

**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

Largo Augusto 1/A, angolo Via Verziere 13, 20122 Milan

[www.bancasistema.it](http://www.bancasistema.it)

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL  
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA VERZIERE 13, MILAN  
28 APRIL 2023, 10.00 A.M.**

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

**“APPOINTMENT OF THE BOARD OF STATUTORY AUDITORS AND ITS CHAIRPERSON.  
RELATING AND RESULTING RESOLUTIONS.”**

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

## **BOARD OF DIRECTORS' REPORT**

Dear Shareholders,

The Shareholders' Meeting is asked to appoint the members of the Board of Statutory Auditors, as the term of office of the statutory auditors appointed by the Shareholders' Meeting on 23 April 2020 is about to end.

Pursuant to Article 17.1 of the Articles of Association, the Board of Statutory Auditors comprises three standing auditors and two alternate auditors.

In accordance with Article 17.5 of the Articles of Association, the Shareholders' Meeting is called to appoint the Board of Statutory Auditors on the basis of slates presented by Shareholders. Candidates are listed in sequential order and shall nevertheless not exceed the number of members of the board to be elected. The list is comprised of two sections: one for candidates for the position of standing auditor, the other for candidates for the post of alternate auditor.

Lists which have a number of candidates equal to or greater than three must also include candidates of a different gender, as specified in the Shareholders' Meeting notice of call, so as to allow the Board of Statutory Auditors to be set up in accordance with the provisions of the Articles of Association regarding gender equality.

Only those shareholders with voting rights who, separately or together with other shareholders, are holders of shares representing at least 4.5% of share capital established by Consob, are entitled to submit lists.

The holding of this minimum share necessary to submit lists is determined having regard to the shares which are registered to the shareholder on the day in which these lists are filed at the company's registered office. In order to prove the ownership of the number of shares required to submit lists, the shareholders who present or are involved in submitting lists, must submit or deliver to the registered office a copy of the appropriate certificate issued by an authorised intermediary pursuant to law, issued within the period laid down for the publication of the lists. Each shareholder, including shareholders belonging to the same group, parties to a shareholders' agreement pursuant to Article 122 of Legislative Decree no. 58 dated 24 February 1998 ("TUF"), the entity controlling it, subsidiaries and companies subject to joint control pursuant to Article 93 TUF, may not submit or be involved in the submission of, either by proxy or trust company, more than one list and may not vote for different lists, and each candidate can only appear in one list under penalty of being declared ineligible. For the purposes of the preceding paragraph, entities, even those without a corporate status, which exercise direct or indirect control pursuant to Article 93 TUF, over the shareholder in question and all the companies controlled directly or indirectly by those entities are deemed to belong to the same group.

In the event of any breach of these provisions, no regard shall be had, for the purposes of the application of this Article, of the position of the shareholder in question in relation to none of the lists.

For the purposes of the composition of the slates, the requirements set forth in the Articles of Association and in the applicable legal and regulatory provisions (in particular the TUF, Legislative Decree no. 385 of 1 September 1993 - TUB, Consob Regulation no. 11971/1999 - Issuers' Regulation, MEF Decree no. 169/2020, Italian Law Decree no. 201 of 6 December 2011, Corporate Governance Code) must be met for each candidate. Outgoing statutory auditors may be re-elected. The lists must be filed at the company's registered office at least 25 (twenty-five) days prior to the date for the Shareholders' Meeting called to resolve on the appointment of the control body and made available to the public at the registered office, on the company's website and with the other means stipulated under applicable legal and regulatory provisions at least 21 days prior to the Shareholders' Meeting. This shall be mentioned in the notice of call. In case only one list has been submitted within this period of 25 (twenty-five) days, or in case there are only lists presented by related shareholders pursuant to current laws and regulations, lists may be submitted up to the third day subsequent to this date, unless a different term is stipulated under the applicable laws and regulations. In this case, the shareholders who - individually or jointly - are owners of shares representing half of the capital threshold previously identified shall be entitled to submit lists.

The following must be filed, along with each list, by the deadlines indicated above: i) information concerning the identity of the shareholders who presented the list and the total percent interest held by those shareholders; ii) declarations whereby individual candidates accept their candidacy and attest, under their own responsibility, that there are no grounds for them to be considered ineligible or disqualified, including with reference to the limit on concurrent positions, and fulfilment of the requirements established by laws, regulations and the Articles of Association for the respective positions; iii) a declaration by shareholders other than the shareholders who, individually or jointly, hold a controlling or relative majority interest, attesting to the absence of relationships of association, as defined in applicable laws and regulations, with such shareholders; and iv) the CV of each candidate, containing thorough information about each candidate's personal and professional characteristics, as well as an indication of management and control positions filled at other companies.

Any list that does not meet the above requirements shall be deemed not to have been filed.

Statutory Auditors are elected as follows:

a) two standing Statutory Auditors and one alternate Statutory Auditor are drawn from the list that obtained the greatest number of votes at the Shareholders' Meeting, on the basis of the sequential numbering with which they are listed in the sections of the list;

b) the remaining standing Statutory Auditor and the other alternate Statutory Auditor are drawn from the second list that obtained the greatest number of votes at the Shareholders' Meeting and is not associated, directly or indirectly, with the list indicated in point a) above and/or with the shareholders who submitted or voted for the majority list, according to the sequential numbering with which they are listed in the sections of the list;

c) in the case of a tie between two or more lists that have received the same number of votes, runoff voting will be conducted between said lists by all shareholders entitled to vote and attending the Shareholders' Meeting. The candidates from the list which obtains the relative majority of the share capital represented at the Shareholders' Meeting will then be elected. If this runoff voting also results in a tie, the list submitted by the shareholders with the greatest equity interest, or, subordinately, by the greatest number of shareholders, will prevail;

d) where the Board of Statutory Auditors thus constituted does not ensure compliance with the provisions of the Articles of Association in respect of gender equality, the last candidate elected from the majority list shall be replaced by the first candidate not elected from the same list belonging to the least represented gender or, failing this, by the first candidate not elected from the successive lists. Where this is not possible, the standing member of the least represented gender is appointed by the Shareholders' Meeting with legal majority, to replace the last candidate from the majority list;

e) where a single list or no list is presented and admitted, all the candidates for the positions indicated in the list or, respectively, those voted by the Shareholders' Meeting shall be elected standing and alternate Statutory Auditors, provided that these achieve the relative majority of votes expressed at the Meeting. All this is subject to compliance with the provisions of the Articles of Association in respect of gender equality.

The chair of the Board of Statutory Auditors is assumed by the first candidate on the second list (where submitted and admitted) that obtained the greatest number of votes.

The Statutory Auditors may hold offices as members of management and control bodies in other companies within the limits laid down by the applicable provisions.

Pursuant to Article 17.3 of the Articles of Association, in addition to those grounds provided for by law, being tied to the Company by an ongoing independent contracting or employment relationship, or any relationship involving the direct or indirect supply of goods and/or services, being a member of a management body of another bank or company whose business is in competition with that of the Company, or being tied to such other bank or company by an ongoing independent contracting or employment relationship, are all grounds for dismissal or ineligibility.

Pursuant to Article 17.4 of the Articles of Association, the Statutory Auditors may not hold offices other than those of control at other companies belonging to the group or to the financial conglomerate, or at companies in which the company, including indirectly, holds a strategic interest.

Pursuant to Article 2400, last paragraph, of the Italian Civil Code, considering that at the time of the appointment and prior to accepting the position, the Shareholders' Meeting must be informed of the management and control positions held by Statutory Auditors with other companies, candidates are asked in this regard, to provide a declaration in the disclosure on their personal and professional characteristics, ensuring that this is updated up until the date of the Shareholders' Meeting.

Statutory Auditors remain in office for three financial years, and, in any case, until the Shareholders' Meeting called to approve the financial statements at 31 December 2025.

Lastly, it should be noted that, in compliance with the provisions of Article 12 of the MEF Decree no. 169 of 23 November 2020, the Board of Statutory Auditors has already expressed its assessments regarding its qualitative and quantitative composition and the theoretical profile of the candidates for the post of member of the Board of Statutory Auditors. To this end, please refer to the document "Qualitative and quantitative composition of the Banca Sistema S.p.A. Board of Directors" approved by the Board of Statutory Auditors on 15 December 2022, published on the company website ([www.bancasistema.it](http://www.bancasistema.it), in the section Investors/ Governance/Shareholders' Meeting/2023/28 April 2023).

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Dear Shareholders, in view of the above, we invite you:

- to vote for a slate, among those that will be submitted by the Shareholders and disclosed in accordance with the Articles of Association;
- to appoint as Chairperson of the Board of Statutory Auditors the standing Auditor listed first in the minority slate that obtained the greatest number of votes, if submitted and allowed.

If there are no minority slates, the Chairperson of the Board of Statutory Auditors will be appointed on the basis of the majority required by law.

Milan, 17 March 2023

On behalf of the Board of Directors

Ms. Luitgard Spögler

Chairperson of the Board of Directors