

BANCA SISTEMA S.P.A.

Fully paid-up share capital € 9,650,526.24

Tax code and Milan Companies' Register No. 12870770158 - ABI code No. 03158.3

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**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN
24 APRIL 2024, 10.00 A.M.**

BOARD OF DIRECTORS' REPORT ON ITEM 4) ON THE AGENDA

**(prepared pursuant to Art. 125-ter of Legislative Decree No. 58 of 24 February 1998,
as amended and supplemented)**

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“DETERMINATION OF THE REMUNERATION DUE TO MEMBERS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES AND OTHER BODIES ESTABLISHED WITHIN THE COMPANY. RELATED AND CONSEQUENT RESOLUTIONS.”

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

with the appointment of the Board of Directors approved under item 3) on the agenda, the Shareholders' Meeting is also asked to resolve on the following issue:

Determination of the remuneration due to members of the Board of Directors, Board Committees and other bodies established within the Company. Related and consequent resolutions.

It should be noted that, pursuant to Article 16.3 of the Company's Articles of Association,

"The members of the management body are entitled to be reimbursed for expenses incurred as a result of their office, including travel and transfer expenses, and to a fee determined by the Shareholders' Meeting at the time of appointment.

The remuneration of directors serving as Chairperson, Deputy Chairperson (if appointed), CEO, or Board members who are entrusted with special tasks and members of the Executive Committee is established by the Board of Directors, upon the advice of the Board of Statutory Auditors, as well as upon the proposal of any internal committee established for this purpose, in compliance with the remuneration and incentive policies determined by the Shareholders' Meeting.

The Shareholders' Meeting may determine an overall amount for the remuneration of all directors, including those vested with special tasks, and of the general manager, if appointed pursuant to Article 10.7 of these Articles of Association".

To this end, allow us to remind you that the Shareholders' Meeting held on 30 April 2021 had set a total annual remuneration for the Board of Directors in office of EUR 770,000 (seven hundred and seventy thousand) broken down as follows:

- EUR 45,000 (forty-five thousand) as the individual basic annual remuneration for each of the nine members of the Board of Directors;
- EUR 125,000 (one-hundred and twenty-five thousand) as the additional remuneration for the Chairperson of the Board of Directors
- EUR 240,000 (two-hundred and forty-thousand) as the additional remuneration for the CEO.

With the exception of the Chairperson and the CEO, in addition to said remuneration, an annual remuneration was awarded for participation in each Committee set up within the Board of Directors, regardless of the number of meetings held by the relevant Committee, and in addition to the reimbursement of any expenses incurred, as follows:

- EUR 20,000 gross per annum for the Chairpersons of the Internal Control, Risk Management and Sustainability Committee and of the Supervisory Board, and EUR 15,000 gross per annum for the other members of these two bodies;
- EUR 7,000 gross per annum for the Chairpersons of the Appointments Committee, the Remuneration Committee and the Ethics Committee, and EUR 5,000 gross per annum for the other members of these Committees;

The members of the Board of Directors were also granted an attendance fee for their participation at only the meetings of the Board of Directors, in the amount of EUR 1,500 (one-thousand five-hundred) for the Chairperson and EUR 500 (five-hundred) for each Director, with the exclusion of the CEO.

This remuneration was paid net of taxes and social security contributions.

The members of the Board of Directors also benefit from the insurance policy for the civil liability of members of corporate bodies taken out at the Banca Sistema Group level on the basis of specific criteria, as well as from the health insurance, under the terms and conditions already applied to the Group.

By referring to the document on the Optimal qualitative and quantitative composition of the Board of Directors for further details, in order to determine the relative remuneration, the persistence of the high overall commitment required of the members of the Board of Directors is highlighted, as emphasised by the data on the meetings of the board and the internal board committees held during the last three years, attributable to the increased complexity of the market and the banks' supervisory system, as well as the Bank's own business trend.

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Dear Shareholders,

the Board of Directors therefore invites you to pass the appropriate resolutions on the determination of the remuneration due to the members of the Board of Directors, the internal board Committees and the other bodies present within the Company.

Milan, 14 March 2024

On behalf of the Board of Directors

Ms. Luitgard Spögler

Chairperson of the Board of Directors