
**EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FOURTH
ITEM ON THE AGENDA OF THE ORDINARY SHAREHOLDERS' MEETING**

**(PURSUANT TO ARTICLE 125-TER OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, AS AMENDED
AND SUBSEQUENT AMENDMENTS AND ADDITIONS)**

(CONVENEND FOR 31 MARCH 2022 IN SINGLE CALL)

- 4 Integration and appointment of the Chairman of the Board of Statutory Auditors;
Inherent and consequent resolutions.**
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BFF Bank S.p.A.

Via Domenichino 5 - 20149 Milan

Fiscal code and VAT number n. 07960110158

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Dear Shareholders

The Board of Directors of BFF Bank S.p.A. (the "**Bank**" or the "**Company**") has called you to an Ordinary Shareholders' Meeting, at the company's registered office, in a single call (the "**Shareholders' Meeting**") to discuss and resolve, among other things, on *i*) the integration, for the remainder of the three-year period 2021-2023, of the Board of Statutory Auditors, following the resignation of Ms Paola Carrara on 18 February 2012 from her position as Standing Auditor and Chairman of the Board of Statutory Auditors and *ii*) the appointment of a new Chairman of this corporate body.

It should be noted, first of all, that the Board of Statutory Auditors was appointed by the Shareholders' Meeting of 25 March 2021. On that occasion, the following were elected as Statutory Auditors: Ms. Paola Carrara, who took on the position of Chairman of the Board of Statutory Auditors, Mr. Fabrizio Riccardo Di Giusto and Mr. Paolo Carbone, all drawn from the list submitted by Studio Legale Trevisan & Associati on behalf of a group of minority shareholders. Claudia Mezzabotta and Paolo Carrera, also taken from the above-mentioned list, were also appointed as alternate auditors.

The Statutory Auditors remain in office for three years and their term of office expires on the date of the Shareholders' Meeting called to approve the financial statements for the last year of their office.

It should also be noted that Article 22, paragraph 23, of the Bank's Articles of Association provides that *"if it is necessary to replace auditors elected from the minority list, the Shareholders' Meeting shall replace them by relative majority vote, selecting them, where possible, from among the candidates indicated in the list from which the auditor to be replaced was drawn, and in any case in compliance with the principle of the necessary representation of*

minorities, without prejudice, in any case, to the balance between genders provided for by law".

That being said, in view of the need to *i)* integrate the composition of the Board of Statutory Auditors and, *ii)* at the same time, to appoint the Chairman of the said supervisory body, it is advisable to put forward candidates indicating:

- a) the name of a new Permanent Auditor and, if this name coincides with that of one of the current Substitute Auditors, also the name of a candidate who will take on the role of Substitute Auditor, in replacement of the Substitute Auditor who is to be proposed as Permanent Auditor or, alternatively,
- b) the name of a new Permanent Auditor who is not the same as one of the current Alternate Auditors,

indicating, in both cases, at the same time, the name of the person who would take on the role of Chairman of the Board of Statutory Auditors.

The Board of Statutory Auditors, after having been integrated, will remain in office until the date of the Shareholders' Meeting that will be called to approve the financial statements for the year ending 31 December 2023.

It should be noted that since the provisions of the Articles of Association and of the law that provide for the so-called list voting mechanism for the renewal of the entire Board of Statutory Auditors do not apply, the Shareholders' Meeting, pursuant to Article 22 of the Articles of Association, will be called upon to resolve by a relative majority on the candidates submitted by the Shareholders for the purpose of the integration of the Board of Statutory Auditors, ensuring that the minority is represented on the Board in accordance with the law and the Articles of Association.

Shareholders are therefore invited to submit their nomination proposals, accompanied by the documentation and documentation and information required by the Articles of Association and current legislation. To this end, we remind you that, together with the nominations, they must be filed:

- declarations in which the candidate accepts his/her application and certifies, under his/her own responsibility, the non-existence of causes of ineligibility or incompatibility, as well as the existence of the requirements prescribed by law and by the Articles of Association for the office;

- the curriculum vitae - in Italian and/or English - of each candidate, signed and dated, containing exhaustive information on his or her personal and professional characteristics, as well as on the skills acquired in the banking, financial and/or other relevant sectors, as indicated in greater detail in the Guidelines for Shareholders on the Renewal of the Board of Statutory Auditors prepared in accordance with Article 12 of the Decree of the Ministry of Finance. 12 of Decree no. 169 of the Ministry of Economy and Finance of 23 November 2020, on the Shareholders' Meeting of 25 March 2021 and made available again on the website at the following section (*Investor/Governance/Meeting Documents section*) (the "**Guidelines**"), accompanied by an indication of the administration and control positions held in other companies pursuant to Article 2400 of the Italian Civil Code, and the suitability to qualify as independent; and
- information on the identity of the submitting Shareholders, with an indication of the total percentage of shareholding held, to be attested within the terms and according to the procedures provided for by the regulations in force.

Candidate requirements.

Candidates must satisfy the requirements established by current legislation for the positions of Chairman of the Board of Statutory Auditors and Statutory Auditor of a listed bank respectively, as provided for by current regulations and the Articles of Association. In particular:

- (i) the existence of the requisites of honorableness and professionalism provided for respectively in Articles 3 and 9 of the Decree
- (ii) the existence of the independence requirements set forth in Article 14 of the Regulation, Article 148, paragraph 3, of the Consolidated Law on Finance, and Article 2, recommendation 7, of the Code;
- (iii) compliance with the criteria of fairness and competence;
- (iv) compliance with the limit to the accumulation of offices provided for in Articles 17, 18 and 19 of the Regulation (the "Limit to the Accumulation"); the presence of independence of judgement, as provided for in Article 15 of the Regulation (the

"Independence of Judgement");

- (v) the appropriate availability of time for the exercise of the office provided for by Article 16 of the Regulations (the **"Time Commitment"**);
- (vi) the absence of causes of incompatibility for Interlocking purposes. In this regard, it should be noted that the offices of Alternate Auditors shall not be taken into account for the purposes of the prohibition until they actually start to perform the functions in substitution;

Interested shareholders may deposit the documents and declarations required by current legislation and the Company's Articles of Association for the purpose of submitting their candidacies sufficiently in advance and indicatively at least fifteen days before the Shareholders' Meeting, i.e. by **16 March 2022**, at the Company's registered office, for the attention of the Corporate Affairs Secretariat, or by certified email at assemblea@pec.bffgroup.com. Proposals received by the Company will be published on the Bank's website (*Investor/Governance/Meeting Documents section*) on **17 March 2022**.

Shareholders who intend to submit candidacies are invited to expressly state, in this context, whether such candidacies include

- a candidate selected from among the current Alternate Auditors, indicating, in this case, also the name and address of a further candidate who would take on the position of Substitute Auditor, replacing the one proposed for the position of Standing Auditor or, alternatively,

b) the name of a new Permanent Auditor who is not the same as one of the current Substitute Auditors,

in both cases, indicating at the same time the name of the person who would take on the role of Chairman of the Board of Statutory Auditors.

If the same person is nominated for more than one office, considering the particular way in which the Shareholders' Meeting is conducted, Shareholders are also requested to ensure that in the declarations of acceptance of the nominations, the candidate expressly indicates

the order of subordination between the nominations in the event that he/she is elected to more than one office, so that there is no uncertainty as to which nomination should prevail.

The deposited and admitted applications will be made available to the public at the Company's registered office and on the website www.bff.com in the section "*Investor/Corporate Governance/ Shareholders meeting Documents*" as well as on the authorised storage mechanism www.1info.it.

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For the Board of Directors

THE CHAIRMAN

(Salvatore Messina)

Milano, 1 marzo 2022