

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**

**A company belonging to the Banca CF+ Banking Group, registered in
the Register of Banking Groups, and subject to the management and
coordination of Banca CF+ S.p.A.**

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

www.bancasistema.it

**ORDINARY SHAREHOLDERS' MEETING, HELD ON SINGLE CALL
AT THE REGISTERED OFFICE AT LARGO AUGUSTO 1/A, ANGOLO VIA
VERZIERE 13, MILAN
23 APRIL 2026, 10.00 A.M.**

**BOARD OF DIRECTORS' REPORT
ON ITEM 7 OF THE AGENDA**

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

**"RELATED-PARTY TRANSACTION COMPLETED IN DEROGATION OF
THE ORDINARY PROCEDURE FOR REASONS OF URGENCY:
DISCLOSURE PURSUANT TO CONSOB REGULATION NO. 17221 OF
MARCH 12, 2010, AND THE RELATED INTERNAL PROCEDURE.
RELATING AND RESULTING RESOLUTIONS."**

Banca Sistema S.p.A.

Largo Augusto 1/A, ang. via Verziere 13 - 20122 Milan

Tel +39 02 802801 Fax +39 02 72093979

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Enrolled in the Register of Banks - ABI Code: 03158.3

A company belonging to the Banca CF+ Banking Group, registered in the Register of Banking Groups, and subject to the management and coordination of Banca CF+ S.p.A.

Subject to Supervision by the Bank of Italy

Member of the Interbank Deposit Protection Fund and National Guarantee Fund.

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

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

This notice provides the assessment made by the Board of Directors of Banca Sistema S.p.A. (the "Bank") regarding the engagement of Mr. Gianluca Garbi, Chief Executive Officer and General Manager of the Bank, for an advisory mandate on 6 March 2026, prior to his resignation on the same date (the "Transaction").

The following considerations are made for the purposes of the Consob Regulation 17221 of 2010 (as subsequently amended) (the "Consob Regulation"), the Regulation on "Risk activities and conflict of interest with connected parties" as set out in Part III, Chapter 11 of Circular No. 285 of 17 December 2013 issued by the Bank of Italy ("Circular 285 of Bank of Italy"), as well as the "Regulation on transactions with related parties in conflict of interest" approved by the Board of Directors of the Bank (the "Regulation on transactions with related parties in conflict of interest"), (jointly defined as "Relevant Legislation").

The Transaction consists in the assignment to Mr. Gianluca Garbi (the "Contractor"), party in conflict of interest due to the role of CEO of the Bank (prior to the resignation) and Chairman of the Board of Kruso Kapital, a subsidiary of the Bank, of a strategic, institutional, technical and relations support consultancy for the recovery of receivables of the Bank against Public Administration authorities, including receivables that are the subject of legal proceedings and proceedings before the European Court of Human Rights (ECHR) (the "Mandate").

The contract lasts 24 months, is granted *intuitu personae* (i.e. it is closely related to the person of the Contractor and is not transferable to third parties) and is terminated early upon reaching the maximum contractual commission, amounting to €2 million.

This contract is explicitly referred to, in its general terms, by the Document of the Public Offer of Purchase and Exchange on Voluntary Basis on the Shares of Banca Sistema S.p.A., submitted by CF+ S.p.A., published on the 16 of January, 2026 (the "Document" and the "Offer").

In particular, The Document states that the allocation of the above Mandate is one of the arrangements stated in the agreement entered into on 29 June 2025 among CF+ S.p.A., and Gianluca Garbi, SGBS S.r.l. and Garbifin S.r.l., companies controlled by Gianluca Garbi (the "Tender") According to the agreement the last parties quoted irrevocably committed CF+ S.p.A. to adhere to the bid, thereby tendering the Offer of a total of 19.995.371 shares of Banca Sistema S.p.A., equivalent to c. 24.86% of the Issuer's share capital.

In particular, the DOP clarifies that, within the context of the Accession Agreement, as a result of Gianluca Garbi's relinquishment of his office as Director and Chief Executive Officer of Banca Sistema upon completion of the Offer, as well as the consensual termination of his employment with Banca Sistema, with respect for applicable legal and regulatory provisions, Banca CF+ undertook, as far as in its powers, to ensure that Banca Sistema signs an advisory contract with Gianluca Garbi, covering strategic support, technical and relation activities for Banca Sistema's recoupment of its public administration-related claims, for a period of 24 months.

Therefore, the Mandate for Mr. Garbi is to be considered part of a broader agreement for CF+ Bank to acquire a stake in Banca Sistema. Transfer of control and relative agreements have specific succession rules pertaining to the governance of Banca Sistema. The Document includes a specific section with disclosures on the offer and on the Mandate relevant for investors.

The transaction underlying the Mandate is classified as a "Transaction of Lesser Importance" according to the Relevant Legislation, requiring the prior acquisition of a non-binding opinion from the Internal Control and Risk Management Committee (sitting as the Committee for Transactions with Related Parties, the "Committee on Related Parties"), for approval by the Board of Directors.

In light of the Transaction's urgency, as duly justified in section D. and summarized hereinafter, the Committee on Related Parties meet, informally as a working group, at the morning of March 13, for a first inspection of the documentation recently released, without expressing any view.

Accordingly, the Board adopted the Urgent transactional procedure as per section 7.8 of the Regulation on transactions with related parties in conflict of interest regulating the provision laid down in art. 13, para. 6 of Consob Regulation and III, 3., 7., 4., of Circular 285 of Bank of Italy.

It is primarily noted, that the By laws of the Bank (Art. 23.3) provide that the in-house regulation for transactions with related parties may implement regulatory exemption for urgent transactions (also when they are scoped into the General meeting), within the limits of the applicable law and regulations.

Justification of the urgency

During the Board meeting of March 13, 2026, the Board addressed the urgency of resolution for the Transaction, and the Board members along with the same members of the Board of Internal Auditors were accordingly informed. None of the Directors or auditors claimed that urgency was not grounded or in fact disclosed any other drawback during the meeting.

For further reference, it is recalled that, according to the expectations set by the Document, conditional upon the success of the Offer, the Accession Agreement also called for, among other things, Gianluca Garbi to tender his resignation as Director and Chief Executive Officer of Banca Sistema (effective on the date of the shareholders' meeting called to appoint the Issuer's new administrative bodies or, in any case, upon replacement of the resigned directors) and to leave his position as General Manager, against execution of a consensual termination agreement.

The Accession Agreement also established that the parties committed to do all in their power to ensure that, by the date of completion of the Offer or in the shortest possible timeframe, Mr. Gianluca Garbi and Banca Sistema signed a consensual termination agreement whereby, upon Mr. Garbi's relinquishment of his position as Director and Chief Executive Officer of Banca Sistema, as well as termination as General Manager, the granting of the Mandate, among others, became an effective condition for Mr. Garbi's resignation.

Through a company announcement issued on 4 March 2026, Banca CF+ S.p.A. informed the public on the final results of the Offer, which was tendered for 56.883.308 of Banca Sistema shares representing c. 70.732% of the shares covered by the Offer and c. 70.732% of the share capital of Banca Sistema, equivalent to c. 69.047% of its voting rights. Therefore, the Offer was completed on 6 March 2026.

It is then noted, that technical activities related to the contracts, also accounting for negotiation tasks, were only completed on the 13 of march, 2026 and on that date, for the Mandate to conclusively enable the governance of Banca Sistema in its new form with new succession rules clearly illustrated by the DOP, Mr. Garbi presented his resignation with immediate effect from the position of director, CEO and General manager.

Also on 13 march, the other 8 members of the Board of Sistema tendered their resignation from the respective positions, effective as of the next General meeting of shareholders on April 23, 2026. It is further acknowledged, that the concerted effort of technicians, included those

tasked with negotiations, involved in the delicate drafting of the contracts finalizing the new governance structure, came to completion, as stated above, only immediately before the Banca Sistema's board meeting held on March 13, 2026, and so, judgement of all them became pressing and best geared for the urgency, letting the Board to reach its own conclusions.

Consequentially, the urgent nature of this endeavor becomes apparent because of the deep interconnection to the fulfilment of the Mandate with the due "succession program" in Banca Sistema tapering all the effort to its governance completion under a shared agreement that concurred upon the successful takeover Bid, and its consequences, that is the resignation and departure of the former CEO and all the Board members, to have begun taking place since completion date on 6 march 2026.

Corporate Interest

The Board of Directors verified that the Mandate was aligned with an effective and genuine corporate interest of the Bank, beyond the fact that the contractor was classified as a party in conflict of interest. The Bank holds a significant portfolio of receivables against State authorities, many of which are of difficult recovery, characterized by complex procedural hurdles, ongoing legal action or special need for qualified institutional discussion during interlocution.

Recovery of these positions require highly specialized and not easy to come by competencies, unless contracted in the realm of State organs.

The contractor's activity is therefore meant to maximize cashflows, thereby maximizing both ceiling and penalty interest recovery for the Bank. Therefore, the Mandate becomes a functional component of recovery operations strategy and a precious complement in the process of prudently managing the Balance sheet.

The Mandate fulfilled the genuine corporate interest of the parent bank, implementing the Accession Agreement while being functional to the operational and strategic targets of the ultimate parent. The consistency of the Mandate, within takeover schemes, was confirmed in the positive by Studio Chiomenti in a final legal opinion obtained in all confidence by the Parent company.

Economical Advantages

The contractor's compensation is structured as performance fee, the "Collection commission": no commission become payable if there is not a cash recovery.

The main structural incentives of the fee are recapped below:

- fee is charged only on the accumulated cashflow: the percentage commission applies only to the extent of actual cash recovery, with different thresholds between the ceiling and penalty interest components;
- grossing up: a systematic gross back factor of 0.5% is taken on specific assets accounts, for additional savings on the commission in favor of the Bank;
- an overall cap on commission: the commission payable to the contractor may not exceed euro 2 million, irrespective of the actual recovery;
- a seamless early termination: upon the cap being watched the contractual relation is terminated forthwith, without any other charge or consequence for the Bank.

This an arrangement with clear benefits to the Bank, as it is structured as a financial pay-off implying, that only upon the successful outcome for the Bank, the contractor will be awarded the compensation, by virtue of risk being effectively offloaded on him.

The level of compensation is not only convenient but also proportionate and consistent with objective criteria of fairness, readily justifiable and seemingly within commercial benchmarks.

That was further acknowledged by the Parent company in a demand driven opinion requested of its on-hire legal advisor, Chiomenti, in terms invariably consistent with our own general counsel.

Substance

The contract embodying the Mandate was substantiated with enough protections in place on the side of the Bank because:

- there is a quarterly reporting duty on the contract, with lumpsum being certified via monthly reports to document and account for the activities and extent of the recovery; these also constitute a first track record if the Bank was posed under the need to bring litigation against the contractor;
- the contractor is under strict obligation to meet all applicable non-disclosure agreements, the market abuse laws, the Model's Organizational System under D.Lgs. 231/2001 and the Bank's own ethical code. Further he must comply with policies on IT protection and coordinate with the ops division;
- conflict of interest issues are regulated extensively, with precise communication duties should one arise, and adequate policies in place to manage them. He is retained exclusively – *ad personam* – on the basis of the sub-paragraph "intuitu personae", therefore not able to offload parts of the assignment under sub-contracting or Cram down; this helps to reduce risks related to interposing another party;
- with regards to responsibilities, there are straightforward extinction provisions under a section for "default" on its own obligations, and a hold-harmless clause in favor of the Bank, which indemnifies the latter to all extents and purposes for harmful consequences, should the worst case scenario arise.

The contract's content and general terms, limitations therein found, are manifestly deriving from the best ones an arm's length negotiation could have obtained, and thereby, no extra economic fluke is awarded to the contractor, whose venture was rather anticipated to be highly risky as a likelihood in the context of expected event of recovery set in the Market contract.

Approval Process with Remarks by the Committee

As anticipated, both Consob Regulation and Circular 285 of the Bank of Italy allow for regulatory exemptions in urgent cases, to the extent that urgent procedures are expressly allowed by the Bank's Articles of Association Pursuant to paragraph 3.7.4 of Part Three, Chapter 11, Section III of Circular 285 of the Bank of Italy – requiring that the bodies with supervisory, management and control functions be informed of the reasons for urgency prior to the completion of the transaction – during the meeting of the Board of Directors held on 13 March 2026, the members of all management and supervisory

bodies were duly informed of the Company and the urgency, nature and characteristics of the Transaction, as well as its financial and contractual terms and conditions. In compliance with art. 13, comma 6, of Consob Regulation it is noted that, while the mandate becomes effective immediately:

- the Transaction will need to be resolved upon as the first ordinary non-urgent AGM meeting. The AGM vote is not affecting the transaction resolve made by the Board;

- at the time of calling an AGM, the board in charge will need to prepare an explanatory report substantiating the case for urgency and the derogation from ordinary voting procedure;
- the banking commission will have to submit a report at the AGM meeting with their view as to the ground for necessary urgency on this extraordinary resolution;
- the banking board report along with a statement by the Board of Auditors will be disclosed to the public twenty-one days before the meeting, with all available means of dissemination customarily used according to applicable laws.
- the voting will be published to the public by the first working day after the AGM, with special emphasis on the count of votes delivered by Shareholder who are not in position of conflict of interest.

* * *

Dear Shareholder,

In light of the above, also considered the above Illustrative Report referenced as point 7 in the order of the day and the additional remark of the Board of Auditors, you are invited to resolve in favor of the above Mandate, confirming the following resolve of the Board, with a non-binding vote:

- a) That the Mandate to Mr. Gianluca Garbi is confirmed in its general scope, as explained in the Illustrative Report new proposal n. 7 being general part of the agenda here-discussed.

Milan, 31 March 2026

On behalf of the Board of Directors
Ms. Luitgard Spögler
Chairperson of the Board of Directors