
EXPLANATORY REPORT OF THE BOARD OF DIRECTORS ON THE FIRST AND ONLY 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 22 JUNE 2022 IN SINGLE CALL)

- 1. Integration for the residual of the three-year period 2021-2023, of the Board of
Statutory Auditors through the:**
 - 1.1. appointment of a Statutory Auditor; related and consequent resolutions**
 - 1.2. appointment of the Chairman of the Board of Auditors; related and
consequent resolutions.**
 - 1.3. integration of Alternate Auditors. Related 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) to the integration, for the remainder of the three-year period 2021-2023, of the Board of Statutory Auditors, following the resignation of Claudia Mezzabotta from her position as Standing Auditor and Chairman of the Board of Statutory Auditors on 6 May, **ii) to the appointment of a new Chairman of this corporate body**, and **iii) to the integration of the Alternate Auditors also through the confirmation of the Alternate Auditor Carlo Carrera**.

In this regard, it is noted that:

- i)* Ms. Mezzabotta - a previous Alternate Auditor of the Bank, elected in the only list submitted to the Ordinary Shareholders' Meeting of 25 March 2021 - had taken over, on 22 April 2012, the position of Standing Auditor and Chairman of the Board of Statutory Auditors, pursuant to the law and the Articles of Association, following the resignation of Ms. Francesca Sandrolini on the same date;
- ii)* following the resignation of Ms. Mezzabotta, pursuant to the law and the Bylaws, as of 6 May 2012, Mr. Carlo Carrera, already Alternate Auditor elected in the only list submitted to the Ordinary Shareholders' Meeting of 25 March 2021, took over the position of Standing Auditor and Chairman of the Board of Statutory Auditors, who will remain in office until the next Shareholders' Meeting to which this report refers;
- iii)* following the takeover of Mr. Carlo Carrera as Standing Auditor and Chairman of the Board of Statutory Auditors, said corporate body is a) composed of members of the same gender and b) without any Alternate Auditor.

That said, in consideration of the need to:

- i)* integrate the composition of the Board of Statutory Auditors, which does not

currently respect the gender balance, since it is composed of representatives of the same gender and, therefore, to appoint a Standing Auditor to replace Mr. Carlo Carrera;

- ii) appoint the Chairman of said control body and, at the same time,
- iii) appoint two Alternate Auditors, with the option of confirming Mr. Carlo Carrera in the role of Alternate Auditor, nominations should be submitted indicating, **alternatively**:

AS TO THE STATUTORY AUDITORS

- a) the appointment of a new Statutory Auditor belonging to the least represented gender, which shall coincide with the one who is to assume the office of Chairman of the body,
- b) b) the name of a new Statutory Auditor belonging to the less represented gender, which does not coincide with the one who will also take on the office of Chairman, and in this case, **indicating, at the same time, the name of the person who would take on the role of Chairman of the Board of Statutory Auditors from among the Statutory Auditors already in office,** and indicating, **alternatively**:

AS TO THE ALTERNATE AUDITORS

- a) the confirmation of Mr. Carlo Carrera - as Alternate Auditor -, together with the name of a further candidate to take on the role of Alternate Auditor, to replace the resigning Dr. Claudia Mezzabotta, recommending the same shareholders to submit a candidate of a different gender from the first; or
- b) two names of candidates to serve as Alternate Auditors, recommending that shareholders consider presenting candidates of different genders, where possible.

It is also recommended that shareholders conduct the most appropriate evaluations in order to identify candidates able to cope with the complexity of the tasks in question, taking into

account the time available to them, also in light of the positions they have already held.

The Board of Statutory Auditors, once integrated, will remain in office until the date of the Shareholders' Meeting that will be called to approve the financial statements as of 31 December 2023.

It should be noted that, since the provisions of the Bylaws and the law do not apply to the so-called list voting mechanism for the renewal of the entire Board of Statutory Auditors, the Shareholders' Meeting, pursuant to Article 22 of the Bylaws, will be called upon to resolve by relative majority vote on the nominations submitted by Shareholders for the purpose of integrating the Board of Statutory Auditors.

Shareholders are therefore invited to submit their nomination proposals, accompanied by the documents and information required by the Articles of Association.

documentation and information required by the Articles of Association and the regulations in force. To this end, we remind you that, together with the nominations, they must be filed:

- declarations by which the candidate accepts the candidature and certifies, under his/her own responsibility, the non-existence of grounds for 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 accrued in the banking, financial and/or other relevant fields, as better indicated in the Guidelines to shareholders on the renewal of the Board of Statutory Auditors prepared in accordance with art. 12 of Decree No. 169 of the Ministry of Economy and Finance of 23 November 2020, on the occasion of the Shareholders' Meeting of 25 March 2021 and made available again on the website in the Investor/Governance/Meeting Documents section (the "**Guidelines**"), accompanied by the indication of the administration and control positions held in other companies pursuant to Article 2400 of the Italian Civil Code, and the eligibility to qualify as independent; and
- information on the identity of the presenting Shareholders, with an indication of the total percentage of shareholding held, to be attested within the terms and in the

manner provided for by the regulations in force.

Candidate Requirements.

It should be noted that candidates must meet the requirements set forth by current regulations for the exercise of the functions 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 requirements of honourableness and professionalism set forth respectively in Articles 3 and 9 of the Fit&Proper 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) the fulfilment of the criteria of fairness and competence;
- (iv) compliance with the limit on the accumulation of offices provided for in Articles 17, 18 and 19 of the Regulation (the "**Cumulation Limit**");
- (v) the existence of independence of judgement, provided for by Article 15 of the Regulation (the "**Independence of Judgement**");
- (vi) the adequate availability of time for the exercise of the office provided for by article 16 of the Regulation (the "**Time Commitment**");
- (vii) the absence of causes of incompatibility for Interlocking purposes. In this regard, it is specified that the offices of Alternate Auditors are not to be taken into account for the purposes of the prohibition until such time as they actually begin to perform the functions in substitution.

Interested shareholders may deposit the documents and declarations required by current legislation and by the Articles of Association for the purpose of submitting nominations well in advance and, indicatively, at least fifteen days prior to the Shareholders' Meeting, i.e. by 7 June 2022, at the Company Headquarters, for the attention of the Corporate Affairs Secretariat, or by certified email at assemblea@pec.bffgroup.com. The proposals received

by the Company will be published on the Bank's website (Investor/Governance/Meeting Documents section) on 8 June 2022.

In the event that the same person is nominated for more than one office, given 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/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, 13 May 2022