerical indication of the beneficiaries, separated by categories as per point 1.4, (a), (b), (c) and (d) of Annex 3A, Schedule 7 of the Issuers' Regulation

(a) *Executives with strategic responsibilities other than those specified in paragraph 1.3;*

At the date of the Information Document, 6 managers with strategic responsibilities other than those specified in paragraph 1.3 were identified as Beneficiaries by the Board of Directors and / or by the Chief Executive Officer.

(b) *For "small size" companies pursuant to Article 3, paragraph 1 (f) of the Related Party Regulation, the aggregate indication of all executives with strategic responsibilities of the Company;*

Not applicable, as the Company is not a "small size" company.

- (c) *Other categories (if any) of employees or collaborators for which different characteristics of the plan have been provided (for example, managers, middle managers, white-collars, etc.);*

There are no categories of employees or collaborators for which differentiated characteristics of the plan have been provided.

2. REASONS FOR ADOPTING THE PLAN

2.1 Objectives to be achieved through the allocation of the plan

The One-off Allotment aims to reward the efforts of employees of the Company and the Group who have played a key role in the Group's growth and development process.

In particular, the One-off Allotment is aimed at motivating and retaining the Beneficiaries, by strengthening their sense of belonging to the Group and increasing their participation in the strategies adopted by the Bank.

The allotment of the Shares is made on a *one-off* basis and is not linked to *performance* parameters.

In terms of characteristics and size, the One-off Allotment is a marginal benefit granted to the Bank and Group personnel on a non-discretionary basis - being part of the Bank's remuneration policy - which does not affect the Bank's risk profile.

2.2 Key variables, including in terms of performance indicators, considered for the plan allotment

The allocation of the Shares underlying the One-off Allotment is free of charge, is not subject to the achievement of *performance* targets nor is it related to other key variables.

2.3 Elements underlying the calculation of the amount of remuneration based on financial instruments, or criteria for its determination

Please refer to paragraph 2.5 of the Information Document.

2.4 Reasons for the possible decision to allocate remuneration plans based on financial instruments not issued by the Company, such as financial instruments issued by subsidiaries or parent companies or third-party companies with respect to the Group; if the mentioned instruments are not traded on regulated markets, information on the criteria used to determine the value attributable to them

Not applicable.

2.5 Assessments regarding significant tax and accounting implications that have affected the definition of the plan

The decision to make the One-off Allotment has taken into consideration the provisions of art. 51, paragraph 2, (g), of Italian Presidential Decree n. 917 of December 22nd, 1986, by virtue of which for Beneficiaries residing in Italy - which are the largest portion of Beneficiaries - the One-off Allotment will not, where the conditions envisaged by the aforementioned legislation are complied with, be computed as part of the salaried employee income up to annual amount of Euro 2,065. For the other countries in which the Group employees Beneficiaries of the One-off Allotment reside, the absence of adverse tax effects was considered.

2.6 Possible support to the plan by the Special Fund designed to encourage workers' participation in companies, as per article 4, paragraph 112, of Law n. 350 of December 24th, 2003

The One-off Allotment does not receive any support from the "Special Fund designed to encourage workers' participation in companies", as per Law n. 350 of December 24th, 2003.

3. APPROVAL PROCESS AND SHARES ALLOTMENT SCHEDULE

3.1 Scope of the powers and functions delegated by the Shareholders' Meeting to the Board of Directors for the implementation of the plan

On February 19th, 2019, the Board of Directors resolved to submit to the approval of the Shareholders' Meeting the One-off Allotment and the conferral to the Board of all necessary and appropriate powers to implement the One-off Allotment. In particular, a proposal shall be submitted to the Shareholders' Meeting so that the Board of Directors, merely by way of example, can determine the quantity of ordinary shares to be assigned to each beneficiary and then allot the shares, as well as introduce into the approved resolution and in the One-off Allotment regulation any changes or additions that may be necessary in order to comply with legal obligations and formalities.

For more information, please refer to the explanatory report on the related item on the agenda which can be found on the Company's website www.bffgroup.com, "Governance /Shareholders' meeting documentation" section.

3.2 Specify who are the persons in charge of the administration of the plan and their function and remit

The power for the One-off Allotment rests with the Board of Directors, which can sub-delegate it to the CEO, by virtue of the resolution submitted to the Shareholders' Meeting for approval.

3.3 Procedures in place (if any) for reviewing the plan also in relation to any changes in its basic objectives

The allotment of Shares under the One-off Allotment will take place in a single instalment on the Allotment Date. Upon this allotment the One-off Allotment must be considered completed.

3.4 Description of the methods used to determine the availability and allocation of financial instruments underlying the plan

The One-off Allotment provides for the allocation of Shares to the Beneficiaries free of charge.

The Shares to be allotted under the One-off Allotment will be newly issued shares and will result from the implementation of the Free Capital Increase.

For more information on the Free Capital Increase please refer to the explanatory report on the related item on the agenda which can be found on the Company's website www.bffgroup.com, "Governance/Shareholders' meeting documentation" section.

3.5 Role played by each director in determining the characteristics of the plan; situations of conflicts of interest (if any) involving the concerned directors

The Remuneration Committee and the Control and Risk Committee of the Company were involved in the various stages of analysis and structuring of the One-off Allotment.

On February 19th, 2019, the Board of Directors, having acknowledged the opinion expressed by the Remuneration Committee, approved the proposed One-off Allotment to be submitted to the Shareholders' Meeting for approval.

Since (i) the One-off Allotment is only intended for employees (white-collars, middle managers or executives) of the Company and the Group, and (ii) no Director of the Company is also simultaneously an employee in one of the Group companies, any situation of conflict of interest for the Company directors is ruled out.

3.6 For the purposes of the provisions of article 84- bis, paragraph 1, of the Issuers' Regulation, the date of the decision taken by the body in charge of proposing the approval of the plans to the shareholders' meeting and date of the proposal (if any) of the appointments and remuneration committee

Please refer to paragraph 3.5 of the Information Document.

3.7 For the purposes of the provisions of article 84-bis, paragraph 5 (a), of the Issuers' Regulation, the date of the decision taken by the body in charge of allotting the financial instruments and date of the proposal (if any) to the above body by the appointments and remuneration committee

Not applicable, as at the date of the Information Document the Beneficiaries have not yet been identified.

3.8 Market price, recorded on the aforementioned dates, for the financial instruments on which the plans are based, if traded on regulated markets

Not applicable, as at the date of the Information Document the Beneficiaries have not yet been identified.

3.9 For plans based on financial instruments traded on regulated markets, in which terms and manner does the Company takes into account, when identifying the timing of allotment of instruments implementing the plan, the possible temporal coincidence between: (i) such allotment or any decisions taken in this regard by the Nomination and Remuneration Committee, and (ii) the disclosure of any relevant information pursuant to Article 114, paragraph 1, of the Consolidated Law on Finance (TUF); for example, if this information is: a. not already public and capable of positively influencing market prices, or b. already published and capable of negatively affecting market prices

The One-off Allotment will be carried out in full compliance with the disclosure obligations imposed on the Company, to ensure transparency and equal information to the market, as well as in compliance with the procedures adopted by the Company.

4. CHARACTERISTICS OF THE FINANCIAL INSTRUMENTS GRANTED

4.1 Description of the forms in which the plan is structured; for example, specify if the plan is based on the allotment of: financial instruments (so-called allocation of *restricted stock*); increase in value of these instruments (*phantom stock*); subscription rights that enable the subsequent acquisition of financial instruments (*option grant*) which are settled through physical delivery (*stock options*) or in cash on the basis of a spread (*stock appreciation right*)

On the Allotment Date each of the Beneficiaries will be assigned a number of Shares corresponding to a maximum equivalent amount of Euro 2,065.00, based on the market value of the Shares on the Allotment Date, to be calculated according to the criteria established by the tax legislation, on the basis of the arithmetic average of the prices recorded in the last month prior to the Allotment Date. "Last month" means the period from the Allotment Date to the same day of the previous calendar month. For the purposes of calculating the average, only the days of actual listing are considered.

Subject to the foregoing, the maximum total number of Shares that the Company will assign to all the Beneficiaries in a One-off Allotment will be 240,000.

4.2 Specify the Plan effective implementation period, also with reference to any different cycles envisaged

Please refer to paragraph 4.1 of the Information Document.

4.3 End of the plan

Please refer to paragraph 4.1 of the Information Document.

4.4 Maximum number of financial instruments, including in the form of options, allocated in each fiscal year in relation to the persons identified by name or the specified categories

Please refer to paragraph 4.1 of the Information Document.

4.5 Methods and clauses for the implementation of the plan, specifying whether the actual allocation of the instruments is subject to the satisfaction of conditions or the achievement of certain *performance* targets; descriptions of these conditions and targets

With regard to the One-off Allotment implementation procedures and clauses, reference should be made to the provisions of the individual points of the Information Document.

4.6 Specify any availability restrictions on allocated instruments or on the instruments resulting from exercise of the options, with specific reference to the terms within which the subsequent transfer to the same company or third parties is permitted or prohibited

Not applicable, as no restrictions are envisaged on the transfer of Shares that will be allotted to the Beneficiaries.

4.7 Description of any conditions subsequent related to the allocation of the plans in the event that the recipients carry out *hedging* transactions enabling them to circumvent any prohibition on the sale of the financial instruments allotted, including in the form of options, or of the financial instruments resulting from the exercise of those options

Not applicable, as there are no conditions subsequent in the event the Beneficiary carries out *hedging* transactions.

4.8 Description of the effects of termination of the employment or of the position as director

The Shares underlying the One-off Allotment will be allotted in a single instalment on the Allotment Date to the Beneficiaries who are employees of the Company and / or the Group by virtue of a permanent employment contract.

4.9 Specify any other causes for cancellation of the plan

No grounds are envisaged for cancellation of the One-off Allotment.

4.10 Reasons for inclusion of a "redemption" clause (if any) providing for redemption by the Company of the financial instruments covered by the plan, pursuant to Articles 2357 et seq. of the Italian Civil Code; the beneficiaries of such redemption, specifying whether it is intended for specific categories of employees only; the effects of termination of the employment on said redemption

No right is envisaged for the Company to redeem Shares.

4.11 Loans or other facilities (if any) to be granted for the purchase of shares pursuant to Article 2358 of the Italian Civil Code

Not applicable.

4.12 Specify the expected estimated cost for the Company on the allotment date, on the basis of the terms and conditions already defined, by total amount and in relation to each of the plan instrument

Without prejudice to the provisions of paragraph 4.1, at the date of the Information Document, no costs are envisaged for the Company, as the One-off Allotment will be made by using shares to be issued out of the Company's profits pursuant to art. 2349 of the Italian Civil Code.

4.13 Specify any dilutive effects on capital resulting from the plan

At the date of the Information Document, the maximum number of shares that could be allotted was approximately 0.14% of the *fully diluted* capital.

4.14 Restrictions (if any) on the exercise of voting rights and on the granting of property rights

There are no restrictions on the exercise of voting rights and the granting of the property rights in the Shares underlying the One-off Allotment.

4.15 If the shares are not traded on regulated markets, provide any useful information for a complete assessment of their attributable value

Not applicable, as the shares are traded on the MTA.

4.16 Remuneration plans based on financial instruments

Not applicable, as at the date of the Information Document the Beneficiaries have not yet been identified.

Table 1 of Schedule 7, Annex 3A of the Issuers' Regulation, filled out in the specific sections concerning the One-off Allotment, will be provided in the manner and within the time limits established by law upon implementation of the transaction.